

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

FORM 20-F

(Mark One)

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

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2003

OR

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

For the transition period from _____ to _____

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 del Valle 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 five Ordinary Participation Certificates (Certificados de Participacion Ordinarios) ("CPOs"), each CPO representing two Series A shares and one Series B share	New York Stock Exchange
American Depositary Warrants ("ADWs"), each ADW representing five Appreciation Warrants (Titulos Opcionales)	New York Stock Exchange

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

Not applicable

(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.

1,711,320,746 CPOs
3,547,614,432 Series A shares (including Series A shares underlying CPOs)
1,773,807,216 Series B shares (including Series B shares underlying CPOs)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No _____

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 _____ Item 18

TABLE OF CONTENTS

	Page

PART I	
Item 1 - Identity of Directors, Senior Management and Advisors.....	2
Item 2 - Offer Statistics and Expected Timetable.....	2
Item 3 - Key Information.....	2
Risk Factors.....	2
Cautionary Statement Regarding Forward Looking Statements.....	7
Mexican Peso Exchange Rates.....	8
Selected Consolidated Financial Information.....	9
Item 4 - Information on the Company.....	13
Business Overview.....	13
Our Production Process.....	16
User Base.....	16
Our Business Strategy.....	16
Our Corporate Structure.....	19
North America.....	20
Europe, Asia and Africa.....	27
South America, Central America and the Caribbean.....	36
Our Trading Operations.....	46
Regulatory Matters and Legal Proceedings.....	47

Item 5 - Operating and Financial Review and Prospects.....	54
Critical Accounting Policies.....	55
Results of Operations.....	57
Liquidity and Capital Resources.....	73
Research and Development, Patents and Licenses, etc.....	78
Trend Information.....	79
Summary of Material Contractual Obligations and Commercial Commitments....	79
Off-Balance Sheet Arrangements.....	81
Qualitative and Quantitative Market Disclosure.....	81
Investments, Acquisitions and Divestitures.....	86
The Euro Conversion.....	87
U.S. GAAP Reconciliation.....	88
Newly Issued Accounting Pronouncements Under U.S. GAAP.....	88
Item 6 - Directors, Senior Management and Employees.....	90
Senior Management and Directors.....	90
Board Practices.....	95
Compensation of Our Directors and Members of Our Senior Management.....	95
Employees.....	99
Share Ownership.....	100
Item 7 - Major Shareholders and Related Party Transactions.....	101
Major Shareholders.....	101
Related Party Transactions.....	102

i

Item 8 - Financial Information.....	103
Consolidated Financial Statements and Other Financial Information.....	103
Legal Proceedings.....	103
CEMEX Dividends.....	103
Significant Changes.....	104
Item 9 - Offer and Listing.....	105
Market Price Information.....	105
Item 10 - Additional Information.....	106
Articles of Association and By-laws.....	106
Material Contracts.....	113
Exchange Controls.....	114
Taxation.....	114
Documents on Display.....	119
Item 11 - Quantitative and Qualitative Disclosures About Market Risk.....	120
Item 12 - Description of Securities Other than Equity Securities.....	120

PART II

Item 13 - Defaults, Dividend Arrearages and Delinquencies.....	121
Item 14 - Material Modifications to the Rights of Security Holders and Use of Proceeds.....	121
Item 15 - Controls and Procedures.....	121
Item 16A - Audit Committee Financial Expert.....	121
Item 16B - Code of Ethics.....	121
Item 16C - Principal Accountant Fees and Services.....	122

PART III

Item 17 - Financial Statements.....	123
Item 18 - Financial Statements.....	123
Item 19 - Exhibits.....	123

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES	F-1
--	-----

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. As used in this annual report and except as the context otherwise may require, "CEMEX" refers to CEMEX, S.A. de C.V., its consolidated subsidiaries and, except for accounting purposes, its non-consolidated affiliates. For accounting purposes, "CEMEX" refers 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.

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, all financial data presented below and, unless otherwise indicated, elsewhere in this annual report are stated in constant Pesos as of December 31, 2003. See note 23 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.

References in this annual report to "U.S.\$" and "Dollars" are to U.S. Dollars, references to "(euro)" are to Euros, references to "(Y)" are to Japanese Yen and, unless otherwise indicated, references to "Ps," "Mexican Pesos" and "Pesos" are to constant Mexican Pesos as of December 31, 2003. The Dollar amounts provided in the financial statements included in this annual report and, unless otherwise indicated, elsewhere in this annual report are translations of constant Peso amounts, at an exchange rate of Ps11.24 to U.S.\$1.00, the CEMEX accounting rate as of December 31, 2003. 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 31, 2003 was Ps11.242 to U.S.\$1.00 and on April 30, 2004 was Ps11.402 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 Exchange Act, no separate financial statements or other disclosures concerning the guarantors other than the narrative disclosures and financial information set forth in note 23(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 and financial conditions. The principal factors are described below.

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 debt could have an adverse effect on the price of our CPOs, ADSs, appreciation warrants and ADWs, 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, which could have an adverse effect on the price of our Ordinary Participation Certificates, or CPOs, and American Depositary Shares, or ADSs. Since the values of our appreciation warrants and American Depositary Warrants, or ADWs, are linked to the price of our CPOs and ADSs, their prices could also be adversely affected by our debt levels. 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, 2003, we had outstanding debt equal to Ps65.9 billion (U.S.\$5.9 billion), not including obligations under preferred stock transactions and under equity derivative transactions in our own stock and in stock of our subsidiaries.

We have to service our Dollar and Yen denominated debt with revenues generated in Pesos or other currencies, as we do not generate sufficient revenue in Dollars and Yen from our operations to service all our Dollar and Yen 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 and Yen. This debt, however, must be serviced by funds generated from sales by our subsidiaries. Currently, we do not generate sufficient revenue in Dollars and Yen from our operations to service all our Dollar and Yen denominated debt. Consequently, we have to use revenues generated in Pesos or

other currencies to service our Dollar and Yen denominated debt. See Item 5 "Operating and Financial Review and Prospects--Qualitative and Quantitative Market Disclosure -- Interest Rate

2

Risk, Foreign Currency Risk and Equity Risk -- Foreign Currency Risk." A devaluation or depreciation in the value of the Peso, or any of the other currencies of the countries in which we operate, compared to the Dollar or the Yen could adversely affect our ability to service our debt. During 2003, Mexico and Spain, our main non-U.S. Dollar denominated operations, generated approximately half of our sales (approximately 34% and 16%, respectively), before eliminations resulting from consolidation. In 2003, approximately 22% of our sales were generated in the United States, with the remaining 28% of our sales being generated in several countries, with a number of currencies also having material depreciations against the Dollar and the Yen. During 2003, the Peso depreciated 8.3% against the Dollar and depreciated 16.5% against the Yen, while the Euro appreciated 16.5% against the Dollar and appreciated 8.3% against the Yen.

We may not be able to continue our growth if our acquisition strategy is not successful.

A key element of our growth strategy is to integrate our recently acquired operations with existing operations. Our ability to realize the expected benefits from future acquisitions depends, in large part, on our ability to integrate the new operations with existing operations in a timely and effective manner. We cannot assure you that these efforts will be successful with respect to future acquisitions by us. Furthermore, our strategy depends on our ability to identify and acquire suitable assets at desirable prices. We cannot assure you that we will be successful in identifying or purchasing suitable assets in the future. If we fail to make further acquisitions, we may not be able to continue to grow in the long term at our historic rate.

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.

Our derivative instruments and other financing arrangements may have adverse effects on the market for our securities and some of our subsidiaries' securities, and may adversely affect our ability to achieve operating efficiencies as a combined group.

In recent years, we have entered into several derivative instruments and engaged in other financing transactions involving shares of our capital stock and shares of capital stock of some of our subsidiaries under equity forward contracts as a source of financing and as a means of meeting our obligations that may require us to deliver significant numbers of shares of our own stock.

We have equity forward agreements in our own stock, which estimated fair value is linked to the market price of our CPOs or ADSs. As of December 31, 2003, the notional amount of our outstanding obligations under our equity forward contracts was approximately U.S.\$1.1 billion, with an estimated fair value gain of U.S.\$16.4 million. In addition to the estimated fair value gain of our equity forward agreements, a portion of which corresponds to the contracts designated as hedges of our stock option programs which are periodically recorded in our income statements, during 2003 we had gains amounting to approximately U.S.\$19.5 million (Ps219.2 million) resulting from the net settlement in October 2003 of forward contracts entered into to cover our obligations under our appreciation warrants. See note 16A to our consolidated financial statements included elsewhere in this annual report. The increase in the estimated fair value of our outstanding equity forward contracts is due to an increase in the market price of our listed securities (ADSs and CPOs). Pursuant to the terms of our equity forward contracts, if the

shares underlying our equity forward agreements suffer a substantial decrease in market value, we could be required to compensate for the decrease in market value. If we default in this obligation, the counterparties to our equity forward agreements have the option of either selling the underlying shares into the market or requiring us to repurchase the underlying shares.

As stated above, if we default on the terms of our equity forward agreements, our counterparties may sell the shares underlying these agreements, which may:

3

- o dilute shareholders' interests in our equity securities;
- o have an adverse effect on the market for our equity securities;
- o have an adverse effect on the market for the equity securities of some of our subsidiaries;
- o reduce the amount of dividends and other distributions that we receive from our subsidiaries;
- o create public minority interests in some of our subsidiaries that may adversely affect our ability to realize operating efficiencies as a combined group; and
- o have an adverse effect on other financing agreements.

Any of these factors could adversely affect the price of our CPOs and ADSs and our other securities, such as our appreciation warrants and ADWs, whose prices are dependent on the prices of our CPOs and ADSs.

We are subject to several anti-dumping rulings that may limit our ability to export cement to the United States.

Our Mexican operations are subject to anti-dumping rulings by the U.S. Commerce Department which may limit our ability to export cement to the United States. Since April 1990, our exports of gray Portland cement and clinker to the United States from Mexico, which represented 3.8% of total sales volume of our Mexican operations in 2003, have been subject to U.S. anti-dumping duties. In addition, importers of gray Portland cement and clinker from Mexico, including our U.S. operations, have been required to pay substantial cash deposits to the U.S. Customs Service to secure the eventual payment of those duties.

We are disputing some tax claims an adverse resolution of which may result in a significant additional tax expense.

We have received notices from the Mexican tax authorities of tax claims in respect of the tax years from 1992 through 1996 for an aggregate amount of approximately Ps4.9 billion, including interest and penalties through December 31, 2003. An adverse resolution of these claims could materially reduce our net income. See Item 4 -- "Information on the Company -- Regulatory Matters and Legal Proceedings -- Tax Matters."

Our operations are subject to environmental laws and regulations.

Our operations are subject to laws and regulations relating to the protection of the environment in the various jurisdictions in which we operate, such as regulations regarding the release of cement dust into the air. 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.

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.

In 2003, the largest percentage of our net sales (34%) and total assets (22%), at year-end, were in Mexico. 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

4

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.

We also have operations in the United States (22% of net sales and 18% of total assets in 2003), Spain (16% of net sales and 14% of total assets), Venezuela (4% of net sales and 3% of total assets), Central America and the Caribbean (8% of net sales and 5% of total assets), Colombia (3% of net sales and 3% of total assets), the Philippines (2% of net sales and 3% of total assets), other Asian countries, including Thailand (2% of total assets), and Egypt (2% of net sales and 2% of total assets). As in the case of Mexico, adverse economic conditions in any of these countries may produce a negative impact on our net income from our operations in that country.

In recent years, Venezuela has experienced considerable volatility and depreciation of its currency, high interest rates, political instability and declining asset values. Additionally, Venezuela has experienced 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. Further economic stagnation in the private sector may result as a consequence of these market distortions and political unrest. These developments have had and may continue to have an impact on cement prices and an adverse effect on the construction sector in Venezuela, reducing demand for cement and ready-mix concrete, which may continue to affect our sales and net income adversely.

We believe that Asia represents an important market for our future growth. However, since mid-1997, many countries in Asia in which we have made significant investments have experienced considerable volatility and depreciation of their currencies, high interest rates, banking sector crises, stock market volatility, political instability and declining asset values. These developments have had and may continue to have an adverse effect on the Asian construction sector, as a result of reduced demand for cement and ready-mix concrete, which has adversely affected our sales and net income.

We believe that Egypt also represents an important market for our future growth. Rising instability in the Middle East, however, has resulted from, among other things, civil unrest, extremism, the continued deterioration of Israeli-Palestinian relations and the recent 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, will not be drawn into the conflict. In Egypt, extremists have engaged in a sometimes violent campaign against the government in recent years. There can be no assurance that extremists will not escalate their opposition in Egypt or that the government will continue to be successful in maintaining the prevailing levels of domestic order and stability. Since 2000, the Egyptian government devalued the pound four times, and in January 2003, it decided to let the pound trade as a freely floating currency. Since that time, the Egyptian pound has depreciated significantly against the Dollar. Future depreciation of the Egyptian pound relative to other currencies could create additional inflationary pressures in Egypt by generally increasing the price of imported products and requiring recessionary government policies to curb aggregate demand. On the other hand, if the Egyptian pound were to appreciate against other currencies, this could dampen export-driven growth, thereby weakening the Egyptian economy and indirectly adversely affecting cement demand. The potential impact of the floating exchange rate system and of measures by the

Egyptian government aimed at improving Egypt's investment climate is uncertain. The Egyptian Central Bank continues to monitor the exchange rate and reserves the right to intervene without notice. We still consider the depreciation of the Egyptian pound a significant risk to our results in Egypt. The overall lack of confidence in monetary policy and speculation with respect to the Egyptian pound during 2003 resulted in a 35% local currency depreciation against the U.S. Dollar, which in turned created inflationary pressures, fueled increases in commodity prices and caused an overall negative affect on GDP growth through reduced private spending. Weakened investor confidence as a result of currency instability as well as any of the other foregoing circumstances could have a material adverse effect on the political and economic stability of Egypt and consequently on our Egyptian operations.

The September 11, 2001 terrorist attacks on the World Trade Center and the Pentagon temporarily disrupted the trading markets in the United States and caused declines in major stock markets around the world. Since those attacks, there have been terrorist attacks in Indonesia and Spain and ongoing threats of future terrorist

5

attacks in the United States and abroad. In response to these terrorist attacks and threats, the United States has instituted several anti-terrorism measures, most notably, the formation of the Office of Homeland Security, a formal declaration of war against terrorism and the recent war in Iraq. Although it is not possible at this time to determine the long-term effect of these terrorist threats and attacks and the consequent response by the United States, including the war in Iraq, there can be no assurance that there will not be other attacks or threats in the United States or abroad that will lead to further economic contraction in the United States or any other of our major markets. In the short-term, however, terrorist activity against the United States and the consequent response by the United States has contributed to the uncertainty of the stability of the United States economy as well as global capital markets. The current weakness of the United States economy has had, and may continue to have, an adverse effect on the private construction sector. In addition, the projected United States budget deficits may have an adverse effect on the public construction sector. Further 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.

On October 31, 2001, certain individuals purporting to represent the people of the Indonesian province of West Sumatra, in which the Padang plant of PT Semen Gresik (Persero) Tbk., or Gresik, is located, issued a declaration which stated that, commencing November 1, 2001, 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. On November 1, 2001, the People's Representative Assembly of West Sumatra issued a decision approving this declaration. We believe the provincial administration lacks legal authority to direct or interfere with the affairs of Semen Padang. Since the attempt by the West Sumatra provincial administration in November 2001 to arrogate to itself the management of Semen Padang, several groups opposed to any further sale of Indonesia's stock ownership in Gresik have threatened strikes and other actions that would affect our Indonesian operations. Further attempts to reassume control at Semen Padang, including shareholder-approved changes in management, have been met with resistance and lawsuits by various interest groups. 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, 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. 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. ICSID has accepted and registered CAH's request for arbitration and issued a formal notice of registration on January 27, 2004. As a result of the registration, an Arbitral Tribunal will be established to hear the dispute. We cannot predict, however, what effect, if any, this action will have on our investment in Gresik or what the ruling of the Arbitral Tribunal will be.

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, or 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 prospectus 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

6

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.

Cautionary Statement Regarding Forward Looking Statements

Some of the information in this annual report may constitute forward-looking statements, which are subject to various risks and uncertainties. Such statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," "continue," "plan" or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial condition or state other "forward-looking" information. When considering such forward-looking statements, holders of our securities should keep in mind the factors described in "Risk Factors" and other cautionary statements appearing in Item 5 -- "Operating and Financial Review and Prospects" and elsewhere in this annual report. These risk factors and statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement.

This annual report also includes statistical data regarding the production, distribution, marketing and sale of cement, ready-mix concrete and clinker. 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.

7

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 appreciated against the Dollar by 3.9% in 1999, depreciated against the Dollar by 1.2% in 2000, appreciated

against the Dollar by 4.7% in 2001, depreciated against the Dollar by 13% in 2002 and depreciated against the Dollar by 8.3% in 2003. 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., Grupo Financiero, 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. We cannot predict the value of the Peso or assure you that the Mexican government will not establish new exchange controls in the future.

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.

Year ended December 31,	CEMEX Accounting Rate				Noon Buying Rate			
	End of Period	Average(1)	High	Low	End of Period	Average(1)	High	Low
1999.....	9.510	9.547	10.607	9.263	9.480	9.562	10.600	9.240
2000.....	9.620	9.461	10.098	9.189	9.618	9.459	10.087	9.183
2001.....	9.170	9.332	9.988	8.954	9.156	9.337	9.972	8.946
2002.....	10.380	9.755	10.350	9.016	10.425	9.664	10.425	9.000
2003.....	11.240	10.840	11.385	10.101	11.242	10.846	11.406	10.113
Monthly (2003-2004)								
October.....	11.000	--	11.310	11.002	11.055	--	11.318	10.969
November.....	11.380	--	11.385	10.951	11.395	--	11.395	10.979
December.....	11.240	--	11.370	11.142	11.242	--	11.406	11.173
January.....	11.080	--	11.134	10.822	11.012	--	11.097	10.805
February.....	11.070	--	11.187	10.910	11.062	--	11.245	10.910
March.....	11.120	--	11.230	10.931	11.183	--	11.229	10.918
April.....	11.420	--	11.429	11.150	11.402	--	11.432	11.157

- (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 April 30, 2004, the noon buying rate for Pesos was Ps11.402 to U.S.\$1.00 and the CEMEX accounting rate was Ps 11.420 to U.S.\$1.00.

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 renewed 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.

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, 2003 have been derived from our audited consolidated financial statements. The financial data set forth below as of December 31, 2002 and 2003 and for each of the three years ended December 31, 2003, 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.

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, all financial data presented below and, unless otherwise indicated, elsewhere in this annual report are stated in constant Pesos as of December 31, 2003. See note 23 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 Bulletin B-15 of the Mexican Institute of Public Accountants, 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 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, 2003:

	Annual Weighted Average Factor	Cumulative Weighted Average Factor to December 31, 2003
1999.....	1.0134	1.2100
2000.....	0.9900	1.1940
2001.....	1.0916	1.2061
2002.....	1.1049	1.1049

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 Ps11.24 to U.S.\$1.00, the CEMEX accounting rate as of December 31, 2003. 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 represented those Dollar amounts or could be converted into Dollars at the rate indicated. The noon buying rate for Pesos on December 31, 2003 was Ps11.242 to U.S.\$1.00 and on April 30, 2004 was Ps11.402 to U.S.\$1.00. From December 31, 2003 through April 30, 2004, the Peso depreciated by approximately 1.4% against the Dollar, based on the noon buying rate for Pesos.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Selected Consolidated Financial Information

	As of and for the year ended December 31,					
	1999	2000	2001	2002	2003	2003
	(in millions of constant Pesos as of December 31, 2003 and Dollars, except ratios and share and per share amounts)					

Income Statement Information:

Net sales.....	Ps 56,117	Ps 64,566	Ps 76,572	Ps 75,042	Ps 80,528	Ps 7,164
Cost of sales(1).....	(31,266)	(36,078)	(43,070)	(41,925)	(46,422)	(4,130)
Gross profit.....	24,851	28,488	33,502	33,117	34,106	3,034
Operating expenses.....	(8,154)	(9,489)	(15,216)	(18,088)	(17,750)	(1,579)
Operating income.....	16,697	18,999	18,286	15,029	16,356	1,455
Comprehensive financing income (cost),	(336)	(1,997)	2,927	(3,777)	(3,006)	(267)

net(2).....						
Other income (expense), net.....	(3,450)	(2,692)	(4,611)	(4,465)	(5,133)	(457)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates.....	12,911	14,310	16,602	6,787	8,217	731
Minority interest(3).....	655	896	1,696	425	342	30
Majority interest net income.....	11,304	11,479	13,027	5,967	7,067	629
Earnings per share(4) (5).....	2.99	2.78	3.05	1.33	1.49	0.13
Dividends per share(4) (6) (7).....	0.62	0.72	0.77	0.80	0.78	0.07
Number of shares outstanding(4) (8)....	4,098	4,169	4,379	4,562	4,861	4,861
Balance Sheet Information:						
Cash and temporary investments.....	3,794	3,539	4,738	4,142	3,275	291
Net working capital investment(9).....	8,121	10,637	10,315	8,022	6,471	576
Property, machinery and equipment, net	80,453	103,772	98,881	102,797	104,143	9,265
Total assets.....	137,903	181,024	179,506	182,750	180,017	16,016
Short-term debt.....	11,973	34,021	11,365	15,980	14,938	1,329
Long-term debt.....	38,827	31,118	48,054	50,164	50,994	4,537
Minority interest(3) (10).....	14,559	27,542	21,848	13,840	5,979	532
Stockholders' equity (excluding minority interest) (11).....	60,234	60,318	68,314	65,881	70,072	6,234
Book value per share(4) (8).....	14.71	14.46	15.60	14.44	14.42	1.28
Other Financial Information:						
Operating margin.....	29.8%	29.4%	23.9%	20.0%	20.3%	20.3%
EBITDA(12).....	20,823	23,314	24,948	21,987	23,694	2,108
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends.....	3.50	4.00	4.39	5.23	5.27	5.27
Investment in property, machinery and equipment, net.....	3,089	4,575	5,649	4,863	4,427	394
Depreciation and amortization.....	5,039	5,617	8,767	8,776	9,271	825
Net resources provided by operating activities(13).....	17,919	19,990	26,104	19,081	17,604	1,566
Basic earnings per CPO(4) (5).....	8.98	8.35	9.15	3.98	4.47	0.40

As of and for the year ended December 31,

	2001	2002	2003	2003
	(in millions of constant Pesos as of December 31, 2003 and Dollars, except per share amounts)			

U.S. GAAP(14):

Income Statement Information:

Majority net sales.....	Ps 69,031	Ps 69,882	Ps 79,749	U.S.\$7,095
Operating income.....	11,034	11,295	13,606	1,211
Majority net income.....	11,044	5,867	8,274	736
Basic earnings per share.....	2.76	1.39	1.75	0.16
Diluted earnings per share.....	2.73	1.39	1.71	0.15
Balance Sheet Information:				
Total assets.....	169,643	176,118	184,471	16,412
Total long-term debt.....	40,884	42,817	44,790	3,985
Shares subject to mandatory redemption (15).....	--	--	742	66
Minority interest.....	8,333	5,396	5,419	482
Other mezzanine items (15).....	17,659	13,598	--	--
Total majority stockholders' equity.....	51,037	53,697	71,121	6,328

(footnotes on next page)

- (1) Cost of sales includes depreciation.
- (2) Comprehensive financing income (cost), net, includes financial expenses, financial income, gain (loss) 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) In connection with an equity swap transaction involving 24.8% of the shares of our subsidiary, CEMEX Espana, S.A., the balance sheet item minority interest in 1999 includes the value of these shares as if owned by a third party. In September 2000, we terminated this transaction and repurchased the shares of CEMEX Espana. See Item 5 -"Operating and Financial Review and Prospects -Derivatives and Other Hedging Instruments."
- (4) 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, 2003, approximately 96.5% of our outstanding share capital was represented by CPOs.

- (5) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 20 to the consolidated financial statements included elsewhere in this annual report. Basic earnings per CPO is determined by multiplying 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.
- (6) Dividends declared at each year's annual shareholders' meeting are reflected as dividends of the preceding year.
- (7) 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, 2003, were as follows: 2000, Ps1.83 per CPO (or Ps0.62 per share); 2001, Ps2.17 per CPO (or Ps0.72 per share); 2002, Ps2.31 per CPO (or Ps0.77 per share); and 2003, Ps2.40 per CPO (or Ps0.80 per share). As a result of dividend elections made by shareholders, in 2000, Ps312 million in cash was paid and approximately 59 million additional CPOs were issued in respect of dividends declared for the 1999 fiscal year; in 2001, Ps93 million in cash was paid and approximately 70 million additional CPOs were issued in respect of dividends declared for the 2000 fiscal year; in 2002, Ps257 million in cash was paid and approximately 64 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; and in 2003, Ps66.8 million in cash was paid and approximately 99 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year. For purposes of the table, dividends declared at each year's annual shareholders' meeting for each period are reflected as dividends for the preceding year. At our 2003 annual shareholders' meeting, which was held on April 29, 2004, our shareholders approved a dividend of Ps2.35 per CPO (Ps0.78 per share) for the 2003 fiscal year. Shareholders will be entitled to receive the dividend in either stock or cash consistent with our past practices.
- (8) 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.
- (9) Net working capital investment equals trade receivables plus inventories less trade payables.
- (10) 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, 2000, 2001 and 2002 includes a notional amount of U.S.\$1.5 billion (Ps16.9 billion), U.S.\$900 million (Ps10.1 billion) and U.S.\$650 million (Ps7.3 billion), respectively, of preferred equity issued in November 2000 by our Dutch subsidiary. In October 2003, in connection with the establishment of a new U.S.\$1.15 billion senior unsecured term loan facility by our Dutch subsidiary, we redeemed all of 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 (Ps742 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 addition, minority interest net income in 2003 includes preferred dividends in the amount of approximately U.S.\$12.5 million (Ps140 million) and capital securities dividends in the amount of approximately U.S.\$6.4 million (Ps72 million).
- (11) In December 1999, we entered into forward contracts with a number of banks covering 21,000,000 ADSs. In December 2002, we agreed with the banks to settle those forward contracts for cash and simultaneously entered into new forward contracts with the same banks on similar terms to the original forward transactions. Under the new forward contracts the banks retained the ADSs underlying the original forward contracts, which had increased to 24,008,313 ADSs as of the settlement date as a result of stock dividends and which further 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 (Ps1,104.9 million) in our stockholders' equity, arising from changes in the valuation of the ADSs. In October 2003, in connection with the non-dilutive equity offering by the banks

of all of the ADS 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 (Ps203.4 million) in our stockholders' equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003. During the life of these forward contracts, the underlying ADSs were considered to have been owned by the banks and the forward contracts were treated as equity transactions, and, therefore, changes in the fair value of the ADSs were not recorded until settlement of the forward contracts.

- (12) 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 the 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.

11

For the year ended December 31,					
1999	2000	2001	2002	2003	2003
(in millions of constant Pesos as of December 31, 2003 and Dollars)					

Reconciliation of EBITDA to operating income

EBITDA.....	Ps 20,823	Ps 23,314	Ps 24,948	Ps 21,987	Ps 23,694	US\$ 2,108
Less:						
Depreciation and amortization expense.....	4,126	4,315	6,662	6,958	7,338	653
Operating income.....	16,697	18,999	18,286	15,029	16,356	1,455

- (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. In accordance with Mexican GAAP, operating activities include gain and loss from trading in marketable securities.
- (14) We have restated the information at and for the years ended December 31, 2001 and 2002 under U.S. GAAP using the inflation factor derived from the national consumer price index, or NCPI, in Mexico. See note 23 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, 2001 and 2002, these elements, as they relate to us, included our preferred equity described in note 10 above, our Putable Capital Securities described in note 10 above and our obligation under the forward contracts described in note 11 above. As of December 31, 2003, as a result of the adoption of the SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," these elements, which include our Putable Capital Securities described in note 10 above, are presented as a separate line item within liabilities. For a more detailed description of these elements, as they relate to us, see notes 14(E), 14(F) and 23(O) 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 ("Mexico") with our principal executive offices in Av. Ricardo Margain Zozaya #325, Colonia del Valle 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 the 2002 annual shareholders' meeting, this period was extended to the year 2100. CEMEX's full legal and commercial name is CEMEX, S.A. de C.V.

CEMEX is the third largest cement company in the world, based on installed capacity as of December 31, 2003 of approximately 81.5 million tons. We are one of the world's largest traders of cement and clinker, having traded over 9 million tons of cement and clinker in 2003. We are a holding company primarily engaged, through our operating subsidiaries, in the production, distribution, marketing and sale of cement, ready-mix concrete and clinker. We are a global cement manufacturer with operations in North, Central and South America, Europe, the Caribbean, Asia and Africa. As of December 31, 2003, we had worldwide assets of approximately Ps180.0 billion (U.S.\$16.0 billion). On April 30, 2004, we had an equity market capitalization of approximately Ps108.7 billion (U.S.\$9.5 billion).

As of December 31, 2003, our main cement production facilities were located in Mexico, Spain, Venezuela, Colombia, the United States, Egypt, the Philippines, Thailand, Costa Rica, the Dominican Republic, Panama, Nicaragua and Puerto Rico. As of December 31, 2003, our assets, cement plants and installed capacity, on an unconsolidated basis, 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. It also includes our proportional interest in the installed capacity of companies in which we hold a minority interest.

As of December 31, 2003

	Assets (in billions of constant Pesos)	Number of Cement Plants	Installed Capacity (millions of tons per annum)
North America			
Mexico.....	Ps 55.8	15	27.2
United States.....	46.8	13	14.2
Europe, Asia and Africa			
Spain.....	35.2	8	10.8
Asia.....	12.2	4	10.9
Egypt.....	4.1	1	4.9
South America, Central America and the Caribbean			
Venezuela.....	8.7	3	4.6
Colombia.....	7.6	5	4.8
Central America and the Caribbean.....	12.2	5	4.1
Cement and Clinker Trading Assets and Other Operations...	73.9	--	--

In the above table, "Asia" includes our Asian subsidiaries, and, for purposes of the columns labeled "Assets" and "Installed Capacity," includes our 25.5% interest, as of December 31, 2003, in Gresik, an Indonesian cement producer. In addition to the three cement plants owned by our Asian subsidiaries, Gresik operated four cement plants with an installed capacity of 17.3 million tons, as of December 31, 2003. In the above table, "Central America and the Caribbean" includes our subsidiaries in Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico and other assets in the Caribbean region. In the above table, "Cement and Clinker Trading Assets and Other Operations" includes in the column labeled "Assets" our 11.9% interest in Cementos Bio Bio, a Chilean cement producer having three cement plants with an installed capacity of approximately 2.25 million tons at December 31, 2003, and intercompany accounts receivable of CEMEX (the parent company only) in the amount of Ps35.3 billion, which would be eliminated if these assets were calculated on a consolidated basis.

During the last decade, 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:

- 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.\$99.7 million, subject to adjustments. Located in Dixon, Illinois, the single cement facility has an annual production capacity of 560,000 metric tons.
- o 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., or PRCC. The aggregate value of the transaction was approximately U.S.\$281.0 million, including approximately U.S.\$100.8 million of assumed net debt.
- o On July 12, 2002, we purchased 25,429 shares of common stock (approximately 0.3% of the outstanding share capital) of CEMEX Asia Holdings, Ltd., or CAH, from a CAH investor for a purchase price of approximately U.S.\$2.3 million, increasing our equity interest in CAH to 77.7%. CAH is a subsidiary originally created to co-invest with institutional investors in Asian cement operations. At the same time, we entered into agreements to purchase an additional 1,483,365 shares of CAH common stock (approximately 14.6% of the outstanding share capital) from several other CAH investors in exchange for 28,195,213 CEMEX CPOs (subject to anti-dilution adjustments), which exchange was originally scheduled to take place in four equal quarterly tranches commencing on March 31, 2003. The exchange of 84,763 of these CAH shares took place in four quarterly tranches in 2003 as originally scheduled. In April 2003, we amended the terms of the July 12, 2002 agreements with respect to the remaining 1,398,602 of the CAH shares. Instead of purchasing those CAH shares in four equal quarterly tranches during 2003, we agreed to purchase those CAH shares in four equal quarterly tranches commencing on March 31, 2004. On March 31, 2004, the exchange of the first tranche of 349,650 CAH shares took place as scheduled, and was settled on April 1, 2004. Notwithstanding the amendments, for accounting purposes, the CAH shares to be received by us in exchange for CEMEX CPOs are considered to be owned by us effective as of July 12, 2002. As a result of these transactions and pending their successful consummation, we will have increased our stake in CAH to 92.3%.
- o 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 metric 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).

- o In November 2000, through a tender offer and subsequent merger, we acquired 100% of the outstanding shares of common stock of Southdown, Inc., or Southdown, a U.S. cement producer. The total cost of the acquisition of Southdown was approximately U.S.\$2.8 billion. In March 2001,

14

through a corporate restructuring, we integrated the Southdown operations with our other U.S. operations and "Southdown" changed its legal name to CEMEX, Inc.

- o In November 1999, we acquired a 77% interest in Assiut Cement Company, or Assiut, an Egyptian cement producer, and in 2000, we increased our interest to 92.9%. In January 2001, we further increased our interest in Assiut to 95.8%.
- o In June 1999, we acquired an 11.9% interest in Cementos Bio Bio, Chile's largest cement producer.
- o In April 1999, we acquired a 15.8% interest in Cementos del Pacifico, now CEMEX (Costa Rica), S.A., or CEMEX Costa Rica, a Costa Rican cement producer. In September 1999, we increased our interest in CEMEX Costa Rica to 95.3%. As of December 31, 2003, we had increased our interest in CEMEX Costa Rica to approximately 98.4%.
- o In February 1999, we acquired a 99.9% economic interest in APO Cement Corporation, or APO, a Philippine cement producer. In September 1999, we contributed our interest in APO to CAH.

For the year ended December 31, 2003, our net sales, before eliminations resulting from consolidation, were divided among the countries in which we operate as follows:

United States	22%	Central America	
Mexico	34%	and the Carriibbean	8%
Spain	16%	Philippines	2%
Venezuela	4%	Egypt	2%
Colombia	3%	Others	9%

For a description of a breakdown of total revenues by geographic markets for each of the years ended December 31, 2001, 2002 and 2003, please see Item 5 -- "Operating and Financial Review and Prospects."

15

Our Production Process

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 used in some construction applications. Ready-mix concrete is the mixture of cement, aggregates such as sand and gravel and water.

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 in different proportions in a large storage area. The mix is usually dried by the application of heat in order to remove humidity acquired in the quarry. The crushed raw materials are fed in pre-established proportions, which vary depending on the type of cement to be produced, into a grinding process, which mixes the various materials more thoroughly and reduces them further in size in preparation for the kiln. In the kiln, the raw materials are calcined, or, processed at a very high temperature, to produce

clinker. Clinker is the intermediate product used in the manufacture of cement obtained from the mixture of limestone and clay with iron oxide.

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, 2003, 47 of our 54 operative production plants used the dry process, five used the wet process and two used both processes. Three of the seven production plants that use the wet process are located in Venezuela. The remaining four production plants that use the wet process are located in Colombia, Nicaragua, and the Philippines. In the wet process, the raw materials are mixed with water to form slurry which is fed into the 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. Finally, 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.

User Base

In most of the markets in which we compete, cement is the primary building material in the industrial and residential construction sectors. 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.

Our Business Strategy

We seek to continue to strengthen our leadership position in the cement industry and to maximize our overall performance by employing the following strategies:

Reduce overall costs related to cement production.

By continuing to produce cement at a low cost we believe that we will continue to generate the necessary cash flows to support our present and future growth. We strive to reduce our overall cement production related costs through strict cost management and a constant search for efficiencies. By taking actions such as the use of alternative energy sources and the incorporation of technological improvements at the plant level we have reduced and expect to continue to reduce costs.

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 carried out various procedures to improve the environmental impact of our activities as well as our overall product

quality. 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.

We have implemented the "CEMEX Way" as part of this process. The CEMEX Way is a program designed to develop efficiencies and improved ways of working, which will further reduce our costs, streamline our processes and extract synergies from our global operations going forward. As a result, we have developed centralized management information systems, including administrative, accounting, purchasing, customer management, budget preparation and control systems, which have been implemented throughout our operations and that are expected to assist us in lowering costs.

Develop new competitive advantages.

We continue to focus on developing new competitive advantages that

will differentiate us from our competitors, and we are strengthening our commercial and corporate brands in this highly competitive industry in an effort to further enhance the value of our products for our final 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 will strengthen our distribution network, foster greater loyalty among distributors and further fortify our commercial network. With Construrama, we are enhancing the operating and service standards of our distributors, providing them with training, a standard image and national publicity, while our other strategy, 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.

Expand into selected new markets.

Subject to economic conditions that may affect our ability to consummate acquisitions, we intend to continue adding assets to our existing portfolio. By selectively participating in markets that have long-term growth potential, in most cases we have been able to increase our cash flow and return on equity. We evaluate potential acquisitions in light of our three primary investment principles:

- o 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;
- o the acquisition should not compromise our financial strength; and
- o the acquisition should offer a higher long-term return on our investment than our cost of capital.

In order to minimize our capital commitment and to maximize our return on stockholders' equity, we will continue to analyze the 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.

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:

- o optimizing our borrowing costs and debt maturities;
- o increasing our access to various capital sources; and
- o maintaining the financial flexibility needed to pursue future growth opportunities.

17

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

Optimize distribution of our products through global coordination.

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.

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

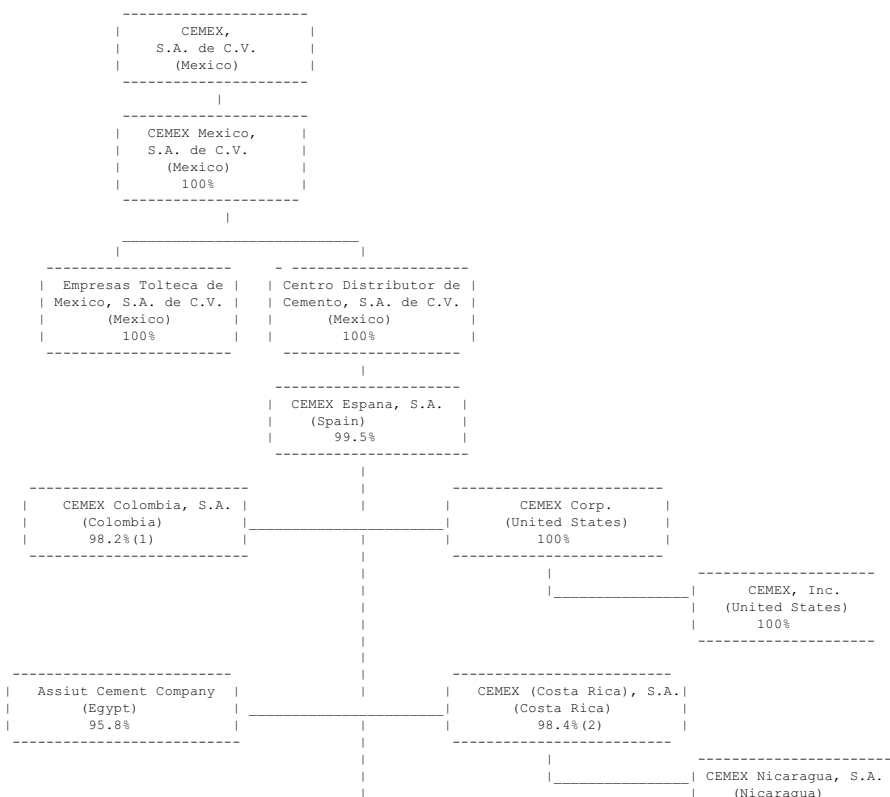
We will continue to focus on recruiting and retaining motivated and knowledgeable professional managers.

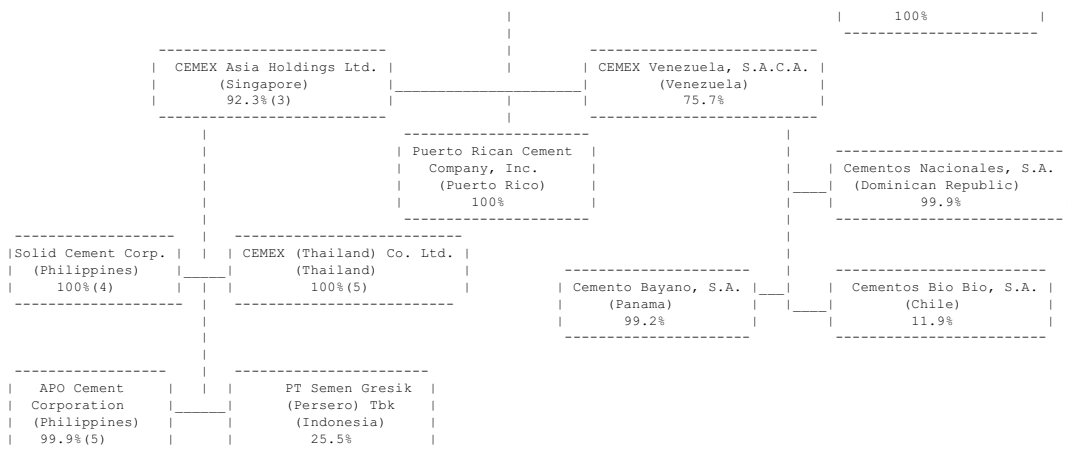
Our senior management encourages managers to continually review our processes and practices, and to identify innovative management and business approaches to improve our operations. By rotating our managers from one country to another and from one area of our operations to another, we increase their diversity of experience. We provide our senior 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, 2003. 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.





- (1) Includes 98.2% of total shares and 99.3% of ordinary shares.
- (2) Formerly, Cementos del Pacifico, S.A.
- (3) In July 2002, we entered into a transaction with several CEMEX Asia Holdings minority investors, which we amended in April 2003, pursuant to which we will increase our interest in CEMEX Asia Holdings to 92.3% through four quarterly share exchanges scheduled to take place in 2004. For accounting purposes, such increase was effective as of July 2002. See Item 5 - "Operating and Financial Review and Prospects - Investments, Acquisitions and Divestitures."
- (4) Formerly, Rizal Cement Co. Inc. Includes CEMEX Asia Holdings' 70% economic interest and a 30% economic interest held by a wholly-owned subsidiary of CEMEX Espana, S.A.
- (5) Represents CEMEX Asia Holdings' economic interest.

North America

As of and for the year ended December 31, 2003, North America, which includes our operations in Mexico and the United States, represented approximately 56% of our net sales, 50% of our total installed capacity and 40% of our total assets.

Our Mexican Operations

Overview

Our Mexican operations represented approximately 34% of our net sales in 2003.

At December 31, 2003, we owned or had economic rights to 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.

At December 31, 2003, CEMEX Mexico owned approximately 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.

Since the early 1970s, we have pursued a growth strategy designed to strengthen our core operations and to expand our activities beyond our traditional market in northeastern Mexico. This strategy has transformed our Mexican operations from a regional participant into the leading Mexican cement manufacturer. The process was largely completed with our acquisition of Cementos Tolteca, S.A. de C.V. in 1989, which increased our installed capacity

for cement production by 6.5 million tons. Since the Cementos Tolteca acquisition, we have added 7.0 million tons of installed capacity in Mexico through acquisitions, expansion, modernization and the construction of new plants. Our largest new construction project in Mexico in the 1990s was the Tepeaca plant, which began operations in 1995 and had an installed capacity as of December 31, 2003 of 3.3 million tons. During the second quarter of 2002, the production operations at our oldest plant (Hidalgo) were temporarily halted and remain suspended pending our review of the cost effectiveness of continued production operations at this plant. We do not presently foresee any significant capacity expansion in our Mexican operations in 2004.

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. By the end of 2003, 750 independent concessionaries with close to 2,100 stores were integrated into the Construrama program in more than 700 towns and cities throughout Mexico. By the end of 2004, we expect to have approximately 2,300 stores under the Construrama program.

The Mexican Cement Industry

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 of concrete 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 typically account for around 75% 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 50% of total

20

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.

Competition. As recently as the early 1970s, the Mexican cement industry was regionally fragmented. However, over the last 30 years, the Mexican cement industry has consolidated into a national market, thus becoming increasingly competitive. As of December 31, 2003, according to publicly available information, 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; and Lafarge.

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

- o 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;
- o the lack of port infrastructure and the high inland transportation costs resulting from the low value-to-weight ratio of cement;
- o 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.
- o the extensive capital investment requirements;
- o the length of time required for construction of new plants (approximately two years).

[MAP GRAPHIC OMITTED]

(1) In 2002, production operations at the Hidalgo cement plant were temporarily halted and remain suspended pending our review of the cost effectiveness of continued production operations at this plant.

Currently, we operate 14 plants (not including Hidalgo) and 76 distribution centers (68 land terminals and 8 marine terminals) located throughout Mexico. We operate modern plants on Mexico's Atlantic and Pacific coasts,

21

allowing us to take advantage of low-cost maritime transportation to the Asian, Caribbean, Central and South American and U.S. markets.

- We believe that geographic diversification in Mexico is important because:
- o it decreases the effect of regional cyclicity on total demand for our Mexican operations' products;
 - o it places our Mexican operations in physical proximity to customers in each major region of Mexico, allowing more cost-effective distribution; and
 - o it allows us to optimize production processes by shifting output to those facilities better suited to service the areas with the highest demand and prices.

Products and Distribution Channels

Our domestic cement sales represented approximately 96% in 2001, 97% in 2002 and 97% in 2003 of our total Mexican cement sales revenues.

Cement. 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 2003, our Mexican operations sold approximately 73% of their cement sales volume through more than 5,900 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 2003.

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 in the commodity market. 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. Our domestic cement sales volumes decreased 7% in 2001, increased 4% in 2002 and 4% in 2003. In addition, we own the registered trademark for the "Construrama" brand name for construction material stores. See "Our Mexican Operations - Overview" above for a description of our recently launched Construrama program.

Ready-Mix Concrete. Ready-mix concrete sales volumes by our Mexican operations decreased 3% in 2001, increased 10% in 2002 and 13% in 2003. Although traditionally ready-mix concrete has not been an important product in Mexico because of the availability of low-cost labor and the relatively small size of private sector construction projects, for the year ended December 31, 2003, ready-mix concrete sales represented 12% of our Mexican operations' total cement sales volume.

Demand for ready-mix concrete in Mexico depends on various factors over which we have no control. These include the overall rate of growth of the Mexican economy and plans of the Mexican government regarding major

infrastructure and housing projects.

Exports. Our Mexican operations export a portion of their cement production. Exports of cement and clinker by our Mexican operations decreased 10% in 2001, 25% in 2002 and 24% in 2003. In 2003, approximately 71% of our exports from Mexico were to the United States, 28% 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. Imports of cement and clinker into the U.S. from Mexico are subject to anti-dumping duties. See "Regulatory Matters and Legal Proceedings -- U.S. Anti-Dumping Rulings -- Mexico" below.

22

Production Costs

Our Mexican operations' cement plants primarily utilize pet coke, but several are designed to switch to fuel oil and natural gas with minimum downtime. We have entered into two 20-year contracts with Petroleos Mexicanos, or Pemex, pursuant to which Pemex agreed to supply us with 1,750,000 tons of pet coke per year, 850,000 tons per year commencing in 2002 with respect to the first contract and 900,000 tons per year commencing in 2003 with respect to the second contract. Pet coke 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. We expect the Pemex pet coke contracts to reduce the volatility of our fuel costs and provide us with a consistent source of pet coke throughout their 20-year terms. 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 1.8% (based on a yearly average) of the total fuel consumption for our Mexican operations in 2003, and we expect to increase it to around 4% during 2004.

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. The total cost of the project is approximately U.S.\$360 million. 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 pet coke 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 pet coke delivery requirements to Alstom and Sithe through several pet coke supply agreements, including our pet coke 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 April 29, 2004.

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, 2003, we operated 14 wholly-owned cement plants (not including Hidalgo) located throughout Mexico, with a total installed capacity of 27.2 million tons per year. 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 life of more than 60 years, assuming 2003 production levels. As of December 31, 2003, all our production plants in Mexico utilized the dry process.

As of December 31, 2003, we had a network of 68 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 211 ready-mix concrete plants throughout 74 cities in Mexico and 1,367 ready-mix concrete delivery trucks.

Capital Investments

We made capital expenditures of approximately U.S.\$109.4 million in 2003 in our Mexican operations. We currently expect to make capital expenditures of approximately U.S.\$79.0 million during 2004.

Our U.S. Operations

Overview

Our U.S. operations represented approximately 22% of our net sales in 2003. As of December 31, 2003, we had a cement manufacturing capacity of approximately 14.2 million metric tons per year in our United States operations, including nearly 600,000 metric tons in proportional interests through minority holdings.

As of December 31, 2003, we operated a geographically diverse base of 13 cement plants located in Alabama, California, Colorado, Florida, Georgia, Illinois, Kentucky, Michigan, Ohio, Pennsylvania, Tennessee and Texas. As of that date, we also had 53 rail or water served active cement distribution terminals in the United States and one in Canada. We also market ready-mix concrete products in four of our largest cement markets, California, Arizona, Texas, and Florida, and mine, process and sell construction aggregates in these four states as well. In addition, with the acquisition of Mineral Resource Technologies, Inc. in August 2003 through an indirect subsidiary, CEMEX, Inc. has achieved a competitive position in the growing fly ash market. Fly ash is a material having the properties of cement that is used in the production of high-quality concrete. Mineral Resource Technologies, Inc. is one of the four largest fly ash companies in the United States, providing fly ash to customers in 26 states.

The Cement Industry in the United States

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. CEMEX, Inc.'s principal competitors in the United States are Holcim, Lafarge, Buzzi-Dyckerhoff, Heidelberg Cement and Ash Grove Cement.

The U.S. ready-mix concrete industry is highly fragmented, and few producers have annual sales in excess of U.S.\$3 million or have a fleet of more than 20 mixers. Given that the concrete industry has historically consumed approximately 70% 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 U.S. Geological Survey, in 2003, approximately 4,000 companies operated approximately 6,400 quarries and pits.

Our United States Operating Network

[MAP GRAPHIC OMITTED]

In 2001, production operations at the Pittsburgh cement plant were shut down. It now operates as a distribution terminal.

Products and Distribution Channels

CEMEX, Inc. delivers 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 CEMEX, Inc. delivers 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. As discussed below, cement demand in the United States has become less dependent upon the more cyclical residential and commercial sectors. Because of the distribution of operations across the U.S., we are able to achieve stability of cash flows should market conditions deteriorate in any one region of the U.S.

Cement. Our cement operations represented approximately 62% of our 2003 U.S. operations revenues. Our U.S. operations sales volumes increased 183% in 2001, mainly as a result of our acquisition of Southdown, now named CEMEX, Inc., decreased 5.3% in 2002 due to the economic downturn in the United States, and increased 2% in 2003 due to strong demand from the public works sector, in particular street and highway construction, and the residential sector during the second half of 2003.

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. According to estimates of the Portland Cement Association, the three construction sectors that are the major components of cement consumption are public works construction, commercial and industrial construction, and residential construction.

Cement demand has recently been much less vulnerable to a downturn than in previous cycles due to increased public infrastructure spending. In 2003, according to our estimates, public infrastructure 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 reached 95.5% in 2001, 93.3% in 2002 and 90.7% in the first 10 months of 2003.

25

Ready-Mix Concrete. Concrete operations represented approximately 27% of our 2003 revenues in the U.S. We have ready-mix operations in California, Arizona, Texas and Florida. Our concrete operations in those states purchase most of their cement requirements from our cement operations in the U.S.

Aggregates. Our construction aggregates operations include mining, processing and selling construction aggregates in California, Arizona, Texas and Florida. Aggregates operations represented approximately 6% of our 2003 U.S. revenues. At 2003 production levels, it is anticipated that over 80% of our construction aggregates reserves in the U.S. will last from 10 years to more than 50 years.

Production Costs

The largest cost components of our plants are electricity and fuel, which accounted for approximately 34% of CEMEX, Inc.'s total production costs in 2003. CEMEX, Inc. is 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 become less vulnerable to potential price spikes. In 2003, the use of alternative fuels offset the effect on our fuel costs of a significant increase in coal prices. Power costs in 2003 represented approximately 18% of the cash manufacturing cost, which represents

production cost before depreciation. We have improved the efficiency of CEMEX, Inc.'s 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, 2003, we operated 13 cement manufacturing plants in the U.S., with a total installed capacity of 14.2 million metric tons per year, including nearly 600,000 metric tons in proportional interests through minority holdings. All our cement production facilities are wholly owned except for the Balcones plant, which is leased, and the Louisville plant and Pittsburgh terminal. The Louisville and Pittsburgh facilities are owned by Kosmos Cement Company, a joint venture in which CEMEX, Inc. owns 75% and a subsidiary of Dyckerhoff AG owns 25% of the interests.

During the fourth quarter of 2001, we substantially completed a capacity expansion project at our Victorville manufacturing facility, which resulted in a net capacity increase of approximately one million metric tons per year.

In September 2003, an indirect subsidiary of CEMEX, Inc. acquired a cement plant in Dixon, Illinois. The Dixon plant has a production capacity of 560,000 metric tons per year and serves Illinois and Wisconsin as its main markets.

As of December 31, 2003, we operated a distribution network of 86 ready-mix concrete plants, 54 cement terminals, five of which are deep-water terminals, and 23 aggregate locations throughout the U.S. Also, we distributed fly ash through 10 stand-alone terminals and 10 third-party-owned utility plants. The latter operate both as sources of fly ash and distribution terminals.

Capital Investment

We made capital expenditures of approximately U.S.\$179.5 million in 2001, U.S.\$95.9 million in 2002 and U.S.\$96.6 million in 2003 in our U.S. operations. We currently expect to make capital expenditures in our U.S. operations of approximately U.S.\$79.8 million during 2004.

Europe, Asia and Africa

As of December 31, 2003, our business in Europe, Asia and Africa, which included our majority-owned operations in Spain, the Philippines, Thailand and Egypt, as well as our minority interests in Indonesia and other Asian investments, represented approximately 20% of our net sales, 32% of our total installed capacity and 21% of our total assets.

Our Spanish Operations

Overview

Our Spanish operations represented approximately 16% of our net sales in 2003. We conduct our Spanish operations through our operating subsidiary CEMEX Espana, S.A. or CEMEX Espana. CEMEX Espana is also a holding company for most of our international operations. Our cement activities are conducted by CEMEX Espana itself and Cementos Especiales de las Islas, S.A. a joint venture 50% owned by Cemex Espana. Our ready-mix concrete activities and our aggregates activities are conducted by Hormicemex, S.A. and Aricemex S.A., respectively.

The Spanish Cement Industry

In 2003, the construction sector of the Spanish economy grew 3.7%, primarily as a result of the growth of construction in the residential sector of the Spanish economy. Cement consumption in Spain increased approximately 9.7% in 2001, 4.7% in 2002 and 4.4% in 2003. Our domestic cement and clinker sales volumes in Spain increased approximately 4.1% in 2001, 2.5% in 2002 and 4.5% in 2003.

During the past several years, the level of cement imports into Spain

has been influenced by the strength of domestic demand. Cement imports increased 22.2% in 2001 and 5.5% in 2002 but decreased 25% in 2003. Clinker imports have demonstrated an intense dynamism, with increases of 43.6% in 2001, 18.2% in 2002 and 25.6% in 2003. Imports primarily had an impact on coastal zones, since transportation costs make it less profitable to sell imported cement in inland markets. Nonetheless, sales from imports have been increasing in the center of Spain.

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 1.2 million tons in 2003 to meet strong domestic demand. Our Spanish operations' cement and clinker export volumes decreased 42% in 2001, increased 5% in 2002 and decreased 21% in 2003.

Competition.

In 2003, the world's second largest producer, the Holcim group of Switzerland, bought a cement plant of 0.75 million tons of total cement capacity in the center of Spain from Dyckehoff group, a German company. According to the Asociacion de Fabricantes de Cemento de Espana, or OFICEMEN, the Spanish cement trade organization, as of December 31, 2003, 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 led to weak pricing, which, in turn, has affected Hormicemex's profitability. Despite this fact, the distribution of ready-mix concrete remains a key component of CEMEX Espana's business strategy.

OFICEMEN reported that, based on 2003 sales, CEMEX Espana had a market share of 22.2% in gray and white cement, making us the leader in the Spanish cement industry. We believe that we maintain this leading market position because of our customer service and our geographic diversification, which includes extensive

distribution channels that enable us to cope with downturns in demand more effectively than many of our competitors because we are able to shift our production to serve areas with the strongest demand and prices.

Our Spanish Operating Network

[MAP GRAPHIC OMITTED]

Products and Distribution Channels. CEMEX Espana offers various types of cement, targeting specific products to specific markets and users. In 2003, approximately 17% 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.

Exports. 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 2003, 90% consisted of white cement and 10% consisted of gray cement. In 2003, 61% of our exports from Spain were to the United States, 14% to Europe and 25% to Africa.

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 policy. We have reduced the clinker-cement ratio (the proportion of clinker used in the production of cement) by 4.6 percentage points over the last five years. In 2003, we maintained the same clinker-cement ratio. 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 2003, we burned meal flour and tires as fuel, achieving in December a 1.8% substitution rate for petcoke. During 2004, in addition to those alternative fuels, we expect to initiate the burning of organic waste and plastics.

28

Description of Properties, Plants and Equipment

As of December 31, 2003, our Spanish operations operated eight plants located in Spain, with a cement equivalent capacity of 10.8 million tons, including 860,000 tons of white cement. We also operated 77 ready-mix concrete plants, including 16 aggregate and 10 mortar plants. CEMEX Espana also owns two cement mills, one of which is operated through a joint venture 50%-owned by CEMEX Espana, and 31 distribution centers, including 12 land and 19 marine terminals.

As of December 31, 2003, CEMEX Espana owned 8 limestone quarries located in close proximity to its plants, which have useful lives ranging from 10 to 30 years, assuming 2003 production levels. Additionally, we have rights to expand those reserves to 50 years of limestone reserves, assuming 2003 production levels.

Capital Investments

We made capital expenditures of approximately U.S.\$53.9 million in 2003 in our Spanish operations. We currently expect to make capital expenditures in our Spanish operations of approximately U.S.\$48.6 million during 2004.

Our Asian Operations

As of December 31, 2003, our business in Asia, which includes our operations in the Philippines and Thailand, as well as our minority interests in Indonesia and other assets in Asia, represented approximately 3% of our net sales, 13.4% of our total installed capacity and 5% of our total assets.

Our Philippine Operations

Overview

In 1997, we acquired a 30% economic interest in Rizal Cement Company, or Rizal (now, Solid Cement Corporation, or Solid, as a result of the merger of Rizal into Solid on December 23, 2002), a Philippine cement producer, and in 1998, we increased our economic interest to 70%. In September 1999, we contributed our interest in Rizal to CAH. On July 31, 2002, we purchased, through a wholly-owned subsidiary, the remaining 30% economic interest that was not previously acquired by CAH in Rizal (now, Solid), for approximately U.S.\$95 million. At December 31, 2003, as a consequence of these transactions and the increase of our stake in CAH, as described under "Business Overview" above, our proportionate economic interest in Solid (formerly, Rizal) was approximately 94.6%.

The Philippine Cement Industry

During 2003, cement consumption in the Philippine market totaled 12.6 million tons. Since there is currently underutilization of existing capacity in the Philippines, we intend to use our trading network to export a substantial amount of our Philippine clinker and cement production.

The Philippine cement market is primarily retail, similar to Mexico. During 2003, approximately 90% of our Philippine cement volume was sold in bags through distributors and retailers. The balance was sold through ready-mix concrete producers, large and small contractors and hollow block manufacturers, among others.

After four years of continual decline since the 1997 Asian economic recession, cement demand in the Philippines recovered during 2002 as the overall economy showed a slight improvement. However, industry demand decreased by 2.7% in 2003 compared to 2002. As such, demand growth is lagging when compared to other countries in the region and is below pre-crisis levels in Asia.

Competition. As of December 31, 2003, 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 the Cement Manufacturers' Association of the Philippines. Major global cement producers own approximately 88% of this capacity.

29

Our major competitors in the Philippine cement market are Holcim, which has interests in six local cement plants, and Lafarge, which has interests in eight local cement plants.

Our Philippine Operating Network

[MAP GRAPHIC OMITTED]

*Solid consists of two plants in the Manila metropolitan region. The operation of one of these plants has been suspended in 1999.

We have three cement plants in the Philippines with a total of eight production lines, three utilizing the dry process (73% of our capacity) and five wet process (27% of our capacity), as well as distribution centers in Batangas and Iloilo. Only the dry production lines are currently in use. Three of the five wet production lines are located in the plant that suspended operations in 1999.

Production Costs

Costs of production include energy, labor, transportation, raw materials, maintenance and packaging. The limestone mining license held by an APO affiliate does not expire until 2022, and mining license for pozzolan, another material used in making cement, held by the same APO affiliate does not expire until 2018. A subsidiary of Solid holds a mining license that expires in 2023. All three licenses are renewable for another 25 years upon mutual agreement with the Philippine government. Other raw materials, such as gypsum and iron ore, which are used in smaller quantities than limestone, pozzolan and clay, are purchased from outside suppliers.

Our plants have their own electricity generating capacity, which allows us to reduce our production costs since our self-generated electricity cost is usually cheaper than electricity supplied by either government-owned or privately-owned grids. However, one of our Manila plants can still avail itself of electricity from local suppliers when production reaches its peak or when rates are economically attractive.

30

Description of Properties, Plants and Equipment

Our Philippine operations include three plants with a total capacity of 5.8 million tons per year and two marine distribution terminals. Our cement plants include two Solid plants, with five wet process production lines and one dry process production line and an installed capacity of 2.8 million tons, serving the Manila metropolitan region; and the APO plant, with two dry process production lines and a jetty terminal for local and export markets with installed capacity of 3.0 million tons, serving the Visayas, North Mindanao and South of Luzon regions.

Capital Investments

We made approximately U.S.\$1.7 million of capital expenditures in 2003 in our Philippine operations. We currently expect to make capital expenditures of approximately U.S.\$1.9 million during 2004.

Our Indonesian Equity Investment

Overview

In October 1998, we purchased from the Republic of Indonesia a 14% interest in PT Semen Gresik (Persero) Tbk., or Gresik, Indonesia's largest cement producer. In 1999, we increased our interest in Gresik to approximately 25.5%. The Republic of Indonesia retains a 51% interest in Gresik. In October 2000, by means of capital contributions made by us and the minority investors, CAH acquired our interest in Gresik. As a result of this transaction and the increase of our stake in CAH, as described under "Business Overview" above, at December 31, 2003, our proportionate economic interest through CAH in Gresik was approximately 23.5%. 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.

Gresik owns (directly or indirectly through its subsidiaries) four cement plants in Indonesia with a total installed capacity of 17.3 million tons.

On October 31, 2001, certain individuals purporting to represent the people of the Indonesian province of West Sumatra, in which Gresik's Padang plant is located, issued a declaration which stated that, commencing November 1, 2001, 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. On November 1, 2001, the People's Representative Assembly of West Sumatra issued a decree approving this declaration. We believe the provincial administration lacks legal authority to direct or interfere with the affairs of Semen Padang.

Since the attempt by the West Sumatra provincial administration in November 2001 to arrogate to itself the management of Semen Padang, several groups opposed to any further sale of Indonesia's stock ownership in Gresik have threatened strikes and other actions that would affect our Indonesian operations. We have discussed our concerns with the Indonesian government, which agreed to implement management changes to seek to re-attain normality in the Semen Padang plant's operations. Gresik, as the controlling shareholder of Semen Padang, took steps to seek to convene a general meeting of shareholders to replace the management of Semen Padang. The management of Semen Padang refused to convene such a meeting, and such refusal was upheld by the Padang District Court in September 2002.

After a protracted process that included several legal actions, including proceedings before the Indonesian Supreme Court, the extraordinary general meeting of shareholders of Semen Padang was finally convened on May 12, 2003 and Gresik, as the controlling shareholder of Semen Padang, approved the replacement of Semen Padang's management.

The Semen Padang management that was replaced, however, refused to recognize these management changes, and employees at Semen Padang physically prevented the newly appointed management from entering the

facility. Finally, on September 8, 2003, the newly-appointed management was permitted to enter the Semen Padang facility amid a police escort. 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 the newly-appointed management explicitly agreed to encourage a spin-off of Semen Padang.

Gresik has experienced other ongoing difficulties at Semen Padang, including the effective loss of operational and financial control of Semen Padang, 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. As a result of these difficulties, 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 of the information provided by Semen Padang's management.

In March 2003, a lawsuit was filed in the Padang District Court against Gresik, Semen Padang and 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.

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. ICSID was established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, and is intended to facilitate the resolution of international investment disputes. ICSID is an autonomous international organization with close links to the World Bank. 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. As a result of the registration, an Arbitral Tribunal will be established to hear the dispute. We cannot predict, however, what effect, if any, this action will have on our investment in Gresik or what the ruling of the Arbitral Tribunal will be.

The Indonesian Cement Industry

The Indonesian cement industry is one of the two largest in South East Asia, accounting for about 26% of the approximately 106 million tons of cement consumed in South East Asia in 2003, according to our estimates. Despite the continuing economic and political problems experienced by Indonesia and the difficulties involving Gresik described above, we believe the Indonesian cement market is important to our Asian expansion strategy due to its strategic location, size, potential as an anchor for our South East Asian trading network and the significant growth potential of the Indonesian economy.

Indonesian domestic cement demand increased approximately 14.2% in 2001, 6.8% in 2002 and 1.0% in 2003. However, as of December 31, 2003, the Indonesian cement industry still had substantial excess capacity, which has required Indonesian producers to seek export markets.

Competition. As of December 31, 2003, 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. Foreign companies continue their efforts to increase their participation in the industry. Lafarge holds a majority position in P.T. Semen Andalas, Heidelberger holds a majority interest in Indocement and Holcim holds a majority interest in Cibinong.

Gresik, with an installed capacity of 17.3 million tons, is Indonesia's largest cement producer. Gresik's production facilities include four plants with twelve dry production lines and one wet production line, with access to most of Indonesia's regions.

As of December 31, 2003, Gresik was operating at approximately 84% capacity utilization, including export sales. In 1998, CEMEX reached an agreement in principle with Gresik for the exportation of cement. Pursuant to the agreement, Gresik had the option of requesting CEMEX's assistance in exporting 1.5 million tons of cement during each of the years 2000, 2001 and 2002. A similar arrangement remained in place for 2003.

Exports. During 2003, Gresik exported approximately 17% of its total sales volume, mainly through its own efforts. Gresik exports mainly to Bangladesh and Africa.

Description of Properties, Plants and Equipment

As of December 31, 2003, Gresik had four cement plants with an installed capacity of 17.3 million tons, and 27 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.

Our Thai Operations

Overview

In May 2001, through CAH, we acquired a 100% economic interest in Saraburi Cement Co. Ltd., a cement producer based in Thailand. The company was later renamed CEMEX (Thailand) Co., Ltd. Our proportionate economic interest in CEMEX (Thailand) through CAH is approximately 92.3% as of December 31, 2003.

The Thai Cement Industry

According to our estimates, at December 31, 2003, the cement industry in Thailand had a total of 13 cement plants, with an aggregate annual installed capacity of approximately 54.3 million tons. We estimate that there are five major cement producers in Thailand, four of which represent 99% of installed capacity and 97% of the market.

Competition. Our major competitors in the Thailand market, which have a significantly larger presence than CEMEX (Thailand), are Siam Cement, Holcim, TPI Polene and Italcementi.

Our Thai Operating Network

[MAP GRAPHIC OMITTED]

Description of Properties, Plant and Equipment

CEMEX (Thailand) owns one dry process cement plant located north of Bangkok and has been operating at full capacity. As of December 31, 2003, CEMEX (Thailand) had an installed capacity of approximately 720,000 tons.

Capital Investments

We made approximately U.S.\$1.72 million of capital expenditures in our Thai operations in 2003. We currently expect to make capital expenditures of approximately U.S.\$2.4 million during 2004.

Other Asian Investments

As part of our strategy to strengthen our presence in South Asia, between May 2000 and April 2001, we invested approximately U.S.\$34 million in the construction of a grinding mill near Dhaka, Bangladesh. The grinding mill began operating in April 2001 and has a cement milling production capacity of 520,000 tons per year. A majority of the supply of clinker for the mill is produced by our operations in the region.

In March 2001, we acquired a cement terminal in Sukematsu Port, Izumiotsu City, near Osaka, Japan for U.S.\$2.8 million. The terminal is situated on land leased for a period of 30 years and has a storage capacity of 9,000 metric tons. Additional investments will be required to make the terminal operational. We have not yet made these investments pending our review of the Japanese cement industry. The terminal has potential annual throughput volume of approximately 300,000 tons.

34

To further support our trading activities in the Asia region, as of June 2001, we acquired a 100% interest in Tunwoo Co. Ltd., a company based in Taiwan, for a total consideration of approximately U.S.\$27 million. Tunwoo owns a license to operate a cement terminal in the port of Taichung located on the west coast of Taiwan. The import terminal has cement storage capacity of 60,000 tons.

Our Egyptian Operations

Overview

As of December 31, 2003, we had a 95.8% interest in Assiut, which has an installed capacity of approximately 4.9 million tons.

The Egyptian Cement Industry

The Egyptian cement market consumed approximately 25.7 million tons of cement during 2003. Cement consumption decreased by 4.6% in 2003, as a result of a slowdown in the Egyptian economy and the diminishing availability of foreign currency in Egypt, which has affected most sectors of the Egyptian economy, in particular, the Egyptian construction sector.

Competition. As of December 31, 2003, the Egyptian cement industry had a total of ten cement producers, with an aggregate annual installed capacity of approximately 36 million tons. We estimate that during 2003, Holcim (Egyptian Cement Company), Lafarge (Alexandria Portland Cement and Beni Suef Cement) and CEMEX (Assiut Cement Company), the three largest cement producers in the world, were responsible for 42% of the total cement sales in Egypt. Other competitors in the Egyptian market are Suez and Tourah Cement Companies (Italcementi) and Helwan Portland Cement Company. In addition, cement prices in Egypt are influenced to a significant degree by the Egyptian government, which controls almost 40% of the industry's capacity.

Our Egyptian Operating Network

[MAP GRAPHIC OMITTED]

Distribution Channels

As a result of the retail nature of the Egyptian market, over 90% of our cement sales volumes are typically sold in bags. Through our commercial strategy we have been able to serve retail customers throughout the country directly without having to depend on wholesalers and distributors.

35

Description of Properties, Plant and Equipment

As of December 31, 2003, Assiut operated one cement plant with an installed capacity of approximately 4.9 million tons with three dry process production lines. Assiut's cement plant serves upper Egypt as well as Cairo and the Delta region, Egypt's main cement market.

Capital Investments

We made capital expenditures of approximately U.S.\$14.1 million in our Egyptian operations in 2003. We currently expect to make capital expenditures of approximately U.S. \$8.0 million during 2004.

South America, Central America and the Caribbean

As of December 31, 2003, our business in South America, Central America and the Caribbean, which includes our operations in Venezuela, Colombia, Costa Rica, the Dominican Republic, Panama, Nicaragua and Puerto Rico, as well as other assets in the Caribbean, represented approximately 15% of our net sales, 18% of our total installed capacity and 11% of our total assets.

Our Venezuelan Operations

Overview

Our Venezuelan operations represented approximately 4% of our net sales in 2003. As of December 31, 2003, we held a 75.7% interest in CEMEX Venezuela, S.A.C.A., or CEMEX Venezuela, a company listed on the Caracas Stock Exchange. CEMEX Venezuela also serves as the holding company for our interests in Chile, the Dominican Republic and Panama. CEMEX Venezuela is the largest cement producer in Venezuela, based on an installed capacity of 4.6 million tons as of December 31, 2003.

The Venezuelan Cement Industry

Cement consumption in Venezuela fell 17.5% in 2003 compared to 2002 according to the Venezuelan Cement Producer Association (AVPC), primarily due to Venezuela's political and economic turmoil. A nation-wide general strike that began in December 2002 caused a significant reduction in oil production and has had a material adverse effect on Venezuela's oil-dependent economy. As a consequence, in 2003, average inflation in Venezuela reached 31.1%, the Venezuelan Bolivar depreciated 14.0% against the Dollar and gross domestic product (GDP) decreased 9.2%. In February 2003, Venezuelan authorities imposed foreign exchange controls and implemented price controls on many products, including cement. The adverse economic situation in Venezuela has dampened the construction sector, which declined 37.4% in 2003.

Competition. As of December 31, 2003, the Venezuelan cement industry included five cement producers, with a total installed capacity of approximately 9.5 million tons, according to our estimates. We estimate that CEMEX Venezuela's installed capacity in 2003 represented approximately 49% of that total, almost twice that of its next largest competitor.

Our global competitors, Holcim and Lafarge, have acquired controlling interests in Venezuela's second and third largest cement producers, respectively.

In 2003, the ready-mix concrete market accounted for only about 10% 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.

36

Other than CEMEX Venezuela, the ready-mix concrete market 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.

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]

As of December 31, 2003, 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 2003 with 30 ready-mix production plants throughout Venezuela. During 2003, CEMEX Venezuela achieved production of 3.3 million tons of clinker.

Distribution Channels

Transport by land is handled primarily by CEMEX Venezuela. During 2003, approximately 30% 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.

Exports

During 2003, 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 2003, 63.6% of our exports from Venezuela were to the United States, and 36.4% were to the Caribbean and South America.

Description of Properties, Plants and Equipment

As of December 31, 2003, CEMEX Venezuela operated three wholly-owned cement plants, Lara, Mara and Pertigalete, with a combined installed capacity of clinker production of approximately 4.3 million tons. CEMEX Venezuela also operates the Guayana grinding facility with a cement capacity of 360,000 tons. All the plants are strategically located to serve both domestic areas with the highest levels of cement consumption and export markets. CEMEX Venezuela also owns 30 ready-mix concrete production facilities and 12 distribution centers. CEMEX Venezuela owns 4 limestone quarries with reserves sufficient for over 100 years at 2003 production levels.

37

The Lara and Mara plants and one production line at the Pertigalete plant utilize the wet process; the other production line at the Pertigalete plant utilizes the dry process. All the plants utilize natural gas as fuel. CEMEX Venezuela has its own electricity generating facilities, which are powered by natural gas and diesel fuel.

As of December 31, 2003, 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. CEMEX Venezuela's cement is transported either in bulk or in bags.

Capital Investments

We made capital expenditures of approximately U.S.\$10.8 million in 2003 in our Venezuelan operations. We currently expect to make capital expenditures of approximately U.S.\$7.9 million during 2004.

Our Colombian Operations

Overview

In 1996, we acquired controlling interests in Cementos Diamante, S.A. and Industrias e Inversiones Samper, S.A., which combined are Colombia's second largest cement producer. In 1998, we increased our equity interest in Cementos Diamante (now, CEMEX Colombia, S.A., or CEMEX Colombia, as a result of a legal name change in August 2002), to approximately 78% and integrated the operations of CEMEX Colombia and Industrias e Inversiones Samper, S.A., into a single company, making CEMEX Colombia the second largest cement producer in Colombia. In 1999 and 2000, we increased our equity interest in CEMEX Colombia to approximately 98.2% of total shares and 99.3% of ordinary shares.

Our Colombian operations represented approximately 3% of our net sales in 2003.

As of December 31, 2003, 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, or ICPC.

CEMEX Colombia has a significant market share in the cement and ready-mix concrete market in the so-called "Urban Triangle" of Colombia comprising the cities of Bogota, Medellin and Cali. During 2003, these three metropolitan areas accounted for approximately 49.4% 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, 2003. 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

Competition. The Sindicato Antioqueno, or Argos, which either owns or has interests in eight of Colombia's eighteen cement plants, has dominated the Colombian cement industry. 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.

38

Our Colombian Operating Network

[MAP GRAPHIC OMITTED]

CEMEX Colombia owns quarries with minimum reserves sufficient for over 100 years at 2003 production levels. In addition to mining its own raw materials, CEMEX Colombia also purchases raw materials from third parties. The majority of CEMEX Colombia's cement is distributed through independent distributors.

CEMEX Colombia's principal concrete product is ready-mix concrete, produced to client specifications and delivered directly to job sites. CEMEX Colombia also produces other specialized cement-based building materials, including mortars, antibacterial concrete, shotcrete (sprayable concrete) and pre-fabricated concrete construction products.

CEMEX Colombia operates its ready-mix concrete business through 21 ready-mix plants. CEMEX Colombia also uses 12 portable ready-mix plants, which allow concrete to be mixed at major building sites, reducing transportation costs and eliminating the need to acquire additional permanent ready-mix concrete sites.

Description of Properties, Plants and Equipment

As of December 31, 2003, 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. The Ibague plant serves the Urban Triangle, while Cucuta and Bucaramanga plants, located in the northeastern part of the country, serve local and coastal markets. The La Esperanza cement plant and the Santa Rosa clinker mill are close to Bogota. CEMEX Colombia also has an internal electricity generating capacity of 24.7 megawatts through a leased facility. In addition, CEMEX Colombia owns two land distribution centers, one mortar plant, 21 ready-mix concrete plants, one concrete products plant, eight aggregate mines and six aggregate operations.

Capital Investments

We made capital expenditures of approximately U.S.\$6.0 million in 2003 in our Colombian operations. We currently expect to make capital investments of approximately U.S.\$6.2 million during 2004.

39

Other South American Investments

Our Equity Investment in Chile

We hold a 11.9% interest in Cementos Bio Bio, S.A., Chile's largest cement producer according to our estimates, with an installed capacity as of December 31, 2003 of approximately 2.3 million tons. Cementos Bio Bio owns and operates three cement plants. Two of the cement plants are located in the Santiago-Concepcion corridor, and the third plant is located in the northern Antofagasta region. Cementos Bio Bio's primary market is the Concepcion market. In addition, Cementos Bio Bio has 1.2 million cubic meters of ready-mix concrete production capacity.

Central America and the Caribbean

As for the year ended December 31, 2003, Central America and the Caribbean, which includes our operations in Costa Rica, the Dominican Republic, Panama, Nicaragua, Puerto Rico and other assets in the Caribbean, represented approximately 8% of our net sales, 5% of our total installed capacity and 5% of our total assets.

Through our investments in Costa Rica, Panama and Nicaragua, we have established a strategic presence in the mainland markets of Central America.

Our Costa Rican Operations

Overview. As of December 31, 2003, we held a 98.4% interest in CEMEX (Costa Rica), S.A., or CEMEX Costa Rica, which was formerly named Cementos del Pacifico, S.A. until it changed its legal name in August 2003.

The Costa Rican Cement Industry

Approximately 1.109 million tons of cement were sold in Costa Rica during 2003, according to Camara de la Construcción de Costa Rica, the Costa Rican construction industry association. The Costa Rican cement market is a predominantly retail market, and we estimate that over three quarters of cement sold is bagged cement.

Competition. The Costa Rican cement industry includes two producers, CEMEX Costa Rica and Industria Nacional de Cemento, an affiliate of Holcim. We estimate that the two companies control roughly equal proportions of the market.

Our Costa Rican Operating Network. CEMEX Costa Rica owns and operates one grinding mill and cement plant in northwest Costa Rica and one grinding mill in San Jose.

[MAP GRAPHIC OMITTED]

40

Products and Distribution Channels. CEMEX Costa Rica has five strategically located distribution centers, two on the Pacific coast and three in metropolitan areas, where 72% of total 2003 sales were made.

Exports. During 2003, exports of cement by our Costa Rican operations represented approximately 40% of our total cement production in Costa Rica. In 2003, 26% of our exports from Costa Rica were to Nicaragua, 13% to El Salvador, 53% to Guatemala and 8% to Panama.

Production Costs. In January 2001, we commenced using pet coke as fuel in the production of cement to reduce our production costs. During 2003, our energy costs decreased approximately 2.0% in Costa Rica.

Description of Properties, Plant and Equipment. Our Costa Rican operations' cement plant has one dry process production line with an installed capacity of 850,000 tons. Our grinding mill in northwest Costa Rica has a grinding capacity of 657,000 tons. Our second grinding mill in San Jose has a capacity of 201,480 tons.

Capital Investments. We made capital expenditures of approximately

U.S.\$7.1 million in 2003 in our Costa Rican operations. We currently expect to make capital expenditures of approximately U.S.\$2.6 million during 2004.

Our Dominican Republic Operations

Overview

As of December 31, 2003, we owned 99.9% of Cementos Nacionales, a cement producer in the Dominican Republic with an installed capacity of 2.4 million tons of cement, 10 distribution centers, and a concrete, aggregate and gypsum operation through a 25 year lease with the Dominican Republic government, which enables us to supply all local and regional gypsum requirements.

In June 2003, Cementos Nacionales announced a U.S.\$130 million investment plan to install a new kiln for producing clinker with an annual capacity of 1.6 million metric tons of clinker. This new kiln, which would increase our total clinker production capacity in the Dominican Republic to 2.2 million metric tons per year, is expected to be completed in early 2005. We invested approximately U.S.\$12.3 million in this project in 2003 and expect to invest approximately U.S.\$57.7 million in 2004 and the remaining U.S.\$60 million during 2005.

The Dominican Republic Cement Industry

In 2003, Dominican Republic cement consumption reached 3.0 million metric tons, and some cement imports were necessary to fulfill domestic demand. According to our estimates, about 28,000 metric tons were imported for a special marine project in the east zone of the country.

Competition. Cementos Nacionales serves the cement market throughout the Dominican Republic. Its principal competitors are Cementos Cibao, a local competitor, and Cemento Colon, an affiliate of Holcim.

41

Our Dominican Republic Operating Network. As of December 31, 2003, Cementos Nacionales was the leading cement producer in the Dominican Republic, based on installed capacity as reported by International Cement Review in the Global Cement Report. Cementos Nacionales' sales network covers the country's main consumption areas, which are Santo Domingo, Santiago de los Caballeros, La Vega, San Pedro de Macoris and Azua.

[MAP GRAPHIC OMITTED]

Production Costs. Cementos Nacionales uses a dry production process and has an internal electricity generating capacity of approximately 37.7 megawatts. This generating capacity covers our total demand for electricity at 2003 levels, providing Cementos Nacionales with a competitive cost advantage.

Cementos Nacionales maintains its own limestone and clay quarries, which we expect will provide sufficient reserves for up to 150 years at 2003 production levels. Sand and other auxiliary raw materials are purchased on the domestic market.

Description of Properties, Plant and Equipment. Cementos Nacionales currently owns one dry process cement plant in San Pedro de Macoris with an installed capacity of 0.7 million tons per year of clinker, in addition to six ready-mix concrete production plants, three grinding mills with an installed capacity of 2.4 million tons per year, 10 distribution centers located throughout the country and two marine terminals. During 2003, our Dominican Republic clinker production facilities operated at full capacity and our grinding mills operated at 70% capacity.

Capital Investments. We made capital expenditures of approximately U.S.\$ 13.4 million in 2003 in our Dominican Republic operations. We currently expect to make capital investments of approximately U.S.\$57.6 million during 2004.

Our Panamanian Operations

Overview. As of December 31, 2003, we owned a 99.2% interest in Cemento Bayano.

The Panamanian Cement Industry

Approximately 706,000 cubic meters of ready-mix concrete were sold in Panama during 2003, according to the General Comptroller of the Republic of Panama (Contraloria General de la Republica de Panama). Panamanian cement consumption increased 15% in 2003, according to our estimates.

Competition. The Panamanian cement industry includes two cement producers, Cemento Bayano and Cemento Panama, S.A., an affiliate of Holcim and Cementos del Caribe.

42

Our Panamanian Operating Network. As of December 31, 2003, Cemento Bayano had an installed capacity for cement production of approximately 402,000 tons per year. As of December 31, 2003, we operated a distribution network of six ready-mix concrete plants. Our cement plant utilizes the dry process.

[MAP GRAPHIC OMITTED]

Production Costs. Panama has one of the highest energy costs of any country in which CEMEX has operations. In response, Cemento Bayano has taken significant steps to reduce energy costs. Cemento Bayano now runs on a more cost-efficient mix of fuels (15% alternative fuels, which have completely replaced fuel oil, and 85% petcoke). Currently, fuel oil is just used in start up.

Cemento Bayano also reduced its energy cost per ton, a critical cost of our manufacturing process, by securing a consistent supply of electric energy and decreasing prices per kwh through negotiating the bulk purchase of electric energy in the "spot market" as a "large consumer."

Description of Properties, Plant and Equipment. Our operations in Panama include one dry production process cement plant, with an installed clinker capacity of 382,000 tons per year. In addition, Cemento Bayano owns and operates six ready-mix concrete facilities; three in Panama City, one in Colon, one in Aguadulce and one in Chiriqui. In December 2003, Cemento Bayano acquired for U.S.\$4 million a new quarry to supply aggregates for its ready-mix operations.

Capital Investments. We made capital expenditures of approximately U.S.\$7.6 million in 2003 in our Panamanian operations, including an investment of approximately U.S.\$2.5 million in a new kiln dust filter. We currently expect to make capital expenditures of approximately U.S.\$4.3 million during 2004.

Our Nicaragua Operations

Overview. According to our estimates, Nicaraguan cement production during 2003 grew 7.8% compared to 2002. The increase was primarily due to improved political and economic conditions in 2003 following political turmoil in 2002, including the conviction of former President Aleman of corruption charges. In addition, eighty percent of Nicaragua's external debt was forgiven under the auspices of the HIPC (High Indebted Poor Countries) initiative, and the government achieved some success in its fight against corruption. Increases in the amount of public investment and the number of private residential projects also contributed to the increase in cement consumption.

The Nicaraguan Cement Industry

According to our estimates, 560,000 tons of cement were sold in Nicaragua during 2003.

43

Competition. Two participants compete in the Nicaraguan cement

industry: CEMEX Nicaragua and Holcim. Our market share in 2003 was 55.5%, according to our estimates. Our product, "Cemento Canal", has a high brand recognition because it has been 100% made in Nicaragua since 1942. Holcim started its milling operations in Nicaragua in 1997 with two brands, "Supernic" and "Cemenic." In 2003 Holcim discontinued these brand names and introduced its worldwide cement brand, "Holcim."

Our Nicaraguan Operating Network. CEMEX Nicaragua leases and operates one cement plant, located in San Rafael del Sur, approximately 45 kilometers southwest of the capital Managua. Since March 2003 Cemex has leased a 100,000 ton milling plant in Managua, which has been used exclusively for pet-coke milling.

[MAP GRAPHIC OMITTED]

Description of Properties, Plant and Equipment. Our Nicaraguan leased cement plant has five kilns utilizing the wet production process with an installed milling capacity of 470,000 tons.

Capital Investments. We made capital expenditures of approximately U.S.\$4.6 million in 2003 in our Nicaraguan operations. We currently expect to make capital expenditures of approximately U.S.\$2.3 million during 2004.

Our Puerto Rico Operations

Overview. Our Puerto Rican operations, acquired in the third quarter of 2002, represented approximately 22% of our cement sales volumes in the Caribbean region in 2003.

As of December 31, 2003, we owned 100% of Puerto Rican Cement Company, Inc., or PRCC.

The Puerto Rican Cement Industry

In 2003, Puerto Rican cement consumption reached 1.8 million tons.

Competition. PRCC serves the cement market throughout Puerto Rico. The Puerto Rican cement industry in 2003 was comprised of two cement producers, PRCC, which we estimate had 51% market share, and San Juan Cement Co., an affiliate of Italcementi, which we estimate had 31% market share. In addition, we estimate an independent cement importer, Antilles Cement Co., had a 18% market share.

44

Our Puerto Rican Operating Network. As of December 31, 2003, PRCC had an installed capacity for cement production of approximately 1.2 million tons per year. PRCC utilizes the dry process. In addition, we operate a distribution network of ten ready-mix concrete plants and one distribution center.

[MAP GRAPHIC OMITTED]

Production Costs. At the time of acquisition, PRCC had one of the highest energy costs of any region in which CEMEX has operations. In response, we have taken significant steps to reduce energy cost.

PRCC has focused on reducing its energy cost by:

- o securing a consistent supply of electric energy and decreasing prices per kwh through negotiating the bulk purchase of electric energy;
- o negotiating energy tariffs charged during both peak and off-peak hours; and
- o rationalizing the use of energy in accordance with CEMEX "best practices" standards for low average energy consumption.

PRCC invested U.S.\$750,000 during 2003 in an electric sub-station. This project was completed in December 2003 and will allow us to decrease energy consumption during off-peak hours starting in 2004.

Description of Properties, Plant and Equipment. Our operations in Puerto Rico include one 100%-owned cement plant utilizing the dry production process, with an installed clinker capacity of approximately 1.1 million tons per year. In addition, PRCC owns and operates ten ready-mix concrete facilities, mainly serving the sector of the Puerto Rican market located on the eastern part of the island.

Capital Investments. We made capital expenditures of approximately U.S.\$26.0 million in 2003 in our Puerto Rican operations. We currently expect to make capital investments of approximately U.S.\$8.3 million during 2004.

Our Other Caribbean Operations

We are a party to a strategic alliance in Trinidad and Tobago, through which we have the right to participate jointly in the production and sale of cement from these islands and from the Arawak plant on the island of Barbados to customers in various countries in the eastern Caribbean. We operate in the Bahamas, Bermuda, the Cayman Islands and Haiti through one of our subsidiaries.

We believe that the Caribbean region holds considerable strategic importance because of its geographic location, which facilitates exports from our operations in Mexico, Venezuela, Costa Rica, Spain, Colombia and Panama as well as other countries through a network of nine land distribution centers and six marine terminals.

45

Our Trading Operations

We traded more than 9 million tons of cement and clinker in 2003. Approximately 51% of this amount consisted of exports from our operations in Venezuela, Mexico, Philippines, Costa Rica, Spain, Puerto Rico, Nicaragua and Egypt. Approximately 49% was purchased from third parties in countries such as Thailand, Turkey, South Korea, Taiwan, the United States, Peru, Lebanon, China, Cyprus, Peru, Venezuela, Indonesia, Belgium, Portugal, Malaysia, France, Colombia, Spain, Morocco and Egypt. During 2003, we conducted trading activities in 70 countries.

To enhance our trading operations in the Mediterranean region, we are currently building three grinding mills in Italy, each with a capacity of approximately 350 thousand tons per year. The mills are expected to begin operating during the second half of 2004. With respect to these operations, we made capital investments of approximately U.S.\$13 million during 2003, and we currently expect to make capital investments of approximately U.S.\$41 million during 2004.

Our trading network enables us to maximize the capacity utilization of our facilities worldwide while reducing our exposure to the inherent cyclicity of the cement industry. We are able to distribute excess capacity to regions around the world where there is demand.

46

Regulatory Matters and Legal Proceedings

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

Tariffs

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 for Mexican industry of approximately 10%. 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.

Spain, as a member of the European Union, is subject to the uniform European Union commercial policy. There is no tariff on cement imported into Spain from another European Union country or on cement exported from Spain 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 Spain currently pay no tariff.

Environmental Matters

We use processes that are designed to protect 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.

European Union directives imposing stricter environmental standards are expected to be implemented in Spain by 2007. For the purpose of adopting the directives, on July 3, 2002, Spain promulgated Law 16/2002, which establishes mechanisms for the prevention and integrated control of pollution. The new law requires that factories operating in Spain receive an integrated environmental authorization from the relevant regulatory body at the autonomous region level, generally the department of the environment. This new law came into force on July 3, 2002; however, due to a transitional period, existing industries need not comply until October 30, 2007. In anticipation of our compliance by this date, one of our eight plants in Spain has already received the required authorization. With respect to our other plants, we already comply or believe that we would be able to comply with the requisite standards, if necessary, without significant expenditures. In addition, we are not aware of any material environmental liabilities with respect to our Spanish operations.

CEMEX Venezuela's cement production plants are subject to and comply with Venezuelan environmental regulations. The Ministerio del Ambiente y los Recursos Naturales, or Ministry of the Environment and Natural Resources, is the regulatory body in Venezuela with jurisdiction over environmental matters. CEMEX Venezuela has decreased the emission levels of cement dust, through dust extraction equipment installed in all its cement plants.

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, including our Hidalgo plant, which temporarily halted operations in 2002, under a government-run program. In 2001, the Mexican environmental 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 compliance with environmental laws. The Clean Industry Certificates are strictly renewed every two years. 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 plant and our Hermosillo plant started using tires as an energy source in September 2002 and November 2003, respectively. Collection centers in Tijuana, Mexicali and Ensenada currently enable us to recycle an estimated one million tires per year. During 2003, approximately 4.1% of the total fuel consumed in the Ensenada plant was provided by this alternative fuel. The Huichapan, Monterrey and Hermosillo plants substituted approximately 1.6%, 2.3% and 0.3%, respectively, of their total fuel used with this alternative fuel.

Between 1998 and 2003, our Mexican operations have invested approximately U.S.\$19.1 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, 14 of our cement plants in Mexico have been awarded the ISO 14001 certification for environmental management systems.

As of December 31, 2003, our eight cement plants in Spain and our cement mill in Tenerife, Spain have received the ISO 14001 certification for environmental management systems.

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 CEMEX's financial results.

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 filed a petition for a "changed circumstances" review. The International Trade Commission decided in December 2001 not to initiate such a review. CEMEX has appealed the ITC's decision in the "sunset review" and the "changed circumstances" review to NAFTA. As of March 1, 2004, no NAFTA Panel has been formed to review the ITC's decision to initiate a "changed circumstances" review.

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 the 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 upheld the Commerce Department's decision to terminate the Suspension Agreement. The U.S. cement industry has appealed the decision of the Court of International Trade to the Court of Appeals for the Federal Circuit. The appeal is currently pending before the appellate court.

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 us 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, 2003, CEMEX Corp., as the parent company to our U.S. subsidiaries that import Mexican cement into the United States, had accrued liabilities of U.S.\$132.9 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 and twelfth 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 begun 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 latest final determination by the Commerce Department covering twelfth review period, commencing on August 1, 2001 and ending on July 31, 2002, was issued on September 16, 2003. The Commerce Department determined that the antidumping margin was 80.8% ad valorem. The final results for the twelfth review period establish the 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 metric ton, which will remain in effect until the final results of the thirteenth 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	50.98% determined by the Commerce Department upon review.

	3/16/2000)	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)	Currently under review by the Commerce Department.
8/1/03 - to date	73.74%, U.S.\$52.41 per metric ton (effective 10/15/2003)	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 Commerce Department 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. These claims arose prior to our acquisition of our Venezuelan operations in 1994, but for purposes of the following discussion, we refer to the actions taken by the predecessor company as actions taken by CEMEX Venezuela. CEMEX Venezuela contested the dumping claim and the countervailing duty claim, and both cases were suspended.

The Commerce Department's preliminary determination regarding the dumping claim was published on November 4, 1991. 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." The foreign market value was determined by the Commerce Department based on information provided by CEMEX Venezuela each quarter. CEMEX Venezuela was required to report to the Commerce Department sales in the U.S. market, costs of production and related data. During its sunset review of the Anti-Dumping Suspension Agreement, the ITC determined that terminating the agreement would not likely lead to a continuation or recurrence of injury to the U.S. market, and voted to terminate the Anti-Dumping Suspension Agreement on October 5, 2000. Consequently, on November 8, 2000, the Commerce Department issued a notice terminating the Anti-Dumping Suspension Agreement.

On July 28, 2003, the Court of International Trade upheld the Commerce Department's termination of the Suspension Agreement. The domestic petitioners have appealed the court's decision to the U.S. Court of Appeals for the Federal Circuit. No decision is expected until the second quarter of 2004 at the earliest.

50

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 a letter dated July 19, 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 Cement Corporation or APO, Rizal and Solid, indirect subsidiaries of CEMEX, which received their anti-dumping questionnaires from the International Trade Commission under the Ministry of Economic Affairs (ITC-MOEA) on August 2, 2001, and from the MOF on August 16, 2001.

Rizal and Solid replied to the ITC-MOEA by confirming that they were not exporting cement/clinker during the covered period. On the other hand, in its position paper filed on August 18, 2001 and in the public hearing held on August 20, 2001, APO contested the allegation of "injury" in the anti-dumping proceedings before the ITC-MOEA.

In a letter dated October 2, 2001, the ITC-MOEA notified the respondent producers about the result of the preliminary injury investigation and its determination that there is a reasonable indication that the domestic industry in Taiwan was materially injured by reason of imports of Portland cement and clinker from South Korea and the Philippines that are alleged to be sold in Taiwan at less than normal value. In keeping with the implementing regulations on the imposition of antidumping duties in Taiwan, the ITC-MOEA has transferred the case to the MOF for further investigation.

On October 12, 2001 and November 2, 2001, APO filed its replies to the MOF questionnaire to contest the allegation of "dumping" in the anti-dumping proceedings before the MOF. In a letter dated January 22, 2002, the MOF notified the petitioner and respondents that it adopted on January 15, 2002 a resolution preliminarily finding that there was "dumping" and resolving that investigation on the issue of "dumping" would continue, but that no provisional anti-dumping duty would be imposed.

In a letter dated June 26, 2002, the 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 a letter dated July 12, 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%.

On September 17, 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. As of April 30, 2004, there have been no material developments. We anticipate further hearings to be conducted with respect to this appeal.

Tax Matters

As of December 31, 2003, 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 Ps4,885 million. With respect to the tax years from 1993 through 1996, 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.

51

As of December 31, 2003, the Philippine Bureau of Internal Revenue, or BIR, assessed APO for a deficiency in the amount of income tax paid in the tax years 1998 through 2001 amounting to PhP832.1 million (U.S.\$15.0 million as of December 31, 2003, based on an exchange rate of PhP55.569 to U.S.\$1.00, which was the Philippine Peso/Dollar exchange rate on December 31, 2003 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The assessment disallows APO's income tax holiday related income. We have contested BIR's findings with the Court of Tax Appeal, or CTA. We believe that these claims will not have a material adverse effect on us. However, an adverse resolution of these claims could have a material adverse effect on our results of operations in the Philippines.

The BIR also finalized its tax assessments for Solid's 1999 tax year amounting to PhP387.6 million (U.S.\$7.0 million as of December 31, 2003, based on an exchange rate of PhP55.569 to U.S.\$1.00) and APO's 1999 tax year amounting to PhP833.3 million (U.S.\$15.0 million as of December 31, 2003, based on an exchange rate of PhP55.569 to U.S.\$1.00). We continue to submit relevant evidence to the BIR to contest these assessments. Our next recourse is to contest these assessments with the CTA if the BIR issues a final collection letter.

In addition, Solid's 1998 tax year and APO's 1997-1998 tax years are under preliminary review for deficiency taxes. Finalization of the assessment was held in abeyance by the BIR as we continue to present evidence to dispute their findings. We intend to contest any and all assessments if they arise.

Other Legal Proceedings

In May 1999, several companies filed a civil liability suit in the civil court of the circuit of Ibagu e, Colombia, against two of our Colombian subsidiaries, alleging that these subsidiaries were responsible for deterioration in the rice production capacity of land of the plaintiffs, caused by pollution emanating from our cement plants located in Ibagu e, Colombia. On December 15, 2003, a judgment was entered against us under which we were ordered to pay to the plaintiffs an amount equal to CoP21,114 million (U.S.\$7.6 million as of December 31, 2003, based on an exchange rate of CoP2,778.21 to U.S.\$1.00, which was the Colombian Peso/Dollar exchange rate on December 31, 2003 as published by the Banco de la Republica de Colombia, the central bank of Colombia). We filed an appeal on January 13, 2004, and the case will be sent to the Superior Court of Ibagu e for review.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibagu e, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for the alleged damages caused by breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP127,242 million (U.S.\$45.8 million as of December 31, 2003, based on an exchange rate of CoP2,778.21 to U.S.\$1.00). As of April 30, 2004, this proceeding had not reached the evidentiary stage. Typically, proceedings of this nature continue for several years before final resolution.

As of December 31, 2003, CEMEX, Inc. had accrued liabilities specifically relating to environmental matters in the aggregate amount of U.S.\$ 32.4 million. The environmental matters relate to (i) the disposal of various materials in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, 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 December 2002, an ex-maritime broker for PRCC filed a civil liability lawsuit in Puerto Rico against CEMEX, S.A. de C.V., PRCC and other unaffiliated entities, including Puerto Rican authorities. The plaintiff contends that the defendants conspired to violate state and federal antitrust laws so that one of the defendants, who is not affiliated with us, could gain control of the maritime broker market in Port of Ponce,

Puerto Rico. The plaintiff has asked for relief in the amount of approximately U.S.\$18 million. In September 2003, the United States District Court for the District of Puerto Rico dismissed all claims against us, and entered judgment accordingly. The plaintiff has subsequently filed two post-judgment motions requesting reconsideration of the court's opinion, and we have requested the denial of such motions. Resolution of these motions is still pending before the court.

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. 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.

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. As a result of the registration, an Arbitral Tribunal will be established to hear the dispute. We cannot predict, however, what effect, if any, this action will have on our investment in Gresik or what the ruling of the Arbitral Tribunal will be. For a more detailed description of our investment in Gresik and the ongoing difficulties with Semen Padang, please see "Europe, Asia and Africa--Our Asian Operations--Our Indonesian Equity Investment" above.

On April 27, 2004, a subsidiary of CEMEX Colombia received notice as a co-defendant, along with a government agency in charge of urban development in Bogota, another supplier, and a ready-mix industry association, in an action brought by a Colombian law firm on "public interest" grounds. The lawsuit alleges that the use of a certain type of cement-based material in the construction of roads for the "Transmilenio" public transport system and for regular traffic resulted in defects that impede the proper functioning of the "Transmilenio" system and hamper traffic flow. The lawsuit argues that CEMEX Colombia's subsidiary, the other supplier, and the ready mix-industry association promoted the use of the material, and seeks damages to pay for the repair of the defects or, if repair is not possible, the rebuilding of the defective road sections. We are currently evaluating the potential impact of this matter on our Colombian operations. Because it is very early in the process, we cannot estimate the financial implications of an adverse resolution, but we believe that it is unlikely to have a material adverse effect on our results of operations. We believe that this will be a protracted matter that may result in additional lawsuits or actions. We intend to defend our interests vigorously.

In the ordinary course of our business, we are party to various legal proceedings. Other than as disclosed herein, we are not currently involved in any litigation or arbitration proceedings, including any such proceedings which are pending, which we believe will have, or have had, a material adverse effect on us, nor, so far as we are aware, are any proceedings of that kind threatened.

Item 5 - Operating and Financial Review and Prospects

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 23 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 4.6% in 2001, 5.6% in 2002 and 3.9% in 2003. 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, 2003. See note 2B 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 include the number of tons of cement sold to our operations in other countries. Likewise, unless otherwise indicated, the net sales financial information presented in this annual report for our operations in each country include the Mexican Peso amount of sales derived from sales of cement to our operations in other countries, 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, 2001, 2002, and 2003 by principal geographic area expressed as an approximate percentage of our total consolidated group before eliminations resulting from consolidation. We operate in countries with economies in different stages of development and structural reform, some of which are subject to fluctuations 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 in which we operate compared to the Mexican Peso and the rate of inflation of each of these countries. 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	% Venezuela	% Colombia	% Egypt	% Philippines	% Central America and the Caribbean	% Others	Combined	Elimination	Consolidated
(in millions of constant Mexican Pesos as of December 31, 2003, except percentages)												
Net Sales For the Period Ended:												
December 31, 2001	35%	26%	10%	6%	3%	2%	2%	6%	10%	85,330	(8,758)	76,572
December 31, 2002	34%	24%	14%	4%	3%	2%	2%	7%	10%	83,192	(8,150)	75,042
December 31, 2003	34%	22%	16%	4%	3%	2%	2%	8%	9%	87,849	(7,321)	80,528
Operating Income For the Period Ended:												
December 31, 2001	65%	19%	12%	9%	6%	2%	1%	4%	-18%	18,286	--	18,286
December 31, 2002	72%	21%	18%	8%	6%	1%	--	7%	-33%	15,029	--	15,029
December 31, 2003	70%	14%	18%	7%	6%	2%	--	7%	-24%	16,356	--	16,356
Total Assets at:												
December 31, 2001	22%	17%	7%	4%	3%	3%	3%	3%	38%	312,550	(133,044)	179,506
December 31, 2002	24%	19%	9%	3%	3%	2%	4%	5%	31%	262,488	(79,738)	182,750
December 31, 2003	22%	18%	14%	3%	3%	2%	3%	5%	30%	256,442	(76,425)	180,017

Critical Accounting Policies

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

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. Our overall strategy is to structure our worldwide operations to take greatest advantage of opportunities provided under the tax laws of the various jurisdictions 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. Significant judgment is required to appropriately assess the amounts of tax assets. 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.

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. The result is reflected as an increase in the carrying value of each item. 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 difference between the inflation of the country and the factor utilized to restate a fixed asset of foreign origin 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 on 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

55

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 2N to our consolidated financial statements included elsewhere in this annual report, in compliance with the controls and

procedures 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 reduce risks associated with changes in interest rates and foreign exchange rates of debt agreements and as a vehicle to reduce financing costs, as well as: (i) hedges of contractual cash flows and forecasted transactions, (ii) hedges of CEMEX's net investments in foreign subsidiaries, and (iii) hedges of the future exercise of options under our stock option programs. These instruments have been negotiated with institutions and corporations with significant financial capacity; therefore, we consider the risk of non-compliance with the obligations agreed to by such counterparties to be minimal. Some of these instruments have been designated as hedges of CEMEX's raw materials costs as well as debt or equity instruments. In other cases, although some derivatives comprise part of our financial strategy, they have not been designated as hedge instruments because accounting hedge requirements were not met.

Effective January 1, 2001, in accordance with Bulletin C-2 "Financial Instruments", we recognize all derivative financial instruments 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 occurred. There are several exemptions to the general rule when derivatives are qualified as accounting hedges (see note 2N to our consolidated financial statements included elsewhere in this annual report). Premiums paid or received on hedge derivative instruments are deferred and amortized over the life of the underlying hedged instrument or immediately when they are settled; in other cases, premiums are recorded in the income statement, at the time that they are received or paid. See notes 11 and 16 to our consolidated financial statements included elsewhere in this annual report.

Pursuant to the accounting principles established by Bulletin C-2, 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 a valuation effect at the reporting date, and the final cash inflows or outflows that we will receive or make to our counterparties will not be known until settlement of the derivative instruments occurs. The estimated fair values of derivative instruments, used by us for recognition and disclosure purposes in the financial statements and their notes, are supported by 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. 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, the book value 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

56

complex when considering the various countries in which we have operations, each having its own economic circumstances that requires 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.

Transactions in our own stock

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 view 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. Also, in some cases, 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. There is 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.

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

For the periods ended December 31, 2001, 2002 and 2003, our consolidated results reflect the following transactions:

- 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.\$99.7 million, subject to adjustments. Located in Dixon, Illinois, the single cement facility has an annual production capacity of 560,000 metric tons.
- o In July and August 2002, through a tender offer and subsequent merger, we acquired 100% of the outstanding shares of PRCC. The aggregate value of the transaction was approximately U.S.\$281.0 million, including approximately U.S.\$100.8 million of assumed net debt.
- o On July 12, 2002, we purchased 25,429 shares of common stock (approximately 0.3% of the outstanding share capital) of CAH from a CAH investor for a purchase price of approximately U.S.\$2.3 million, increasing our equity interest in CAH to 77.7%. At the same time, we entered into

57

agreements to purchase an additional 1,483,365 shares of CAH common stock (approximately 14.6% of the outstanding share capital) from several other CAH investors in exchange for

28,195,213 CEMEX CPOs (subject to anti-dilution adjustments), which exchange was originally scheduled to take place in four equal quarterly tranches commencing on March 31, 2003. The exchange of 84,763 of these CAH shares took place in four quarterly tranches in 2003 as originally scheduled. In April 2003, we amended the terms of the July 12, 2002 agreements with respect to the remaining 1,398,602 of the CAH shares. Instead of purchasing those CAH shares in four equal quarterly tranches during 2003, we agreed to purchase those CAH shares in four equal quarterly tranches commencing on March 31, 2004. On March 31, 2004, the exchange of the first tranche of 349,650 CAH shares took place as scheduled, and was settled on April 1, 2004. Notwithstanding the amendments, for accounting purposes, the CAH shares to be received by us in exchange for CEMEX CPOs are considered to be owned by us effective as of July 12, 2002. As a result of these transactions and pending their successful consummation, we will have increased our stake in CAH to 92.3%.

- o On July 31, 2002, we purchased, through a wholly-owned indirect subsidiary, the remaining 30% economic interest that was not previously acquired by CAH in Solid, for approximately U.S.\$95 million. At December 31, 2003, as a consequence of this transaction and the increase of our stake in CAH, as described above, our diluted economic interest in Solid was approximately 94.6%.
- o In May 2001, we acquired through CAH a 100% economic interest in Saraburi Cement Company, now known as CEMEX (Thailand) Co. Ltd. or CEMEX (Thailand), a cement company based in Thailand with an installed capacity of approximately 700,000 metric tons, for a total consideration of approximately U.S.\$73 million.
- o In November 2000, we acquired 100% of the outstanding shares of common stock of Southdown, now CEMEX, Inc., in the United States for a total cost of approximately U.S.\$2.8 billion.
- o In October 2000, CAH acquired our interest in Gresik. As a result of these transactions and the increase of our stake in CAH as described above, at December 31, 2003, our diluted economic interest in Gresik was 23.5%.
- o In November 1999, we acquired a 77% interest in Assiut for approximately U.S.\$318.8 million. In 2000, we increased our interest in Assiut to 92.9%. In March 2001, we further increased our interest in Assiut to 95.8%.
- o In April 1999, we acquired a 15.8% interest in Cementos del Pacifico, now CEMEX (Costa Rica), S.A., or CEMEX Costa Rica, a Costa Rican cement producer. In September 1999, we increased our interest in CEMEX Costa Rica to 95.3%. As of December 31, 2003, we had increased our interest in CEMEX Costa Rica to approximately 98.4%.

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, 2001, 2002, and 2003 expressed as a percentage of net sales.

	Year Ended December 31,		
	2001	2002	2003
Net sales.....	100.0	100.0	100.0
Cost of sales.....	(56.2)	(55.9)	(57.6)
Gross profit.....	43.8	44.1	42.4
Operating expenses:			
Administrative.....	(11.4)	(12.6)	(11.1)
Selling.....	(8.5)	(11.5)	(11.0)

Total operating expenses.....	(19.9)	(24.1)	(22.1)
Operating income.....	23.9	20.0	20.3
Net comprehensive financing income (cost):			
Financial expense.....	(5.9)	(5.1)	(5.3)
Financial income.....	0.6	0.7	0.2
Foreign exchange gain (loss), net.....	2.2	(1.2)	(2.4)
Gain (loss) on valuation of marketable securities and other investments.....	2.9	(4.8)	(0.8)
Monetary position gain.....	4.0	5.4	4.6
Net comprehensive financing income (cost).....	3.8	(5.0)	(3.7)
Other expenses, net.....	(6.0)	(5.9)	(6.4)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates	21.7	9.0	10.2
Income tax and business assets tax, net.....	(2.4)	(0.8)	(1.3)
Employees' statutory profit sharing.....	(0.4)	(0.2)	(0.2)
Total income taxes, business assets tax and employees' statutory profit sharing.....	(2.8)	(1.0)	(1.5)
Income before equity in income of affiliates.....	18.9	8.0	8.7
Equity in income of affiliates.....	0.3	0.5	0.5
Consolidated net income.....	19.2	8.5	9.2
Minority interest net income.....	2.2	0.6	0.4
Majority interest net income.....	17.0	8.0	8.8

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Overview

Summarized in the table below are the percentage (%) increases (+) and decreases (-) in 2003 compared to 2002 in our net sales, before eliminations resulting from consolidation, sales volumes and prices for the major countries in which we have operations. Variations in net sales determined on the basis of constant Mexican Pesos include the appreciation or depreciation which occurred during the period between the country's local currency 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 country's local currency:

59

Country	Net Sales								
	Variations in local currency	Approximate currency fluctuations, net of inflation effects	Variations in constant Mexican Pesos	Domestic Sales Volumes		Export Sales Volumes		Average Domestic Prices in local currency	
				Cement	Ready-Mix	Cement	Cement	Ready-Mix	
Mexico	+15.3%	-11.6%	+3.7%	+4%	+13%	-24%	+2%	-2%	
United States	-1.0%	-2.0%	-3.0%	+2%	+4%	N/A	-2%	Flat	
Spain	+3.5%	+17.5%	+21.0%	+5%	+5%	-21%	-1%	Flat	
Venezuela	-5.7%	+8.7%	+3.0%	-13%	-6%	+17%	+3%	+6%	
Colombia	+11.4%	+0.2%	+11.6%	+1%	+34%	N/A	+6%	+4%	
Central America and the Caribbean	+14.1%	+1.90%	+16.0%	+7%	+72%	N/A	-1%	-4%	
Philippines	+6.1%	-5.3%	+0.8%	-2.3%	+86%	+44%	+4%	-9%	
Egypt	+20.6%	-32.5%	-11.9%	-12%	+193%	N/A	+22%	+13%	

N/A = Not Applicable

On a consolidated basis, our cement sales volumes increased approximately 5%, from 61.8 million tons in 2002 to 64.7 million tons in 2003, and our ready-mix concrete sales volumes increased approximately 13%, from 19.2

million cubic meters in 2002 to 21.7 million cubic meters in 2003. Our net sales increased approximately 7% from Ps75,042 million in 2002 to Ps80,528 million in 2003 in constant Peso terms, and our operating income increased approximately 9% from Ps15,029 million in 2002 to Ps16,356 million in 2003 in constant Peso terms.

Net Sales

Our net sales increase of 7% in constant Peso terms during 2003 was primarily attributable to higher sales volumes in most of our markets, and the consolidation of the results of operations of PRCC for the entire year in 2003 compared to just five months in 2002, which were partially offset by a decrease in domestic cement sales volumes in Venezuela, Philippines and Egypt and lower domestic cement prices in the United States and Central America and the Caribbean. Of our consolidated net sales in constant Peso terms in 2002 and 2003, approximately 76% and 73%, respectively, were derived from sales of cement, approximately 19% and 22%, respectively, from sales of ready-mix concrete and approximately 5% in both years from sales of other construction materials and services.

Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales on a country-by-country basis.

Mexico -----

Our Mexican operations' domestic gray cement sales volumes increased approximately 4% in 2003 compared to 2002, and ready-mix concrete sales volumes increased approximately 13% during the same period. The increase in sales volumes resulted primarily from increased demand in the public sector, particularly from infrastructure projects and social housing, while the industrial and commercial sectors remained stable during the year. However, the sales volumes increases were partially offset by a significant decrease in cement export volumes. Our Mexican operations' cement export volumes, which represented 5% of our Mexican cement sales volumes in 2003, decreased approximately 24% in 2003 compared to 2002, despite stable exports to the U.S. market, due mainly to a reduction in our exports from Mexico to the Caribbean region. Responsibility for exports to the Caribbean region has been assumed by our Venezuelan operations. Of our Mexican operations' cement export volumes during 2003, 71.4% was shipped to the United States, 27.4% to Central America and the Caribbean and 1.2% to South America. The average cement price in Mexico increased approximately 2% in constant Peso terms in 2003 compared to 2002, and the average ready-mix concrete price decreased approximately 2% in constant Peso terms over the same period (these prices increased 6% and 0.1%, respectively, in nominal Peso terms).

As a result of the increases in cement and ready-mix concrete sales volumes and the increase in the average domestic cement price, partially offset by a decrease in the average ready-mix prices, net sales in Mexico, in

60

constant Peso terms reflecting Mexican inflation, increased approximately 4% in 2003 compared to 2002, despite the decline in cement export volumes.

United States -----

Our United States operations' cement sales volumes, which include cement purchased from our other operations, increased approximately 2% in 2003 compared to 2002, and ready-mix concrete sales volumes increased approximately 4% over the same period. The increases in sales volumes is primarily attributable to strong demand from the cement-intensive public works sector, in particular street and highway construction, and the residential sector during the second half of 2003, while the industrial and commercial sectors reversed their downward trend and are now more stable. The average sales price of cement decreased approximately 2% in Dollar terms during 2003 compared to 2002. The average price of ready-mix concrete remained flat during 2003 compared to 2002.

As a result of the decrease in the average sales price of cement and the sale of some of our mineral products businesses, net sales in the United States declined approximately 1% in U.S. Dollar terms in 2003 compared to 2002,

despite the increases in cement and ready-mix concrete sales volumes.

Spain

Our Spanish operations' domestic cement sales volumes increased approximately 5% in 2003 compared to 2002, and ready-mix concrete sales volumes increased approximately 5% during the same period. The increase in sales volumes was primarily driven by strong residential construction activity and increased spending in public works due to Spain's infrastructure program. Our Spanish operations' cement export volumes, which represented 3% of our Spanish cement sales volumes in 2003, decreased approximately 21% in 2003 compared to 2002 primarily due to increased domestic demand. Of our Spanish operations' total cement export volumes during 2003, 47.8% was shipped to the United States, 31.4% to Africa and 20.8% to Europe and the Middle East. The average sales price of cement decreased approximately 1% in Euro terms during 2003 compared to 2002, and the average price of ready-mix concrete remained flat in Euro terms over the same period.

As a result of the increases in cement and ready-mix concrete sales volumes, net sales in Spain, in Euro terms, increased approximately 3.5% in 2003 compared to 2002, despite the decline in cement export volumes and in domestic cement prices.

Venezuela

Our Venezuelan operations' domestic cement sales volumes decreased approximately 13% in 2003 compared to 2002, while ready-mix concrete sales volumes decreased approximately 6% during the same period. The decreases in sales volumes and ready-mix concrete sales volumes were mainly driven by the downturn in construction activity in Venezuela and limited government spending on infrastructure as a result of the continuing political and economic turmoil in Venezuela, which were partially offset by increased demand from the self-construction sector.

Our Venezuelan operations' cement export volumes, which represented 56% of our Venezuelan cement sales volumes in 2003, increased approximately 17% in 2003 compared to 2002. The increase in cement export volumes was due to an increased focus on the export market to offset the contraction of the local market. Of our Venezuelan operations' total cement export volumes during 2003, 63.6% was shipped to the United States and 36.4% to the Caribbean and South America.

Our Venezuelan operations' average domestic sales price of cement increased approximately 3% in constant Bolivar terms in 2003 compared to 2002, while the average domestic sales price of ready-mix concrete increased approximately 6% in constant Bolivar terms over the same period.

As a result of the decreases in domestic cement and ready mix sales volumes, net sales in Venezuela, in constant Bolivar terms, decreased approximately 5.7% in 2003 compared to 2002.

61

Colombia

Our Colombian operations' domestic cement sales volumes increased approximately 1% in 2003 compared to 2002, primarily as a result of increased demand from the private residential construction sector. Our Colombian operations' ready-mix concrete sales volumes increased approximately 34% in 2003 compared to 2002, primarily as a result of an increase in government spending on infrastructure, particularly on transportation. For the year ended December 31, 2003, sales of ready-mix concrete in Colombia represented approximately 33% of our Colombian operations' net sales.

Our Colombian operations' average sales price of cement increased 6% in Colombian Peso terms in 2003 compared to 2002, while the average domestic sales price of ready-mix concrete increased approximately 4% in Colombian Peso terms over the same period.

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 Colombia, in Colombian Peso terms, increased approximately 11.4% in 2003 compared to 2002.

Central America and the Caribbean

Our Central American and Caribbean operations consist of our operations in Costa Rica, the Dominican Republic, Panama, Nicaragua and Puerto Rico, as well as several cement terminals 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 Central American and Caribbean operations' domestic cement sales volumes increased approximately 8% in 2003 compared to 2002, primarily as a result of the inclusion of our Puerto Rican operations in our consolidated results for the entire year in 2003 (representing approximately 22% of our total cement sales volume in the region during 2003) and just five months (August through December) for 2002. Excluding our trading operations in the Caribbean region, domestic cement sales volumes increased 7% in 2003 compared to 2002. Our Caribbean region trading operations' cement sales volumes increased approximately 36% in 2003 compared to 2002, primarily as a result of exports to the United States from the Caribbean region instead of from Venezuela for several months in the beginning of 2003 due to the political and economic turmoil and general labor strikes in Venezuela at that time, as well as increased sales of white cement to several Central American countries during the third quarter of 2003. Our Central American and Caribbean operations' ready-mix concrete sales volumes increased approximately 72% in 2003 compared to 2002, primarily due to the inclusion of our Puerto Rican operations for the entire year in 2003, which operations represented approximately 60% of our total ready-mix concrete sales volumes in the region. We also benefited from higher volumes in most of our markets in the region during 2003 and the inclusion of a full year of ready-mix concrete sales in Costa Rica, since these ready-mix operations in Costa Rica only began in the third quarter of 2002.

Our Central American and Caribbean operations' average domestic cement sales price decreased approximately 1% in Dollar terms in 2003 compared to 2002, while the average ready-mix concrete sales price decreased approximately 4% in Dollar terms over the same period.

As a result of the increases in domestic cement and ready-mix concrete sales volumes, net sales in our Central American and Caribbean region, in Dollar terms, increased approximately 14.1% in 2003 compared to 2002, despite the decline in the average sales price of both domestic cement and ready-mix concrete prices.

The Philippines

Our Philippine operations' domestic cement sales volumes decreased approximately 2.3% in 2003 compared to 2002, primarily as a result of decreased demand in the public works sector due to reductions in government spending on infrastructure, which was offset by a 4% increase, in Philippine Peso terms, in the average domestic sales price of cement over the same periods. Our ready-mix concrete sales volumes in the Philippines increased approximately 86% in 2003 compared to 2002, while the average ready-mix concrete price decreased approximately 9% in Philippine Peso terms over the same periods. The increase in ready-mix concrete sales volumes was primarily attributable to a weak economic environment during 2002 and new construction contracts in

2003. Our Philippine operations' ready-mix concrete business, which began in 2001, is still under development and represents a relatively small portion of our overall Philippine operations. For the year ended December 31, 2003, sales of ready-mix concrete in the Philippines represented approximately 1% of our Philippine operations' net sales.

As a result of the increases in ready-mix concrete sales volumes and in the average cement sales price, which were partially offset by decreases in domestic cement volumes and in the average ready-mix concrete sales price, net sales in the Philippines, in Philippine Peso terms, increased approximately 6%

in 2003 compared to 2002.

Thailand

Our Thai operations' domestic cement sales volumes increased approximately 10% in 2003 compared to 2002, primarily due to increased government spending on infrastructure projects. Our Thai operations' average sales price of cement increased approximately 16% in Baht terms in 2003 compared to 2002. Cement prices in Thailand are indirectly controlled by the Thai government.

As a result of the increases in domestic cement sales volumes and the average cement sales price, net sales in Thailand, in Baht terms, increased approximately 28% in 2003 compared to 2002.

Egypt

Our Egyptian operations' domestic cement sales volumes decreased approximately 12% in 2003 compared to 2002, primarily as a result of exceptionally high cement volumes in 2002 and decreased demand in the commercial and tourism sectors. These factors, however, were partially offset by increased government spending on infrastructure and a strong self-construction sector. The decrease in domestic sales volumes was also partially offset by a 22% increase, in Egyptian pound terms, in the average domestic sales price of cement in 2003 compared to 2002, which was primarily due to our commercial strategy. Our Egyptian operations' cement export volumes represented 13% of our Egyptian cement sales volumes in 2003. We only began exporting cement from Egypt during the second quarter of 2003. Of our Egyptian operations' cement export volumes during 2003, 61% was shipped to Africa and 39% was shipped to Europe and the Middle East. Our Egyptian operations' ready-mix sales volumes increased 193% in 2003 compared to 2002, primarily because sales volumes in 2002 were negligible. Our ready-mix operations in Egypt, which began in 2002, are still under development and constitute a relatively minor portion of our overall Egyptian operations. For the year ended December 31, 2003, sales of ready-mix concrete in Egypt represented approximately 3% of our Egyptian operations' net sales.

As a result of the decrease in cement sales volumes combined with the offsetting increase in domestic cement sales prices, net sales in Egypt, in Egyptian pound terms, increased approximately 21% in 2003 compared to 2002.

Cost of Sales

Our cost of sales, including depreciation, increased 11% from Ps41,925 million in 2002 to Ps46,422 million in 2003 in constant Peso terms, primarily as a result of a higher percentage of sales of ready-mix concrete and other products, which have a higher cost of sales as compared to cement, as well as increased energy and insurance costs, and the consolidation of our Puerto Rican operations for the entire year in 2003 compared to just five months in 2002, which represented approximately 13% of the increase. As a percentage of sales, cost of sales increased 1.7% from 55.9% in 2002 to 57.6% in 2003.

Gross Profit

Our gross profit increased by 3% from Ps33,117 million in 2002 to Ps34,106 million in 2003 in constant Peso terms. Our gross margin decreased from 44.1% in 2002 to 42.4% in 2003, as a result of the changes in our product mix described above. The increase in our gross profit is primarily attributable to the 7% increase in our net sales in 2003 compared to 2002, partially offset by the 11% increase in our cost of sales in 2003 compared to 2002.

Operating Expenses

Our operating expenses decreased 2% from Ps18,088 million in 2002 to Ps17,750 million in 2003 in constant Peso terms, primarily as a result of our continuing cost-reduction efforts, including reductions in corporate overhead and travel expenses. As a percentage of sales, our operating expenses decreased from 24.1% in 2002 to 22.1% in 2003.

Operating Income

For the reasons mentioned above, our operating income increased 9% from Ps15,029 million in 2002 to Ps16,356 million in 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:

- o financial or interest expense on borrowed funds;
- o financial income on cash and temporary investments;
- o 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;
- o foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- o gains and losses resulting from having monetary liabilities or assets exposed to inflation (monetary position result).

	Year Ended December 31,	
	2002	2003
	(in millions of constant Pesos)	
Net comprehensive financing income (expense):		
Financial expense.....	Ps (3,814)	Ps (4,278)
Financial income.....	512	188
Foreign exchange gain (loss), net.....	(884)	(1,929)
Gain (loss) on valuation and liquidation of financial instruments.....	(3,630)	(670)
Monetary position gain.....	4,039	3,683
	-----	-----
Net comprehensive financing income (expense).....	Ps (3,777)	Ps (3,006)

Our net comprehensive financing result improved from an expense of Ps3,777 million in 2002 to an expense of Ps3,006 million in 2003. The components of the change are shown above. Our financial expense was Ps4,278 million for 2003, an increase of 12% from Ps3,814 million in 2002. The increase was primarily attributable to a higher level of interest rates swaps at a level above current market rates during 2003, which were entered into in an effort to shift our interest rate profile to more fixed rates. Our financial income decreased 63% from Ps512 million in 2002 to Ps188 million in 2003 as a result of the decline in interest rates. Our net foreign exchange results deteriorated from a loss of Ps884 million in 2002 to a loss of Ps1,929 million in 2003. The foreign exchange loss in 2003 is primarily attributable to the depreciation of the Peso against the Dollar and the appreciation of the Japanese Yen against the Dollar as compared to the foreign exchange loss in 2002, which also was primarily attributable to the depreciation of the Peso against the Dollar, but was partially offset by the depreciation of the Japanese Yen against the Dollar. Our gain (loss) from valuation and liquidation of financial instruments improved from a loss of

Ps3,630 million in 2002 to a loss of Ps670 million in 2003, primarily attributable to valuation improvements from our derivative financial

instruments portfolio (discussed below) during 2003. See notes 11 and 16 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) decreased from a gain of Ps4,039 million during 2002 to a gain of Ps3,683 million during 2003, mainly as a result of the decrease in the weighted average inflation index used in the determination of the monetary position result, combined with the decrease in our monetary liabilities in 2003 compared to 2002.

Derivative Financial Instruments

Our derivative financial instruments that have a potential impact on our comprehensive financing result consist of equity forward contracts designated as hedges of our executive stock option programs (see notes 15 and 16 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), other interest rate derivatives, fuel and energy derivatives and third party equity forward contracts. Of the loss of Ps670 million in 2003 recognized in the item gain (loss) on valuation and liquidation of financial instruments, an approximate loss of Ps984 million is attributable to changes in the fair value of our interest rate derivatives, while an approximate loss of Ps80 million resulted from changes in the fair value of our foreign currency derivatives. These losses were partially offset by a net valuation gain of approximately Ps343 million resulting from 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 Ps51 million resulting from changes in the fair value of our marketable securities. These valuation effects accounted for substantially all the loss recorded in 2003 under the line item gain (loss) on valuation and liquidation of financial instruments presented above. Despite the overall valuation loss, we experienced valuation improvements in most of these financial derivatives in 2003 compared to 2002. 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 11 and 16 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, is 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 are attributable to the increase, during 2003, in the market price of our listed securities (ADSs and CPOs) as compared to 2002. The estimated fair value loss of our interest rate derivatives is primarily attributable to the continuing decline in market interest rates, as we had fixed our interest rate profile at a level above current market rates.

Other Expenses, Net

Our other expenses for 2003 were Ps5,133 million, a 15% increase from Ps4,465 million in 2002. The increase was primarily attributable to the recognition of impairment charges on several long-lived assets during 2003 of approximately Ps1,118.3 million compared with Ps102.9 million in 2002. See notes 9 and 10 to our consolidated financial statements included elsewhere in this annual report.

Excluding impairment charges, other expenses decreased approximately 8% in 2003 as compared to 2002, mainly as a result of lower anti-dumping duty expense during 2003 compared to 2002 and also the absence of the extraordinary expense incurred during 2002 as a result of the premium paid on our cash tender offer for our 12 3/4% notes due 2006, the consent fee paid in connection with our consent solicitation for our 9.625% notes due 2009 and a non-recurring expense related to the termination of our distribution agreement in Taiwan. See notes 11 and 21F 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 12.3% in 2003 compared to 9.3% in 2002. Our tax expense, which primarily consists of income taxes and business assets tax, increased 60% from Ps629 million in 2002 to Ps1,007 million in

2003. The increase was attributable to higher taxable income in 2003 as compared to 2002. Our average statutory income tax rate was approximately 34% in 2003 and approximately 35% in 2002.

Employees' statutory profit sharing increased from Ps118 million during 2002 to Ps191 million during 2003 due to higher taxable income for profit sharing purposes in Mexico. See note 17B 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 2003 increased 16%, from Ps6,392 million in 2002 to Ps7,409 million in 2003. The percentage of our consolidated net income allocable to minority interests decreased from 6.6% in 2002 to 4.6% in 2003, as a result of our prepayment in October 2003 of the remaining portion of the preferred equity balance of the preferred equity transaction related to the financing of our acquisition of Southdown, Inc., now CEMEX, Inc., in 2000. Majority interest net income increased by 18%, from Ps5,967 million in 2002 to Ps7,067 million in 2003, mainly as a result of our increase in net sales, the decrease in our valuation losses on derivative financial instruments and a lower portion of consolidated net income allocable to minority interests, partially offset by the increases in our foreign exchange loss, the decrease in our monetary position gain, the increase in our other expenses and higher income taxes. As a percentage of net sales, majority interest net income increased from 8.0% in 2002 to 8.8% in 2003.

Year Ended December 31, 2002 Compared to Year Ended December 31, 2001

Overview

During 2002, we experienced significant declines in our consolidated results of operations as a consequence of unfavorable market conditions in several of the countries in which we have operations. In addition, as a result of the general decline in global capital markets as well as the volatility in the interest rate and currency markets, during 2002, we experienced significant valuation losses in our income statement, arising from our derivative financial instruments portfolio.

These unfavorable economic conditions have been partially offset by:

- o our ability to enter into new markets in the Caribbean, through our acquisition of PRCC in July 2002, and
- o favorable markets in several of the countries in which we operate, particularly in Spain, which experienced robust spending in public works and strong residential construction activity.

Summarized in the table below are the percentage (%) increases (+) and decreases (-) in 2002 compared to 2001 in our net sales, before eliminations resulting from consolidation, sales volumes and prices for the major countries in which we have operations. Variations in net sales determined on the basis of constant Mexican Pesos include the appreciation or depreciation occurred during the period between the country's local currency vis-a-vis the Mexican Peso, as well as the effects of inflation as applied to the Mexican Peso amounts using CEMEX's weighted average inflation factor; therefore, such variations substantially differ from those based solely on the country's local currency:

Net Sales								
Country	Variations in local currency	Approximate currency fluctuations, net of inflation effects	Variations in constant Mexican Pesos	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Prices in local currency	
				Cement	Ready-Mix		Cement	Cement
Mexico	-1.0%	-3.0%	-4.0%	+4%	+10%	-25%	-6%	-8%
United States	-7.7%	-2.0%	-9.7%	-5%	Flat	N/A	-1%	+1%
Spain	+3.5%	+25.8%	+29.3%	+2%	+6%	+5%	+1%	-1%
Venezuela	-7.8%	-24.4%	-32.2%	-17%	-23%	-15%	+12%	+5%
Colombia	+9.4%	-16.4%	-7.0%	+2%	-3%	N/A	+9%	+3%
Central America and the Caribbean	+16.5%	+0.8%	+17.3%	+14%	+152%	N/A	+5%	N/A
Philippines	-8.2%	+8.3%	+0.1%	+36%	-68%	-33%	-23%	Flat
Egypt	+10.1%	+1.0%	+11.1%	+18%	N/A	N/A	-8%	N/A

N/A = Not Applicable

On a consolidated basis, our cement sales volumes increased 1%, from 61.2 million tons in 2001 to 61.8 million tons in 2002, and our ready-mix concrete sales volumes increased 6%, from 18.2 million cubic meters in 2001 to 19.2 million cubic meters in 2002. However, our net sales decreased 2% from Ps76,572 million in 2001 to Ps75,042 million in 2002 in constant Peso terms, and our operating income decreased 18% from Ps18,286 million in 2001 to Ps15,029 million in 2002 in constant Peso terms.

Net Sales

Our net sales decrease of 2% in constant Peso terms during 2002 was primarily attributable to unfavorable economic conditions in many of our markets, which affected cement sales volumes and prices in those markets. A decrease in weighted average cement prices and weighted average ready-mix concrete prices in 2002 compared to 2001 accounted for approximately, 4% and 1%, respectively, of our various markets' negative impact on net sales. These decreases were partially offset by a 1% positive effect resulting from the increase in cement sales volumes, a 1% positive effect resulting from the increase in ready-mix concrete sales volumes and a 1% positive effect resulting from the consolidation of our newly acquired operations in Puerto Rico. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales on a country-by-country basis.

Mexico

Our Mexican operations' domestic gray cement sales volumes increased 4% in 2002 compared to 2001, and ready-mix concrete sales volumes increased 10% during the same period. The increase in sales volumes resulted primarily from increased demand in the public sector, while the self-construction sector remained stable during the year. However, lower cement prices and lower ready-mix concrete prices in Mexico offset the sales volumes increases. The average cement price in Mexico decreased 6% in constant Peso terms in 2002 compared to 2001, and the average ready-mix concrete price decreased 8% in constant Peso terms over the same period (1.5% and 3.5% in nominal Peso terms, respectively). The principal reason for the decrease in our average cement price and our average ready-mix concrete price, both in constant Peso terms and nominal Peso terms, is due to increased competition.

The increase in our domestic cement sales volumes was also offset by a significant decrease in cement export volumes. Our Mexican operations' cement export volumes, which represented 7% of our Mexican cement sales volumes in 2002, decreased 25% in 2002 compared to 2001 due mainly to the weakness of the U.S. market, our most important foreign consumer. Of our Mexican operations' cement export volumes during 2002, 36% was shipped to Central America and the Caribbean, 63% to the United States and 1% to South America.

As a result of the decline in average cement and ready-mix prices and the decline in cement export volumes, net sales in Mexico, in constant Peso terms using Mexican inflation, declined approximately 1% in 2002 compared to 2001, despite increases in domestic cement sales volumes and ready-mix concrete sales volumes.

United States

Our United States operations' cement sales volumes, which include cement purchased from our other operations decreased 5% in 2002 compared to 2001. Ready-mix concrete sales volumes remained flat. The decrease in cement sales volumes is attributable to the general weakness of the United States economy. Industrial and commercial construction declined as a result of continued weakness in the manufacturing and commercial sectors of the economy, while the cement-intensive public works sector, in particular highway construction, our strongest source of cement demand, did not grow as much as in prior years. In addition, the average sales price of cement decreased 1% in Dollar terms during 2002 compared to 2001. This decrease was only partially offset by a corresponding 1% increase in the average price of ready-mix concrete.

As a result of the decline in cement sales volumes and average cement prices, net sales in the United States declined approximately 7.7% in U.S. Dollar terms in 2002 compared to 2001.

Spain

Our Spanish operations' domestic cement sales volumes increased 2% in 2002 compared to 2001, and ready-mix concrete sales volumes increased 6% during the same period. The increase in sales volumes was primarily driven by increased spending in public works and strong residential construction activity, combined with the effects of a strong Euro. Our Spanish operations' cement export volumes, which represented 3% of our Spanish cement sales volumes in 2002, increased 5% in 2002 compared to 2001 (despite the strong Euro) due to our Spanish operations' expansion into new markets in Mauritania (Africa) and the Caribbean during the second half of 2002. Of our Spanish operations' total cement export volumes during 2002, 20% was shipped to Europe and the Middle East, 39% to Africa, 37% to the United States and 4% to the Caribbean region. In addition, the average sales price of cement increased 1% in Euro terms during 2002 compared to 2001. This increase was only partially offset by a corresponding 1% decrease in the average price of ready-mix concrete.

As a result of the increase in cement sales volumes and prices, net sales in Spain, in Euro terms, increased 3.5% in 2002 compared to 2001.

Venezuela

Our Venezuelan operations' domestic cement sales volumes decreased 17% in 2002 compared to 2001, while ready-mix concrete sales volumes decreased 23% during the same period. The decreases in sales volumes and ready-mix concrete sales volumes were mainly driven by the downturn in construction activity in Venezuela, which was the direct consequence of the political and economic turmoil in Venezuela during 2002. In addition, the on-going nation-wide general strike that began in early December 2002 caused significant reduction in oil production in Venezuela and brought Venezuela's oil-dependent economy virtually to a halt.

Our Venezuelan operations' cement export volumes, which represented 50% of our Venezuelan cement sales volumes in 2002, decreased 15% in 2002 compared to 2001. The decrease was due in part to the weakness of the economy in the United States, which is the main destination of Venezuelan exports. Of our Venezuelan operations' total cement export volumes during 2002, 65% was shipped to North America and 35% to the Caribbean and South America.

Our Venezuelan operations' average domestic sales price of cement increased 12% in constant Bolivar terms in 2002 compared to 2001, while the average domestic sales price of ready-mix concrete increased approximately 5% in constant Bolivar terms over the same period. However, these increases in

average prices were not sufficient to offset the decrease in sales volumes; therefore, net sales in Venezuela, in constant Bolivar terms, declined approximately 7.8% in 2002 compared to 2001.

68

During the end of the second and beginning of the third quarter of 2002, we experienced a 36 day labor strike in the Pertigalete plant, our major cement plant in Venezuela. However, local market supply was met by existing inventory, and our trading network covered volumes which otherwise would have been exported from Venezuela.

Colombia

Our Colombian operations' domestic sales volumes increased 2% in 2002 compared to 2001. This increase was primarily attributable to a recovery in the public works sector, which increased toward the end of 2002, and our increased penetration in the residential construction sector. Ready-mix concrete sales volumes decreased 3% in 2002 compared to 2001, due primarily to reduced construction activity during the first half of 2002.

Our Colombian operations' average sales price of cement increased 9% in Colombian Peso terms in 2002 compared to 2001, while the average domestic sales price of ready-mix concrete increased 3% in Colombian Peso terms over the same period. As a result of the increases in cement sales volumes and average cement and ready-mix concrete prices, slightly offset by the decrease in ready-mix concrete volumes, our net sales in Colombia, in Colombian Peso terms, increased 9.4% in 2002 compared to 2001.

Central America and the Caribbean

Our Central American and Caribbean operations consist of our operations in Costa Rica, the Dominican Republic, Panama, Nicaragua and Puerto Rico, as well as 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 Spain, Venezuela and Mexico. Our Central American and Caribbean operations' domestic cement sales volumes increased approximately 12% (or approximately 15%, excluding our trading operations in the Caribbean region) in 2002 compared to 2001, primarily as a result of our acquisition of PRCC in July 2002, which represented 9% of our total cement sales volume in that region during 2002. Our Central American and Caribbean operations' ready-mix concrete sales volumes increased approximately 152% in 2002 compared to 2001, primarily due to the inclusion of our Puerto Rican operations, and the beginning of ready-mix concrete sales in Costa Rica in the third quarter of 2002.

Our operations in Panama and in the Dominican Republic increased their ready-mix sales volumes by 23% and 7%, respectively, in 2002 compared to 2001, and our Caribbean region trading operations' cement sales volumes increased approximately 2% in 2002 compared to 2001, despite the political and economic turmoil in Venezuela because we were able to supply the Caribbean trading market with exports from Spain.

Lastly, our Central American and Caribbean operations' average domestic cement sales price increased 5% in Dollar terms in 2002 compared to 2001, primarily due to increases in the average sales prices of cement in Costa Rica, the Dominican Republic and Nicaragua of 5%, 9% and 12%, respectively, as a result of strong domestic demand, while the average sales price of cement decreased 5% in Panama.

As a result of the increase in cement sales volumes and prices, combined with the inclusion of our Puerto Rican operations, net sales in the Central American and Caribbean region, in U.S. Dollar terms, increased 16.5% in 2002 compared to 2001.

The Philippines

Our Philippines domestic cement sales volumes increased 36% in 2002 compared to 2001, which was partially offset by a 23% decrease in Philippine Peso terms in the average domestic sales price of cement during the same period. Our Philippine operations' domestic cement sales volumes increase was

primarily a result of our commercial marketing programs and our increased market participation in the country due to fewer cement imports from our competitors. The construction sector of the economy, however, remained weak as a result of reductions in public spending and private investments. Our Philippines ready-mix concrete business, which began in 2001, is still under development. Our ready-mix sales volumes in the Philippines decreased 68% in 2002 compared to 2001, but,

69

in contrast to sharply declining prices for cement, the average ready-mix concrete price remained flat. The decrease in ready-mix concrete sales volumes was also attributable to the weak economic environment in the country.

Principally as a result of the decrease in the average cement prices and the weak ready-mix concrete operations, which was partially offset by the increase in domestic cement sales volumes, our net sales in the Philippines, in Philippine Peso terms, decreased 8.2% in 2002 compared to 2001.

Thailand

Our Thai operations include Saraburi, now named CEMEX (Thailand), which we acquired in May 2001 through our 92.3%-owned subsidiary CEMEX Asia Holdings, Ltd. Accordingly, CEMEX (Thailand)'s results of operations are consolidated in our results of operations for all of 2002, but only for seven months in 2001. CEMEX (Thailand)'s net sales accounted for approximately 0.2% of our consolidated net sales for the seven-month period ended December 31, 2001 and approximately 0.3% of our consolidated net sales for the year ended December 31, 2002.

Egypt

Our Egyptian operations' domestic cement sales volumes increased 18% in 2002 compared to 2001, primarily as a result of our higher penetration in Lower Egypt and a strong self-construction sector. The increase in domestic sales volumes was partially offset by a 8% decrease, in Egyptian pound terms, in the average domestic sales price of cement, also the result of increased sales in Lower Egypt, where prices are lower due to the high concentration of competitors in the region. In addition to being subject to market pressures, cement prices in Egypt are controlled to a significant degree by the Egyptian government as a result of the government's control of almost 50% of the industry's capacity.

In addition, the Egyptian pound has undergone four devaluations since late 2000 (most recently, in February 2003 when it began trading as a freely floating currency). Devaluations of the Egyptian pound relative to the U.S. dollar create inflationary pressures in Egypt by generally increasing the price of imported products and requiring recessionary government policies to curb aggregate demand.

As a result of the increase in cement sales volumes combined with the offsetting decline in domestic cement sales prices, net sales in Egypt, in Egyptian pound terms, increased 10.1% in 2002 compared to 2001.

Cost of Sales

Our cost of sales, including depreciation, decreased 3% from Ps43,070 million in 2001 to Ps41,925 million in 2002 in constant Peso terms, as a result of the reclassification of the expenses related to distribution of our products as operating expenses in the income statement for the full year in 2002 and partially in 2001. During 2001, approximately Ps1,725 million of such expenses were included in cost of sales. During 2002, the reclassification of expenses accounted for substantially all the 3% decrease in cost of sales. As a percentage of sales, cost of sales decreased from 56.2% in 2001 to 55.9% in 2002.

Gross Profit

Our gross profit decreased by 1% from Ps33,502 million in 2001 to Ps33,117 million in 2002 in constant Peso terms. Our gross margin increased slightly from 43.8% in 2001 to 44.1% in 2002, reflecting the reclassification

of distribution expenses discussed above. The decrease in our gross profit is mainly attributable to the 2% decrease in net sales, partially offset by the 3% decrease in cost of sales from 2001 to 2002.

Operating Expenses

Our operating expenses increased 19% from Ps15,216 million in 2001 to Ps18,088 million in 2002 in constant Peso terms. This increase was primarily a result of our rollout expenses related to the implementation of the CEMEX Way, which included increased efforts to strengthen our commercial and distribution network

70

worldwide in an effort to lower our costs in the future and make our business processes more efficient. Also affecting operating expenses was the reclassification of the expenses related to distribution of our products as operating expenses in the income statement for the full year in 2002 and partially in 2001; during 2001, approximately Ps1,725 million of such expenses were included in cost of sales, representing approximately 37% of the increase in operating expenses discussed above. As a percentage of sales, our administrative and selling expenses increased from 19.9% in 2001 to 24.1% in 2002.

Operating Income

The 18% decrease in our operating income in 2002 compared to 2001 is a result of a 2% decrease in net sales combined with a 19% increase in operating expenses, partially offset by a 3% decrease in our cost of sales from 2001 to 2002.

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:

- o financial or interest expense on borrowed funds;
- o financial income on cash and temporary investments;
- o 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;
- o foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- o gains and losses resulting from having monetary liabilities or assets exposed to inflation (monetary position result).

	Year Ended December 31,	
	2001	2002
	(in millions of constant Pesos)	
Net comprehensive financing income (expense):		
Financial expense.....	Ps (4,554)	Ps (3,814)
Financial income.....	451	512
Foreign exchange gain (loss), net.....	1,701	(884)
Gain (loss) on valuation and liquidation of financial instruments.....	2,209	(3,630)
Monetary position gain.....	3,120	4,039
	-----	-----
Net comprehensive financing income (expense).....	Ps 2,927	Ps (3,777)

Our net comprehensive financing income (expense) decreased from income of Ps2,927 million in 2001 to an expense of Ps3,777 million in 2002. The components of the change are shown above. Our financial expense was Ps3,814 million for 2002, a decrease of 16% from Ps4,554 million in 2001. The decrease was primarily attributable to lower average interest rates as a result of market conditions. Our financial income increased 14% from Ps451 million in 2001 to Ps512 million in 2002 as a result of a higher level of investments in fixed rate instruments during the year. Our net foreign exchange results amounted to a loss of Ps884 million in 2002 compared to a gain of Ps1,701 million in 2001. The foreign exchange loss in 2002 is primarily attributable to the appreciation of the Japanese Yen and the Dollar against the Peso and the effect that such appreciation had in our Japanese Yen and Dollar denominated debt. Our gain (loss) from valuation and liquidation of financial instruments decreased from a gain of Ps2,209 million in 2001 to a loss of Ps3,630 million in 2002, primarily attributable to a non-recurring gain

71

obtained in 2001 through the sale of marketable securities of approximately Ps1,474 million, combined with valuation losses in 2002 on our derivative financial instruments portfolio (discussed below). See notes 11, 12, and 16 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 Ps3,120 million during 2001 to Ps4,039 million during 2002, as a result of the increase in the weighted average inflation index in 2002 compared to 2001.

Derivative Financial Instruments

Our derivative financial instruments that have a potential impact on our Comprehensive Financing Result consist of equity forward contracts designated as hedges of our executive stock option programs (see notes 15 and 16 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), other interest rate derivatives, fuel and energy derivatives and third party equity forward contracts. We suffered valuation losses in most of these financial derivatives in 2002 compared to 2001, which accounted for substantially all the loss recorded in 2002 under the line item valuation and liquidation of financial instruments presented above. 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 note 16A to our consolidated financial statements included elsewhere in this annual report. The decline in the estimated fair value of our equity forward contracts that hedge the potential exercise of our executive stock option programs is primarily attributable to a decrease in the market price of our listed securities (ADSs and CPOs). The decline in the estimated fair market value of our interest rate derivatives is primarily attributable to the continuing decline in market interest rates, as CEMEX has fixed its interest rate profile in a level above current market rates. With respect to our cross currency swaps, the decrease in our estimated fair value is primarily attributable to the appreciation of the Yen against the Mexican Peso during 2002.

Other Expenses, Net

Our other expenses for 2002 were Ps4,465 million, a 3% decrease from Ps4,611 million in 2001. The decrease was primarily attributable to expenses related to a voluntary exchange program of options under our stock option program during 2001. See note 15C to our consolidated financial statements included elsewhere in this annual report. This decrease was partially offset by the expense incurred during 2002 as a result of the premium paid on our cash tender offer for our 12 3/4% notes due 2006, the consent fee paid in connection with our consent solicitation for our 9.625% notes due 2009 and a non-recurring expense related to the termination of our distribution agreement in Taiwan. See note 21F 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 9.3% in 2002 compared to 11.1% in 2001. Our tax expense, which primarily consists of income taxes and business assets tax, decreased 66% from Ps1,845 million in 2001 to Ps629 million in 2002. Approximately 32% of the decrease was attributable to lower taxable income in 2002 as compared to 2001, and 34% of the decrease resulted from the recognition of the deferred income taxes for the year that was an income of Ps434.8 million in 2002 as compared to an expense of Ps221.1 million in 2001 due mainly to the change in the enacted income tax ratio in Mexico which decreased to 34% in 2002 from 35% in 2001, and also to variations in temporary differences between book and taxable amounts that occurred during 2002. Our average statutory income tax rate was approximately 34% in 2002 and approximately 35% in 2001.

Employees' statutory profit sharing decreased from Ps261 million during 2001 to Ps118 million during 2002 due to lower taxable income for profit sharing purposes in Mexico and Venezuela. See note 17B to our consolidated financial statements included elsewhere in this annual report.

72

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 2002 decreased 57%, from Ps14,723 million in 2001 to Ps6,392 million in 2002. The percentage of our consolidated net income allocable to minority interests decreased from 12% in 2001 to 7% in 2002, as a result of our prepayment of a portion of the preferred equity balance of the preferred equity transaction related to the financing of our acquisition of Southdown, now renamed CEMEX, Inc., in 2000. Majority interest net income decreased by 54%, from Ps13,027 million in 2001 to Ps5,967 million in 2002, mainly as a result of our decrease in net sales, the increase in operating expenses and the increase in our valuation losses on derivative financial instruments, partially offset by our reductions in cost of sales, interest expense and income taxes and the increase in our monetary position gain. As a percentage of net sales, majority interest net income decreased from 17% in 2001 to 8% in 2002.

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 Ps26.1 billion in 2001, Ps19.1 billion in 2002 and Ps17.6 billion in 2003. (See our Statement of Changes in the Financial Position included elsewhere in this annual report.)

Our Indebtedness

As of December 31, 2003, we had approximately U.S.\$5.9 billion (Ps65.9 billion) of total debt, of which approximately 23% was short-term and 77% was long-term. Approximately 22% of our long-term debt, or U.S.\$1.0 billion (Ps11.4 billion), is to be paid in 2005, unless extended. As of December 31, 2003, 68%

of our consolidated debt was Dollar-denominated, 18% was Euro-denominated, 14% was Japanese Yen-denominated and immaterial amounts were denominated in other currencies, after giving effect to our cross currency swap arrangements discussed elsewhere in this annual report. The weighted average interest rates paid by us in 2003 in our main currencies were 5.4% on our Dollar-denominated debt, 3.1% on our Euro-denominated debt and 0.9% on our Yen-denominated debt. The ratio of total indebtedness, including certain transactions that do not qualify as debt instruments under Mexican GAAP and that are used to calculate this ratio for financial covenant purposes, to total capitalization as of December 31, 2003 was approximately 46.7% and as of December 31, 2002 was approximately 47.5%.

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 puttable capital securities.

73

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 U.S.\$3.1 billion (Ps35.3 billion), as of December 31, 2003. See Item 3 -- "Key Information -- Risk Factors -- Our ability to pay dividends and repay debt depends on our ability to transfer income and dividends from our subsidiaries," "--We have incurred and will continue to incur debt, which could have an adverse effect on the price of our CPOs, ADSSs, appreciation warrants and ADWs," and note 23(x) to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2003, we and our subsidiaries had lines of credit totaling Ps43.7 billion at annual rates of interest ranging from 0.6% to 13.5%, in accordance with the currency in which they were negotiated. The unused amounts of those lines of credit totaled approximately Ps25.7 billion as of December 31, 2003. In addition to these lines of credit, from time to time we borrow money from banks and other financial institutions.

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, 2003, we were in compliance with all the financial covenants in our own and our subsidiaries' debt instruments.

In addition, a considerable amount of our debt is subject to credit ratings triggers that require us to pay a step-up in the coupon rate of the affected notes in the event that certain minimum credit ratings are not maintained. Significantly, the CEMEX, Inc. Note and Guarantee Agreement, dated March 15, 2001, described under Item 10 "-- Additional Information -- Material Contracts," requires us to make all reasonable efforts to ensure that the notes issued pursuant to that agreement maintain a private letter rating of at least BBB- by Standard & Poor's and Baa3 by Moody's. If the notes fail to maintain this required rating, we would have to pay a step-up in the coupon rate and, if, after a continuous period of two years, the notes have not re-attained these ratings, we would have to repay them or obtain a waiver of this requirement. As of December 31, 2003, the notes were rated BBB- by Standard & Poor's and Baa3 by Moody's.

Our Preferred Equity Arrangements

In November 2000, we formed a Dutch subsidiary which issued preferred equity for an amount of U.S.\$1.5 billion (Ps16.9 billion) to provide funds for our acquisition of Southdown on terms we believe are advantageous. This structure was designed to strengthen our capital structure while providing financing on favorable terms. 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 date on the remaining U.S.\$650 million with U.S.\$195 million due in February 2004 and U.S.\$455 million due in August 2004. In October 2003, in connection with the establishment of the new U.S.\$1.15 billion senior unsecured term loan facility by our Dutch subsidiary described under Item 10 "-- Additional Information -- Material Contracts," we redeemed before maturity all of the U.S.\$650 million (Ps7,306.0) of preferred equity outstanding.

74

Until its liquidation, 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 years ended December 31, 2001, 2002 and 2003, preferred equity dividends amounted to approximately U.S.\$76 million, U.S.\$23.2 million and U.S.\$12.5 million, respectively.

In May 1998, a subsidiary of CEMEX Espana issued U.S.\$250 million aggregate liquidation amount of 9.66% Putable Capital Securities. 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. The Putable Capital Securities are guaranteed on a subordinated basis by CEMEX Espana. We have an option to repurchase the Putable Capital Securities from the holders on November 15, 2004, or on any subsequent dividend payment date. We are required to make an offer to purchase the Putable Capital Securities from their holders on May 15, 2005 and after the occurrence of specified put events, which include, among other things, a payment default or a deferral of dividends by the issuer of the Putable Capital Securities. Our obligation to purchase the Putable Capital Securities is guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. As of December 31, 2003, we had U.S.\$66 million of the Putable Capital Securities outstanding.

For accounting purposes under Mexican GAAP, the Putable Capital Securities are recorded as a minority interest on our balance sheet. Dividends paid on the Putable Capital Securities are recorded as a minority interest on our income statement. For the years ended December 31, 2001, 2002 and 2003, Putable Capital Securities dividends amounted to approximately U.S.\$24.2 million, U.S.\$11.9 million and U.S.\$6.4 million, respectively.

Our Equity Arrangements

In December 1995, we entered into a transaction in which one of our Mexican subsidiaries transferred some of its cement assets to a trust, while, simultaneously, a third party purchased a beneficial interest in the trust for approximately U.S.\$123.5 million in exchange for notes issued by the trust. We had the right to reacquire these assets on various dates until 2007. In December 2003, we acquired the remaining assets for approximately U.S. \$75.9 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 years ended December 31, 2001, 2002 and 2003, the expense generated by retaining the option to re-acquire the assets amounted to approximately U.S.\$13.8 million, U.S.\$13.2 million and U.S.\$14.5 million, respectively, and was included as financial

expense in our income statements.

In December 1999, we issued to our shareholders, members of our board of directors and other executives 105 million appreciation 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 appreciation warrants.

In November 2001, we launched a voluntary public exchange offer of new appreciation warrants and new ADWs maturing on December 21, 2004, for our existing appreciation warrants and our existing ADWs on a one-for-one basis. Of the total 105 million appreciation warrants originally issued, 103,790,945, or 98.9%, were tendered in exchange for the new appreciation warrants. Both the old appreciation warrants and the new appreciation 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 appreciation warrants expired on December 13, 2002 in accordance with their terms without any payments to the holders. See note 14F to our consolidated financial statements included elsewhere in this annual report and "-- Our Equity Derivative Forward Arrangements."

In November 2003, we launched a modified "Dutch Auction" cash tender offer to purchase up to 90,018,042 of the new appreciation warrants (including appreciation warrants represented by ADWs) at a single price in Pesos not greater than Ps8.10 per appreciation warrant (Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (Ps25.50 per ADW), as specified by tendering holders. Holders of appreciation warrants and

75

ADWs tendered 96,641,388 appreciation warrants (including 23,575,907 appreciation warrants represented by ADWs) at prices at or below Ps8.10 per appreciation warrant (Ps40.50 per ADW) in the offer, which expired on January 26, 2004. In accordance with the terms of the offer, CEMEX purchased 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs), representing approximately 86.7% of the 103,790,945 new appreciation warrants outstanding immediately prior to the commencement of the offer, on a pro rata basis (except for odd lot tenders, which were purchased on a priority basis) at a final purchase price of Ps8.10 per appreciation warrant (Ps40.50 per ADW). The final proration factor for the offer was 93.146058%. All appreciation warrants and ADWs not accepted because of proration were promptly returned. Following the completion of the offer, approximately 11,668,132 new appreciation warrants (including appreciation warrants represented by ADWs) were held by persons other than CEMEX and its subsidiaries.

Our Equity Derivative Forward Arrangements

In connection with our appreciation warrants transaction, during 1999, we entered into equity forward contracts with a number of banks and other financial institutions with an original maturity in December 2002, pursuant to which the banks purchased our ADSs and shares of common stock of CEMEX Espana (formerly Compania Valenciana de Cementos Portland, S.A.), our Spanish subsidiary. In December 2002, we agreed with the banks to settle the forward transactions for cash and simultaneously enter into new forward transactions with the same banks on similar terms to the original forward transactions with respect to the underlying ADSs and CEMEX Espana shares, maturing on December 12, 2003. Under the new forward contracts, the banks retained the 24,008,313 ADSs and 33,751,566 CEMEX Espana shares underlying the original forward contracts, for which they agreed to pay us an aggregate price of approximately U.S.\$828.5 million, or the notional amount. We agreed with the banks that the purchase price payable to us under the new forward contracts would be netted against the adjusted forward settlement price of the original forward contracts and any advance payments made by us in connection with the closing of the new forward contracts. Upon closing of the new forward transactions, we made an advance payment to the banks of approximately U.S.\$380.1 million of the forward purchase price, U.S.\$285 million of which represented payment in full of the portion of the forward purchase price relating to the CEMEX Espana shares and U.S.\$95.1 million of which was an advance payment against the final forward purchase price. As of December 13, 2002, the adjusted forward settlement price of the new forward contracts was U.S.\$448.4 million. In December 2002, as a result of the net settlement and renegotiation of the forward contracts, we recognized, in accordance with Mexican GAAP, a loss of approximately U.S.\$98.3 million (Ps1,104.9 million) in our stockholders' equity, arising from changes

in the valuation of the underlying shares.

In October 2003, in connection with the non-dilutive equity offering by the banks of all of the ADSs underlying those forward contracts, which had increased to 25,457,378 ADSs as a result of stock dividends through June 2003, we agreed with the banks to settle those forward contracts for cash. As a result of the final settlement in October 2003, we recognized a gain of approximately U.S.\$18.1 million (Ps203.4 million) in our stockholders' equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003.

For accounting purposes under Mexican GAAP, 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. With respect to the portion of the forward contracts relating to CEMEX Espana shares, the sale of the CEMEX Espana shares to the banks was not considered to be a sale under Mexican GAAP because we continued to retain the economic and voting rights associated with these shares and were obligated to repurchase them upon termination of the forward contracts, and because our obligations to the banks relating to those shares were prepaid. As a result, the transaction did not have any effect on minority interests, in either our income statements or our balance sheets.

As of December 31, 2002 and 2003, we were also subject to equity forward contracts with different maturities until October 2006, for a notional amount of U.S.\$436.1 million and U.S.\$789.3 million, respectively, covering a total of 16,005,620 ADSs in 2002 and 29,314,561 ADSs in 2003, negotiated to hedge the future exercise of options granted under our executive stock option programs and voluntary employee stock option programs. See note 15 to our consolidated financial statements included elsewhere in this annual report. Starting in 2001, we recorded the changes in the estimated fair value of these contracts in the balance sheet as assets or liabilities against the income statement, in addition to the costs originated by our option programs, which these forwards are hedging.

76

As of December 31, 2002 and 2003, the estimated fair value of these contracts was a loss of approximately U.S.\$47.0 million (Ps539 million) and a gain of approximately U.S.\$28 million (Ps314.7 million), respectively.

As of December 31, 2003, in relation to the acquisition of 1,483,365 shares of CAH common stock, we had forward contracts for a notional amount of U.S.\$122.9 million, covering 23,622,500 CPOs, maturing in August, September and October 2004 hedging the acquisition of CAH shares to be acquired in exchange for CEMEX CPOs. The effects to be generated upon settlement of the forward contracts will be recognized as an adjustment to the acquisition cost of the CAH shares. As of December 31, 2003, the estimated fair value of these contracts, which is not periodically recorded, had an approximate gain of U.S.\$1.8 million (Ps20.2 million). See note 8A to our consolidated financial statements included elsewhere in this annual report.

Finally, as of December 31, 2002 and 2003, we had forward contracts with different maturities until February 2006, for an approximate notional amount of U.S.\$ 452.4 million and U.S.\$172.8 million, respectively, covering a total of 15,316,818 ADSs in 2002 and 5,268,939 ADSs in 2003. Based on our intention to settle these contracts physically at maturity, the estimated fair value of these contracts is not periodically recognized. The effects originated by these contracts will be recognized at maturity as an adjustment to our stockholders' equity. As of December 31, 2002 and 2003, the estimated fair value of these contracts represented a loss of approximately U.S.\$110.6 million (Ps1, 243.1 million) and approximately U.S.\$27.1 million (Ps304.6 million), respectively.

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 CEMEX Mexico and CEMEX Concretos, S.A. de C.V. during 2002, by CEMEX, Inc. in the United States during 2001 and by CEMEX Espana in 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 4 and 5 to our consolidated financial statements included elsewhere in this annual report. The balances of receivables sold pursuant these securitization programs as of December 31, 2002 and 2003 were Ps5,575 million (U.S.\$496 million) and Ps6,125 million (U.S.\$545 million), respectively. The accounts receivable qualifying for sale do not include amounts over certain days past due or concentrations over certain limit 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 Ps120 million (U.S.\$10.7 million) in 2002 and Ps107 million (U.S.\$9.5 million) in 2003. 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 2001 annual shareholders' meeting held on April 25, 2002, our shareholders approved a stock repurchase program in an amount of up to Ps5 billion (approximately U.S.\$482 million) to be implemented between April 2002 and April 2003. See note 14A to our consolidated financial statements included elsewhere in this annual report. During 2002, we purchased 7.6 million CPOs for a total of Ps392.2 million.

In connection with our 2002 annual shareholders' meeting held on April 24, 2003, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.\$534 million) to be implemented between April 2003 and April 2004. See note 14A to our consolidated financial statements included elsewhere in this annual report. During 2003, we did not purchase any CPOs under this program.

In connection with our 2003 annual shareholders' meeting held on April 29, 2004, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.\$534 million) to be implemented between April 2004 and the date of the 2004 annual shareholders' meeting.

77

Recent Developments

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 is a five-year multi-currency term loan facility with a variable interest rate; the second facility is a 364-day multi-currency revolving credit facility; and the third facility is a five-year Yen-denominated term loan facility with a fixed interest rate. The proceeds of these facilities will be used to prepay CEMEX Espana's outstanding revolving credit facility and for general corporate purposes.

On April 15, 2004, CEMEX Espana Finance LLC, as issuer, CEMEX Espana S.A., Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V. and Cemex Egyptian Investments B.V., as guarantors, and several institutional purchasers, entered into a Note Purchase Agreement in connection with a private placement by CEMEX Espana Finance, LLC. CEMEX Espana Finance, LLC issued to the institutional purchasers (Y)4,980,600,000 aggregate principal amount of 1.79% Senior Notes due 2010 and (Y)6,087,400,000 aggregate principal amount of 1.99% Senior Notes due 2011. The proceeds from the private placement were used to repay debt.

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 also has responsibility for developing of new processes, equipment and methods to optimize operational efficiencies and reduce our costs. For example, we have developed methods that allow us to use alternative fuel sources, which, in turn, reduce our fuel costs.

We have five laboratories dedicated to our research and development efforts. Four 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 constantly improving and consolidating our research and development efforts in the areas of cement technology, information technology and energy management. We have several patent registrations and pending applications in different countries, related mainly to the cement production process, including methods for increasing energy efficiencies.

Our Information Technology divisions have developed information management systems and software relating to cement and ready-mix operational practices, automation and maintenance. These new 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 to operating results over the estimated useful life of the software, which is approximately 4 years.

In 2002 and 2003, the combined total expense of the departments of the Vice President of Energy and the Vice President of Technology, which includes research and development activities, amounted to U.S.\$52.9 million and U.S.\$40.9 million, respectively. In addition, in 2002 and 2003, we capitalized approximately U.S.\$90.1 million and U.S.\$11.3 million, respectively, related to internal use software development. See note 10 to our consolidated financial statements included elsewhere in this annual report.

Trend Information

Overview

We believe 2003 was a very challenging, but ultimately successful year for CEMEX. In the beginning of 2003, we faced a global economy burdened by uncertainty and volatility that offered few visible growth opportunities and was subject to significant downside risks. Our year-end results, however, were better than we expected as demand in markets such as the United States, for which our outlook was negative a year ago, grew significantly during the second half of 2003.

Led by the U.S. economic expansion, we believe the global economic environment has also moderately improved and offers better prospects for 2004. For example, cement demand in Mexico and Spain, our two other major markets, grew at twice the rate of gross domestic product (GDP) growth or more during 2003. Also, we believe visibility has improved for most of the markets in our portfolio. We believe that these are growth markets on an upward trend, and that we are well prepared to capitalize on their accelerating development during 2004.

In contrast to 2003, during which cement demand grew in only half of the largest markets in which we operate, we expect cement volume growth in 2004 in most of the markets in our portfolio. We expect this growth to be accompanied by a gradual price recovery.

Outlook for Our Major Markets

The following is a discussion of our outlook for our three major markets, Mexico, the United States and Spain, which together generated approximately 72% of our net sales in 2003.

In Mexico, we are optimistic about the positive trend in cement consumption in 2003, and we believe it will extend well into 2004. We expect our cement volumes in Mexico to increase in 2004 over 2003, primarily as a result of continued government spending on infrastructure projects, increased demand in the low- and middle-income housing sectors and a stable but growing self-construction sector. In addition, due the upward trend in Mexico's GDP, we expect a recovery in the industrial sector during 2004, which we expect will lead to increased employment levels and renewed growth in the self-construction sector, which remained relatively flat during 2003. We expect cement prices in Mexico will remain flat in constant Peso terms for 2004.

In the United States, we expect cement consumption in the industrial and commercial sectors to grow in 2004 following a reversal of their downward trend during the second half of 2003, primarily as a result of improved vacancy rates and increased economic activity. We also expect cement demand from the streets and highways sector to grow in 2004, due to the improving economic environment. As a result, we expect our cement volumes in the United States to increase in 2004 over 2003, despite an expected slowdown in cement consumption in the residential sector due to a likely increase in interest rates. In addition, we believe the U.S. government's proposed new highway construction program, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA), will be a positive factor that will influence cement demand in 2005 and beyond. With respect to our national average pricing, we expect a slight increase in Dollar terms in 2004 over 2003.

In Spain, we expect cement demand from the housing sector to remain strong due to a favorable mortgage environment and the immigration of northern Europeans. We also expect demand from the public works sector, which is primarily driven by Spain's infrastructure program, to be an important component of cement consumption. Although we expect to see slower activity in this sector through the transitional phase that will follow the recent elections, we expect government spending on infrastructure programs to continue through 2007. As a result, we expect our cement volumes in Spain to remain flat or decrease slightly in 2004 compared to 2003. We expect cement prices in Spain will remain flat in Euro terms for 2004.

Summary of Material Contractual Obligations and Commercial Commitments

As of December 31, 2003, our subsidiaries have future commitments for the purchase of raw materials for an approximate amount of U.S.\$113.0 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 pet coke 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 pet coke delivery requirements to Alstom and Sithe through several pet coke supply agreements, including our pet coke 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 April 29, 2004.

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, 2003:

Contractual Obligations (1)	Payments Due by Period				
	Total	(In millions of U.S. Dollars)			After
		Within 1 Year	2-3 Years	4-5 Years	5 Years
Long-Term Bank Loans and Notes Payable.....	5,346	840	2,881	950	675
Capital Lease Obligations.....	34	3	4	2	25
Total Debt (2).....	5,380	843	2,885	952	700
Operating Leases (3).....	343	65	110	82	86
Shares Subject to Mandatory Redemption (4).....	66	-	66	-	-
Unconditional Purchase Obligations Under Equity Forward Contracts (5).....	1,085	561	524	-	-

- (1) The data set forth in this table are expressed in nominal terms and do not include financing expenses or preferred dividends on Puttable Capital Securities.
- (2) Total long-term debt including maturities is presented in note 11 to our consolidated financial statements included elsewhere in this annual report. In addition, as of December 31, 2003, we had lines of credit totaling approximately U.S.\$3.9 billion, of which the available portion amounts to approximately U.S.\$2.3 billion.
- (3) 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 21D to our consolidated financial statements included elsewhere in this annual report. Our operating leases include the lease of a cement plant in New Braunfels, Texas, which expires on September 9, 2009. We have an option to purchase this plant at the termination of the lease for fair value and an early buy-out option that can be exercised in January 2007 for a fixed amount.
- (4) Refers to the Puttable Capital Securities issued by our subsidiary in Spain. See note 14E to our consolidated financial statements included elsewhere in this annual report.
- (5) The scenario under which the amounts presented under this line item are determined assumes that, upon settlement of our equity forward contracts, we will repurchase all the underlying CPOs or ADSs. Even when this scenario is possible, we consider that it is not probable considering that in order for such a repurchase to take place, all the underlying transactions to which the equity forward contracts are related, such as our employee stock option programs, would expire unexercised (out of the money). Also, the scenario does not take into account that we may elect net cash settlement at maturity of the equity forward contracts and permit our counterparties to sell the underlying CPOs into the market, in which case, the expected cash flow would be materially different. As of December 31, 2003, the aggregate estimated fair value of these contracts was a gain of approximately U.S.\$16.4 million.

Of the total amount of U.S.\$561 million due in the short-term, approximately U.S.\$122.9 million is related to the contracts that hedge our forward exchange transaction of CAH shares, and approximately U.S.\$413.3 million is related to the contracts that hedge our employee stock option programs. We expect that these contracts will be refinanced from time to time relative to the underlying hedged items.

In addition, we have provided third party standby letters of credit for the benefit of our counterparties in the equity forward contracts and other financial transactions in the amount of U.S.\$55 million at December 31, 2003. For accounting purposes these letters of credit represent contingent obligations. See note 21A to our consolidated financial statements included elsewhere in this annual report.

The only off-balance sheet arrangements we have that are reasonably likely to have a material effect on our financial condition, operating results, liquidity or capital resources are the equity forward contracts described above under "Liquidity and Capital Resources -- Our Equity Derivative Financing Transactions" (other than those equity forward contracts negotiated to hedge the future exercise of options granted under our stock option programs), the receivables financing arrangements described above under "Liquidity and Capital Resources -- Our Receivables Financing Arrangements" and the electricity supply agreement described above under "Liquidity and Capital Resources -- Summary of Material Contractual Obligations and Commercial Commitments."

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 are 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)					
Derivative Instruments	At December 31, 2002		At December 31, 2003		Maturity Date
	Notional amount	Estimated fair value	Notional amount	Estimated fair value	
Equity forward contracts.....	1,445.1	(90.6)	1,085.0	16.4	Feb 04-Oct 06
Foreign exchange forward contracts.....	1,325.7	(201.4)	1,445.9	(191.6)	Jan 04-Jun 05
Interest rates swaps.....	1,106.0	(72.5)	1,850.0	(228.1)	Jan 08-Feb 09
Cross currency swaps.....	1,847.9	234.6	1,446.6	262.0	Jan 04-Dec 08
Interest rate swap options....	1,000.0	(140.9)	200	(24.9)	Oct 04
Other interest rate derivatives	1,361.0	(157.7)	--	--	--
Fuel and energy derivatives...	177.0	(.5)	174.5	(7.4)	May 2017
Third party equity forward contracts.....	7.1	(.1)	--	--	--

Our Equity Derivative Forward Contracts

Our equity derivative forward contracts in the table above, including the appreciation warrant-related forward contracts at December 31, 2002, are accounted for as equity instruments, and gains and losses are recognized as an adjustment to stockholders' equity upon settlement, with the exception of a portion of our equity forward contracts as of December 31, 2002 and 2003 with a notional amount of U.S.\$436.1 million and U.S.\$789.3 million, respectively, which, beginning in 2001, have been designed as hedges of a portion of our executive stock option plans, and for which changes in their estimated fair value have been recognized through the income statement, in addition to the costs generated by the stock option programs. The estimated fair value of these forward contracts represented a loss of U.S.\$47.0 million a gain of approximately U.S.\$28.0 million, as of December 31, 2002 and 2003, respectively. See "-- Liquidity and Capital Resources -- Our Equity Derivative Forward

Our Foreign Exchange Forward Contracts

The foreign exchange forward contracts are accounted for at their estimated market value as hedge instruments for our net investments in foreign subsidiaries. Gains or losses are recognized as an adjustment to stockholders' equity within the related foreign currency translation adjustment. In addition, as of December 31, 2002 and 2003, we held foreign exchange options for notional amounts of U.S.\$59.7 million and U.S.\$886.6 million, respectively, maturing on different dates until June 2005, which accounted for estimated fair value losses of approximately U.S.\$44.4 million (Ps509.2 million) in 2002 and approximately U.S.\$57.2 million (Ps642.9 million) in 2003, recorded in the income statement. See note 16B to our consolidated financial statements included elsewhere in this annual report.

Our Interest Rate Swaps

As of December 31, 2002 and 2003, we were parties to interest rate swaps for a notional amount of U.S.\$1,106 million and U.S.\$1,850.0 million, respectively, entered into in order to reduce the financial cost of debt negotiated at fixed rates and, in some cases, hedge contractual cash flows (interest payments) of underlying debt negotiated at floating rates. These interest rate swaps, with the exception of contracts for a notional amount of U.S. \$1,050 million in 2003, are accounted for as hedge instruments for contractual cash flows (interest payments) of the underlying short-term and long-term debt transactions, and periodic payments under the contracts are recognized in the income statements as an adjustment to the effective interest rate of the related debt. For the year ended December 31, 2002 and 2003, changes in the estimated fair value of the interest rate swaps resulted in losses of approximately U.S.\$72.5 million and U.S.\$228.1 million, respectively. From the amount recorded in 2003, a loss of approximately U.S.\$124.4 million, related to those interest rate swaps not designated as hedges, was recorded in earnings. In addition, a loss of approximately U.S.\$103.7 million, related to those swaps designated as hedge instruments, was recorded in the balance sheet as liabilities against stockholders' equity. This amount will be reversed through the income statement as the financial expense of the related financing debt is accrued. See note 11A to our consolidated financial statements included elsewhere in this annual report.

During 2003, in agreement with our financial counterparty and resulting from changes in the interest rate mix of our financial debt portfolio, we settled all the interest rate swap contracts we held as of December 31, 2002. At settlement, the fair value of such instruments was received or paid, representing losses of U.S.\$41.9 million (Ps471 million). These losses were recorded in earnings as part of the comprehensive financing result.

Our Cross Currency Swaps

As of December 31, 2002 and 2003, we held cross currency swap contracts related to our short-term and long-term financial debt portfolio for notional amounts of U.S.\$1,743.4 million and U.S.\$1,446.6 million, respectively. 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 11B 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, 2002 and 2003, we recognized net assets of U.S.\$241.4 million (Ps2,713.3 million) and U.S.\$262.0 million (Ps2,944.9 million), respectively, related to the estimated fair value of the short-term and long-term cross currency swap contracts, of which,

- o U.S.\$194.2 million (Ps2,182.8 million) as of December 31, 2002 and U.S.\$364.5 million (Ps4,097.0 million) as of December 31, 2003 relate to prepayments made to Yen and Dollar obligations under our cross currency swaps, thereby decreasing the carrying amounts of the related debt, and
- o A gain of approximately U.S.\$47.2 million (Ps530.5 million) in 2002 and a loss of approximately U.S.\$102.5 million (Ps1,152.1 million) in 2003 represented the contracts' estimated fair value before prepayment effects and includes:
 - o Losses of approximately U.S.\$ 20.0 million (Ps224.8 million) in 2002 and approximately U.S.\$171.9 million (Ps1,932.2 million) in 2003, 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 as part of the related debt carrying amount,
 - o Gains of approximately U.S.\$25.9 million (Ps291.1 million) in 2002 and approximately U.S.\$12.2 million (Ps137.1 million), identified with the periodic cash flows for the interest rates swap, and which were recognized as an adjustment of the related financing interest payable, and
 - o Remaining net assets of approximately U.S.\$41.3 million (Ps464.2 million) in 2002 and approximately U.S.\$57.2 million (Ps642.9 million) in 2003, which were recognized within other short-term and long-term assets and liabilities, as applicable. See note 11B to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2002 and 2003, 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 is presented as if such financial liabilities had been effectively negotiated in the exchange currency instead of in the originally contracted currency. For the years ended December 31, 2002 and 2003, the changes in the estimated fair value of our cross currency swap contracts, excluding prepayment effects in 2002 and 2003, resulted in a loss of approximately U.S.\$192.2 million (Ps2,204 million) and a loss of approximately U.S.\$ 149.7 million (Ps1,682.6 million), respectively, which were recognized within the comprehensive financing result.

Our Interest Rate Swap Options

As of December 31, 2002 and 2003, we held call option contracts negotiated with financial institutions to exchange floating for fixed interest rates (swaptions) for a notional amount of U.S.\$1,000 million and U.S.\$200 million, respectively. For the sale of these options, we received premiums of approximately U.S.\$57.6 million (Ps647.4 million) in 2002 and U.S.\$25 million (Ps281 million) in 2003. During 2003, U.S.\$800 million of the U.S.\$1,000 million notional amount of the swaptions held by us as of December 31, 2002 matured, and we entered into interest rate swaps for a notional amount of U.S.\$800 million in connection with the counterparties' election under the swaptions to receive from us fixed interest rates and pay to us floating interest rates for a five-year period. The remaining swaptions for a notional amount of U.S.\$200 million mature in October 2004, and grant the counterparties the option to elect, at maturity of the options and at current market rates, to receive from us fixed rates and pay to us variable rates for a five-year period

or request net settlement in cash. As of December 31, 2002 and 2003, premiums received, as well as the changes in the estimated fair value of these contracts, which represented a loss of approximately U.S.\$110.9 million (Ps1,271.9 million) and a gain of approximately U.S.\$1.6 million (Ps18.0 million), respectively, were recognized in the comprehensive financing result. During 2002 and 2003, the call options that expired resulted in losses of approximately U.S.\$92.3 million (Ps1,037.5) and U.S.\$23.9

83

million (Ps268.6 million), respectively, which were recognized in the comprehensive financing result. See note 11A to our consolidated financial statements included elsewhere in this annual report.

Our Other Interest Rate Derivatives

As of December 31, 2003, we did not hold any interest rate derivative instruments other than the swaptions described above. As of December 31, 2002, we held forward rate agreement contracts for a notional amount of U.S.\$650 million that we entered into to fix the interest rate of debt that had not been incurred as of December 31, 2002, but was expected to be incurred in early 2003. These contracts expired in June 2003, and new interest rate swaps were negotiated. As of December 31, 2002, we also held floor and cap option contracts for a notional amount of U.S.\$711 million linked to an interest rate swap with an equal notional amount that was settled during 2002. These floor and cap option contracts, which were scheduled to mature in March 2008, were settled in May 2003. The changes in the estimated fair value of the forward rate agreement contracts and the floor and cap option contracts until expiration or settlement represented a loss of approximately U.S.\$88.9 million (Ps999.2 million) in 2002, and solely with respect to the floor and cap option contracts, a loss of U.S.\$0.1 million (Ps1.5 million) in 2003. These losses were recognized against the comprehensive financing result, except for a loss in 2002 of approximately U.S.\$42.4 million (Ps476.6 million) related solely to the forward rate agreement contracts, which was recognized in stockholders' equity given that it corresponded to the change in valuation after the forward rate agreement contracts were designated as an accounting hedge of forecasted cash flows (interest payments) related to new debt issuances. The U.S.\$42.4 million (Ps476.6 million) that was recognized in stockholders equity in 2002 was recognized in the income statement during 2003 as the effects of the related debt had an impact on the financial expense. See note 11A to our consolidated financial statements included elsewhere in this annual report.

Our Fuel and Energy Derivatives

As of December 31, 2002 and 2003, we had an interest rate swap maturing in May 2017, for a notional amount of U.S.\$177 million and U.S.\$162.1 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. See note 21F to our consolidated financial statements included elsewhere in this annual report. During the life of the derivative contract and over its notional amount, we will pay LIBOR rates and receive a 7.5% fixed rate until maturity in May 2017. In addition, during 2001 we sold a floor option for a notional amount of U.S.\$177 million and U.S.\$174.5 million in 2002 and 2003, respectively, related to the interest rate swap contract, pursuant to which, commencing in 2003 and until 2017, we pay the difference between the 7.5% fixed rate and the LIBOR rates. Through the sale of this option, we received a premium of approximately U.S.\$22 million (Ps247.3 million) in 2001. As of December 31, 2002 and 2003, the combined estimated fair value of the swap and floor contracts, amounting to approximate losses of U.S.\$0.5 million and U.S.\$7.4 million, respectively, were recorded in the comprehensive financing result for each period. As of December 31, 2002 and 2003, 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 16D to our consolidated financial statements included elsewhere in this annual report.

Our Third Party Equity Forwards

As of December 31, 2002, we had a third party equity forward contract for a notional amount of U.S.\$7.1 million, and the estimated fair value of this contract was an approximate gain of U.S.\$0.1 million (Ps)1.1 million). During January 2003, this contract was settled, resulting in a gain of U.S.\$0.6

million (Ps\$6.7 million) that was recognized in earnings.

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, 2003. 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

84

Mexican Pesos and U.S. Dollars. See note 11 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, 2003. 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 currently available to us as of December 31, 2003 and is summarized as follows:

Debt	Expected maturity dates as of December 31, 2003						Total	Fair Value
	2004	2005	2006	2007	2008	After 2009		
	(Millions of U.S. Dollars equivalents of debt denominated in foreign currencies)							
Variable rate.....	813	831	765	158	3	27	2,597	2,598
Average interest rate.....	3.71%	4.99%	5.83%	6.21%	6.29%	6.48%	--	--
Fixed rate.....	30	188	1,101	71	719	673	2,782	3,129
Average interest rate.....	6.51%	6.45%	5.98%	5.99%	6.19%	5.81%	--	--

As of December 31, 2003, 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, 2003, 48% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 86 basis points, after giving effect to our interest rate swaps and cross currency swaps.

As previously mentioned, as of December 31, 2003, we had entered into interest rate swaps as part of a strategy intended to reduce our overall financing cost. See "-- Our Derivative Financial Instruments." At that date the estimated fair value of all of our interest rate swaps was a loss of approximately U.S.\$ 228.1 million. The potential change in the fair value as of December 31, 2003 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.\$15.4 million (Ps173.1 million).

In addition, as mentioned above, we have entered into interest rate swap options. See "-- Our Derivative Financial Instruments." As of December 31, 2003, the estimated fair value of these instruments was a loss of approximately U.S.\$24.9 million. The potential change in the fair value as of December 31, 2003 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.\$4.6 million (Ps51.7 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, 2003, approximately 34% of our sales, before eliminations resulting from consolidation, were generated in Mexico, 22% in the United States, 16% in Spain, 4% in Venezuela, 8% in Central America and the Caribbean, 3% in Colombia, 2% in the Philippines, 2% in Egypt and 9% from other regions and our cement and clinker trading activities. As of December 31, 2003, our debt, considering the effects in the original currencies generated by our cross currency swaps, amounted to Ps65.9 billion, of which approximately 68% was Dollar-denominated, 14% was Yen-denominated and 18% was

Euro-denominated; therefore, we have a foreign currency exposure arising from the Dollar-denominated debt, the Yen-denominated debt and the Euro-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 pay our Dollar and Yen denominated debt with revenues generated in Pesos or other currencies, as we do not generate sufficient revenue in Dollars and Yen from our operations to service all our Dollar and Yen denominated debt, which 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

85

Financial Instruments." As of December 31, 2003, the estimated fair value of these instruments was a gain of approximately U.S.\$262 million (Ps2,944.9 million). The potential change in the fair value of these contracts as of December 31, 2003 that would result from a hypothetical, instantaneous appreciation of 10% in the exchange rate of the Yen against the Dollar, combined with a depreciation of 10% of the Mexican Peso against the Dollar, would be a loss of approximately U.S.\$135.7 million (Ps1,525.3 million).

Additionally, as previously mentioned, we have entered into foreign exchange forward contracts designed to hedge our net investment in foreign subsidiaries, as well as other currency derivative instruments. See "-- Our Derivative Financial Instruments." The combined estimated fair value of our foreign exchange forwards and our other currency derivatives as of December 31, 2003 was a loss of approximately U.S.\$191.6 million. The potential change in the fair value as of December 31, 2003 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.\$124.9 million (Ps1,403.9 million), which would be offset by a corresponding foreign translation gain as a result of our net investment in foreign subsidiaries.

Equity Risk

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 or as part of the stockholders' equity, depending upon their designation and the underlying instrument or program being hedged. 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 and our subsidiaries' stock market price. It may also reduce the amount of dividends and other distributions that we would receive from our subsidiaries and/or may create a public minority interest that may adversely affect our ability to realize operating efficiencies as a combined group.

As previously discussed, we have entered into equity forward contracts on our own stock, pursuing different goals such as hedging our old and new appreciation warrants program and our several stock option plans. See "-- Liquidity and Capital Resources." As of December 31, 2003, the estimated fair market value of our equity forward contracts was a gain of approximately U.S.\$16.4 million. The potential change in the fair value as of December 31, 2003 that would result from a hypothetical, instantaneous decrease of 10% in the market value of our stock would be a loss of approximately U.S.\$93.6 million (Ps1,052.1 million).

Investments, Acquisitions and Divestitures

The transactions described below represent our principal investments, acquisitions and divestitures completed during 2001, 2002, and 2003.

Investments and Acquisitions

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.\$99.7 million, subject to adjustments. Located in Dixon, Illinois, the single cement facility has an annual production capacity of 560,000 metric tons.

In June 2003, Cementos Nacionales announced a U.S.\$130 million investment plan to install a new kiln for producing clinker with an annual capacity of 1.6 million metric tons of clinker. This new kiln, which would increase our total clinker production capacity in the Dominican Republic to 2.2 million metric tons per year, is expected to be completed in early 2005. We invested approximately U.S.\$12.3 million in this project in 2003 and we expect to invest approximately U.S.\$57.7 million in 2004 and the remaining U.S.\$60 million during 2005.

In July and August 2002, through a tender offer and subsequent merger, we acquired 100% of the outstanding shares of PRCC. The aggregate value of the transaction was approximately U.S.\$281.0 million, including approximately U.S.\$100.8 million of assumed net debt.

86

On July 12, 2002, we purchased 25,429 shares of common stock (approximately 0.3% of the outstanding share capital) of CAH from a CAH investor for a purchase price of approximately U.S.\$2.3 million, increasing our equity interest in CAH to 77.7%. At the same time, we entered into agreements to purchase an additional 1,483,365 shares of CAH common stock (approximately 14.6% of the outstanding share capital) from several other CAH investors in exchange for 28,195,213 CEMEX CPOs (subject to anti-dilution adjustments), which exchange was originally scheduled to take place in four equal quarterly tranches commencing on March 31, 2003. The exchange of 84,763 of these CAH shares took place in four quarterly tranches in 2003 as originally scheduled. In April 2003, we amended the terms of the July 12, 2002 agreements with respect to the remaining 1,398,602 of the CAH shares. Instead of purchasing those CAH shares in four equal quarterly tranches during 2003, we agreed to purchase those CAH shares in four equal quarterly tranches commencing on March 31, 2004. On March 31, 2004, the exchange of the first tranche of 349,650 CAH shares took place as scheduled, and was settled on April 1, 2004. Notwithstanding the amendments, for accounting purposes, the CAH shares to be received by us in exchange for CEMEX CPOs are considered to be owned by us effective as of July 12, 2002. As a result of these transactions and pending their successful consummation, we will have increased our stake in CAH to 92.3%.

On July 31, 2002, we purchased, through a wholly-owned subsidiary, the remaining 30% economic interest that was not previously acquired by CAH in Solid, for approximately U.S.\$95 million. At December 31, 2003, as a consequence of this transaction and the increase of our stake in CAH, as described above, our proportionate economic interest in Solid was approximately 94.6%.

In May 2001, we acquired through CAH a 100% economic interest in Saraburi Cement Company, now known as CEMEX (Thailand) Co. Ltd. or CEMEX (Thailand), a cement company based in Thailand with an installed capacity of approximately 700,000 metric tons, for a total consideration of approximately U.S.\$73 million. As a result of the increase of our stake in CAH, as described above, at December 31, 2003, our proportionate economic interest in CEMEX (Thailand) through CAH was approximately 92.3%.

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 Ps5,649 million (U.S.\$502.6 million) in 2001, Ps4,863 million (U.S.\$432.6 million) in 2002 and Ps4,427 million (U.S.\$393.9 million) in 2003. 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

During 2001 CEMEX, Inc., our subsidiary in the United States, sold its Eastern aggregates business, composed of several quarries in Kentucky and one in Missouri, and other related assets for approximately U.S.\$42 million. During

2002, CEMEX, Inc. sold its specialty mineral products business, composed of one quarry in each of Virginia, New Jersey and Massachusetts and two quarries in Pennsylvania, and other related assets for approximately U.S.\$49 million.

See note 8A to our consolidated financial statements included elsewhere in this annual report.

The Euro Conversion

We have operations in Spain, which adopted the common Euro currency on January 1, 1999. Since January 1, 2002, the Euro is the official currency of all Euro zone countries.

We have examined the risks of the Euro for our Spanish operations' business and markets. We do not believe that the Euro conversion has had a material short-term impact on our business, our Spanish operations' exposure to currency risk, or our market position, although we believe that the Euro will contribute to the ongoing convergence of prices in Europe over the longer term. In 2003, our Spanish sales amounted to 16% of our net sales. As of December 31, 2003, 18% of our consolidated debt was Euro-denominated.

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 23 to our consolidated financial statements presented elsewhere in this annual report 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, 2001 and 2002, 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. 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, 2001, 2002, and 2003 amounted to Ps11,044 million, Ps5,867 million and Ps8,274 million, respectively, compared to majority net income under Mexican GAAP for the years ended December 31, 2001, 2002 and 2003 of approximately Ps13,027 million, Ps5,967 million and Ps7,067 million, respectively. See note 23 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

Effective January 1, 2003, for purposes of the reconciliation to U.S. GAAP, we adopted SFAS 143 "Accounting for Asset Retirement Obligations." SFAS No. 143 requires an entity to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation 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 a corresponding asset that is depreciated over the life of the long lived asset. Subsequent to the initial measurement of the asset retirement obligation, 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. See note 23(k) to our consolidated financial statements included elsewhere in this annual report for

a description of the effects of the new accounting principle.

In November 2002, the FASB issued 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." This interpretation 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 inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the interpretation are applicable to guarantees issued or modified after December 31, 2002 and are not expected to have a material effect on our financial statements. The disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002. See note 23(u) to our consolidated financial statements included elsewhere in this annual report for a description of the effects of this interpretation.

In December 2002, the FASB issued SFAS 148 "Accounting for Stock Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123." This statement amends FASB Statement 123 "Accounting for Stock Based Compensation" to provide alternative methods of transition for a voluntary change to the fair value method of accounting for stock based employee compensation. In addition, this statement amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements. Certain of the disclosure modifications are required for fiscal years ending after December 15, 2002 and are included in the notes to our consolidated financial statements included elsewhere in this annual report. As of

88

December 31, 2003, for purposes of our consolidated financial statements, we account for our executive stock option programs under APB Opinion No. 25, Accounting for Stock Issued to Employees ("APB 25"). See note 23(r) to our consolidated financial statements included elsewhere in this annual report for the fair value disclosures pertaining to our programs.

In January 2003, the FASB issued Interpretation 46 "Consolidation of Variable Interest Entities, an interpretation of ARB 51". This interpretation addresses the consolidation by business enterprises of variable interest entities as defined in the interpretation. The interpretation applies immediately to variable interests in variable interest entities created after January 31, 2003, and to variable interests in variable interest entities obtained after January 31, 2003. The interpretation requires certain disclosures in financial statements issued after January 31, 2003 if it is reasonably possible that we will consolidate or disclose information about variable interest entities when the interpretation becomes effective. See note 23(u) to our consolidated financial statements included elsewhere in this annual report for a description of the effects of this interpretation.

In December 2003, FASB issued SFAS 132 (revised) Employers' Disclosures about Pensions and Other Postretirement Benefits--an amendment of FASB Statements No. 87, 88, and 106. This statement revises requirements pertaining to employers' disclosures about pension plans and other postretirement benefit plans, retaining the disclosures required by previous SFAS 132, but requiring additional disclosures describing the types of plan assets, investment strategy, measurement date(s), plan obligations, cash flows, and components of net periodic benefit cost recognized during interim periods. The required information should be provided separately for pension plans and for other postretirement benefit plans. This statement does not change the measurement or recognition methods. The new requirements are effective for periods beginning after December 15, 2003.

89

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, 2003. The terms of office of the executive officers are indefinite.

Lorenzo H. Zambrano,
Chief Executive Officer

Joined CEMEX in 1968. During his career with CEMEX, Mr. Zambrano has been involved in all operational aspects of our business. He held several positions in CEMEX prior to his appointment as director of operations in 1981. In 1985, Mr. Zambrano was appointed chief executive officer, and in 1995 he was elected chairman of the board of directors. Mr. Zambrano is a graduate of Instituto Tecnológico y de Estudios Superiores de Monterrey, A.C., or ITESM, with a degree in mechanical engineering and administration and holds an M.B.A. from Stanford University.

Mr. Zambrano has been a member of our board of directors since 1979 and chairman of our board of directors since 1995. He is a member of the board of directors of IBM, the International Advisory Board of Citigroup, and the Chairman's Council of Daimler Chrysler AG. 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 Enseñanza e Investigación Superior, A.C., which manages ITESM and a member of the Stanford Business School's advisory board.

In addition, he is member of the board of directors of Museo de Arte Contemporáneo de Monterrey A.C (MARCO), Conservación 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 Villareal and Mauricio Zambrano Villareal, 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. Mr. Medina is a member of the board of Cementos Chihuahua, Cia 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.

90

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.

Armando J. Garcia Segovia 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 Corp. from 1992 to 1994, president of CEMEX Venezuela and Cemento Bayano from 1994 to 1996, president of CEMEX Mexico and CEMEX Corp. from 1996 to 1998, when he was appointed president of the North American region and trading. He is a graduate in business administration of ITESM and holds an M.B.A. from the Johnson School of Management at Cornell University.

Jose Luis Saenz de Miera,
President of CEMEX Europe,
Africa and Asia

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 since October 1998. 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

91

partner and between 1988 and 1993 as deputy senior partner. Mr. Saenz de Miera is a citizen of Spain.

Fernando Gonzalez,
President of CEMEX South
America and the Caribbean

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 since May 2003. 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.

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 the our board of directors. The members of our board of directors serve for one-year terms. At our 2003 annual shareholders' meeting held on April 29, 2004, 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, and a first cousin of Rogelio Zambrano Lozano, a 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., IUSA-GE, S. de R.L., and Industrias Unidas, S.A. Mr. Garcia Muriel is also vice president of Camara Nacional de la Industria Textil. Rodolfo Garcia Muriel 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.

92

Rogelio Zambrano Lozano

Has been a member of our board of directors since 1987. He is also a member of the advisory board of Grupo Financiero Banamex Accival, S.A. de C.V. Zona Norte, 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. Rogelio Zambrano Lozano is a first cousin of Lorenzo H. Zambrano, chairman of our board of directors and our chief executive officer, and of Lorenzo Milmo Zambrano, a member of our board of directors.

Roberto Zambrano Villarreal

Has been a member of our board of directors since 1987. He is chairman of the board of directors of Desarrollo Integrado, S.A. de C.V., Administracion Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmobiliaria Sanni, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., Servicios Tecnicos Hidraulicos, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., , Pilatus PC-12 Center de Mexico, S.A. de C.V., and Pronatura, A.C. He is a member of the board of directors of S.L.I. de Mexico, S.A. de C.V., and Compania de Vidrio Industrial, S.A. de C.V. He is a brother of Mauricio Zambrano Villarreal, a member of our board of directors.

Bernardo Quintana Isaac

Has been a member of our board of directors since 1990. He is 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 Accival, S.A. de C.V., Grupo Financiero Inbursa, 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, Fundacion ICA and

Patronato UNAM. He is a founding associate of Fundacion Octavio Paz.

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., ING Mexico, and Autoliv. He is also chairman of the executive board of the Universidad de Monterrey, A.C., 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 Seminis, Inc., and chairman of the board of ING Mexico. He is also a 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.

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.,

93

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 Sylvania Lighting International Mexico, S.A. de C.V. and 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 also the 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., Grupo Herdez, S.A. de C.V., and Grupo Celanese Mexicana, S.A. de C.V., and member of the board of directors of Grupo Transportacion Ferroviaria Mexicana, 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., Organizacion Monte Fenix, A.C., Instituto Mexicano de Contadores Publicos, A.C., Instituto Mexicano de Ejecutivos de Finanzas, A.C., and member of the board of Consejo Mexicano de Normas de Informacion Financiera. 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., Auto Express Rapido Nuevo Laredo, S.A. de C.V., Consorcio Industrial de Exportacion, S.A. de C.V., and an alternate member of the board of directors of Vitro, S.A. 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 member 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 and the Universidad de Monterrey. Mr. Milmo Santos is a nephew of Lorenzo H. Zambrano, our chief executive officer and

exercise price of U.S.\$4.18 per CPO. These options expire in 2012

95

and 2013. As of December 31, 2003, anti-dilution provisions in these options increased the number of underlying CPOs to 5,516,655 and the adjusted weighted average exercise price per CPO was U.S.\$4.29.

In addition, approximately U.S.\$178,873 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, 2003, after giving effect to the exchange program implemented in November 2001 described below, a total of 4,689,335 options to acquire 5,778,308 CPOs remain outstanding under this program, with a weighted average nominal exercise price of approximately Ps29.33 per CPO. As of December 31, 2003, the outstanding options under this program had a weighted average remaining tenure of approximately 3.7 years.

In November 2001, we implemented a voluntary exchange program to offer participants in our ESOP new options intended to better align employee interests with those of shareholders 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 have 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 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, 2003, considering the options granted as a result of the exchange program implemented in November 2001, the options granted thereunder and the exercise of options through that date, a total of 120,916,763 options to acquire 130,831,601 CPOs remain outstanding under this program, with a weighted average exercise price of approximately U.S.\$5.02 (Ps56.43) per CPO. As of December 31, 2003, the outstanding options under this program had a weighted average remaining tenure of approximately 9.1 years.

As a result of the acquisition of CEMEX, Inc. (formerly Southdown), 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 market price of one ADS as of the grant date and have a 10-year term. Twenty-five percent of the options vest annually during the first four years after having been granted. The options are hedged using shares currently owned by our subsidiaries, thus potentially increasing stockholders' equity and the number of shares outstanding. As of December 31, 2003, considering the options granted as a result of the exchange program implemented in 2001, the options granted thereunder and the exercise of options that has occurred through that date, a total of 7,629,260 options to acquire the same number of CPOs, or 1,525,582 ADSs, remain outstanding under this program. These options have a weighted average exercise price of approximately U.S.\$4.62 (Ps51.93) per CPO or U.S.\$23.09 (Ps259.49) per ADS as each ADS represents five CPOs. The number of options under these ADS programs are presented below in terms of CPO equivalents.

Stock options activity during 2002 and 2003, the balance of options outstanding as of December 31, 2002 and 2003 and other general information regarding our stock option programs is presented in note 15 to our consolidated financial statements included elsewhere in this annual report.

Certain key executives also participate in a plan that distributes a bonus pool based on actual business results. This bonus is calculated and paid annually, 50% in cash and 50% under an ESOP.

As of December 31, 2003, the following ESOP options to purchase our securities were outstanding:

96

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)	5,778,308	2005-2011	Ps15.60 - 39.44
CPOs (Dollars)	130,831,601	2011-2013	U.S.\$5.12 - 5.66
ADSS	7,629,260	2011-2013	U.S.\$3.89 - 5.44

As of December 31, 2003, 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 (Pesos)	2,191,817	2005-2011	Ps15.60 - 39.44
CPOs (Dollars)	39,291,397	2011-2013	U.S.\$5.12 - 5.66
ADSS	0	2011-2013	U.S.\$3.89 - 5.44

As of December 31, 2003, 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)	3,586,491	2005-2011	Ps15.60 - 39.44
CPOs (Dollars)	91,540,204	2011-2013	U.S.\$5.12 - 5.66
ADSS	7,629,260	2011-2013	U.S.\$3.89 - 5.44

In February 2004, we implemented a voluntary exchange program to offer participants in our ESOP new options intended to better align employee interests with those of shareholders 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 and a life of 8.4 years, representing the weighted average strike price and maturity of existing options. The strike price of the new options will increase annually at a 7% rate. The new options may be exercised at anytime at the holders option and will be automatically exercised if, at any time during the life of the options, the CPO market price reaches U.S.\$7.50.

Any gain realized through the exercise of the new options will be invested in restricted CPOs at a 20% discount to market. The restricted CPOs

received upon exercise of the new options will be held in a trust on behalf of the employee until the CPOs are vested, at which time the restriction expires and the CPOs will be freely transferable. A percentage of the restricted CPOs will vest on a monthly basis, which percentage varies based on when the restricted CPOs are received.

Holders of the new options will also receive an annual payment of \$U.S.0.10 per CPO covered by the option outstanding as of the payment date until exercise or maturity of the options. This payment will grow annually at a 10% rate.

The exchange period expired on February 13, 2004. As of March 31, 2004, as a result of the voluntary exchange offer, 122,708,146 new options were issued in exchange for 113,906,002 existing options, which were subsequently cancelled. All existing options not exchanged in the offer maintained their existing terms and conditions.

For accounting purposes under Mexican and U.S. GAAP, we will account for the new options, including the \$U.S.0.10 per option payment made to employees, under the intrinsic value method through earnings in the same

97

manner as we currently do under existing plans. See notes 2W and 15 to our consolidated financial statements included elsewhere in this annual report.

This exchange offer is part of our new strategy, beginning in 2004, of migration away from stock options and into restricted stock as compensation for eligible employees.

Voluntary Employee Stock Option Plan (VESOP)

During 1998 and 1999, we established voluntary employee stock option plans, or VESOPs, pursuant to which managers and senior executives elected to purchase options to acquire up to 36,468,375 CPOs. These VESOP options, exercisable quarterly over a period of five years, have a predefined exercise price which increases quarterly in U.S. Dollars, thereby taking into account the funding cost in the market. As of December 31, 2003, options to acquire 3,927,693 CPOs were outstanding.

During 2002, we established an additional VESOP, pursuant to which managers and senior executives elected to purchase, on a monthly basis, new options for up to a number equivalent to those exercised in the same period within the new program initiated in November 2001. During 2002, we sold 2,120,395 options and received a premium equivalent to a percentage of the CPO price, which amounted to approximately U.S.\$1.5 million (Ps16.9 million). As of December 31, 2003, anti-dilution provisions in these options increased the number of underlying CPOs to 2,335,191 CPOs with a weighted average exercise price of approximately U.S.\$5.68 (Ps63.80) per CPO.

In January 2003, we established a new VESOP through which our employees who held options under our old VESOPs, as well as members of our senior management and other eligible executives, elected to purchase 38,583,989 new options for a premium of approximately U.S.\$9.7 million (Ps101.5 million). The new options, which had an increasing U.S. Dollar exercise price of approximately U.S.\$3.58 per CPO, equal to the market price of one CPO at the date of sale, and a five-year term, contained an automatic mandatory exercise condition that would be triggered when the CPO market price reached a certain level. The CPO market price reached this level in September 2003 and, as a result, all of the options were exercised. Employees and directors who exercised their options under the new VESOP received the corresponding gain in CPOs, which they are obligated to hold in their entirety for a period of two years after exercise. Following the second anniversary of the exercise date, one half of the CPOs acquired under the VESOP may be sold by the holder, and the remaining CPOs may be sold following the third anniversary of the exercise date.

In connection with the new VESOP, in March 2003, we repurchased 29,001,358 appreciation warrants from several of the eligible executives, at a price per appreciation warrant of Ps3.70, the market price for our appreciation warrants on February 6, 2003, the date of the offer to purchase appreciation warrants from the executives. Executives with outstanding loans from CEMEX used the proceeds from the repurchase of 5,942,724 appreciation warrants to repay

these loans. The remaining proceeds were used to partially pay for the subscription for options under our new VESOP program. Also, as part of the new VESOP program, in March 2003, we repurchased from some of the eligible employees and directors 294,074 options under our old VESOPs at a price per option of U.S.\$ 0.0096, and 8,158,574 options under our old VESOPs at a price per option of U.S.\$0.1164. These prices represented a fraction of the theoretical value of the options on January 6, 2003, the date of the offer to purchase the options from the employees and directors. The proceeds from the repurchase of the options under the old VESOPs were used to subscribe for options under our new VESOP, as mandated by the new VESOP program.

As of December 31, 2003, all options under the new VESOP had been exercised so that no options remained outstanding thereunder.

As of December 31, 2003, the following VESOP options to acquire our securities were outstanding:

Title of security underlying options -----	Number of CPOs underlying options -----	Expiration Date -----	Purchase Price -----	Range of exercise price per CPO -----
CPOs	3,927,693	2004	U.S.\$.19	U.S.\$3.3069
CPOs	2,335,191	2011	U.S.\$0.76 - 0.63	U.S.\$5.76 - 5.53

98

As of December 31, 2003, our senior management and directors held the following VESOP options to acquire our securities:

Title of security underlying options -----	Number of CPOs underlying options -----	Expiration Date -----	Purchase Price -----	Range of exercise price per CPO -----
CPOs	3,266,158	2004	U.S.\$.19	U.S.\$3.3069
CPOs	1,228,390	2011	U.S.\$0.76 - 0.63	U.S.\$5.76 - 5.53

As of December 31, 2003, our employees, other than senior management and directors, held the following VESOP options to acquire our securities:

Title of security underlying options -----	Number of CPOs underlying options -----	Expiration Date -----	Purchase Price -----	Range of exercise price per CPO -----
CPOs	661,535	2004	U.S.\$.19	U.S.\$3.3069
CPOs	1,106,801	2011	U.S.\$0.76 - 0.63	U.S.\$5.76 - 5.53

Employees

As of December 31, 2003, we had approximately 25,965 employees worldwide, which represented a decrease of 1.8% from year-end 2002.

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:

	Mexico	United States**	Spain	Venezuela	Colombia	Egypt	Philippine	Thailand	Central America and the Caribbean*	Others	Total
2001	8,740	5,056	3,114	2,576	932	749	734	221	1,512	2,285	25,919
2002	9,184	4,608	3,035	2,334	858	891	692	220	2,569	2,361	26,452
2003	8,942	4,709	2,963	1,700	800	873	669	224	2,599	2,486	25,965

* 2002 and 2003 include Puerto Rico

** 2003 includes Dixon-Marquette Cement

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. Approximately one fourth of our employees in the United States are represented by unions, with the largest number being members of the International Brotherhood of Boilermakers. With the exception of the non-union facility located in Florida, collective bargaining agreements are in effect at all our U.S. cement plants and have various expiration dates ending from 2004 through 2009. Our Spanish union employees have contracts that are renewable every two to three years on a company-by-company basis. Each of our subsidiary companies operating CEMEX Venezuela's plants has its own union, and each company has separately negotiated three-year labor contracts with the union employees of the relevant plants. Except during January and February, when the political situation in Venezuela deteriorated and the operations of most companies in Venezuela were suspended, the labor situation in Venezuela in 2003 remained normal. A single union represents the union employees of all of CEMEX Colombia's plants and negotiates labor contracts on their behalf. Our Panamanian union employees have one labor contract that is renewable every four years. Our Philippine union employees are represented by four unions and have collective bargaining agreements that have a term of five years, which are typically renegotiated in the third and fifth years of the term. Our Egyptian union employees are represented by one union. Assiut has adopted new internal regulations that govern the labor union arrangements. We consider labor relations with our employees to be satisfactory, but we have experienced minor disruptions of our operations in a few plants in Mexico and internationally as a result of labor disagreements from time to time. Approximately 1,800 former union employees in Egypt filed individual lawsuits against Assiut, claiming unfair employment practices relating to the implementation of an employee early retirement program. A

99

total of 660 of these lawsuits have already been dismissed by the court, and we do not consider the amount sought by the remaining plaintiffs to be material to our operations.

Share Ownership

As of March 19, 2004, our senior management and directors and their immediate families owned, collectively, approximately 5.76% of our outstanding shares, including shares underlying CPOs. 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.

100

Major Shareholders

Based upon information contained in a statement on Schedule 13G filed with the SEC on February 17, 2004, as of December 31, 2003, Brandes Investment Partners, LLC, an investment adviser registered under the Investment Advisers Act of 1940, as amended, beneficially owned 27,247,403 ADSs, representing 136,237,015 CPOs or approximately 7.7% of our outstanding capital stock. Brandes Investment Partners, LLC does not have different voting rights than our other shareholders.

Other than Brandes Investment Partners, LLC, 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, 2004, our outstanding capital stock consisted of 3,548,893,516 Series A shares and 1,774,446,758 Series B shares, in each case including shares held by our subsidiaries.

As of March 31, 2004, a total of 3,423,890,668 Series A shares and 1,711,945,334 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, 2004, through our subsidiaries, we owned approximately 153 million CPOs, representing approximately 8.9% of our outstanding CPOs and 8.6% of our outstanding voting stock. An additional 197 million CPOs, representing approximately 11.5% of our outstanding CPOs and 11.1% of our outstanding voting stock, were held subject to equity derivative and other transactions. 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.

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.

In addition, as of March 31, 2004, through our subsidiaries, we owned approximately 2 million appreciation warrants, representing approximately 15.3% of our outstanding appreciation warrants. If the average price of our CPOs reaches specified levels on or prior to December 21, 2004, the appreciation warrants will be redeemed for CPOs or ADSs at specified appreciation values. See Item 5 -- "Operating and Financial Review and Prospects -- Liquidity and Capital Resources -- Our Equity Derivative Financing Transactions" for a description of the appreciation warrants.

Mexican securities authority 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, 2004, we had 263 ADS holders of record in the United States, holding approximately 55.8% of our outstanding CPOs and 12 ADW holders of record in the United States, holding approximately 39.4% of our outstanding appreciation warrants. Since a substantial number of ADSs and ADWs are held in nominee form, including the nominee of the Depository Trust Company, the number of beneficial owners of our ADSs and ADWs is substantially greater than the number of record holders of these securities.

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 2003, the largest aggregate amount of loans we had outstanding to our directors and members of senior management was Ps13,138,985. As of March 9, 2004, the amount outstanding was Ps585,467, with an average interest rate of 1.1% per annum. See "Compensation of Our Directors and Members of Our Senior Management - Voluntary Employee Stock Option Plan (VESOP)."

102

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 CEMEX 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, 2003, 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, ADSs, appreciation warrants and ADWs" and "-- Our use of equity derivative financing may have adverse effects on the market for our securities and our subsidiaries' securities and may adversely affect our ability to achieve operating efficiencies as a combined group."

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. The ADS depository will fix a record date for the holders of ADSs in respect of each dividend distribution. Unless otherwise stated, the ADS depository 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 depository, to pay those dividends to holders of ADSs in Dollars. We cannot assure holders of our ADSs that the ADS depository will be able to convert dividends received in Pesos into Dollars.

103

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, 2003.

	Dividends Per Share	
	Constant Pesos	Dollars
1999.....	0.54	0.05
2000.....	0.62	0.06
2001.....	0.72	0.06
2002.....	0.77	0.07
2003.....	0.80	0.07

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, 2003, were as follows: 1999, Ps.54 per share (or Ps1.62 per CPO); 2000, Ps1.83 per CPO (or Ps0.62 per share); 2001, Ps2.17 per CPO (or Ps0.72per share); 2002, Ps2.31 per CPO (or Ps0.77 per share); and 2003, Ps2.40 per CPO (or Ps0.80 per share). As a result of dividend elections made by shareholders, in 1999, Ps318 million in cash was paid and 142 million additional shares were issued in respect of dividends declared for the 1998 fiscal year; in 2000, Ps312 million in cash was paid and 59 million additional CPOs were issued in respect of dividends declared for the 1999 fiscal year; in 2001, Ps93 million in cash was paid and 70 million additional CPOs were issued in respect of dividends declared for the 2000 fiscal year; and in 2002, Ps257 million in cash was paid and 64 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; and in 2003, Ps66.8 million in cash was paid and 99 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year.

At our 2003 annual shareholders' meeting, which was held on April 29, 2004, our shareholders approved a dividend of Ps2.35 per CPO (Ps0.78 per share) for the 2003 fiscal year. Shareholders will be entitled to receive the dividend in either stock or cash consistent with our past practices. In order to have sufficient shares to issue to those shareholders who choose to 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 Ps4,169,029,880, through the issuance of up to 400 million series A shares and 200 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, which will be determined once the final number of CPOs required to be issued in connection with the dividend is established and will be based on the then current market price of our CPO on the Mexican Stock Exchange, minus the 20% discount at which those CPOs will be issued.

Significant Changes

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 and appreciation warrants are listed on the Mexican Stock Exchange. Our CPOs trade under the symbol "CEMEX.CPO," and our appreciation warrants trade under the symbol "CMX412E-DC062." As a result of the 1999 exchange offer of CPOs for A shares and B shares, the trading of our A shares and B shares substantially declined and were last traded on the Mexican Stock Exchange on December 28, 1999, under the symbols "CEMEX.A" and "CEMEX.B," respectively. On September 28, 2001, the A shares and B shares were delisted from the Mexican Stock Exchange due to the lack of trading volume. Our ADSs, each of which represents five CPOs, and our ADWs, each of which represents five appreciation warrants, are listed on the NYSE. Our ADSs trade under the symbol "CX" and our ADWs trade under the symbol "CX.WSB." Following our November 2001 exchange offer of new appreciation warrants and new ADWs for our old appreciation warrants and old ADWs, the trading of our old appreciation warrants and old ADWs substantially declined and formally ceased upon their expiration on December 13, 2002. The following table sets forth, for the periods indicated, the reported highest and lowest market quotations in nominal Pesos for CPOs, old appreciation warrants and new appreciation warrants on the Mexican Stock Exchange and the high and low sales prices in Dollars for ADSs, old ADWs and new ADWs on the NYSE.

Calendar Period	A Shares (1)		B Shares (1)		CPOs (1)		ADSs (2)		Old appreciation warrants (3)		Old ADWs (4)		New appreciation warrants (5)		New ADWs (6)	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
Yearly	Pes	Pes	Pes	Pes	Pes	Pes	U.S.\$	U.S.\$	Pes	Pes	U.S.\$	U.S.\$	---	---	---	---
1999.....	16.60	5.97	16.77	6.63	53.10	17.90	28.13	19.25	8.26	5.00	4.13	2.56	---	---	---	---
2000.....	--	--	--	--	53.80	32.50	28.75	17.19	8.50	2.00	4.75	1.00	---	---	---	---
2001.....	--	--	--	--	51.65	34.50	28.30	17.63	4.85	2.00	2.85	1.00	---	---	---	---
2002.....	--	--	--	--	61.82	39.10	33.00	19.25	6.00	3.00	3.88	0.01	Pes	Pes	U.S.\$	U.S.\$
													8.50	3.00	4.60	1.22
2003.....	--	--	--	--	59.50	35.65	26.64	16.31	--	--	--	--	7.00	2.50	3.20	0.95
Quarterly																
2002																
First quarter...	--	--	--	--	55.01	43.90	30.37	24.00	6.00	3.00	2.50	1.00	7.60	3.80	4.40	2.35
Second quarter...	--	--	--	--	61.82	51.50	33.00	25.70	5.00	5.00	3.88	2.52	8.50	6.50	4.60	3.30
Third quarter...	--	--	--	--	53.80	40.25	27.27	19.71	4.60	4.50	2.60	0.20	6.50	3.00	3.30	1.35
Fourth quarter...	--	--	--	--	48.64	39.10	24.07	19.25			0.25	0.01	4.20	3.00	2.05	1.22
2003																
First quarter...	--	--	--	--	48.66	35.65	23.35	16.31	--	--	--	--	4.00	2.50	1.80	0.95
Second quarter...	--	--	--	--	48.58	37.62	23.10	17.44	--	--	--	--	3.80	2.50	1.65	1.00
Third quarter...	--	--	--	--	57.70	46.20	26.12	22.46	--	--	--	--	5.30	3.10	2.25	1.35
Fourth quarter...	--	--	--	--	59.50	51.49	26.64	23.02	--	--	--	--	7.00	4.90	3.20	2.05
Monthly																
2003-2004																
October...	--	--	--	--	56.60	51.49	25.72	23.02	--	--	--	--	6.00	4.90	2.30	2.20
November..	--	--	--	--	58.00	52.21	25.75	24.02	--	--	--	--	6.98	5.10	2.70	2.05
December..	--	--	--	--	59.50	54.52	26.64	24.20	--	--	--	--	7.00	6.50	3.20	2.65
January(7)	--	--	--	--	65.00	58.30	29.28	26.20	--	--	--	--	7.70	6.80	3.50	2.80
February..	--	--	--	--	65.49	62.00	29.96	28.07	--	--	--	--	8.50	7.20	3.75	3.20

March.....	--	--	--	66.50	60.00	29.82	27.20	--	--	--	9.40	8.52	3.60	2.90
April.....	--	--	--	70.50	64.50	31.35	28.45	--	--	--	11.00	9.50	4.10	3.50

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

- (1) As of December 31, 2003, approximately 96.5% of our outstanding share capital was represented by CPOs.
- (2) The ADSs began trading on the NYSE on September 15, 1999.
- (3) The old appreciation warrants began trading on the Mexican Stock Exchange on December 13, 1999 and expired on December 13, 2002.
- (4) The old ADWs began trading on the NYSE on December 13, 1999 and expired on December 13, 2002.
- (5) The new appreciation warrants began trading on the Mexican Stock Exchange on December 24, 2001.
- (6) The new ADWs were initially listed for trading on the NYSE on December 24, 2001, but were not actually traded until January 4, 2002.
- (7) In January 2004, we purchased 90,018,042 appreciation warrants (including appreciation warrants represented by ADWs) through a modified "Dutch Auction" cash tender offer we launched in November 2003, which allowed holders to tender their appreciation warrants and ADWs at a price in Pesos not greater than Ps8.10 per appreciation warrant (Ps40.50 per ADW) nor less than Ps5.10 per appreciation warrant (Ps25.50 per ADW), as specified by them. Pursuant to the terms of the offer, which expired on January 26, 2004, we purchased such appreciation warrants and ADWs on a pro rata basis (except for odd lot tenders, which were purchased on a priority basis) at a final purchase price of Ps8.10 per appreciation warrant (Ps40.50 per ADW). All appreciation warrants and ADWs not accepted because of proration were promptly returned. Following the completion of the offer, approximately 11,668,132 new appreciation warrants (including appreciation warrants represented by ADWs), which expire on December 21, 2004, were held by persons other than CEMEX and its subsidiaries.

On April 30, 2004, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps66.84 per CPO and the last reported closing price for ADSs on the NYSE was U.S.\$29.45 per ADS. On April 30, 2004, the last reported closing price for appreciation warrants on the Mexican Stock Exchange was Ps11.00 per appreciation warrant and the last reported closing price for ADWs on the NYSE was U.S.\$3.75 per ADW.

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 are 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:

- o 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
- o 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.

106

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, 2003, approximately 96.5% of our outstanding share capital was represented by CPOs, a portion of which is represented by ADSs.

As of December 31, 2003, our capital stock consisted of 5,921,739,375 issued shares. As of December 31, 2003, series A shares represented 66.6% of our capital stock, or 3,947,826,250 shares, of which 3,547,614,432 shares were subscribed and paid, 287,097,712 shares were treasury shares and 113,114,106 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, 2003, series B shares represented 33.4% of our capital stock, or 1,973,913,125 shares, of which 1,773,807,216 shares were subscribed and paid, 143,548,856 shares were treasury shares and 56,557,053 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, 2003, 3,267,000,000 shares corresponded to the fixed portion of our capital stock and 2,654,739,375 shares corresponded to the variable portion of our capital stock.

At the 2003 annual shareholders' meeting held on April 29, 2004, in

connection with their approval of a dividend for the 2003 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 Ps4,169,029,880, through the issuance of up to 400 million series A shares and 200 million series B shares, to be represented by new CPOs. The final amount of the capital increase will be determined by our board of directors once the final number of CPOs required to be issued in connection with the dividend is established and will be based on the then current market price of our CPO on the Mexican Stock Exchange, minus the 20% discount at which those CPOs will be issued. See Item 8 - "Financial Information - Dividends" above. In addition, at the 2003 annual shareholders' meeting, our shareholders approved the cancellation of our 287,097,712 series A treasury shares and 143,548,856 series B treasury shares outstanding as of December 31, 2003, as described in the preceding paragraph.

As of 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 numbered DGA-13813138, 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:

- o 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.
- o 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 Ps36.3 million.

107

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

- o 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.

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*. 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% or 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 shareholder 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 authority 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 CEMEX 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:

- o 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
- o 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 repurchase 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 shareholder meetings, or that may elect a majority of our board of directors.

Shareholders' Meetings and Voting Rights

Shareholders' meetings may be called by:

- o our board of directors or statutory auditors;
- o 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;
- o 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

- o 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:

- o extending our corporate existence;
- o our early dissolution;
- o increasing or reducing our fixed capital stock;
- o changing our corporate purpose;
- o changing our country of incorporation;
- o changing our form of organization;
- o a proposed merger;
- o issuing preferred shares;
- o redeeming our own shares;
- o any amendment to our by-laws; and
- o 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 depository, 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:

- o those shareholders shall not have voted against exercising such action at the relevant shareholders' meeting; and
- o the claim covers all of the damage alleged to have been caused to CEMEX and not merely the damage suffered by the plaintiffs.

Any recovery of damage with respect to these actions will be for the benefit of CEMEX 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 CEMEX 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 CEMEX 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.

Material Contracts

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 is a five-year multi-currency term loan facility with a variable interest rate; the second facility is a 364-day multi-currency revolving credit facility; and the third facility is a five-year Yen-denominated term loan facility with a fixed interest rate. The proceeds of these facilities will be used to prepay CEMEX Espana's outstanding revolving credit facility and for general corporate purposes.

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 is guaranteed by CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V. and is composed of three different tranches. The first tranche is a two-year Euro denominated loan in the amount of (euro)256,365,000. The second tranche is a three-year Dollar denominated loan in the amount of U.S.\$550,000,000. The third tranche is 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 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. The proceeds of the private placement were used to repay debt.

On August 8, 2003, in connection with an increase in the amount available under our U.S. commercial paper program from U.S.\$275 million to U.S.\$400 million, we entered into a First Amended and Restated Reimbursement and Credit Agreement and a related Depositary Agreement with several lenders. Under the First Amended and Restated Reimbursement and Credit Agreement, the issuing bank agreed to issue an irrevocable direct-pay letter of credit in the amount of U.S.\$400 million to provide credit support for the commercial paper program, and the lenders committed to make loans to us in the event of certain market disruptions of up to the same amount. In addition, under the First Amended and Restated Reimbursement and Credit Agreement we obtained a U.S.\$200 million standby letter of credit facility for the issuance of standby letters of credit in support of certain of our and any of our subsidiaries' obligations, including in support of contingent liabilities arising in connection with forward sale contracts, leases, insurance contracts and arrangements, service contracts, equipment contracts, financing transactions and other payment obligations. The total amount available under the U.S. commercial paper program, the letters of credit and any loans under the First Amended and Restated Reimbursement and Credit Agreement cannot exceed U.S.\$400 million. CEMEX Mexico and Empresas Tolteca de Mexico, two of our Mexican subsidiaries, are guarantors of our obligations under the First Amended and Restated Reimbursement and Credit Agreement.

On July 11, 2002, we entered into an Agreement and Plan of Merger with Puerto Rican Cement Company, Inc., or PRCC, pursuant to which we acquired, through a tender offer and subsequent merger, 100% of the outstanding shares of PRCC. The aggregate value of the transaction was approximately U.S.\$180.2 million, not including the amount of net debt assumed of approximately U.S.\$100.8 million.

On October 29, 2001, CEMEX Espana signed a three-year revolving credit facility arranged by Banco Bilbao Vizcaya Argentaria, S.A., Salomon Brothers International Limited, and Deutsche Bank AG as mandated lead arrangers. The facility amounts to (euro)800 million. The proceeds of the facility must be used for general corporate purposes. As of December 31, 2003, the total commitment under this credit facility was reduced by CEMEX Espana to (euro)500 million, and during February 2004 it was further reduced to (euro)300 million.

On March 15, 2001, CEMEX, Inc., as issuer, CEMEX Espana, as parent guarantor and Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caribe Investments B.V., Cemex Manila Investments B.V., Valcem International B.V., as subsidiary guarantors, and several institutional purchasers, entered into a Note and Guarantee Agreement in connection with the private placement and issuance by CEMEX, Inc. of U.S.\$315,000,000 aggregate principal amount of Series A 7.66% Guaranteed Senior Notes due 2006, (euro)50,000,000 aggregate principal amount of Series B 6.89% Guaranteed Senior Notes due 2006 and U.S.\$396,000,000 aggregate principal amount of Series C 7.91% Guaranteed Senior Notes due 2008 to the institutional purchasers. The proceeds of the private placement were used to repay debt.

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, and the ownership and disposition, mandatory redemption and maturity of the appreciation warrants or ADWs.

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, ADSs, appreciation warrants or ADWs. 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, disposition, mandatory redemption or redemption at maturity of the appreciation warrants or the ADWs, or 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:

1. more than the 50% of the individual's total income in the relevant year comes from Mexican sources; or
2. 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. Under Mexican law, a legal entity maintains the principal administration of its business in Mexico if:

1. the meetings of shareholders or of the board of directors are held in Mexico;
2. the individuals responsible for day-to-day decisions, control, direction or management of the legal entity are residents in Mexico for tax purposes or have their offices in Mexico;
3. the legal entity's management or control is carried out through an office in Mexico, or
4. the accounting records are 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, such individual or entity shall be required to pay taxes in Mexico on income attributable to such permanent establishment, 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 taxation.

Gains on the sale or disposition of CPOs by a holder who is a non-resident of Mexico generally will be exempt from Mexican taxation, provided that such sale or disposition is executed on the Mexican Stock Exchange.

This exemption is not applicable to protected or registered transactions, even though The Comision Nacional Banacaria y de Valores, the Mexican National Banking and Securities Commission, views these protected or registered transactions as if they were executed on the Mexican Stock Exchange. Additionally, the exemption is not applicable to the sale or disposition of CPOs through a public offer, where the offerees are not allowed to accept more competitive offers to those received before or within the public offer, and would be subject to a penalty were they to accept such offers.

If the exemption is not applicable, the non-resident of Mexico will be subject to a 5% withholding tax on the gross proceeds. As an alternative to the 5% withholding tax on the gross proceeds, the non-resident of Mexico may elect a 20% withholding tax on the gain upon the sale or disposition of the CPOs, provided that the applicable rules and regulations promulgated under Mexican law are followed.

Notwithstanding the above, under 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 U.S.-Mexico Income Tax Treaty, a U.S. Shareholder who owns less than 25% of our stock and is otherwise eligible for benefits under such tax treaty will not be subject to Mexican tax on any gain derived from the disposition of ADSs or CPOs. In the case of non-residents of Mexico, other than U.S. Shareholders, 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 of CPOs in exchange for ADSs and withdrawals of CPOs in exchange for ADSs will not give rise to any Mexican tax or transfer duties.

Commissions paid in brokerage transactions for the sale of CPOs on the Mexican Stock Exchange are subject to a value-added tax of 15%.

Estate and Gift Taxes

There are no Mexican inheritance, gift, succession or value-added taxes applicable to the ownership, transfer, exchange 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 (who is a

Mexican resident). There are no Mexican stamp, issue, registration or similar taxes or duties payable by holders of ADSs or CPOs.

Disposition of appreciation warrants or ADWs

Because the appreciation warrants have been registered for trading on the Mexican Stock Exchange, gains on the sale or other disposition of appreciation warrants by non-residents of Mexico will, under the Mexican Income Tax Law, generally be subject to a 25% withholding tax on the gross sale price. Alternative to the 25% withholding tax, the seller, resident of a qualifying country, including, among others, the United States, who appoints a representative in Mexico for income tax purposes related to the sale may elect to pay Mexican federal income tax at a rate of 34% of the gain on the sale, provided that certain conditions are met.

A foreign holder residing in a country with which Mexico has entered into a treaty for the avoidance of double taxation may not be subject to Mexican withholding taxes if such foreign holder provides evidence he is subject to tax in his own country.

We urge you to consult your tax advisor to determine the particular tax consequences in your case.

Gains on the sale or disposition of ADWs by a holder who is a non-resident of Mexico will not be subject to Mexican tax.

Mandatory redemption, maturity and purchase of appreciation warrants or ADWs

The Mexican tax consequences applicable to the disposition of appreciation warrants or ADWs explained in the previous section, will be also applicable to the mandatory redemption, maturity and purchase of appreciation warrants or ADWs.

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, including CPOs or ADSs received upon mandatory redemption or redemption at maturity of our appreciation warrants or ADWs, and the ownership, disposition, mandatory redemption, redemption at maturity of and lapse of appreciation warrants or ADWs.

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, CPOs, appreciation warrants, or ADWs, 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, or holders whose functional currency is not the Dollar or U.S. Shareholders who hold a CPO or an ADS, or appreciation warrants or an ADW 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, ADSs, appreciation warrants, or ADWs who is for U.S. Federal income tax purposes:

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

- o 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);

- o an estate the income of which is includible in gross income for U.S. Federal income tax purposes regardless of its source; or
- o 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, ADSs, appreciation warrants, or ADWs, 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.

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 dividend income on the date the distributions are received by the CPO trustee or successor thereof, to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. Federal income tax principles. These dividends will not be eligible for the dividends-received deduction allowed to corporate U.S. Shareholders. To the extent, if any, that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. Federal income tax principles, it will be treated first as a tax-free return of the U.S. Shareholder's adjusted tax basis in the CPOs or ADSs and thereafter as capital gain.

Dividends paid in Pesos, including the amount of Mexican withholding tax thereon, 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.

A U.S. Shareholder may elect to deduct in computing its taxable income or, subject to specific complex limitations on foreign tax credits generally, credit against its U.S. Federal income tax liability, Mexican withholding tax at the rate applicable to such shareholder. For purposes of calculating the U.S. foreign tax credit, dividends paid by us generally will constitute foreign source "passive income," or in the case of some U.S. Shareholders, "financial services income." U.S. Shareholders should consult their tax advisors regarding the availability of, and limitations on, any such foreign tax credit.

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. 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.

Ownership, disposition, mandatory redemption and maturity of appreciation warrants or ADWs

In general, for U.S. Federal income tax purposes, a U.S. Shareholder will be treated as the beneficial owner of the appreciation warrants represented by the ADWs.

A U.S. Shareholder generally will recognize gain or loss on the sale or exchange of appreciation warrants or ADWs measured by the difference between the amount realized and the tax basis of the appreciation warrants or ADWs, as applicable. Any gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Shareholder's holding period of the appreciation warrants or ADWs exceeds one year at the time of the sale or exchange.

A U.S. Shareholder generally should not recognize taxable income on receipt of CPOs or ADSs upon the mandatory redemption or maturity of the appreciation warrants or ADWs, except to the extent cash is received in lieu of a fractional CPO or ADS. Such U.S. Shareholder's tax basis in the CPOs or ADSs so acquired should be equal to the tax basis of the appreciation warrants or ADWs redeemed, as applicable, less the portion of such tax basis, if any, allocable to any fractional CPO or ADS for which cash is received. The holding period of the CPOs and ADSs so acquired generally should include the holding period of the appreciation warrants or ADWs redeemed therefor. The use of the word "should" in this paragraph is intended to convey that the likelihood that the receipt of CPOs or ADWs will be tax-free to participating U.S. Shareholders is stronger than "more likely than not" but less than the degree of certainty typically associated with a "will" opinion.

There can be no assurance that the U.S. Internal Revenue Service, or IRS, will not take, and a court would not sustain the IRS in taking, the position that the receipt of CPOs or ADSs upon a mandatory redemption or maturity of appreciation warrants or ADWs results in the recognition of taxable gain or loss. If a U.S. Shareholder is required to recognize gain or loss upon a mandatory redemption or maturity of the appreciation warrants or ADWs, the determination of the amount of gain or loss is uncertain, and such U.S. Shareholder should consult its tax advisor for such determination.

A U.S. Shareholder who receives cash, including cash in lieu of acquiring a fractional CPO or ADS upon the mandatory redemption or maturity of the appreciation warrants or ADWs, generally will recognize gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Shareholder's allocable tax basis in the fractional interest for which cash was received. Any gain or loss generally will be capital gain or loss and will be long-term if the U.S. Shareholder's holding period of the appreciation warrants or ADWs exceeds one year at the time of the receipt of cash.

If the U.S. Shareholder's appreciation warrants or ADWs have not been previously redeemed and expire on the maturity date without payment, the U.S. Shareholder will recognize a loss equal to the amount of the basis of the appreciation warrants or ADWs, as applicable. Such expiration will be deemed a sale or exchange as of the maturity date and the loss, if any, will be considered a loss from the sale or exchange of property which has the same character as would the CPOs or ADSs if acquired by the U.S. Shareholder. Any loss upon the expiration of the appreciation warrants or ADWs will be long-term if the U.S. Shareholder's holding period of the appreciation warrants or ADWs exceeds one year at the time of expiration.

Adjustments to the Strike Price

Certain adjustments to the strike price of the appreciation warrants or ADWs may result in a deemed distribution taxable to U.S. Shareholders of appreciation warrants or ADWs pursuant to Section 305 of the Code if the Adjustments have the effect of increasing the U.S. Shareholder's proportionate interest in the earnings and profits or assets of CEMEX. U.S. Shareholders should consult their tax advisors with respect to the potential application of Section 305 of the Code.

Recent Tax Legislation

The Jobs and Growth Tax Relief Reconciliation Act of 2003, or the Act, which was enacted on May 28, 2003, reduced the maximum rate of tax imposed on certain dividends received by U.S. Shareholders that are individuals to 15 percent (5 percent for individuals in the lower tax brackets and 0 percent for these taxpayers in 2008), or the Reduced Rate. The Reduced Rate applies to dividends received after December 31, 2002 and before January 1, 2009. In order for dividends paid by a foreign corporation to be eligible for the Reduced Rate, the foreign corporation must be a "qualified foreign corporation" within the meaning of the Act. We believe that we are a "qualified foreign corporation" within the meaning of the Act because we are eligible for the benefits of the comprehensive income tax treaty between Mexico and the United States which the IRS has determined is satisfactory for purposes of the Reduced Rate and which includes an exchange of information program. 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 eligible for the Reduced Rate.

The Act also reduced the top individual tax rate on adjusted net capital gains for sales and exchanges of capital assets on or after May 6, 2003 and before January 1, 2009 from 20 percent (10 percent for individuals in the lower tax brackets) to 15 percent (5 percent for individuals in the lower tax brackets and 0 percent for these taxpayers in 2008).

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, appreciation warrants, ADSs or ADWs. Backup withholding 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. Any amount withheld under these rules will be creditable against the U.S. Shareholder's Federal income tax liability.

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, 2003. Based on such evaluation, such officers have concluded that CEMEX's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to CEMEX (including its consolidated subsidiaries) required to be included in CEMEX's reports filed or submitted under the Exchange Act.

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, 2003. Based on such evaluation, such officers have concluded that CEMEX Mexico's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to CEMEX Mexico (including its consolidated subsidiaries) required to be included in CEMEX Mexico's reports filed or submitted under the Exchange Act.

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, 2003. Based on such evaluation, such officers have concluded that Empresas Tolteca's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to Empresas Tolteca (including its consolidated subsidiaries) required to be included in Empresas Tolteca's reports filed or submitted under the Exchange Act.

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 of our employees, 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 del Valle Campestre
Garza Garcia, Nuevo Leon, Mexico 66265.
Attn: Luis Hernandez or Daniel Azcona
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 Ps45.6 million in fiscal year 2003 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 2002, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps52.0 million for these services.

Audit-Related Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps5.8 million in fiscal year 2003 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2002, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps16.0 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 Ps29.8 million in fiscal year 2003 for tax compliance, tax advice and tax planning. KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps73.6 million for tax-related services in fiscal year 2002.

All Other Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps6.7 million in fiscal year 2003 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2002, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us Ps11.6 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 2003, 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.

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 (b)
- 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)
- 2.8 Form of appreciation warrant deed. (b)
- 2.9 Form of CPO Purchasing and Disbursing Agreement. (c)
- 2.10 Form of appreciation warrant certificate. (c)
- 2.11 Form of Warrant Deposit Agreement among CEMEX, S.A. de C.V., Depository and holders and beneficial owners of American Depositary Warrants. (c)
- 2.12 Form of American Depositary Warrant Receipt (included in Exhibit 2.10). (c)
- 4.1 Note and Guarantee Agreement dated as of March 15, 2001, by and among CEMEX, Inc., as issuer, Valenciana, as parent guarantor and Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caribe Investments B.V., Cemex Manila Investments B.V., Valcem International B.V., as subsidiary guarantors, and the several purchasers named therein, in connection with the offering and issuance by CEMEX, Inc. of U.S.\$315,000,000 aggregate principal amount of Series A Guaranteed Senior Notes due 2006, (euro)50,000,000 aggregate principal amount of Series B Guaranteed Senior Notes due 2006 and U.S.\$396,000,000 aggregate principal amount of Series C Guaranteed Senior Notes due 2008. (d)
- 4.2 Credit facility dated as of October 29, 2001, by and among Compania Valenciana de Cementos Portland, S.A., as borrower, Banco Bilbao Vizcaya Argentaria, S.A., Salomon Brothers International Limited, and Deutsche Bank AG as mandated lead arrangers and the several banks and other financial institutions named therein, as lenders, for an aggregate amount of (euro)800 million. (e)
- 4.3 Agreement and Plan of Merger, dated as of June 11, 2002, among CEMEX, S.A. de C.V., Tricem Acquisition, Corp. and the Puerto Rican Cement Company, Inc. (f)
- 4.4 ABN AMRO Special Corporate Services B.V. Forward Contract, dated as of December 13, 2002. (g)
- 4.5 Citibank, N.A. Forward Contract, dated as of December 13, 2002. (g)
- 4.6 Credit Suisse First Boston International Forward Contract, dated as of December 13, 2002. (g)
- 4.7 Deutsche Bank AG, London Branch, Forward Contract, dated as of December 13, 2002. (g)

- 4.8 ING Bank, N.V. Forward Contract, dated as of December 13, 2002. (g)
- 4.9 JPMorgan Chase Bank Forward Contract, dated as of December 13, 2002. (g)
- 4.10 Societe Generale Forward Contract, dated as of December 13, 2002. (g)
- 4.11 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. (h)

123

- 4.12 First Amended and Restated Reimbursement and Credit Agreement dated as of August 8, 2003, by and among, CEMEX, S.A. de C.V., as Issuer, CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V., as Guarantors, Barclays Bank PLC, New York Branch, as Issuing Bank, Documentation Agent and Administrative Agent, the several lenders party thereto and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Arranger and Banc of America Securities LLC, as Joint Arranger and Syndication Agent., for an aggregate principal amount of U.S.\$400,000,000. (h)
- 4.13 \$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. (h)
- 4.14 Early Termination Amendment to ABN AMRO Special Corporate Services B.V. Forward Contract, dated as of October 15, 2003. (h)
- 4.15 Early Termination Amendment to Citibank, N.A. Forward Contract, dated as of October 15, 2003. (h)
- 4.16 Early Termination Amendment to Credit Suisse First Boston International Forward Contract, dated as of October 15, 2003. (h)
- 4.17 Early Termination Amendment to Deutsche Bank AG, London Branch, Forward Contract, dated as of October 15, 2003. (h)
- 4.18 Early Termination Amendment to ING Bank, N.V. Forward Contract, dated as of October 15, 2003. (h)
- 4.19 Early Termination Amendment to JPMorgan Chase Bank Forward Contract, dated as of October 15, 2003. (h)
- 4.20 Early Termination Amendment to Societe Generale Forward Contract, dated as of October 15, 2003. (h)
- 4.21 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. (h)
- 8.1 List of subsidiaries of CEMEX, S.A. de C.V. (h)
- 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. (h)
- 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. (h)

- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)

-
- (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 Amendment No. 2 to the Registration Statement on Form F-4 of CEMEX, S.A. de C.V. (Registration No. 333-13956), filed with the Securities and Exchange Commission on November 19, 2001.

124

- (d) Incorporated by reference to Amendment No. 1 to the annual report on Form 20-F/A of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on November 19, 2001.
- (e) Incorporated by reference to the annual report on Form 20-F of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on April 8, 2002.
- (f) Incorporated by reference to the Tender Offer Statement on Schedule TO of Tricem Acquisition, Corp. and CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on July 1, 2002.
- (g) Incorporated by reference to the annual report on Form 20-F of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on April 8, 2003.
- (h) Filed herewith.

125

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: May 11, 2004

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: May 11, 2004

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: May 11, 2004

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

	Page

CEMEX, S.A. de C.V. and subsidiaries:	
Independent Auditors' Report--KPMG Cardenas Dosal, S.C.....	F-2
Audited consolidated balance sheets as of December 31, 2002 and 2003.....	F-3
Audited consolidated statements of income for the years ended December 31, 2001, 2002 and 2003.....	F-4

Audited statements of changes in stockholders' equity for the years ended December 31, 2001, 2002 and 2003.....	F-5
Audited consolidated statements of changes in financial position for the years ended December 31, 2001, 2002 and 2003.....	F-6
Notes to the audited consolidated financial statements.....	F-7

SCHEDULES

Independent Auditors' Report on Schedules - KPMG Cardenas Dosal, S.C.....	S-1
Schedule I - Parent company financials only.....	S-2
Schedule II - Valuation and qualifying accounts.....	S-11

F-1

INDEPENDENT AUDITORS' REPORT

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, 2002 and 2003, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2001, 2002 and 2003. 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 auditing standards generally accepted in the United States of America and 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 that are prepared in accordance to 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, 2002 and 2003, 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, 2001, 2002 and 2003, 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, 2001, 2002 and 2003, and stockholders' equity as of December 31, 2002 and 2003, to the extent summarized in note 23 to the consolidated financial statements.

KPMG Cardenas Dosal, S.C.

/s/ Leandro Castillo Parada

Leandro Castillo Parada

Monterrey, N.L., Mexico
January 15, 2004, except for note 23,

which is as of March 31, 2004

F-2

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Balance Sheets
(Millions of constant Mexican pesos as of December 31, 2003)

	December 31,	
	2002	2003
Assets		
Current Assets		
Cash and investments (note 3).....	4,142.0	3,275.1
Trade accounts receivable, less allowance for doubtful accounts (note 4).....	4,597.4	5,277.6
Other receivables (note 5).....	4,634.2	4,543.4
Inventories (note 6).....	8,105.5	6,683.1
Other current assets (note 7).....	915.9	749.5
Total current assets.....	22,395.0	20,528.7
Investments and Noncurrent Receivables (note 8)		
Investments in affiliated companies.....	6,419.2	6,917.6
Other noncurrent accounts receivable.....	1,715.6	2,069.9
Total investments and noncurrent receivables.....	8,134.8	8,987.5
Properties, Machinery and Equipment (note 9)		
Land and buildings	50,479.7	52,071.8
Machinery and equipment	139,512.6	149,380.0
Accumulated depreciation	(91,925.6)	(99,625.6)
Construction in progress.....	4,730.2	2,317.1
Net properties, machinery and equipment.....	102,796.9	104,143.3
Intangible Assets and Deferred Charges (note 10).....	49,423.6	46,357.9
Total Assets.....	182,750.3	180,017.4
Liabilities and Stockholders' Equity		
Current Liabilities		
Bank loans (note 11).....	4,958.3	2,479.4
Notes payable (note 11).....	3,560.0	2,986.6
Current maturities of long-term debt (note 11)	7,461.6	9,471.8
Trade accounts payable.....	4,681.1	5,489.4
Other accounts payable and accrued expenses (note 5).....	13,218.6	11,374.6
Total current liabilities	33,879.6	31,801.8
Long-Term Debt (note 11)		
Bank loans	28,387.2	27,935.3
Notes payable	29,238.0	32,530.5
Current maturities of long-term debt	(7,461.6)	(9,471.8)
Total long-term debt	50,163.6	50,994.0
Other Noncurrent Liabilities		
Pension and other postretirement benefits (note 13).....	-	625.1
Deferred income taxes (note 17).....	12,504.6	11,841.6
Other noncurrent liabilities (note 12).....	6,481.2	8,703.4
Total other noncurrent liabilities	18,985.8	21,170.1
Total Liabilities.....	103,029.0	103,965.9
Stockholders' Equity (note 14)		
Majority interest:		
Common stock-historical cost basis.....	55.5	59.1
Common stock-accumulated inflation adjustments	3,435.9	3,436.1
Additional paid-in capital.....	32,093.1	36,219.3
Deficit in equity restatement	(66,082.6)	(69,125.6)
Cumulative initial deferred income tax effects (note 2K).....	(5,741.9)	(5,741.9)
Retained earnings	96,153.9	98,157.8
Net income.....	5,966.9	7,067.4
Total majority interest	65,880.8	70,072.2
Minority interest (note 14E).....	13,840.5	5,979.3
Total stockholders' equity	79,721.3	76,051.5
Total Liabilities and Stockholders' Equity.....	182,750.3	180,017.4

See accompanying notes to consolidated financial statements.

F-3

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 Consolidated Statements of Income
 (Millions of constant Mexican pesos as of December 31, 2003, except for earnings per share)

		Years ended December 31,		
		2001	2002	2003
Net sales.....	Ps	76,572.1	75,042.0	80,527.7
Cost of sales.....		(43,070.5)	(41,924.5)	(46,421.7)
Gross profit.....		33,501.6	33,117.5	34,106.0
Operating expenses:				
Administrative		(8,735.3)	(9,433.7)	(8,926.0)
Selling.....		(6,480.2)	(8,654.9)	(8,823.4)
Total operating expenses.....		(15,215.5)	(18,088.6)	(17,749.4)
Operating income.....		18,286.1	15,028.9	16,356.6
Comprehensive financing result:				
Financial expense.....		(4,554.0)	(3,813.7)	(4,278.5)
Financial income.....		450.5	511.6	187.6
Results from valuation and liquidation of financial instruments....		2,208.9	(3,629.7)	(669.6)
Foreign exchange result, net.....		1,701.1	(884.2)	(1,928.7)
Monetary position result.....		3,120.8	4,038.6	3,683.0
Net comprehensive financing result.....		2,927.3	(3,777.4)	(3,006.2)
Other expense, net (notes 9 and 10).....		(4,611.6)	(4,464.6)	(5,133.8)
Income before income taxes, employees' statutory profit sharing and equity in income of affiliates.....		16,601.8	6,786.9	8,216.6
Income tax and business assets tax, net (note 17).....		(1,845.0)	(628.9)	(1,007.2)
Employees' statutory profit sharing (note 17).....		(261.2)	(118.1)	(191.0)
Total income tax, business assets tax and employees' statutory profit sharing.....		(2,106.2)	(747.0)	(1,198.2)
Income before equity in income of affiliates		14,495.6	6,039.9	7,018.4
Equity in income of affiliates		226.7	352.1	390.8
Consolidated net income.....		14,722.3	6,392.0	7,409.2
Minority interest net income.....		1,695.7	425.1	341.8
Majority interest net income.....	Ps	13,026.6	5,966.9	7,067.4
Basic earnings per share (see notes 2A and 20).....	Ps	3.05	1.33	1.49
Diluted earnings per share (see notes 2A and 20).....	Ps	3.03	1.33	1.46

See accompanying notes to consolidated financial statements.

F-4

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 Statements of Changes in Stockholders' Equity
 (Millions of constant Mexican pesos as of December 31, 2003)

	Common Stock	Additional paid-in capital	Deficit in equity restatement	Cumulative initial deferred income tax effects	Retained earnings	Total majority interest	Minority interest	Total stockholders' equity
Balances at December 31, 2000.....Ps	3,486.8	25,687.9	(54,007.7)	(5,741.9)	90,892.2	60,317.3	27,541.7	87,859.0

Dividends (Ps0.72 pesos per share)....	2.6	3,012.7	-	-	(3,369.1)	(353.8)	-	(353.8)
Issuance of common stock (note 15A) ..	0.1	115.3	-	-	-	115.4	-	115.4
Share repurchase program (note 14A) ..	(0.2)	-	-	-	(245.4)	(245.6)	-	(245.6)
Restatement of investments and other transactions relating to minority interest	-	-	-	-	-	-	(7,389.1)	(7,389.1)
Investment by subsidiaries (note 8) ..	-	-	66.1	-	-	66.1	-	66.1
Comprehensive net income (loss) (note 14G)	-	-	(4,612.5)	-	13,026.6	8,414.1	1,695.7	10,109.8
Balances at December 31, 2001.....	3,489.3	28,815.9	(58,554.1)	(5,741.9)	100,304.3	68,313.5	21,848.3	90,161.8
Dividends (Ps0.77 pesos per share) ...	2.3	3,201.5	-	-	(3,750.1)	(546.3)	-	(546.3)
Issuance of common stock (note 15A) ..	0.1	75.7	-	-	-	75.8	-	75.8
Share repurchase program (note 14A) ..	(0.3)	-	-	-	(400.3)	(400.6)	-	(400.6)
Restatement of investments and other transactions relating to minority interest	-	-	-	-	-	-	(8,432.9)	(8,432.9)
Investment by subsidiaries (note 8) ..	-	-	255.8	-	-	255.8	-	255.8
Comprehensive net income (loss) (note 14G)	-	-	(7,784.3)	-	5,966.9	(1,817.4)	425.1	(1,392.3)
Balances at December 31, 2002.....	3,491.4	32,093.1	(66,082.6)	(5,741.9)	102,120.8	65,880.8	13,840.5	79,721.3
Dividends (Ps0.80 pesos per share) ...	3.4	3,696.6	-	-	(3,963.0)	(263.0)	-	(263.0)
Issuance of common stock (note 15A) ..	0.1	42.9	-	-	-	43.0	-	43.0
Share repurchase program (note 14A)...	0.3	386.7	-	-	-	387.0	-	387.0
Restatement of investments and other transactions relating to minority interest	-	-	-	-	-	-	(8,203.0)	(8,203.0)
Investment by subsidiaries (note 8) ..	-	-	(2,719.3)	-	-	(2,719.3)	-	(2,719.3)
Comprehensive net income (loss) (note 14G)	-	-	(323.7)	-	7,067.4	6,743.7	341.8	7,085.5
Balances at December 31, 2003.....Ps	3,495.2	36,219.3	(69,125.6)	(5,741.9)	105,225.2	70,072.2	5,979.3	76,051.5

See accompanying notes to consolidated financial statements.

F-5

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Changes in Financial Position
(Millions of constant Mexican pesos as of December 31, 2003)

	Years ended December 31,		
	2001	2002	2003
Operating activities			
Majority interest net income	Ps 13,026.6	5,966.9	7,067.4
Charges to operations which did not require resources:			
Depreciation of properties, machinery and equipment.....	5,951.7	5,989.3	6,462.7
Amortization of deferred charges and credits, net.....	2,816.1	2,787.1	2,808.4
Impairment of properties and intangible assets.....	-	102.9	1,181.3
Pensions, and other postretirement benefits.....	348.9	228.1	462.4
Deferred income tax charged to results.....	235.7	(455.2)	(438.3)
Equity in income of affiliates.....	(226.7)	(352.1)	(390.8)
Minority interest.....	1,695.7	425.1	341.8
Resources provided by operating activities.....	23,848.0	14,692.1	17,494.9
Changes in working capital, excluding acquisition effects:			
Trade accounts receivable, net.....	846.2	2,458.7	(632.3)
Other accounts receivable and other assets.....	(2,504.8)	1,191.5	254.3
Inventories.....	639.6	(363.4)	1,532.8
Trade accounts payable.....	(1,215.6)	582.9	800.0
Other accounts payable and accrued expenses.....	4,491.3	518.4	(1,846.1)
Net change in working capital.....	2,256.7	4,388.1	108.7
Net resources provided by operating activities.....	26,104.7	19,080.2	17,603.6
Financing activities			
Proceeds from bank loans (repayments), net.....	(9,502.8)	2,877.7	(3,058.0)
Notes payable, net, excluding foreign exchange effect.....	4,268.8	(341.9)	1,214.2
Investment by subsidiaries.....	(253.2)	(5.0)	(22.5)
Dividends paid.....	(3,369.1)	(3,750.1)	(3,963.0)
Issuance of common stock from reinvestment of dividends.....	3,015.3	3,203.8	3,700.0
Issuance of common stock under stock option programs.....	115.4	75.8	43.0
Repurchase of preferred stock by subsidiaries.....	(7,276.1)	(4,631.2)	(7,343.3)
(Acquisition) disposal of common stock under repurchase program.	(245.6)	(400.6)	387.0
Other financing activities, net.....	(2,391.4)	3,383.5	3,523.3
Resources (used in) provided by financing activities.....	(15,638.7)	412.0	(5,519.3)
Investing activities			
Properties, machinery and equipment, net.....	(5,649.0)	(4,862.8)	(4,427.0)
Acquisition of subsidiaries and affiliates.....	(2,224.3)	(3,022.3)	(916.3)

Disposal of assets.....	808.9	615.4	157.3
Minority interest.....	(112.9)	(3,270.4)	(859.7)
Deferred charges.....	(4,486.2)	(2,130.7)	(568.6)
Other investments and monetary foreign currency effect.....	2,396.5	(7,417.3)	(6,336.9)
Resources used in investing activities.....	(9,267.0)	(20,088.1)	(12,951.2)
Increase (decrease) in cash and investments	1,199.0	(595.9)	(866.9)
Cash and investments at beginning of year.....	3,538.9	4,737.9	4,142.0
Cash and investments at end of year.....	Ps 4,737.9	4,142.0	3,275.1

See accompanying notes to consolidated financial statements.

F-6

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

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 and ready-mix concrete.

2. 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 currency of the United States of America. Except when specific references are made to "U.S. dollar millions" and "earnings per share", the amounts in these notes are stated in millions of constant Mexican pesos as of the balance sheet date.

When reference is made to "CPO" or "CPOs" it means the Ordinary Participation Certificates of CEMEX. Each CPO represents the participation in two series "A" shares and one 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"). Each ADS represents 5 CPOs.

Certain amounts reported in the consolidated financial statements and the notes thereto as of December 31, 2001 and 2002 have been reclassified to conform the 2003 presentation. In addition, partially during 2001, in 2002, and 2003, the expenses related to the Company's products distribution were classified as selling expenses in the income statement. During 2001, a portion of such expenses was recognized as part of cost of sales for an approximate amount of Ps1,724.3. This reclassification has no effect in operating income, net income and/or earnings per share for the year ended December 31, 2001, if the mentioned expenses had been recognized consistently with the 2002 and 2003 classification.

B) PRESENTATION OF COMPARATIVE FINANCIAL STATEMENTS

The restatement factors applied to the financial statements of prior periods were calculated based upon the weighted average inflation and the fluctuation in the exchange rate of each country in which the Company operates relative to the Mexican peso.

Restatement factor using weighted average inflation.....	1.0916	1.1049
Restatement factor using Mexican inflation.....	1.0559	1.0387

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.

F-7

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

As of December 31, 2003, the main operating subsidiaries, ordered by holding company, and the percentage of equity interest directly held by their immediate holding company, are as follows:

Subsidiary	Country	% Equity Interest
CEMEX Mexico, S. A. de C.V.....1	Mexico	100.0
CEMEX Espana, S.A.....2	Spain	99.5
CEMEX Venezuela, S.A.C.A.....	Venezuela	75.7
CEMEX, Inc.....3	United States	100.0
CEMEX (Costa Rica), S.A.....4	Costa Rica	98.4
Assiut Cement Company.....	Egypt	95.8
CEMEX Colombia, S.A.5	Colombia	98.2
Cemento Bayano, S.A.	Panama	99.2
Cementos Nacionales, S.A.....	Dominican Republic	99.9
Puerto Rican Cement Company, Inc.....	Puerto Rico	100.0
CEMEX Asia Holdings Ltd.....6	Singapore	92.3
Solid Cement Corporation.....7	Philippines	94.6
APO Cement Corporation.....7	Philippines	92.2
CEMEX (Thailand) Co. Ltd.....8	Thailand	100.0

- 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"). Through Cedice, CEMEX Mexico indirectly holds CEMEX Espana, S.A. and subsidiaries.
- In June 2002, Compania Valenciana de Cementos Portland, S.A. ("Valenciana") changed its legal name to CEMEX Espana, S.A. ("CEMEX Espana").
- CEMEX, Inc. was created as a result the merger between Southdown, Inc. and CEMEX USA, Inc. (see note 8A).
- In July 2003, Cementos del Pacifico, S.A. changed its legal name to CEMEX (Costa Rica), S.A.
- In August 2002, Cementos Diamante, S.A. changed its legal name to CEMEX Colombia, S.A. The 98.2% equity interest includes the Company's ownership of 99.3% of the total ordinary shares.
- Effective July 2002, as a result of a shares exchange transaction (see

note 8A), for accounting purposes, the Company's equity interest in CEMEX Asia Holdings Ltd. ("CAH") increased to 92.25%.

7. Represents the Company's equity interest held through CAH. The direct equity interest of CAH in Solid and APO Cement Corporation is 70% and 99.9%, respectively. On December 23, 2002, Rizal was merged with Solid, its direct parent, where the surviving corporation was Solid.
8. In July 2002, Saraburi Cement Company Ltd. changed its legal name to CEMEX (Thailand) Co. Ltd.

D) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

Transactions denominated in foreign currencies are recorded at the exchange rates prevalent 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. 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 for inflation 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 the free market rates available to settle its foreign currency transactions.

F-8

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

E) CASH AND INVESTMENTS (note 3)

Investments include fixed-income securities with original maturities of three months or less, as well as marketable securities readily convertible into cash.

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.

F) INVENTORIES AND COST OF SALES (note 6)

Inventories are recognized at the lower of replacement cost or market value. Replacement cost is based upon the latest purchase price 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.

G) INVESTMENTS AND NONCURRENT RECEIVABLES (note 8)

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.

H) PROPERTIES, MACHINERY AND EQUIPMENT (note 9)

Properties, machinery and equipment are presented at their restated value, 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. These assets are depreciated using the straight-line method over their estimated useful lives, which fluctuate from 50 years for administrative buildings to between 10 to 35 years for industrial buildings, machinery and equipment. Properties, machinery and equipment are subject to periodic impairment valuations (see note 2U).

The Comprehensive Financing Results, arising from indebtedness incurred during the construction or installation period of fixed assets, is capitalized as part of the carrying value of such assets.

I) INTANGIBLE ASSETS, DEFERRED CHARGES AND AMORTIZATION (note 10)

Effective January 1, 2003, in accordance with new Bulletin C-8, Intangible Assets, 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 on such benefits is demonstrated. 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 it cannot be accurately established the period in which the benefits associated with such intangibles will terminate. Amortization of intangible assets, except for goodwill, is calculated using the straight-line method.

Intangible assets acquired in a business combination are separately accounted for at fair value as of the acquisition date, unless such value cannot be reasonably estimated, in which case, such assets are included as part of goodwill, an intangible asset of indefinite life, which is nevertheless amortized in accordance with Bulletin B-8, Consolidated and Combined Financial Statements and Valuation of Permanent Investments in Shares. The Company amortizes goodwill under the present worth or sinking fund method, which is intended to provide a better matching of goodwill amortization with the revenues generated from the acquired companies. Goodwill generated before 1992 is amortized over a maximum of 40 years, while goodwill generated since 1992, is amortized over a maximum period of 20 years. Preoperative expenses and other deferred charges previously recognized under former Bulletin C-8 will continue to be amortized in their original period. Intangible assets are subject to periodic impairment evaluations (see note 2U). The adoption of new Bulletin C-8 only implied grouping intangible assets in the categories indicated above (see note 10).

Direct costs incurred in debt issuances are capitalized and amortized as part of the effective interest rate of each transaction over its maturity. These costs include discounts on debt issuance, bank fees, fees paid to attorneys, agents, printers and consultants. Likewise, costs incurred in the development stage of computer software for internal use are capitalized and amortized to operating results over the estimated useful life of the software, which is approximately 4 years.

F-9

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

J) PENSIONS AND OTHER POSTRETIREMENT BENEFITS (note 13)

The costs related to benefits to which employees are entitled by pension plans and other postretirement benefits, including 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. As part of the established pension plans, in some cases, certain irrevocable trust funds have been created to cover future benefit payments under these plans. The actuarial assumptions upon which the Company's employee benefit liabilities are determined consider

the use of real rates (nominal rates discounted by inflation). Other postretirement benefits, including severance benefits, are recognized as an expense in the year in which they are paid. In some circumstances, however, provisions have been made for these benefits.

K) INCOME TAX ("IT"), BUSINESS ASSETS TAX ("BAT"), EMPLOYEES' STATUTORY PROFIT SHARING ("ESPS") AND DEFERRED INCOME TAXES (note 17)

The IT, BAT and ESPS on the income statement, include amounts incurred during the period and the effects of deferred IT and ESPS. Consolidated deferred IT represents the summarization of the effect determined in each subsidiary for 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 available, and subject to a recoverability analysis, tax loss carryforwards as well as other recoverable taxes and tax credits. 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 of the period and the taxable income of the period for ESPS. The effect of a change in the statutory tax rate is recognized in the income statement for the period in which the change occurs and is officially declared.

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". Consolidated balances of assets and liabilities and their corresponding taxable amounts substantially differ from those of the Parent Company. The cumulative initial deferred income tax effects presented in the statement of changes in stockholders equity correspond to the consolidated entity. The difference between the Parent Company's accumulated initial deferred IT effects and the consolidated equivalent effects is included under the caption "Deficit in equity restatement".

L) 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).

M) DEFICIT IN EQUITY RESTATEMENT (note 14)

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 with the acquisition of foreign subsidiaries and foreign currency related parties balances that are of a long-term investment nature (see notes 2D and 14D); 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 (see note 2N).

N) DERIVATIVE FINANCIAL INSTRUMENTS (notes 11 and 16)

In compliance with the controls and procedures established by the financial risk managers, CEMEX uses derivative financial instruments, in order to reduce risks associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs (see note 11) and as an alternative source of financing (see note 16). The Company also uses derivative financial instruments as hedges of: (i) forecasted transactions, (ii) the net assets in foreign subsidiaries and (iii) the executive stock option programs. These instruments have been negotiated with institutions with significant financial capacity; therefore, the Company considers the risk of non-compliance of the obligations agreed to by such counterparties to be minimal. Some of these instruments have been designated as hedges of raw materials costs as well as debt or equity instruments. In other cases, although some derivatives complement the Company's financial strategy, such derivatives have not been designated as hedge instruments because accounting hedge requirements were not met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

Effective January 1, 2001, in accordance with Bulletin C-2, Financial Instruments, the Company recognizes all derivative financial instruments as assets or liabilities in the balance sheet at their estimated fair value and recognizes the changes in such values in the income statement for the period in which they occur.

The exceptions to the rule, as they refer to the Company are the following:

- a) Beginning in 2002, changes in the estimated fair value of interest rate swaps to exchange floating rate for fixed rate, designated as accounting hedges of variations in interest rates of contracted debt, as well as those instruments negotiated to hedge the interest rate at which certain forecasted debt is expected to be contracted or renegotiated, are recognized temporarily in stockholders' equity (see note 14G) and 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. Until December 31, 2001, the effects of similar derivative instruments were recognized in earnings based on cash flows, as part of the interest expense of the related debt.
- b) The changes in the estimated fair value of foreign currency forwards, designated as hedges of the Company's net investments in foreign subsidiaries, are recorded in stockholders' equity, as part of the foreign currency translation result (see notes 2D and 14D). The accumulated effect on stockholder's equity will be reversed through the income statement upon disposition of the foreign investment.
- c) The results derived from equity forward contracts on the Company's own shares, as well as from other equity derivative instruments (such as the appreciation warrants), are recognized in stockholders' equity upon settlement. Beginning in 2001, changes in the estimated fair value of those equity forward contracts that cover the executive stock option programs are recorded through the income statement, as part of the costs related to such programs. See notes 15 and 16.

For balance sheet presentation purposes, a portion of the assets or liabilities resulting from the estimated fair value recognition of Cross Currency Swaps ("CCS"), is reclassified as part of the carrying amount of the underlying debt instruments, thereby reflecting the cash flows expected to be received or paid upon liquidation of such instruments. CCS are negotiated to change the profile of interest rate and currency of existing debt, required to present the indebtedness as if it had been originally negotiated in the exchanged interest rates and currencies. The non-reclassified portion, resulting from the difference between the forward exchange rates and those in effect as of the balance sheet date, is recognized as other assets or other liabilities, both short and long term, depending on the maturity of the contracts.

The periodic cash flows generated by interest rate swaps and CCS are recognized as financial expense, and the effective interest rate of the related debt is adjusted. For all other derivative instruments, cash flows are recognized within the same item where the effects of the primary instrument subject to the accounting or economic hedge relationship are classified. In the case of derivatives not associated with an identified exposure, related cash flows are recognized in earnings as part of the results from valuation and liquidation of financial instruments. Premiums paid on derivative instruments designated as hedges are deferred and amortized over the life of the instrument or immediately upon settlement. In other cases, premiums are recognized in earnings when paid or received.

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, 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.

O) REVENUE RECOGNITION

Revenue is recorded upon shipment of cement and ready-mix concrete 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 and there is no condition or uncertainty implying a reversal thereof.

F-11

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

P) CONTINGENCIES AND COMMITMENTS

Obligations or losses, related to contingencies, are recognized as liabilities in the balance sheet when present obligations exist as a result of past events, and 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 with suppliers or clients, are recognized in the financial statements on the incurred or accrued basis, depending on 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.

Q) COMPREHENSIVE NET INCOME (LOSS) (note 14G)

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

R) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the financial statements date, as well as the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

S) CONCENTRATION OF CREDIT RISK

The Company 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 2001, 2002 and 2003, 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.

T) OTHER INCOME AND EXPENSE

Other income and expense, in the statements of income, consists primarily of goodwill amortization, anti-dumping duties, results from the sales of fixed assets, impairment charges of long-lived assets, results from the early extinguishment of debt and, in 2001, the costs related to the restructuring of the executive stock option programs (see note 15).

U) IMPAIRMENT OF LONG LIVED ASSETS (notes 9 and 10)

The Company periodically evaluates its machinery and equipment and the balances of goodwill and other investments to establish if factors such as the occurrence of significant adverse events, changes in the environment in which the business operates and changes in expectations with respect to operating results for each cash generating unit, business unit or affiliated entity, indicate 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 carrying amount over the

net present value of estimated cash flows related to such assets.

V) ASSET RETIREMENT OBLIGATIONS (note 12)

Effective January 1, 2003, in accordance with new Bulletin C-9, Liabilities, Accruals, Contingent Assets and Liabilities, and Commitments, the Company recognizes unavoidable obligations, whether legal or assumed, to restore the site or the environment when assets are removed 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 to operating results during its remaining useful life, while 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.

F-12

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

As of the effective date, the Company had already created liabilities for the known obligations. However, an analysis was performed with respect to each subsidiary in order to identify additional possible existing obligations to calculate them, if any, and to recognize appropriate liabilities in the accounting record. Asset retirement obligations in the case of CEMEX, are related primarily to the future costs of demolition, cleaning and reforestation derived from commitments, both legal and assumed, that are incurred at the end of an operation. Sites where raw materials are extracted, maritime terminals and other production sites, must be left in certain conditions. As of December 31, 2003, the identification phase was almost completed and the valuation and registration process is expected to be completed in the first half of 2004. For those obligations identified and quantified, effective January 1, 2003, a remediation liability was recorded for approximately Ps505.7, against fixed assets of Ps365.3, deferred IT assets of Ps54.6 and an initial cumulative effect of Ps85.8. The initial cumulative effect was recorded in stockholders' equity as an element of the comprehensive net income. During 2003, the depreciation of the additional fixed assets and the revaluation of liabilities from the passing of time generated an expense in the results, net of deferred IT, of approximately Ps33.2.

W) EXECUTIVE STOCK OPTION PROGRAMS (note 15)

The Company recognizes the cost associated with executive stock options programs by means of the intrinsic value method, for those programs in which, as of the grant date, the exercise price at which the underlying shares will be exercised is not known. This is because the exercise price is growing (variable) over the life of the options. Through the intrinsic value method, the changes in the appreciation of options represented by the difference between the market price of the CPO and the exercise price of the option is recognized as, cost in the Company's income statement, within the comprehensive financing result. The Company does not recognize the cost for those programs in which the exercise price is equal to the CPO price at the grant date and such exercise price remains fixed for the life of the option.

3. CASH AND INVESTMENTS

Consolidated cash and investments as of December 31, 2002 and 2003 consists of:

	2002	2003
	-----	-----
Cash and bank accounts..... Ps	1,944.7	1,663.3
Fixed-income securities.....	2,196.3	1,287.1

Investments in marketable securities.....	1.0	324.7
	-----	-----
Ps	4,142.0	3,275.1
	-----	-----

4. TRADE ACCOUNTS RECEIVABLE

The Company evaluates each of its customers' credit and risk profiles in order to establish the required allowance for doubtful accounts. Trade accounts receivable as of December 31, 2002 and 2003 include allowances for doubtful accounts of Ps528.7 and Ps632.1, respectively.

The Company has established sales of trade accounts receivable programs with financial institutions ("securitization programs"). These programs were negotiated in Mexico during 2002, in the United States during 2001 and in Spain in 2000. Through the securitization programs, the Company effectively surrenders 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 note 5). The balances of receivables sold pursuant the securitization programs as of December 31, 2002 and 2003 were Ps5,575.2 (U.S.\$496 million) and Ps6,124.9 (U.S.\$544.9 million), respectively. The accounts receivable qualifying for sale do not include amounts over certain days past due or concentrations over certain limit to any one customer, according to the terms of the programs. Expenses incurred under these programs, related to the discount granted to the acquirers of the accounts receivable, are recognized in the income statements and were approximately Ps91.8 (U.S. \$8.2 million) in 2001, Ps119.9 (U.S.\$10.7 million) in 2002 and Ps106.9 (U.S.\$9.5 million) in 2003.

F-13

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

5. OTHER ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Other accounts receivable as of December 31, 2002 and 2003 consist of:

	2002	2003
	-----	-----
Non-trade receivables.....	Ps 1,240.1	1,589.4
Prepayments and receivables from valuation of derivative instruments (notes 11 and 16).....	1,442.2	489.8
Interest and notes receivable.....	992.5	1,001.7
Advances for travel expenses and loans to employees.....	418.8	306.9
Other refundable taxes.....	540.6	1,155.6
	-----	-----
Ps	4,634.2	4,543.4
	-----	-----

Non-trade receivables primarily consist of accounts receivable from the sale of assets. Prepayments and valuation of derivative financial instruments at December 31, 2002 included advanced payments toward the final price of forward contracts for Ps1,093.0. The forward contracts were settled in October 2003 (see note 16A). Interest and notes receivable included Ps963.8 (U.S.\$85.7 million) at December 31, 2002 and Ps962.8 (U.S.\$85.7 million) at December 31, 2003, arising from securitization programs (see note 4). Other refundable taxes included Ps302.6 at December 31, 2002 corresponding to a final resolution related to a business assets tax lawsuit, the payment of which was received in 2003 and Ps872.4 at December 31, 2003 for tax advances.

Other accounts payable and accrued expenses as of December 31, 2002 and 2003 consist of:

	2002	2003
	-----	-----
Other accounts payable and accrued expenses.....	Ps 3,294.4	2,492.5
Interest payable.....	1,096.3	673.1
Tax payable.....	1,279.3	3,000.2
Dividends payable.....	66.5	89.9
Provisions.....	2,617.2	2,951.3
Advances from customers.....	778.3	861.4
Accounts payable from valuation of derivative instruments (notes 11 and 16).....	4,086.6	1,306.2
	-----	-----
	Ps 13,218.6	11,374.6
	-----	-----

Short-term provisions primarily consist of: (i) remunerations and other personnel benefits accrued at the balance sheet date; (ii) accruals for insurance payments and (iii) accruals related to the portion of legal assessments to be settled in the short-term, such as the case of dumping fees and environmental resolutions (see notes 21C and 21G). Commonly, these amounts are revolving in nature and are to be settled and replaced by similar amounts within the next 12 months.

6. INVENTORIES

Inventories as of December 31, 2002 and 2003 are summarized as follows:

	2002	2003
	-----	-----
Finished goods.....	Ps 1,604.3	1,381.7
Work-in-process.....	1,721.4	1,808.7
Raw materials.....	689.3	552.5
Supplies and spare parts.....	3,480.9	2,384.8
Advances to suppliers.....	377.7	240.1
Inventory in transit.....	231.9	315.3
	-----	-----
	Ps 8,105.5	6,683.1
	-----	-----

F-14

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

7. OTHER CURRENT ASSETS

Other current assets as of December 31, 2002 and 2003 consist of:

	2002	2003
	-----	-----
Advanced payments.....	Ps 515.7	353.9
Non-cement related assets.....	400.2	395.6
	-----	-----
	Ps 915.9	749.5
	-----	-----

Non-cement related assets are stated at their estimated realizable value and primarily consist of (i) non-cement related assets acquired in business combinations, (ii) various assets held for sale received from customers as payment of trade receivables, and (iii) real estate held for sale.

8. INVESTMENTS AND NONCURRENT RECEIVABLES

A) INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

Investments in affiliated companies as of December 31, 2002 and 2003 are summarized as follows:

		2002	2003
		-----	-----
Book value at acquisition date.....	Ps	3,595.5	3,905.5
Equity in income and other changes in stockholders' equity.....		2,823.7	3,012.1
		-----	-----
	Ps	6,419.2	6,917.6
		-----	-----

Investments held by subsidiaries in CEMEX shares, amounting to Ps7,201.3 (144,870,296 CPOs and 1,793,725 appreciation warrants) at December 2002 and Ps9,238.1 (153,594,177 CPOs and 30,709,083 appreciation warrants) at December 2003, are offset against majority interest stockholders' equity in the accompanying financial statements.

The Company's principal acquisitions and divestitures during 2002 and 2003 are the following:

- I. During 2003, for a combined price of approximately U.S.\$99.7 million (Ps1,120.6), CEMEX, Inc. acquired Mineral Resource Technologies, Inc. ("MRT"), and a cement plant and quarry with an annual production capacity of 560 thousand tons located in Dixon, Illinois, United States. The operating results of MRT and the Dixon plant are included in the consolidated financial statements since the acquisition date. The acquisition of MRT, a distributor of minerals used in manufacturing of ready-mix concrete, occurred in August and that of the Dixon plant occurred in September.
- II. On July 30, 2002, through a public tender offer, a subsidiary of the Company acquired 100% of the outstanding shares of Puerto Rican Cement Company, Inc. ("PRCC"), a Puerto Rican cement producer, for approximately U.S.\$180.2 million (U.S.\$35 dollars per share). As of December 31, 2002, the consolidated financial statements include the balance sheet of PRCC and the results of operations as of and for the five-month period ended December 31, 2002.
- III. On July 12, 2002, a subsidiary of CEMEX acquired 1,508,794 shares of CEMEX Asia Holdings Ltd. ("CAH"). Of this total, 25,429 shares were acquired for cash of approximately U.S.\$2.3 million, while 1,483,365 shares were acquired through a forward exchange contract requiring delivery of 28,195,213 CEMEX CPOs in four equal quarterly transactions beginning in March 2003. In April 2003, CEMEX and its counterparties modified the original settlement date regarding 1,398,602 CAH shares, which will be acquired in four equal quarterly transactions beginning on March 31, 2004. In 2003, through the original agreements, 84,763 CAH shares were acquired in exchange for 1,683,822 CEMEX CPOs, with an approximate value of U.S.\$7.8 million (Ps87.7). For accounting purposes, the 1,483,365 CAH shares are considered the Company's property and were consolidated beginning on July 12, 2002, when the Company recognized an account payable for U.S.\$140 million, equivalent to the price of 28,195,213 CPOs on the date of the exchange agreements, which at the closing of 2003, has decreased to approximately U.S.\$132.0 million (Ps1,483.7). The consolidation of the CAH shares was deemed appropriate since a price to the physical exchange of shares was fixed, it is a firm commitment and the CAH shareholders relinquished their risk of ownership of the shares. Subject to the culmination of the exchange in 2004, the Company's share in CAH increased from 77.4% to 92.3%.

CAH was created during 1999 by CEMEX and institutional investors in Asia to jointly invest in the region. CAH is the holder of the 25.5% of the common stock of PT Semen Gresik, Tbk. ("Gresik"), an Indonesian cement company, as well as the operations of CEMEX in the Philippines and Thailand.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

- IV. In July 2002, a Company subsidiary acquired the 30% remaining economic interest of Solid from third parties for approximately U.S.\$95 million. Prior to this purchase, CEMEX already had a 70% economic interest in Solid through CAH. As a result of this acquisition and the increase in CAH's equity interest, the approximate indirect economic interest of CEMEX in Solid increased from 54.2% to 94.6%.
- V. During 2002, CEMEX, Inc. sold aggregate quarries and other equipment for approximately U.S.\$49 million. CEMEX, Inc. was formed in 2001, as a result of the merger of Southdown, Inc., acquired in November 2000, for approximately U.S.\$2,628.3 million (Ps29,542.1) and CEMEX USA, Inc.

Certain condensed financial information of the companies acquired during 2002 and 2003, and that was consolidated in the Company's financial statements in the year of acquisition is presented below:

		2002		2003
		PRCC	Others	Dixon and MRT
Total assets.....	Ps	4,179.4	239.1	1,225.2
Total liabilities.....		3,862.2	28.2	112.4
Stockholders' equity.....		317.2	210.9	1,112.8
Sales.....	Ps	708.5	2.4	186.0
Operating income (loss).....		27.8	(6.3)	11.5
Net income (loss).....		27.7	(77.7)	11.4

As of December 31, 2002 and 2003, the consolidated investments in affiliated companies are as follows:

Activity	Country	% Equity interest	2002	2003	
PT Semen Gresik, Tbk.....	Cement	Indonesia	25.5	Ps 2,668.8	2,747.9
Control Administrativo Mexicano, S.A. de C.V....	Cement	Mexico	49.0	1,812.5	1,965.3
Trinidad Cement Limited.....	Cement	Trinidad	20.0	340.2	321.0
Cementos Bio Bio, S.A.....	Cement	Chile	11.9	332.0	412.5
Cancem, S.A. de C.V.....	Cement	Mexico	10.0	174.9	199.8
Lehigh White Cement Company.....	Cement	U.S.	24.5	141.9	119.9
Societe des Ciments Antillais.....	Cement	Antilles	26.1	119.9	160.8
Caribbean Cement Company Limited.....	Cement	Jamaica	5.0	78.3	102.6
Others.....	-	-	-	750.7	887.8
				Ps 6,419.2	6,917.6

During 2003, Gresik encountered problems created by the management of its subsidiary PT Semen Padang ("Padang"), which obstructed the ownership rights of Gresik, by not acknowledging Padang's new management team designated by Gresik at May's 2003 stockholders' meeting, which assumed its duties in September 2003 by court order, and by not providing financial information for consolidation purposes. The consolidated financial statements of Gresik, at December 31, 2002 included unaudited information of Padang. The external auditors of Gresik, who were also auditors of Padang abstained from giving an opinion since Padang represents around 16% of the combined net assets. In December 2003, Gresik designated new auditors to review the 2002 consolidated financial statements, a process estimated to be completed during the first half of 2004. These problems persist and relate to the 1998 agreements between the Indonesian government and CEMEX, which led CEMEX to invest in Indonesia, and are the agreements through which the government would sell its majority

interest in Gresik and its subsidiaries to CEMEX. The sale has not yet occurred primarily due to the opposition of Padang, who has the support of the provincial administration of West Sumatra. Padang has argued that the sale by the government of Padang to Gresik in 1995 is invalid because the necessary approvals were not obtained. As a result of this, in December 2003, CEMEX filed before the International Center for the Settlement of Investments Disputes, a panel of the World Bank in Washington, D.C., a request for arbitrage against the Indonesian Republic and its government.

The legal issues described above can take several years; in the meantime, because the status of the investment is uncertain, the Company cannot determine whether the investment in Gresik has become impaired. Based on the information derived from the procedures described above, should the investment become impaired, CEMEX will apply the rules indicated by the accounting principles. As of December 31, 2003, CEMEX used the best information available in order to value and update the investment in Gresik.

F-16

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

B) NONCURRENT ACCOUNTS RECEIVABLE

Consolidated amounts include assets for the valuation of derivative instruments (see notes 11 and 16) of Ps802.5 in 2002 and Ps1,135.2 in 2003. Furthermore, they include investments in private funds, recorded at fair value for U.S.\$8.6 million (Ps96.7) in 2002 and U.S.\$16.1 million (Ps181.0) in 2003. During 2003, approximately U.S.\$7.3 million (Ps82.1) were contributed to these funds.

During 2001, CEMEX sold for approximately U.S.\$162.4 million, an investment that was held in its long-term investments portfolio. The sale generated a non-recurrent gain of approximately U.S.\$131 million (Ps1,472.4) recognized in 2001 as part of the Comprehensive Financing Result. Of this gain, approximately Ps877.4 corresponded to the reversal of unrealized valuation gains previously recorded in stockholders equity.

9. PROPERTIES, MACHINERY AND EQUIPMENT

In December 2003, based on the periodic impairment analysis (see note 2U), a loss of approximately Ps236.5 was recognized in earnings within other expenses, related to the write-off of the book value of a group of assets in Mexico. In 1999, as the assets were no longer in operation, they were adjusted to their then estimated realizable value, and depreciation was suspended. The approximate effect of having suspended the depreciation in 2001 and 2002 was Ps42.2 and Ps40.8, respectively.

During 2003, an impairment loss of approximately Ps62.9 was recognized in earnings within other expenses, arising from the book value's write-off of cement terminals in the Asian region that are out of service.

10. INTANGIBLE ASSETS AND DEFERRED CHARGES

At December 31, 2002 and 2003, consolidated intangible assets of definite and indefinite life as well as the deferred charges are summarized as follows:

	2002	2003
	-----	-----
Intangible of indefinite useful life:		
Goodwill.....	Ps 48,141.4	47,242.6
Accumulated amortization.....	(4,314.4)	(5,050.9)
	-----	-----
	43,827.0	42,191.7
	-----	-----
Intangible of definite useful life:		
Cost of internally developed software.....	3,113.7	3,035.7
Additional minimum liability (note13).....	662.9	1,108.2
Accumulated amortization.....	(891.7)	(1,421.0)

	2,884.9	2,722.9
Deferred Charges:		
Prepaid pension costs (note 13).....	426.4	387.8
Deferred financing costs.....	1,148.9	583.3
Deferred income taxes (note 17B).....	2,572.6	2,143.0
Others.....	4,728.0	3,235.5
Accumulated amortization	(6,164.2)	(4,906.3)
	2,711.7	1,443.3
Ps	49,423.6	46,357.9

As a result of the periodic impairment evaluations (see note 2U), the Company recognized in earnings within other expenses, impairment losses of goodwill for approximately Ps102.9 in 2002 and Ps881.9 in 2003. Such losses consist of those related to the Company's information technology business unit, which were Ps102.9 in 2002 and Ps157.4 in 2003 and those related to the business units in the Asian region in 2003 were Ps724.5.

The amortization expenses of intangible assets and deferred charges were Ps2,816.1 in 2001, Ps2,787.1 in 2002 and Ps2,808.4 in 2003, of which, 75%, 65% and 69% were recognized in other expenses, respectively. The difference in each year was recognized within operating expenses.

F-17

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

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

As of December 31, 2002 and 2003, short-term and long-term consolidated debt, by type of financing and currency, as well as the interest rates, which include the effects of the related derivative financial instruments, are summarized as follows:

As of December 31, 2002	Original rate	Weighted effective rate	Carrying amount	Relation with derivatives(1)	Amount subject to derivatives	% subject to derivatives
Short-term bank loans						
Lines of credit in Mexico.....	Variable	6.6%	3,407.7	IRS, CCS	3,407.7	100.0%
Lines of credit in foreign countries.....	Variable	2.6%	1,550.6	-	-	-
			4,958.3		3,407.7	68.7%
Short-term notes payable						
Mexican commercial paper programs.....	Variable	3.2%	1,938.2	CCS	1,657.3	85.5%
Foreign commercial paper programs.....	Variable	3.2%	1,495.5	-	-	-
Other notes payable.....	Variable	3.7%	126.3	-	-	-
			3,560.0		1,657.3	46.6%
			8,518.3			
Current maturities.....			7,461.6			
			15,979.9			
Long-term bank loans						
Syndicated, 2003 to 2007.....	Variable	2.3%	10,173.5	-	-	-
Syndicated, 2003 to 2005.....	Fixed	4.1%	9,175.1	IRS	9,175.1	100.0%
Bank loans, 2003 to 2007.....	Variable	2.6%	8,749.7	-	-	-
Bank loans, 2003 to 2009.....	Fixed	6.5%	288.9	-	-	-
			28,387.2		9,175.1	32.3%
Long-term notes payable						
Euro medium-term notes, 2003 to 2009.....	Fixed	6.2%	8,326.3	CCS	4,966.2	59.6%
Medium-term notes, 2003 to 2009.....	Variable	2.2%	8,203.8	CCS	6,961.6	84.9%
Medium-term notes, 2003 to 2008.....	Fixed	4.0%	11,589.8	CCS	2,636.3	22.8%
Other notes, 2003 to 2006.....	Variable	2.5%	58.3	-	-	-
Other notes, 2003 to 2009.....	Fixed	4.2%	1,059.8	-	-	-
			29,238.0		14,564.1	49.8%
			57,625.2			
Current maturities.....			(7,461.6)			

50,163.6

Debt by currency 2	Total debt	Short-term	Effective rate	Long-term	Effective rate
Dollars.....	45,465.5	7,277.5	3.1%	38,188.0	5.0%
Japanese yen.....	14,209.1	6,938.7	3.2%	7,270.4	2.5%
Euros.....	3,293.6	655.8	3.7%	2,637.8	4.0%
Mexican pesos.....	2,403.0	745.8	8.8%	1,657.2	9.3%
Egyptian pounds.....	759.5	353.0	11.0%	406.5	11.0%
Other currencies.....	12.8	9.1	8.7%	3.7	8.7%
	66,143.5	15,979.9		50,163.6	

1 IRS or Interest Rate Swaps are instruments used to exchange interest rates (see note 11A). CCS or Cross Currency Swaps are instruments to exchange both interest rates and currencies (see note 11B).

2 Includes the effects for currency exchanges related to the CCS.

F-18

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

As of December 31, 2003	Original rate	Weighted effective rate	Carrying amount	Relation with derivatives (1)	Amount subject to derivatives	% subject to derivatives
Short-term bank loans						
Lines of credit in Mexico.....	Variable	2.1%	737.4	-	-	-
Lines of credit in foreign countries.....	Variable	1.0%	1,742.0	-	-	-
			2,479.4		-	-
Short-term notes payable						
Mexican commercial paper program	Variable	6.3%	1,889.9	CCS	1,889.9	100.0%
Foreign commercial paper program.....	Variable	2.6%	1,067.7	-	-	-
Other notes payable.....	Variable	7.4%	29.0	-	-	-
			2,986.6		1,889.9	63.3%
			5,466.0			
Current maturities.....			9,471.8			
			14,937.8			
Long-term bank loans						
Syndicated loans, 2004 to 2007.....	Variable	2.2%	11,854.4	CCS	1,278.5	10.8%
Syndicated loans, 2004 to 2006.....	Fixed	7.4%	6,182.0	IRS	6,182.0	100.0%
Bank loans, 2004 to 2007.....	Variable	1.8%	7,362.5	-	-	-
Bank loans, 2004 to 2006.....	Fixed	7.4%	2,536.4	IRS	2,387.9	94.2%
			27,935.3		9,848.4	35.3%
Long-term notes payable						
Euro medium-term notes, 2004 to 2009.....	Fixed	8.0%	3,644.3	CCS	751.0	20.6%
Medium-term notes, 2004 to 2007.....	Variable	3.0%	7,338.7	CCS	6,478.7	88.3%
Medium-term notes, 2004 to 2015.....	Fixed	5.8%	18,482.7	CCS	5,862.1	31.7%
Other notes, 2004 to 2010.....	Variable	2.1%	2,639.5	-	-	-
Other notes, 2004 to 2009.....	Fixed	6.6%	425.3	IRS	422.1	99.3%
			32,530.5		13,513.9	41.5%
			60,465.8			
Current maturities.....			(9,471.8)			
			50,994.0			
Debt by currency 2						
Dollars.....			4,977.2	4.4%	39,840.0	5.5%
Japanese yen.....			4,518.0	0.6%	4,493.6	1.2%
Euros.....			5,263.2	2.8%	6,449.6	3.4%
Mexican pesos.....			96.4	7.3%	140.3	7.3%
Egyptian pounds.....			72.3	11.3%	35.7	10.9%
Other currencies.....			10.7	11.5%	34.8	12.6%
			65,931.8		50,994.0	

1 IRS or Interest Rate Swaps are instruments used to exchange interest rates (see note 11A). CCS or Cross Currency Swaps are instruments to exchange both interest rates and currencies (see note 11B).

2 Includes the effects for currency exchanges related to the CCS.

F-19

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

The most representative exchange rates with respect to the financial debt are as follows:

	2002	2003
	-----	-----
Mexican pesos per dollar.....	10.38	11.24
Japanese yen per dollar.....	118.80	107.39
Euros per dollar.....	0.9519	0.7948
	-----	-----

The maturities of long-term debt as of December 31, 2003 are as follows:

		2003

2005.....	Ps	11,447.3
2006.....		20,977.0
2007.....		2,577.9
2008.....		8,122.3
2009 and thereafter.....		7,869.5

	Ps	50,994.0

In the consolidated balance sheet at December 31, 2002 and 2003, there were short-term debt transactions amounting to U.S.\$450 million (Ps5,058) and U.S.\$395 million (Ps4,439.8), that were classified as long-term debt due to the Company's ability and intention to refinance such indebtedness with available amounts from the committed long-term lines of credit.

At December 31, 2003, the Company and its subsidiaries have the following lines of credit, both committed and subject to the banks' availability, at annual interest rates ranging from 0.6% to 13.5%, depending on the negotiated currency:

		Line of credit	Available
		-----	-----
European commercial paper (U.S.\$600 million).....	Ps	6,744.0	6,125.8
US commercial paper (U.S.\$400 million).....		4,496.0	3,315.8
Mexican commercial paper (Ps4,000 million).....		4,000.0	2,150.0
Other lines of credit in foreign subsidiaries.....		19,885.1	8,549.3
Other lines of credit from banks		8,552.2	5,517.0
		-----	-----
	Ps	43,677.3	25,657.9
		-----	-----

On October 15, 2003, a Dutch subsidiary, holding of CEMEX Spain, negotiated a multi-currency credit facility for an equivalent at that date of U.S.\$1,150 million. Funds were obtained as follows: Euro 256.4 million maturing in two years and U.S.\$550 million and yen 32,688 million maturing in three years. Such amounts were used primarily to repay a revolving credit facility of U.S.\$400 million, and for the early redemption in 2003 of the preferred stock's remaining balance of U.S.\$650 million related to the purchase of Southdown and which matured on various dates in 2004 (see note 14E).

In April 2002, the Company completed a tender offer for the early redemption of U.S.\$300 million of its 12.7% notes, due 2006, pursuant to which U.S.\$208.4 million was redeemed. Expenses related to the offer and the premiums paid to the holders of the notes as a result of the early redemption, which amounted to approximately U.S.\$54 million (Ps619.3) were recognized in earnings during 2002 within other expenses. As of December 31, 2002 and 2003, the outstanding balance of these notes is U.S. \$91.6 million (Ps1029.6).

As of December 31, 2002 and 2003, in order to: (i) hedge contractual cash flows of certain financial debt with floating rates or exchange floating for fixed interest rates of a portion of debt (see note 11A), and (ii) reduce the financial cost of debt originally contracted in dollars or pesos (see note 11B), the Company has negotiated derivative financial instruments related to short-term and long-term debt, which are described below:

F-20

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

A) Interest Rate Swaps Contracts

As of December 31, 2002 and 2003, the terms of the interest rate swaps ("IRS") related to short-term and long-term financial debt is summarized as follows:

(U.S. dollars millions) Related debt	Notional amount	Debt currency	Maturity date	CEMEX receives*	CEMEX pays	Effective rate	Estimated fair value
IRS in 2002							
Short-term debt							
Bank loans.....	U.S.\$ 306	Dollar	Jul 2007	LIBOR+60	5.5%	3.1%	U.S.\$ (24.4)
Long-term debt							
Bank loans.....	300	Dollar	Jul 2007	LIBOR	4.1%	5.3%	(20.1)
Syndicated loans.....	500	Dollar	Aug 2007	LIBOR	4.2%	5.5%	(28.0)
	800						(48.1)
	U.S.\$1,106						U.S.\$ (72.5)
IRS in 2003							
Long-term debt							
Syndicated loans.....	U.S.\$ 550	Dollar	Mar 2008	LIBOR	6.5%	7.4%	(70.3)
Bank loans.....	250	Dollar	Mar 2008	LIBOR	5.4%	7.3%	(33.4)
	800						(103.7)
Not assigned 1							
Long term debt.....	1,050	Dollar	Feb 2009	LIBOR	3.5%	2.3%	(124.4)
	U.S.\$1,850						U.S.\$(228.1)

* LIBOR ("L") represents the London Interbank Offering Rate, used in the market for debt denominated in U.S. dollars.

1 These instruments have optionality.

As of December 31, 2002 and 2003, the interest rate swaps presented above were designated as accounting hedges of contractual cash flows (interest payments) of the related floating rate debt. Therefore, changes in the estimated fair value of these instruments were recognized in stockholders' equity (see note 2N), except for interest rate swaps for a notional amount of U.S.\$1,050 million in 2003, which are part of the financial strategy of CEMEX, however, do not meet the accounting hedge criteria, consequently, changes in the estimated fair value were recognized in earnings within the comprehensive financing result.

As of December 31, 2003, the notional amount of interest rate swaps increased by U.S.\$744 million as compared to 2002. This increase was primarily due to

interest rate swaps for a notional amount of U.S.\$1,850 million, negotiated in 2003 upon the maturity or early settlement of interest rate options ("swaptions"), forward rate agreements ("FRAs") and floor and cap options. This increase was partially offset by the settlement during the year of interest rate swaps held at the close of 2002 for a notional amount of U.S.\$1,106 million. Such contracts were no longer useful since new contracts were negotiated in 2003 and there were changes in the interest rates mix of the financial debt portfolio resulting from new fixed rate borrowings and the repayment of floating rate debt. As of December 31, 2003, of the approximate loss in the estimated fair value of the interest rate swaps of U.S.\$228.1 million (Ps2,563.8), losses of approximately U.S.\$126 million (Ps1,416.2), correspond to the estimated fair value of that swaptions, FRAs and the floor and cap options had upon expiration or settlement. These losses were recognized in earnings between origination and their termination. As of December 31, 2002, changes in the estimated fair value resulted in losses of approximately U.S.\$72.5 million and were recognized in stockholders' equity.

During 2002 and 2003, due to changes in the interest rates mix of the financial debt portfolio, interest rate swaps were settled in agreement with the financial counterparties for notional amounts of U.S.\$2,583 million and U.S.\$1,106 million, respectively. These settlements resulted in gains of U.S.\$14.2 million (Ps162.9) in 2002 and losses of U.S.\$41.9 million (Ps471) in 2003, corresponding to the contracts estimated fair value on the settlement date, which were recognized in earnings of each period.

F-21

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

As of December 31, 2002 and 2003, the description of other interest rate derivatives, is as follows:

U.S. dollars millions	2002		2003	
	Notional Amount	Estimated fair value	Notional Amount	Estimated fair value
Other interest rate derivatives				
Interest rate options (swaptions).....	1,000	(140.9)	200	(24.9)
Forward rate agreements (FRAs)	650	(61.2)	-	-
Other rates derivatives.....	711	(96.5)	-	-
	2,361	(298.6)	200	(24.9)

As of December 31, 2002 and 2003, there were call options to exchange floating for fixed interest rates (swaptions). These options have maturities in October 2004 and grant the counterparties the option to elect, at maturity of the options, to negotiate interest rate swaps and receive from CEMEX fixed rates and pay variable rates for a five-year period. Alternatively, the counterparties may elect to request net cash settlements. During 2003, through the physical settlement of swaptions for a notional amount of U.S.\$800 million, new interest rate swaps were negotiated. Furthermore, during 2003, the Company sold and later settled options for a notional amount of U.S.\$400 million, resulting in a net gain of approximately U.S.\$1.1 million (Ps12.4). In 2001, 2002 and 2003, for the sale of swaptions, CEMEX received premiums for approximately U.S.\$12.2 million (Ps139.9), U.S.\$57.6 million (Ps660.6) and U.S.\$25.0 million (Ps281.0), respectively. Premiums received as well as changes in the estimated fair value of the options, which represented losses of approximately U.S.\$30.1 million (Ps345.2) and U.S.\$110.9 million (Ps1,271.9) in 2001 and 2002, respectively, and gains of approximately U.S.\$1.6 million (Ps18.0) in 2003, were recognized in earnings of each period. In addition, in 2001, 2002 and 2003, losses of approximately U.S.\$3.4 million (Ps39), U.S.\$92.3 million (Ps1,058.6) and U.S.\$23.9 million (Ps268.6), respectively, were recognized in earnings as a result of the settlement or termination of the swaption contracts.

As of December 31, 2002, the Company held forward rate agreements ("FRAs") for a notional amount of U.S.\$650 million, negotiated in 2001 to fix the interest rate of future debt issuances, not negotiated due to market conditions. These instruments were designated at the end of 2002 as accounting hedges of the interest rates of debt issuances negotiated in 2003. These contracts expired in 2003 and new interest rate swaps were negotiated. At maturity, an approximate loss of U.S.\$37.6 million (Ps422.6) was recognized in stockholders' equity and is being amortized to the financial expenses as part of the effective interest rate of the related debt. The changes in the estimated fair value of these contracts represented losses of approximately U.S.\$27.5 million (Ps304.2) in 2001 and U.S.\$33.7 million (Ps386.5) in 2002, and were recognized in earnings, except for a loss of U.S.\$42.4 million (Ps476.6) in 2002, which was recognized in stockholders' equity, corresponding to the change in valuation after these contracts were designated as accounting hedges.

As of December 31, 2002, the Company held floor and cap options for a notional amount of U.S.\$711 million, with maturity in March 2008. These options were settled in May 2003, through the negotiation of interest rate swaps. These options were structured as part of an interest rate swap for the same notional amount that was settled in 2002. The changes in the estimated fair value of the floor and cap options until settlement, represented losses of approximately U.S.\$41.3 million (Ps456.8) in 2001, U.S.\$55.2 million (Ps632.9) in 2002 and U.S.\$0.1 million (Ps1.5) in 2003. These losses were recognized in earnings of each period.

B) Cross Currency Swap Contracts and Other Currency Instruments

As of December 31, 2002 and 2003, 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 contracts, the cash flows related to the exchange of interest rates under the CCS, match, in interest payment dates and conditions, those of the underlying debt.

If there is no early settlement, at maturity of the contracts and the underlying debt, the Company and the counterparty will exchange notional amounts, so the Company will receive the cash flow in the currency of the underlying debt necessary to cover its primary obligation, and will pay the notional amount in the exchanged currency of the CCS. As a result, the original financial risk profile related to interest rates and foreign exchange variations of the underlying debt has been effectively exchanged.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

As of December 31, 2002 and 2003, the terms of the CCS is summarized as follows:

(Amounts in millions) Related Debt	Maturity date	Notional amount	Currencies		Interest Rates		Effective rate	Estimated fair value
			Original amount	Amount in new currency	CEMEX receives*	CEMEX pays*		
CCS in 2002								
Mexican peso to dollar								
Short term notes.....	Jan 03-Jun 03	U.S.\$ 144.7	Ps1,500	U.S.\$ 145	TIIE+5 bps	L+29 bps	2.25%	U.S.\$ (9.6)
Dollar to Yen								
Short term notes.....	Jun 03-Jun 05	179.5	U.S.\$180	Yen 20,459	L+183 bps	3.16%	3.16%	6.1
		-----						-----
		324.2						(3.5)
Mexican peso to dollar								
Medium term notes.....	Nov 04-Dec 08	230.3	Ps2,465	U.S.\$230	TIIE+54 bps	L+101 bps	2.86%	16.0
Mexican peso to dollar								
Medium term notes.....	Apr 05-Apr 07	377.1	Ps4,225	U.S.\$377	10.93%	L+26 bps	1.34%	51.8
Mexican peso to Yen								

Medium term notes.....	Jun 05-Jan 06	311.8	Ps3,058	Yen 27,308	11.76%	2.55%	3.78%	83.4
Dollar to Yen								
Euro-medium term notes.....	Jul 2003	500.0	U.S.\$500	Yen 51,442	8.75%	3.14%	3.14%	93.7
		1,419.2						244.9
		U.S.\$1,743.4						U.S.\$241.4
CCS in 2003								
Mexican peso to dollar								
Short term notes.....	Jan 2004	U.S.\$ 168.1	Ps 1,900	U.S.\$ 168	N/A	N/A	6.3%	U.S.\$ 0.8
Mexican peso to dollar								
Medium term notes.....	Nov 04-Dec 07	468.9	Ps6,104	U.S.\$ 469	TIIE+62 bps	L+121bps	2.7%	74.4
Mexican peso to dollar								
Medium term notes.....	Apr 05-Apr 07	233.3	Ps3,369	U.S.\$ 233	12.4%	L+99 bps	1.9%	103.0
Mexican peso to dollar								
Medium term notes	Mar 06-Dec 08	377.8	Ps3,888	U.S.\$ 378	8.6%	4.6%	3.8%	0.2
Mexican peso to dollar								
Medium term notes.....	Oct 2007	79.9	Ps800	U.S.\$ 80	Cetes+145 bps	4.3%	4.3%	(8.9)
Dollar to Yen								
Medium term notes.....	Jun 05-Jun 06	66.8	U.S.\$ 67	Yen 1,904	L+27 bps	1.9%	9.3%	93.2
Mexican peso to Yen								
Euro-medium term notes.....	Jun 05-Jan 06	51.8	Ps1,574	Yen 6,008	8.8%	2.6%	1.3%	(0.7)
		1,278.5						261.2
		U.S.\$1,446.6						U.S.\$262.0

* LIBOR ("L") represents the London Interbank Offering Rate, used in the market for debt denominated in U.S. dollars. TIIE represents the Interbank Offering Rate in Mexico and CETES are public debt instruments issued by the Mexican government. At December 31, 2003, the LIBOR rate was 1.12%, the TIIE rate was 6.29% and the CETES yield was 6.04%.

F-23

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

The periodic cash flows underlying the CCS arising from the exchange of interest rates are determined over the notional amounts in the exchanged currency. The CCS have not been designated as accounting hedges; therefore, changes in their estimated fair values are recognized through the income statement. As mentioned in note 2N, a portion of the assets and liabilities resulting from the estimated fair value recognition of the CCS have been offset for presentation purposes, in order to reflect the cash flows that the Company expects to receive or pay upon settlement of these financial instruments. Through this presentation, the book value of the financial indebtedness directly related to the CCS is presented as if it had been effectively negotiated in the exchanged currencies instead of in the originally negotiated currencies. Assuming an early liquidation of the CCS, the related financial liabilities and their corresponding interest expense, would be established in the rates and currencies originally contracted beginning as of the settlement date.

As of December 31, 2002 and 2003, related to the estimated fair value of the CCS, the Company recognized net assets of U.S.\$241.4 million (Ps2,713.3) and U.S.\$262.0 million (Ps2,944.9), respectively. Of these amounts, U.S.\$194.2 million (Ps2,182.8) in 2002 and U.S.\$364.5 million (Ps4,097.0) in 2003 relates to a prepayment made to yen and dollar denominated obligations under the CCS. This is presented by decreasing the carrying amount of the related debt, while a gain of U.S.\$47.2 million (Ps530.5) in 2002 and a loss of U.S.\$102.5 million (Ps1,152.1) in 2003, represents the net assets and the net liabilities, respectively, arising from the CCS' estimated fair value without prepayment effects.

In accordance with the presentation guidelines applied by the Company to the assets or liabilities related to the CCS (see note 2N) of net liabilities and net assets without prepayments in 2002 and 2003 described above, losses directly related to variations in exchange rates between the origination of the CCS and the balance sheet date of approximately U.S.\$20.0 million (Ps224.8) in 2002 and U.S.\$171.9 million (Ps1,932.2) in 2003, are presented as part of the related debt carrying amount. Likewise, gains of approximately U.S.\$25.9 million (Ps291.1) in 2002 and U.S.\$12.2 million (Ps137.1) in 2003, corresponding to the periodic cash flows exchange for interest rates, were

presented as an adjustment of the related financing interest payable. The remaining net assets of U.S.\$41.3 (Ps464.2) in 2002 and U.S.\$57.2 million (Ps642.9) in 2003, were presented in the consolidated balance sheet within short-term and long-term other assets or other liabilities, as applicable.

For the years ended December 31, 2001, 2002 and 2003, the changes in the estimated fair value of the CCS, excluding the effects of prepayments in 2002 and 2003, resulted in a gain of approximately U.S.\$191.6 million (Ps2,119.1) in 2001 and losses of approximately U.S.\$192.2 million (Ps2,204.3) and U.S.\$149.7 million (Ps1,682.6) in 2002 and 2003, respectively. These results were recognized in earnings of the respective period.

Additionally, as of December 31, 2002, the Company held other currency instruments with a notional amount of U.S.\$104.5 million, related to financial debt expected to be negotiated in the near future. These contracts matured in 2003 and a loss of approximately U.S.\$3.6 million (Ps40.5) was recognized in earnings. In 2002, these contracts had an estimated fair value loss of approximately U.S.\$6.8 million (Ps78.0), which was recognized in the income statement.

The estimated fair value of derivative instruments used for the exchange of interest rates and/or currencies fluctuate over time and will be determined by future interest rates and currency prices. These values should be viewed in relation to the fair values of the underlying transactions and as part of the overall Company's exposure to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not necessarily represent amounts exchanged by the parties, and consequently, there is no direct measure of 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.

F-24

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

C) Guaranteed Debt

As of December 31, 2002 and 2003, CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V. jointly, fully and unconditionally guarantee indebtedness of the Company for an aggregate amount of U.S.\$2,339 million (Ps26,290.4) and U.S.\$3,145 million (Ps35,349.8), respectively. The combined summarized financial information of these guarantors as of December 31, 2001, 2002 and 2003 is as follows:

	2002	2003
	-----	-----
Assets.....	Ps 125,984.6	140,393.0
Liabilities.....	60,082.5	64,503.2
Stockholders' equity.....	65,902.1	75,889.8
	-----	-----
	2001	

Net sales.....	Ps 24,975.5	24,035.2
Operating income.....	1,786.2	3,762.6
Net income.....	11,444.1	479.7
	-----	-----
	2002	2003
	-----	-----
Net sales.....	24,035.2	24,408.5
Operating income.....	3,762.6	2,778.2
Net income.....	479.7	6,035.9
	-----	-----

Certain debt contracts guaranteed by the Company and/or some of its subsidiaries contain restrictive covenants limiting sale of assets, maintenance of controlling interest on certain subsidiaries, limiting liens and requiring compliance with financial ratios. The Company obtains waivers prior to the occurrence of events of default.

12. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities as of December 31, 2002 and 2003 are summarized as follows:

	2002	2003
Accounts payable from valuation of derivative instruments (notes 11 and 16).....	Ps 3,608.9	4,919.0
Accruals for legal assessments and other responsibilities.....	1,482.2	1,592.3
Asset retirement obligations and other environmental liabilities.....	296.6	889.0
Other liabilities and deferred credits.....	1,093.5	1,303.1
	-----	-----
	Ps 6,481.2	8,703.4
	-----	-----

Accounts payable from derivative financial instruments represent the accumulated valuation losses resulting from the estimated fair value recognition of these instruments (see notes 11 and 16). Accruals for legal assessments and other responsibilities (see note 21), refer to the best estimation of cash flows for with respect to legal claims where the Company is determined to be responsible and which are expected to be settled in a period greater than twelve months. During 2003, the balance of this caption increased primarily as a result of the increase of Ps265.0 in the dumping duties provision, partially offset by the decrease of Ps154.9 in the accruals for responsibilities. Asset retirement obligations and other environmental liabilities include the future estimated costs, mainly from the demolition, cleaning and reforestation of production sites at the end of their operation (see note 2V). The increase in this item is related to the quantification of asset retirement obligations. The expected average period to settle these obligations is greater than 15 years.

13. PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

As of December 31, 2001, 2002 and 2003, the net periodic cost of pension plans and other postretirement benefits (see note 2J), was Ps348.9, Ps228.1 and Ps462.4, respectively, and is described as follows:

Components of net periodic cost:	Pensions			Other benefits*		
	2001	2002	2003	2001	2002	2003
Service cost.....	Ps 344.3	274.7	287.5	14.8	28.5	31.3
Interest cost.....	281.2	269.2	284.8	38.5	43.2	45.4
Actuarial return on plan assets.....	(383.3)	(399.3)	(335.0)	(1.2)	(0.7)	(0.7)
Amortization of prior service cost, changes in assumptions and experience adjustments.....	53.3	47.6	131.2	1.3	13.7	15.1
Results from extinguishment of obligations.....	-	(47.3)	2.8	-	(1.5)	-
	-----	-----	-----	-----	-----	-----
	Ps 295.5	144.9	371.3	53.4	83.2	91.1
	-----	-----	-----	-----	-----	-----

As of December 31, 2002 and 2003, the reconciliation of the actuarial value of pension plans and other postretirement benefit obligations, as well as the funded status (see note 2J), are presented as follows:

	Pensions		Other benefits*	
	2002	2003	2002	2003
Change in benefit obligation:				
Projected benefit obligation ("PBO") at beginning of year.....	Ps 5,041.3	5,680.8	726.1	902.2
Service cost.....	274.7	287.5	28.5	31.3
Interest cost.....	269.2	284.8	43.2	45.4
Actuarial result and amendments.....	138.0	659.5	78.4	(90.2)
Acquisitions.....	388.5	-	50.7	-
Initial valuation of other postretirement benefits.....	-	-	11.9	27.7
Foreign exchange fluctuations and inflation adjustments.....	52.5	(106.3)	17.1	(47.2)
Extinguishment of obligations.....	(174.6)	1.9	(1.5)	2.2
Benefits paid.....	(308.8)	(430.2)	(52.2)	(68.6)
Projected benefit obligation ("PBO") at end of year.....	5,680.8	6,378.0	902.2	802.8
Change in plan assets:				
Fair value of plan assets at beginning of year.....	5,253.8	5,045.5	17.6	17.8
Real return on plan assets.....	(311.4)	812.9	0.8	2.1
Acquisitions.....	323.5	-	-	-
Foreign exchange fluctuations and inflation adjustments.....	75.6	(210.4)	-	(1.7)
Employer contributions.....	69.8	125.9	42.2	15.9
Extinguishment of obligations.....	(196.3)	-	-	-
Benefits paid from the funds.....	(169.5)	(265.3)	(42.8)	-
Fair value of plan assets at end of year.....	5,045.5	5,508.6	17.8	34.1
Amounts recognized in the balance sheets consist of:				
Funded status.....	635.3	869.4	884.4	768.7
Prior service cost.....	(714.9)	(1,402.4)	(149.8)	(108.8)
Net actuarial results.....	(1,632.4)	(955.4)	(111.9)	(42.4)
Accrued benefit liability (prepayment).....	(1,712.0)	(1,488.4)	622.7	617.5
Additional minimum liability.....	659.5	1,100.6	3.4	7.6
Net liability (prepayment) recognized.....	Ps (1,052.5)	(387.8)	626.1	625.1

* The cost and the actuarial value of postretirement benefits, include the cost and obligations of postretirement benefits other than pensions, such as seniority premiums granted by law, as well as health care and life insurance benefits that the Company grants to retirees.

For presentation purposes in the balance sheet as of December 31, 2002, the net liability of Ps626.1 for other postretirement benefits (see above table), is presented as offsetting the net prepayment for pensions of Ps1,052.5. This resulted in a net final prepayment of Ps426.4, which is reported within other deferred charges (see note 10). At December 31, 2003, the net liability for other postretirement benefits and the net prepayment for pensions are not offset in the balance sheet.

As of December 31, 2002 and 2003, the combined actual benefit obligation ("ABO") of pensions and other postretirement benefits, equivalent to the PBO not considering salaries increases, amounted to Ps5,086.6 and Ps5,944.2, respectively, of which the vested portion was Ps1,291.2 in 2002 and Ps2,008.9 in 2003.

An additional minimum liability (excess of the net actual liability over the net projected liability) is recognized in those cases when the ABO less the plan assets (net actual liability) is lower than the net projected liability. At December 31, 2002 and 2003, a minimum liability and an intangible asset were recognized for Ps662.9 and Ps1,108.2, respectively.

Prior service cost and actuarial results are amortized over the estimated service life of the employees under plan benefits. At December 31, 2003, average estimated service life for pension plans is 15 years and for other postretirement benefits is 13 years.

(Millions of constant Mexican Pesos as of December 31, 2003)

As of December 31, 2002 and 2003, the consolidated assets of the pension plans and other postretirement benefits are valued at their estimated fair value and are integrated as follows:

	2002	2003
	-----	-----
Fixed-income securities.....	Ps 2,585.6	2,472.0
Marketable securities.....	1,965.3	2,383.3
Private funds and other investments.....	512.4	687.4
	-----	-----
	Ps 5,063.3	5,542.7
	-----	-----

CEMEX applies real rates (nominal rates discounted for inflation) in the actuarial assumptions used to determine postretirement benefit liabilities. The most significant assumptions used in the determination of the net periodic cost were:

	2001	2002	2003
	-----	-----	-----
Range of discount rates used to reflect the obligations' present value..	3.5% - 7.1%	3.0% - 7.0%	4.5% - 8.0%
Weighted average rate of return on plan assets.....	8%	7.8%	7.8%
	-----	-----	-----

During 2003, the Company's units in Mexico implemented a voluntary early retirement program, through which, the retirement age was decreased by five years and all employees meeting the new requirements were given the option to retire. This program ended in May 2003 and resulted in the early retirement of 230 employees and the increase of Ps568.9 in the projected benefit obligation and the non-amortized prior service cost of pensions and other postretirement benefits.

During 2002, the subsidiary of CEMEX in Spain, in agreement with its employees, changed the structure of most of its defined benefit plans, replacing them with defined contribution plans. In connection to this change, the subsidiary contributed on behalf of its employees covered by the new plans, assets for an amount equivalent to the obligation value as of the date of the exchange. These assets were already restricted within the previous plans. At December 31, 2002, the effects of writing off the PBO and the non-amortized items, net of the assets contributed, are displayed on the tables relating to the net periodic cost and the reconciliation of the actuarial value of pensions and other postretirement benefits.

14. STOCKHOLDERS' EQUITY

A) COMMON STOCK

The Company's common stock as of December 31, 2002 and 2003 is as follows:

	2002		2003	
	Series A (1)	Series B (2)	Series A (1)	Series B (2)
	-----	-----	-----	-----
Subscribed and paid shares.....	3,331,300,154	1,665,650,077	3,547,614,432	1,773,807,216
Treasury shares (3).....	166,400,476	83,200,238	287,097,712	143,548,856
Unissued shares authorized for Stock Option Plans..	116,526,096	58,263,048	113,114,106	56,557,053
	-----	-----	-----	-----
	3,614,226,726	1,807,113,363	3,947,826,250	1,973,913,125
	-----	-----	-----	-----

(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) In 2003, includes the shares issued by the stockholders' meeting of April 24, 2003 that were not subscribed, and in 2002, includes the shares acquired under the share repurchase program and those shares authorized by the stockholders' meeting of April 25, 2002 that were not subscribed.

Of the total number of shares, 3,267,000,000 in 2002 and 2003 correspond to the fixed portion, and 2,154,340,089 in 2002 and 2,654,739,375 in 2003 correspond to the variable portion.

On April 25, 2002, the annual stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps5,000.0 (nominal amount), under which, at December 31, 2002, shares equivalent to 7,609,200 CPOs were repurchased, representing a reduction in the repurchase reserve of Ps400.2; (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps3,213.1 (nominal amount), issuing shares as a stock dividend, equivalent to up to 140,000,000 CPOs, at a subscription price of Ps46.336 (nominal amount) per CPO, or instead, stockholders could have chosen to receive Ps2.00 (nominal amount) in cash for each CPO. As a result, shares equivalent to 64,408,962 CPOs were subscribed and paid, representing an increase in common stock of Ps2.3 and in additional paid-in capital of Ps3,201.5. An approximate cash payment through December 31 2002 was made for Ps256.9; and (iii) the cancellation of 169,206,112 Series "A" shares and 84,603,056 Series "B" shares that were held in the Company's treasury.

F-27

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

On April 24, 2003, the annual stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps6,000.0 (nominal amount); (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps3,664.4 (nominal amount), issuing up to 750,000,000 shares as a stock dividend, equivalent to up to 250,000,000 CPOs, at a subscription price of Ps36.449 (nominal) per CPO or, instead, stockholders could have chosen to receive Ps2.20 (nominal amount) in cash for each CPO. As a result, shares equivalent to 98,841,944 CPOs were subscribed and paid, representing an increase in common stock of Ps3.40 and in additional paid-in capital of Ps3,696.6, assuming a theoretical value of Ps0.0333 per CPO, while an approximate cash payment through December 31, 2003 was made for Ps66.8; and (iii) the cancellation of the shares held in the Company's treasury.

B) RETAINED EARNINGS

Retained earnings as of December 31, 2003, include Ps82,240.2 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 include a share repurchase reserve in the amount of Ps6,585.0. 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, 2003, the legal reserve amounted to Ps1,370.6.

Earnings distributed as dividends, in excess of tax earnings, will be subject to a tax payment at a 33% rate, consequently, only 67% of retained earnings may be distributed to the shareholders.

C) EFFECTS OF INFLATION

The effects of inflation on majority interest stockholders' equity as of December 31, 2003 are as follows:

Historical

Inflation

	cost	adjustment	Total
Common stock.....	Ps 59.1	3,436.1	3,495.2
Additional paid-in capital.....	21,003.8	15,215.5	36,219.3
Deficit in equity restatement.....	-	(69,125.6)	(69,125.6)
Cumulative initial deferred income tax effects.....	(4,697.9)	(1,044.0)	(5,741.9)
Retained earnings.....	51,773.3	46,384.5	98,157.8
Net income.....	Ps 6,596.4	471.0	7,067.4

D) FOREIGN CURRENCY TRANSLATION

The foreign currency translation results recorded in stockholders' equity are summarized as follows:

Years ended December 31,	2001	2002	2003
Foreign currency translation adjustment.....	Ps (2,694.3)	7,038.4	5,169.2
Foreign exchange gain (loss) (1)	830.1	(2,847.0)	(1,564.2)
	Ps (1,864.2)	4,191.4	3,605.0

(1) Foreign exchange results from the financing corresponding to the acquisitions of foreign subsidiaries.

The foreign currency translation adjustment includes foreign exchange results of financing related to acquisitions of foreign subsidiaries made by the Company's subsidiary in Spain of Ps(49.5) in 2001, Ps167.3 in 2002 and Ps59.4 in 2003.

E) PREFERRED STOCK

In October 2003, CEMEX repurchased the remaining balance of preferred stock of U.S.\$650 million (Ps7,306.0), which was to mature in February and August 2004. The preferred stock was issued in November 2000 by a Dutch subsidiary for U.S.\$1,500 million with an original maturity in May 2002 and was related to the financing of CEMEX Inc.'s (formerly Southdown, Inc.) acquisition. During 2001 and 2002, CEMEX repurchased preferred stock for U.S.\$600 million and U.S.\$250 million, respectively, and in 2002 the maturity of the remaining balance was extended, with U.S.\$195 million due in February 2004 and U.S.\$455 million due in August 2004. The preferred stock was mandatorily redeemable upon maturity and granted its holders 10% of the subsidiary's voting rights, and 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.\$76 million (Ps860.2) in 2001, U.S.\$23.2 million (Ps259.7) in 2002 and U.S.\$12.5 million (Ps144.6) in 2003, were recognized as minority interest in the consolidated income statements.

F-28

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

A subsidiary of CEMEX in Spain issued, during 1998, capital securities for U.S.\$250 million with an annual dividend rate of 9.66%. In April 2002, through a tender offer, U.S.\$184 million of capital securities were redeemed. The amount paid to the holders in excess of the nominal amount of the capital securities pursuant the early redemption of approximately U.S.\$20 million (Ps224.8) was recorded against stockholders' equity. The balance outstanding

as of December 31, 2002 and 2003 was U.S.\$66 million (Ps741.8) in both years. The Company has an option to repurchase the remaining securities in November 2004 or on any subsequent dividend payment date. Additionally, the holders have the right to sell them to the Company in May 2005. This transaction is recorded as minority interest. Preferred dividends declared on the capital securities during 2001, 2002 and 2003 of approximately U.S.\$24.2 million (Ps271.4), U.S.\$11.9 million (Ps132.6) and U.S.\$6.4 million (Ps73.4), respectively, were recognized as minority interest in the consolidated income statements.

F) OTHER EQUITY TRANSACTIONS

Through an announcement dated on November 17, 2003, the Company launched a public offer to purchase up to 90,018,042 appreciation warrants ("warrants") traded on the Mexican Stock Exchange ("MSE"), including those warrants represented by American Depository Warrants ("ADWs"), each ADW representing five warrants, traded on the New York Stock Exchange ("NYSE"), which represent approximately 86.73% of the total outstanding warrants and include the approximately 34.9 million warrants owned by or controlled by CEMEX and its subsidiaries. The Company issued two additional announcements on December 11 and 23, which established specific procedures with respect to such offer. The offer expires on January 26, 2004, unless the Company extends the period. The holders of warrants and ADWs wishing to participate in the offer must specify the price at which they would tender their warrants or ADWs, within the range of established prices from 5.10 pesos per warrant (equivalent to 25.50 pesos per ADW) to 8.10 pesos per warrant (equivalent to 40.50 pesos per ADW).

At the end of the offer period, the single price at which CEMEX will purchase the warrants and ADWs is to be determined, depending on the prices at which warrants and ADWs are tendered, which will be ordered starting from the lowest price per warrant offered until a single purchase price is reached that would enable CEMEX to purchase 90,018,042 warrants, or such lesser number of warrants as are validly tendered in the offer. If more than 90,018,042 warrants are validly tendered in the offer, CEMEX will acquire the warrants and ADWs a "pro rata" basis, in most cases. Assuming that the total number of warrants subject to the offer was repurchased, the remaining 13,772,903 warrants will remain outstanding and will mature in December 2004.

The warrants and ADWs subject to the offer were originally issued in December 1999 by means of a public offer on the MSE and the NYSE, in which 105 million warrants and ADWs with December 2002 maturity were sold. In December 2001, in a simultaneous and voluntary public purchase and sale offer for the warrants and exchange offer for the ADWs, outstanding as of the offer date, under a one for one exchange ratio, 103,790,945 new warrants and ADWs with maturity in December 2004 were issued. The warrants and ADWs that were not exchanged in 2001 expired in December 2002. The warrants permit the holders to benefit from future increases in the CEMEX CPO's market price above the strike price, which at December 31, 2003 was approximately U.S.\$5.45 per CPO (U.S.\$27.23 per ADS). The benefit, should any exist, will be paid in CPOs. Until September 2003, the CPOs and ADSs required to cover future exercises of the new warrants, as well as the old 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 on the MSE and the NYSE, made by the Company and the banks holding the shares (see note 16A).

In addition, in December 2003, through the payment of U.S.\$75.9 million (Ps853.1), CEMEX executed the option that it retained and repurchased the assets related to a financial transaction through which, in December 1995, the Company transferred financial assets to a trust, while simultaneously, investors contributed U.S.\$123.5 million 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 financial assets underlying in the trust were stipulated. Therefore, as of December 31, 2002, the outstanding balance of this transaction was approximately U.S.\$90.6 million (Ps1,038.9). Moreover, during the life of the transaction, the Company maintained an option to reacquire the related financial assets at different dates. The cost of retaining this option was recognized in earnings as part of the financial expense for approximately U.S.\$13.8 million (Ps152.6) in 2001, U.S.\$13.2 million (Ps151.2) in 2002 and U.S.\$14.5 million (Ps163.0) in 2003. Until its settlement in December 2003, this transaction was included as part of the minority interest in stockholders' equity.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

G) COMPREHENSIVE NET INCOME (LOSS)

The main items included in the comprehensive net income (loss) items for the years ended December 31, 2001, 2002 and 2003, are as follows:

	2001	2002	2003
	-----	-----	-----
Majority interest net income.....	Ps 13,026.6	5,966.9	7,067.4
Deficit in equity restatement:			
Effects from holding non-monetary assets.....	(2,445.9)	(10,431.8)	(3,432.9)
Foreign currency translation adjustment.....	(2,694.3)	7,038.4	5,169.2
Capitalized foreign exchange result (note 14D)	830.1	(2,847.0)	(1,564.2)
Additional minimum liability.....	230.3	-	-
Valuation of investments available for sale (note 8B).....	(877.4)	-	-
Hedge derivative instruments (notes 11 and 16).....	-	(2,398.7)	458.7
Deferred income tax of the year charged directly to stockholders' equity (note 17).....	26.2	858.9	(215.3)
Equity instruments' early redemption results.....	-	(229.4)	(653.4)
Cumulative initial effects of asset retirement obligations.....	-	-	(85.8)
Inflation effect on equity 1.....	318.5	225.3	-
	-----	-----	-----
Total comprehensive income (loss) items.....	(4,612.5)	(7,784.3)	(323.7)
	-----	-----	-----
Majority comprehensive net income (loss).....	8,414.1	(1,817.4)	6,743.7
Minority interest.....	1,695.7	425.1	341.8
	-----	-----	-----
Consolidated comprehensive net income (loss).....	Ps 10,109.8	(1,392.3)	7,085.5
	-----	-----	-----

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 (see note 2B).

15. EXECUTIVE STOCK OPTION PROGRAMS

The information relating to stock option programs, presented in terms of equivalent CPOs and considering the effect of the options exchange program described below, are summarized as follows:

Options	Fixed program (A)	Special program (B)	Variable program (C)	Voluntary Programs (D)
	-----	-----	-----	-----
As of December 31, 2001.....	8,695,396	-	88,937,805	20,215,960
Changes in 2002:				
Granted.....	-	4,963,775	16,949,800	2,120,395
Exercised.....	(2,119,871)	-	(7,294,781)	(6,287,050)
	-----	-----	-----	-----
As of December 31, 2002.....	6,575,525	4,963,775	98,592,824	16,049,305
Changes in 2003:				
Granted.....	-	2,682,985	22,346,738	38,583,989
Cancelled.....	(533,608)	-	(22,799)	(9,700,280)
Exercised.....	(1,352,582)	(17,500)	-	(38,884,926)
	-----	-----	-----	-----
As of December 31, 2003.....	4,689,335	7,629,260	120,916,763	6,048,088
	-----	-----	-----	-----
Exercise Prices:				
Options exercised during the year*.....	Ps25.43	U.S.\$4.52	-	U.S.\$3.45
Options outstanding at year-end*.....	Ps29.33	U.S.\$4.62	U.S.\$5.02	U.S.\$4.14
Remaining average life.....	3.7 years	8.5 years	9.1 years	1.8 years
Options completed vested.....	92.8%	23.8%	73.6%	100.0%
	-----	-----	-----	-----

* Weighted average exercise price per CPO.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

A) Fixed Program

Through October 31, 2001, CEMEX granted stock options annually to its executives for the acquisition of CPOs under a stock option program ("fixed program"), which was replaced through a voluntary exchange program (see "variable program" below). The outstanding options correspond to the executives that did not participate in the exchange program. Under the fixed program, which was initiated in 1995, eligible executives received stock option rights with fixed exercise prices denominated in pesos, equivalent to the market price of the CPO at the grant date and life of 10 years. Exercise prices reflect technical antidilution adjustments for stock dividends. The executives' option rights vest up to 25% annually during the first four years after having been granted. As of December 31, 2002 and 2003, the new CPOs generated an additional-paid in capital of Ps75.7 and Ps42.9, respectively, and increased the number of outstanding shares.

B) Special program

As a result of the acquisition of CEMEX, Inc. (formerly Southdown), a stock option program to purchase CEMEX ADSs ("special program") was established for CEMEX, Inc.'s executives. The options granted have a fixed exercise price in dollars, equivalent to the market price of the ADS as of the grant date, and have a 10-year tenure. The executives' option rights vest up to 25% annually during the first four years after having been granted. The options exercises are hedged using shares currently owned by subsidiaries, potentially increasing stockholders' equity and the number of shares outstanding. The amounts of this ADS' programs are presented in terms of equivalent CPOs.

C) Variable program

In November 2001, through a voluntary option exchange program, CEMEX invited executives to exchange their existing options under the fixed program for new options issued under a new annual stock option program with exercise prices denominated in U.S. dollars increasing annually during the option's life ("variable program"), reflecting the funding cost in the market and with a 10 year tenure. The participating executives which exchanged 57,448,219 options, resigned their rights to subscribe CPOs, in exchange for cash equivalent to the intrinsic value for each executive at the exchange date and the issuance of new options, equivalent in number to the time value of their redeemed options, as determined by the appropriate valuation model, which resulted in the issuance in 2001 of 88,937,805 options under the variable program. Except for the options issued through the exchange, where 50% of the option's exercise rights were vested immediately, with an additional 25% annual vesting over the next two anniversaries, for subsequent option grants, executives' option rights may be exercised up to 25% annually during the first four years after having been granted. During 2001, by means of the exchange program, a compensatory cost of approximately Ps729.1 was recognized in other expenses, net.

D) Voluntary programs

As of December 31, 2003, there were 3,927,693 options with an approximate exercise price of U.S.\$3.31 per CPO, out of 36,468,375 options with a 5 year-tenure, sold to executives during 1998 and 1999. The exercise price is denominated in dollars and increases annually to reflect the funding cost in the market. In 2003, 300,937 options were exercised, while 9,700,280 options expired and were canceled.

As of December 31, 2003, there are 2,120,395 options with an approximate exercise price of U.S.\$5.68 per CPO, which were sold to executives in April and May 2002. As of December 31, 2003, no exercises had occurred. From the sale of the options, a premium of approximately U.S.\$1.5 million (Ps16.9) was received. The exercise price of the options is denominated in dollars and increases annually to reflect the funding cost in the market.

In September 2003 were exercised 38,583,989 options, sold to executives in January 2003 in exchange for an approximate premium of U.S.\$9.7 million (Ps101.5). The options, which had an increasing U.S. dollar exercise price of approximately U.S.\$3.58 per CPO, equal to the CPO market price at the date of sale, and a five-year term, contained a mandatory exercise condition in case the market CPO price reached certain level, situation occurred in 2003. According to agreed conditions, the executives' gain was paid in form of CPOs, which have a sale restriction for two years after exercise.

E) Options hedging activities

The potential exercise of options under the variable and voluntary programs require the Company to have availability of the CPOs or ADSs underlying in the options; therefore, the Company has negotiated equity forward contracts in its own stock (see note 16A), in order 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.

F-31

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican Pesos as of December 31, 2003)

Beginning in 2001, CEMEX recognizes the appreciation of the options under the variable and voluntary programs, resulting from the difference between the CPO's market price and the exercise prices established in the options, as an expense in the income statement, which for the years ended December 31, 2001, 2002 and 2003 was U.S.\$14.7 million (Ps163.2), U.S.\$5.0 million (Ps57.3) and U.S.\$45.3 million (Ps509.2), respectively. Likewise, CEMEX recognizes through earnings the changes in the estimated fair value of equity forward contracts designated as hedges of these plans (see note 16A), which resulted in a gain of approximately U.S.\$28.7 million (Ps317.4), a loss of approximately U.S.\$47.1 million (Ps540.2) and a gain of approximately U.S.\$28 million (Ps314.7) as of December 31, 2001, 2002 and 2003, respectively.

16. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2002 and 2003, the Company's derivative financial instruments, other than those related to financial debt (see note 11), are summarized as follows:

U.S. dollars millions	2002		2003	
	Notional amount	Estimated fair value	Notional amount	Estimated fair value
A) Equity forward contracts.....	1,445.1	(90.6)	1,085.0	16.4
B) Foreign exchange instruments	1,325.7	(201.4)	1,445.9	(191.6)
C) Derivatives related to energy projects...	177.0	(0.5)	174.5	(7.4)

Upon liquidation and at CEMEX's option, the equity forward contracts allow for physical or net cash settlement of the estimated fair value. The effects at settlement are recognized in the income statement or as part of stockholders' equity, according to their characteristics and use. At maturity, if these forward contracts are not settled or replaced, or if the Company defaults on the agreements established with the financial counterparties, such counterparties may sell the shares underlying the contracts. If any such sale were to occur, it may have an adverse effect on CEMEX and/or its subsidiaries' stock market price, may reduce the amount of dividends and other distributions that the Company receive from its subsidiaries, and/or may create minority interest affecting the ability to operate the Company.

- A) On October 26, 2003, through a secondary equity offering agreed to by the Company, launched simultaneously on the MSE and the NYSE, financial institutions offered 29.325 million ADSs (25.5 million ADSs in the offer plus an optional amount of 3,825 million ADSs in case of over allotments) held through forward contracts. The acquirers purchased all ADSs including the optional amount, resulting in the sale of 23.325 million ADSs (116.6 million CPOs) and 30 million CPOs (6 million ADSs), at a price of U.S.\$23.15 per ADSs and Ps52.07 per CPO, respectively. Of the total sale proceeds of approximately U.S.\$660 million (Ps7,418.4), net of the offering expenses, the financial institutions kept approximately U.S.\$538 million (Ps6,047.1) as payment for the liquidation of the related forward contracts, while approximately U.S.\$122 million (Ps1,371.3) was reimbursed to CEMEX. This transaction did not increase the number of shares outstanding.

As of December 31, 2002, CEMEX held forward contracts for a notional amount of U.S.\$461.1 million. The maturity of these contracts was extended until December 2003 and covered 24,008,392 ADSs (120,041,960 CPOs) and 33.8 million shares of the Company's subsidiary in Spain. In October 2003, these forwards were settled through a secondary equity offering (see preceding paragraph) that resulted in the write-off of accrued prepayments toward the forwards final price of U.S.\$101.7 million (Ps1,143.5), recognized as part of other accounts receivable and a net gain in stockholders' equity of approximately U.S.\$19.5 million (Ps219.2). These contracts were negotiated in 1999 to hedge future exercises under the 105 million warrants program, which CEMEX is currently seeking to acquire through a tender offer (see note 14F). The shares underlying these forwards contracts were sold by CEMEX during 1999 for approximately U.S.\$905.7 million, and the Company simultaneously prepaid approximately U.S.\$439.9 million toward the forwards' final price. In December 2002, as a result of the forwards' net cash settlement that was required in order to renegotiate and extend their maturity until December 2003, a loss of approximately U.S.\$98.3 million (Ps1,104.9) was recognized. The loss arose from changes in the underlying shares market value. The prepayments made toward the forwards final price of approximately U.S.\$193.6 million, recognized as short-term accounts receivable as of December 31, 2002 (see note 5), decreased to approximately U.S.\$95.3 million (Ps1,071.2). From execution of the contracts until their settlement, due to the prepayment made in 1999 and the withholding of the economic and voting rights on the Spanish subsidiary's shares underlying the contracts, such shares were considered property of CEMEX. As of December 31, 2002, the estimated fair value of the contracts presented a gain of approximately U.S.\$69.1 million.

F-32

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

As of December 31, 2002 and 2003, there are forward contracts with different maturities until October 2006, for notional amounts of U.S.\$436.1 million and U.S.\$789.3 million, respectively, covering 16,005,620 ADSs in 2002 and 29,314,561 ADSs in 2003, that are designated to hedge the future exercise of the options granted under the executive programs (see note 15). Starting in 2001, changes in the estimated fair value of these contracts have been recognized in the balance sheet against the income statement, as a complement of the costs generated by the option programs. As of December 31, 2002 and 2003, the estimated fair value of these contracts was a loss of approximately U.S.\$47.0 million (Ps539) and a gain of approximately U.S.\$28.0 million (Ps314.7), respectively.

As of December 31, 2002 and 2003, there are forward contracts for notional amounts of U.S.\$95.5 million and U.S.\$122.9 million, respectively, that were to mature in August and September 2003, whose maturity was extended until August and September 2004. These contracts covering 21,510,500 CPOs in 2002 and 23,622,500 CPOs in 2003, were negotiated to hedge the purchase of CAH shares through the exchange for CEMEX CPOs. They were originally scheduled to be liquidated during 2003 but were extended to 2004 (see note

8A). The effects to be generated upon settlement of the forward contracts will be recognized as an adjustment to stockholders' equity. The estimated fair value is not periodically recorded. As of December 31, 2002 and 2003, the estimated fair value of these contracts was a loss of approximately U.S.\$2.1 million (Ps23.6) and a gain of approximately U.S.\$1.8 million (Ps20.2), respectively.

Additionally, as of December 31, 2002 and 2003, there are forward contracts for notional amounts of U.S.\$452.4 million and U.S.\$172.8 million, respectively, with different maturities until February 2006, covering a total of 15,316,818 ADSs in 2002 and 5,268,939 ADSs in 2003. These contracts are considered as equity instruments; therefore, changes in the estimated fair value is not periodically recognized. All effects resulting from these contracts will be recognized at maturity as an adjustment to stockholders' equity. As of December 31, 2002 and 2003, the estimated fair value of these contracts reflected losses of approximately U.S.\$110.6 million and U.S.\$27.1 million, respectively. In addition, as of December 31, 2002, the Company had a third party equity forward contract for a notional amount of U.S.\$7.1 million and an estimated fair value loss of approximately U.S.\$0.1 million (Ps1.1). This contract was settled in cash during 2003 without any material effect.

As mentioned in note 14F, the Company has the intention to repurchase 86.73% of its appreciation warrants. Depending on the results of the offer, expiring on January 26, 2004, at least approximately 13.8 million warrants with maturity in December 2004 would remain outstanding. The forwards on the Company's own shares not assigned at the end of 2003 will be used to cover the potential exercises of warrants until expiration. They will also be used for new stock option grants to executives.

- 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.\$1,266.0 million and U.S.\$559.3 million, at December 31, 2002 and 2003, respectively, with different maturities until March 2005. 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 (see note 14D). In addition, as of December 2002 and 2003, there are foreign exchange options for notional amounts of U.S.\$59.7 million and U.S.\$886.6 million, respectively, with different maturities until June 2005. For the sale of the options, CEMEX received premiums of approximately U.S.\$4.0 million in 2002 and U.S.\$62.8 in 2003. The estimated fair value losses of U.S.\$44.4 million (Ps509.2) in 2002 and U.S.\$57.2 million (Ps642.9) in 2003 were recognized in earnings.
- C) As of December 31, 2002 and 2003, CEMEX had an interest rate swap maturing in May 2017, for notional amounts of U.S.\$177 million and U.S.\$162.1 million, respectively. The swap was negotiated to exchange floating for fixed interest rates in connection with agreements entered into by the Company for the acquisition of electric energy for a 20-year period (see note 21F). During the life of the swap and based on its notional amount, CEMEX will pay LIBOR rate and will receive a 7.53% fixed rate until May 2017. In addition, during 2001, the Company sold a floor option for notional amounts of U.S.\$177 million in 2002 and U.S.\$174.5 million in 2003, related to the interest rate swap contract. Pursuant to this contract, until 2017, CEMEX will pay the difference between the 7.53% fixed rate and the LIBOR rate. For the sale of this option the Company received a premium of approximately U.S.\$22 million (Ps247.3). As of December 31, 2002 and 2003, the combined fair value of the swap and the floor option, recognized in earnings represented losses of approximately U.S.\$0.5 million and U.S.\$7.4 million, respectively. 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.

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.

17. 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, though 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

The Company and its Mexican subsidiaries generate IT or BAT on a consolidated basis; therefore, the amounts of these items included in the accompanying 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, commencing in 1999, the taxable income of those subsidiaries that have tax loss carryforwards generated before 1999 will be considered by the holding according to equity ownership. Beginning in 2002, in the determination of consolidated IT, 60% of the taxable result of the controlling entity should be considered, unless such entity 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 will be decreased by 1% each year, beginning in 2003 until it reaches 32% in 2005.

The IT expense presented in the income statements is summarized as follows:

	2001	2002	2003
Current income tax.....	Ps (1,476.7)	(1,000.0)	(1,515.4)
Deferred IT.....	(221.1)	434.8	508.2
Effects of inflation (note 2B).....	(147.2)	(63.7)	-
	-----	-----	-----
Ps	(1,845.0)	(628.9)	(1,007.2)
	-----	-----	-----

As of December 2001, 2002 and 2003, the total consolidated IT includes expenses of Ps1,525.3, Ps860.4 and Ps1,396.8, respectively, from foreign subsidiaries, and expense of Ps319.7 in 2001 and revenues of (Ps231.5) in 2002 and (Ps389.6) in 2003 from Mexican subsidiaries.

For its operations in Mexico, 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. The Company and its subsidiaries in Mexico must generate taxable income to preserve the benefit of the tax loss carryforwards generated beginning in 1999.

The tax loss carryforwards at December 31, 2003 are as follows:

Year in which tax loss occurred	Amount of carryforwards	Year of expiration
-----	-----	-----

1995.....	Ps	1,776.6	2005
2000.....		420.7	2010
2001.....		3,265.7	2011
2002.....		3,752.4	2012
2003.....		872.2	2013

	Ps	10,087.6	

F-34

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

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. 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, 2003 is as follows:

Year in which BAT exceeded IT	Amount of carryforwards	Year of expiration
	-----	-----
1997.....	Ps 162.4	2007

B) DEFERRED IT AND ESPS (see note 2K)

The deferred IT result in the income statement, represents the difference, in nominal pesos, between the beginning of year balance and the year-end balance of the deferred tax assets or liabilities. The tax effects of the main temporary differences that generate the consolidated deferred tax assets and liabilities are presented below:

	2002	2003
	-----	-----
Deferred tax assets:		
Tax loss carryforwards and other tax credits.....	Ps 4,807.2	6,167.1
Accounts payable and accrued expenses.....	268.6	111.7
Trade accounts receivable.....	26.5	8.5
Properties, plant and equipment.....	(42.3)	(3,107.6)
Others.....	77.2	22.1
	-----	-----
Total deferred tax assets.....	5,137.2	3,201.8
Less - Valuation allowance.....	(2,564.6)	(1,058.8)
	-----	-----
Net deferred tax assets.....	2,572.6	2,143.0
Deferred tax liabilities:		
Tax loss carryforwards and other tax credits.....	6,796.5	6,906.3
Accounts payable and accrued expenses.....	4,706.4	1,924.7
Trade accounts receivable.....	94.9	85.3
Properties, plant and equipment.....	(19,237.1)	(16,815.6)
Inventories.....	(1,355.9)	(892.6)
Others.....	(1,012.5)	(433.6)
	-----	-----
Total deferred tax liabilities.....	(10,007.7)	(9,225.5)
Less - Valuation allowance.....	(2,496.9)	(2,616.1)
	-----	-----
Net deferred tax liabilities.....	(12,504.6)	(11,841.6)
Net deferred tax position (liability).....	(9,932.0)	(9,698.6)
Less - Deferred IT of acquired subsidiaries at the acquisition date.....	(4,468.5)	(4,528.0)

Total effect of deferred IT in stockholders' equity at end of year.....	(5,463.5)	(5,170.6)
Total effect of deferred IT in stockholders' equity at beginning of year	(6,757.2)	(5,463.5)
Change deferred IT for the period..... Ps	1,293.7	292.9

The breakdown of the change in consolidated deferred income tax for the period is as follows:

	2001	2002	2003
Deferred income tax charged (credited) to the income statement.... Ps	(221.1)	434.8	508.2
Deferred income tax applied directly to stockholders' equity.....	26.2	858.9	(215.3)
Deferred IT income (expense) for the period..... Ps	(194.9)	1,293.7	292.9

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. Bulletin D-4 does not allow the offsetting of deferred tax assets and liabilities relating to different tax jurisdictions.

F-35

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

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 against the income statement.

Temporary differences between the net income of the period and taxable income for ESPS, generated an expense of Ps14.6 in 2001, an income of Ps20.4 in 2002 and an expense of Ps69.9 in 2003, reflected in the income statement.

C) EFFECTIVE TAX RATE

The effects of inflation are recognized differently for income tax and for accounting purposes. These situation, as well as other differences between the book and the income tax 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, as follows:

For the years ended December 31,	2001	2002	2003
	%	%	%
Approximated consolidated statutory tax rate.....	35.0	35.0	34.0
Additional deductions and other deductible items.....	(1.8)	(6.6)	(15.8)
Expenses and other non-deductible items.....	0.8	1.0	1.2
Non-taxable sale of marketable securities and fixed assets.....	-	(10.2)	-
Difference between book and tax inflation.....	(15.8)	(5.6)	(0.3)
Minimum taxes.....	0.2	-	-
Depreciation.....	(0.6)	-	-

Others (1).....	(6.7)	(4.3)	(6.8)
Effective consolidated tax rate	11.1	9.3	12.3

(1) Includes the effects of the different IT rates in the countries where CEMEX operates, and the difference between the 2003 rate in Mexico of 34% and those in effect in 2004 of 33% and in 2005 and thereafter of 32%.

18. FOREIGN CURRENCY POSITION

The peso to dollar exchange rate as of December 31, 2001, 2002 and 2003 was Ps9.17, Ps10.38 and Ps11.24 pesos per dollar, respectively. As of January 15, 2004, the exchange rate was Ps10.85 pesos per dollar.

As of December 31, 2003, the principal balances denominated in foreign currencies, as well as non-monetary assets in Mexico of foreign origin, are presented as follows:

U.S. dollars millions	Mexico	Foreign	Total
Current assets.....	16.7	1,899.1	1,915.8
Noncurrent assets.....	917.1 (1)	10,182.1	11,099.2
Total assets.....	933.8	12,081.2	13,015.0
Current liabilities.....	736.4	1,795.7	2,532.1
Long-term liabilities.....	1,834.4	4,057.4	5,891.8
Total liabilities.....	2,570.8	5,853.1	8,423.9

(1) Non-monetary assets in Mexico of foreign origin.

Additionally, transactions of the Company's Mexican operations denominated in foreign currencies during 2001, 2002 and 2003, are summarized as follows:

U.S. dollars millions	2001	2002	2003
Export sales.....	83.2	72.1	57.1
Import purchases.....	41.8	92.5	90.5
Financial income.....	105.1	11.1	7.5
Financial expense.....	302.1	275.6	389.0

F-36

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

19. GEOGRAPHIC SEGMENT DATA

The Company operates principally in the construction industry segment through the production and marketing of cement and ready-mix concrete. The following tables present, in accordance with the information analyzed for decision-making by management, selected condensed financial information of the Company's main business units for the years ended December 31, 2001, 2002 and 2003:

Net Sales	Operating Income
-----	-----

	2001	2002	2003	2001	2002	2003
Mexico..... Ps	29,659.5	28,477.9	29,544.9	11,854.1	10,875.3	11,378.5
Spain.....	8,724.4	11,283.0	13,653.1	2,124.8	2,631.5	2,981.0
United States.....	22,233.5	20,073.4	19,469.1	3,539.2	3,093.7	2,300.4
Venezuela.....	5,139.1	3,482.0	3,584.4	1,713.0	1,127.2	1,195.3
Colombia.....	2,391.1	2,224.2	2,483.0	1,014.2	927.7	1,032.2
Caribbean and Central America.....	4,899.9	5,748.5	6,668.0	742.3	1,081.5	1,179.6
Philippines.....	1,494.5	1,496.3	1,507.4	142.8	(72.4)	(142.0)
Egypt.....	1,547.0	1,718.7	1,513.8	381.4	221.8	334.5
Others.....	9,241.3	8,688.0	9,424.9	(3,225.7)	(4,857.4)	(3,902.9)
	85,330.3	83,192.0	87,848.6	18,286.1	15,028.9	16,356.6
Eliminations.....	(8,758.2)	(8,150.0)	(7,320.9)	-	-	-
Consolidated..... Ps	76,572.1	75,042.0	80,527.7	18,286.1	15,028.9	16,356.6

In order to present integrally the operations of each geographic area, net sales between geographic areas are presented under the caption "eliminations".

Depreciation and Amortization			
	2001	2002	2003
Mexico..... Ps	1,889.8	1,779.7	1,645.0
Spain.....	873.3	1,125.1	1,368.8
United States.....	2,437.0	1,932.2	2,013.4
Venezuela.....	725.1	580.6	635.2
Colombia.....	557.5	531.5	830.1
Caribbean and Central America.....	414.7	443.4	602.3
Philippines.....	394.6	465.6	444.3
Egypt.....	524.9	486.5	354.4
Others.....	950.9	1,431.8	1,377.6
Consolidated..... Ps	8,767.8	8,776.4	9,271.1

For purposes of the table above, goodwill amortization reported by holding companies has been allocated to the business geographic segment that originated such goodwill amounts. Therefore, this information is not directly comparable with the information of the individual entities, which are comprised in each segment. Additionally, in the Company's consolidated income statement, goodwill amortization is recognized as part of other expenses, net.

F-37

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Total assets and investment in fixed assets by geographic segment are summarized as follows:

	Total Assets		Investment in Fixed Assets (2)	
	2002	2003	2002	2003
Mexico..... Ps	62,996.2	55,814.0	1,074.5	1,254.9
Spain.....	24,071.6	35,185.8	691.2	664.8
United States.....	49,405.6	46,776.2	1,130.1	1,107.8
Venezuela.....	8,681.8	8,687.8	152.7	123.4
Colombia.....	6,651.7	7,554.5	58.3	68.3
Caribbean and Central America.....	11,785.4	12,155.4	323.0	683.4
Philippines.....	9,356.0	7,869.5	136.5	19.1
Other Asian.....	4,040.0	4,289.0	119.4	20.0
Egypt.....	6,313.8	4,149.9	305.1	161.6
Others (1).....	79,186.2	73,960.1	683.5	397.0
	262,488.3	256,442.2	4,674.3	4,500.3
Eliminations.....	(79,738.0)	(76,424.8)	-	-
Consolidated..... Ps	182,750.3	180,017.4	4,674.3	4,500.3

(1) Includes, in addition to trade maritime operating assets and other assets, related party balances of the Parent Company of Ps37,466.3 and Ps35,331.8 in 2002 and 2003, respectively, which are eliminated in consolidation.

(2) Corresponds to fixed assets investments 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 in "Properties, machinery and equipment, net", which considers the inflation effects in accordance with Bulletin B-10.

As of December 31, 2002 and 2003, of the consolidated financial debt amounting to Ps66,143.5 and Ps65,931.8, respectively, approximately 57% in 2002 and 35% in 2003 is in the Parent Company, 24% and 14% in United States, 12% and 16% in Spain and 7% and 35% in other countries, respectively. Of the 35% of other countries in 2003, 57% is in a Dutch subsidiary, and is guaranteed by the Mexican operations and the Parent. The other 31% is in financial companies in the United States, and is guaranteed by the Spanish operations.

20. 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 reflects on the weighted average number of common shares outstanding, the effects of any transaction carried out by the Company which have a potentially dilutive effect on such number of shares.

The weighted-average number of shares utilized in the earnings per share ("EPS") calculation is as follows:

	Basic number of shares	Diluted number of shares	Majority interest net income	Basic EPS	Diluted EPS
December 31, 2001.....	4,264,724,371	4,299,689,171	Ps 13,026.6	Ps 3.05	Ps 3.03
December 31, 2002.....	4,487,527,392	4,496,213,613	5,966.9	1.33	1.33
December 31, 2003.....	4,728,201,229	4,837,194,188	7,067.4	1.49	1.46

The difference between the basic and diluted average number of shares in 2001, 2002 and 2003 is attributable to the additional shares to be issued under the Company's fixed executive stock option program (see note 15). In addition, beginning in 2003, the Company includes 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.

F-38

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

21. CONTINGENCIES AND COMMITMENTS

A) GUARANTEES

As of December 31, 2002 and 2003, CEMEX, S.A. de C.V. has signed as guarantor of loans made to certain subsidiaries for approximately U.S.\$55.2 million and U.S.\$1,322 million, respectively. As of the same dates, the Company and certain subsidiaries have 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.\$175.0 million and U.S.\$55 million, respectively.

B) TAX ASSESSMENTS

As of December 31, 2003, the Company and some of its subsidiaries in Mexico have been notified of several tax assessments determined by the Mexican tax authorities, related to different tax periods. These tax assessments are for an amount of approximately Ps4,884.9. The tax assessments result primarily from: (i) Recalculation 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 reduction of BAT by the controlling entity on the grounds that the creditable amount should be in proportion to the equity interest it has over the controlled entities. The companies involved are using available defense actions granted by law in order to cancel the tax claims.

As of December 31, 2003, the Philippine Bureau of Internal Revenue ("BIR")

assessed APO Cement Corp. ("APO") for deficiency in the payment of income tax. The assessment covers the taxable years of 1998 through 2001 with deficiency tax amounting to Philippine Pesos 741.1 million (approximately U.S.\$13.3 million). The assessment disallows APO's income tax holiday related income. APO contested BIR's findings with the Court of Tax Appeal ("CTA"). In a separate case, the BIR finalized its determinations with respect to fiscal year 1999 of Solid and APO. Both companies will continue to submit relevant evidence to the BIR to contest these assessments. APO intends to contest these assessments with the CTA in case the BIR issues a final collection letter. Additionally, Solid's 1998 tax year and APO's 1997 and 1998 tax years are under preliminary review for deficiency in the payment of taxes. Finalization of the assessment was held in abeyance by the BIR as APO and Solid continue to present evidence to dispute their findings. The Company intends to contest any and all assessments if they arise.

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, certain subsidiaries of the Company, as importers of record, have been subject to payment of anti-dumping duty deposits, estimated on imports of gray Portland cement and clinker from Mexico since April 1990. The order is likely to continue for an indefinite period, until the United States of America ("United States") government determines, taking into consideration the World Trade Organization new rules, that conditions for imposing the order no longer exist; the cancellation or suspension of the order would follow. In the last quarter of 2000, the United States government continued the order, a resolution that will prevail until it makes a new review. During December 2001, the United States government through the International Trade Commission denied the Company's request to initiate a new review.

As of December 31, 2003, the Company has accrued a liability of U.S.\$132.9 million, including accrued interest, for the difference between the amount of anti-dumping duties paid on imports and the latest findings by the DOC in its administrative reviews for all periods under review.

As of December 31, 2003, the Company is in the thirteenth administrative review period by the DOC and expects a preliminary resolution in the second half of 2004. The DOC published, during September 2003, the final resolution with respect to the twelfth administrative review period. With respect to the first five review periods, the DOC has issued a final resolution of the anti-dumping duties. Referring to the remaining review periods, the final resolutions are suspended until all the procedures before the North America Free Trade Agreement Panel are concluded. As a result, the final amounts may be different from those liabilities recorded in the accompanying consolidated financial statements. The Company and its subsidiaries have defended their position in this matter and will continue to do so through available means in order to determine the actual dumping margins within each period of the administration reviews carried out by the DOC.

F-39

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

During 2001, the Ministry of Finance ("MOF") of Taiwan by the claim of five Taiwanese cement producers, initiated a formal antidumping investigation involving imported gray Portland cement and clinker from the Philippines and South Korea. APO, Rizal and Solid are among the cement producers under investigation and have received their anti-dumping questionnaires from the International Trade Commission under the Ministry of Economic Affairs ("ITC-MOEA") Rizal and Solid replied to the ITC-MOEA by confirming that they have not been exporting cement or clinker during the review period. Furthermore, APO contested the allegation of "injury" in the anti-dumping proceedings before the ITC-MOEA. At the end of the same year ITC-MOEA informed the petitioners and the respondent producers about the results of the preliminary investigation and determined that there are reasonable indicators that the Taiwanese industry has incurred material damage due to imports of cement and clinker from South Korea and the Philippines that allegedly is sold in Taiwan at a price below market price. In order to comply with regulations of anti-dumping duties in Taiwan, the ITC-MOEA transferred this investigation

to the MOF. In November 2001, APO received supplemental questionnaires by the MOF. The answer to these questionnaires was presented by APO during November and December 2001.

In January 2002, the MOF notified the petitioners and respondent producers, on a preliminary resolution, of findings that there might be dumping and that the investigation would continue, without imposing any anti-dumping duty. In June 2002, the ITC-MOEA informed the petitioners and respondent producers of its resolution that the imports from South Korea and the Philippines had caused material damage to the Taiwanese industry. In July 2002, the MOF gave notice of a cement and clinker import duty, from imports of South Korea and the Philippines, beginning on July 19, 2002. The imposed tariff was 42% on imports from APO, Rizal and Solid (Rizal and Solid merged in December 2002). In September 2002, those entities appealed the anti-dumping duty before the Taipei High Administrative Council. At December 31, 2003, the appeal remains pending.

D) LEASES

CEMEX has entered into various non-cancelable 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
2004.....	65.3
2005.....	62.3
2006.....	47.3
2007.....	41.0
2008.....	40.8
2009 and thereafter.....	86.1
	342.8

Rental expense for the years ended December 31, 2001, 2002, and 2003 was approximately U.S.\$67 million, U.S.\$57 million and U.S.\$56 million, respectively.

E) PLEDGE ASSETS

As of December 31, 2002 and 2003 there are liabilities amounting to U.S.\$80.8 million and U.S.\$27.1 million, respectively, secured by properties, machinery and equipment.

F) COMMITMENTS

As of December 31, 2002 and 2003, the Company has future commitments for the purchase of raw materials for an approximate amount of U.S.\$86.4 million and U.S.\$113.0 million, respectively.

During 1999, CEMEX entered into agreements with an international partnership which will build and operate an electrical energy generating plant. The agreements establish that when the plant begins operations, CEMEX will purchase, starting in 2003, all the energy generated by the plant for a term of no less than 20 years. 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. By means of this transaction, CEMEX expects to have significant decreases in its electrical energy costs, and the supply is expected to be sufficient to cover approximately 80% of the electrical energy needs of CEMEX in Mexico. CEMEX is not required to make any capital investment in the project. At December 31, 2003, the plant is in the proofing stage and has not sold any output to CEMEX. Electricity purchases are expected to begin in the first quarter of 2004.

December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

In March 2002, the distribution contract in Taiwan that CEMEX had with Universe Company since March 31, 2000, was terminated. As a result, for the year ended December 31, 2002, CEMEX recognized an approximate loss of U.S.\$17.3 million (Ps198.4) within other expenses, net.

G) OTHER CONTINGENCIES

At December 31 2003, CEMEX, Inc., has accrued liabilities specifically relating to environmental matters in the aggregate amount of U.S.\$32.4 million. The environmental matters relate to: a) in the past, in accordance with industry practice, disposing of various materials, which might be 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 are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, the subsidiary considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on 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, however, the ultimate cost that might be incurred to resolve these environmental issues cannot be assured.

In December 2002, an ex-maritime broker for Puerto Rican Cement Company, Inc. ("PRCC"), the main subsidiary of CEMEX in Puerto Rico, filed a lawsuit in Puerto Rico against CEMEX, PRCC and other individuals not affiliated with CEMEX, including Puerto Rican authorities. The plaintiff contends that the defendants conspired to break antitrust laws so that one of the defendants, who is not a CEMEX related party, could have control of the maritime broker market in Port of Ponce, Puerto Rico. The plaintiff has asked for relief in the amount of approximately U.S.\$18 million. In October 2003, the legal authorities in Puerto Rico ruled against the plaintiff.

In May 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 the amount of U.S.\$45.8 million. The Company filed a timely defense response. This proceeding is in a preliminary stage. Typically, proceedings of this nature take several years before a final resolution is reached.

In May 1999, several companies filed a lawsuit against two subsidiaries of the Company based in Colombia, alleging that the Ibague plants were causing capacity production damage to their lands due to the pollution they generate. The plaintiffs demand a relief in the amount of U.S.\$8.8 million. This proceeding is in its final stage. As of December 31, 2003, the Company had not been formally notified of any resolution.

22. NEW ACCOUNTING PRONOUNCEMENTS

In May 2003, the Mexican Institute of Public Accountants issued Bulletin C-12, "Financial Instruments with Characteristics of Liabilities, Equity, or Both", which is effective beginning January 1, 2004, however, earlier application is permitted. Bulletin C-12 condenses the guidelines included in other bulletins related to the issuance of complex financial instruments, and complements the criteria to achieve a comprehensive resolution of general problems. As a result, Bulletin C-12 defines the basic differences between liabilities and equity; establishes rules for the initial classification and valuation of the liability and equity components of combined financial instruments, and establishes rules for disclosure of combined financial instruments. Under Bulletin C-12, financial instruments should be classified as liabilities or equity at the beginning of the year of adoption, without determining any cumulative effect through earnings in the year of adoption. Prior years comparative financial information should not be restated.

The Company estimates that the adoption of this Bulletin will have no significant impact on its financial position or operating results, except for the reclassification of preferred stock for U.S.\$66 million (Ps741.8) (see

note 14E), which as of December 31, 2003 is recognized within minority interest in stockholders' equity, and that according to the new Bulletin's rules, should be considered as a liability.

F-41

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

23. 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, 2001 and 2002, 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, 2001, 2002 and 2003, and their effect on consolidated net income and earnings per share, are presented below:

	Years ended December 31,		
	2001	2002	2003
Net income reported under Mexican GAAP..... Ps	13,026.6	5,966.9	7,067.4
Inflation adjustment (*).....	(1,181.2)	(357.5)	-
Net income reported under Mexican GAAP after inflation adjustment.....	11,845.4	5,609.4	7,067.4
Approximate additional U.S. GAAP adjustments:			
1. Amortization of goodwill (see 23(a)).....	(549.4)	1,729.4	1,946.4
2. Deferred income taxes (see 23(b)).....	(285.9)	2,316.8	(61.8)
3. Deferred employees' statutory profit sharing (see 23(b)).....	(190.8)	(194.4)	89.3
4. Other employee benefits (see 23(c)).....	(9.7)	(31.8)	86.4
5. Capitalized interest (see 23(d)).....	15.1	(40.0)	(45.7)
6. Minority interest (see 23(e)):			
a) Financing transactions.....	303.6	(167.0)	(175.0)
b) Effect of U.S. GAAP adjustments.....	135.3	33.6	(24.4)
7. Hedge accounting (see 23(l)).....	633.3	(2,555.3)	(826.7)
8. Depreciation (see 23(f)).....	(18.1)	13.1	48.8
9. Accruals for contingencies (see 23(g)).....	(9.6)	7.6	(108.9)
10. Equity in net income of affiliated companies (see 23(h)).....	0.6	11.9	(9.7)
11. Inflation adjustment of fixed assets (see 23(i)).....	(481.3)	(377.2)	(262.0)
12. Temporary equity from forward contracts (see 23(j)).....	(461.6)	(538.0)	740.5
13. Derivative instruments and equity forward contracts in CEMEX's stock (see 23(l) and 23(m)).....	32.3	-	415.0
14. Other U.S. GAAP adjustments (see 23(k)).....	(410.6)	(494.3)	(257.1)
15. Monetary effect of U.S. GAAP adjustments.....	495.0	542.4	291.9
Approximate U.S. GAAP adjustments before cumulative effect of accounting change.....	(801.8)	256.8	1,847.0
Approximate net income under U.S. GAAP before cumulative effect of accounting change.....	11,043.6	5,866.2	8,914.4
Cumulative effect of accounting change (see 23(k) and 23(m)).....	-	-	(640.7)
Approximate net income under U.S. GAAP after cumulative effect of accounting change..... Ps	11,043.6	5,866.2	8,273.7
Basic EPS under U.S. GAAP before cumulative effect of accounting change..... Ps	2.60	1.31	1.89
Diluted EPS under U.S. GAAP before cumulative effect of accounting change.....	2.53	1.31	1.84
Basic EPS under U.S. GAAP after cumulative effect of accounting change..... Ps	2.60	1.31	1.75
Diluted EPS under U.S. GAAP after cumulative effect of accounting change.....	2.53	1.31	1.71

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican pesos as of December 31, 2003)

At December 31, 2002 and 2003, 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,	
	2002	2003
Total stockholders' equity reported under Mexican GAAP..... Ps	79,721.3	76,051.5
Inflation adjustment (*).....	(4,776.6)	-
Total stockholders' equity reported under Mexican GAAP after inflation adjustment.....	74,944.7	76,051.5
Approximate additional U.S. GAAP adjustments:		
1. Goodwill, net (see 23(a)).....	(1,938.1)	1,261.8
2. Deferred income taxes (see 23(b)).....	(888.6)	768.2
3. Deferred employees' statutory profit sharing (see 23(b)).....	(3,314.2)	(3,008.1)
4. Other employee benefits (see 23(c)).....	(328.3)	(175.8)
5. Capitalized interest (see 23(d)).....	(480.5)	(523.5)
6. Minority interest--effect of financing transactions (see 23(e)).....	(976.7)	(741.8)
7. Minority interest--U.S. GAAP presentation (see 23(e)).....	(13,115.5)	(5,419.1)
8. Depreciation (see 23(f)).....	(208.1)	(55.1)
9. Accruals for contingencies (see 23(g)).....	120.9	31.4
10. Investment in net assets of affiliated companies (see 23(h)).....	(218.2)	(249.9)
11. Inflation adjustment for machinery and equipment (see 23(i)).....	6,354.9	3,770.6
12. Temporary equity from forward contracts (see 23(j)).....	(5,878.5)	-
13. Derivative instruments and equity forward contracts in CEMEX's stock (see 23(l) and 23(m))....	-	397.0
14. Other U.S. GAAP adjustments (see 23(k)).....	(377.4)	(458.5)
Approximate U.S. GAAP adjustments before cumulative effect of accounting change.....	(21,248.3)	(4,402.8)
Approximate stockholders' equity under U.S. GAAP before cumulative effect of accounting change.....	53,696.4	71,648.7
Cumulative effect of accounting change (see 23 k and m).....	-	(527.5)
Approximate stockholders' equity under U.S. GAAP after cumulative effect of accounting change Ps	53,696.4	71,121.2

(*) Adjustment that reverses the restatement of prior periods into constant pesos as of December 31, 2003, using the CEMEX weighted average inflation factor (see note 2B), and restates such prior periods into constant pesos as of December 31, 2003 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 23, were restated using the Mexican inflation index, with the exception of those amounts of prior periods that are also disclosed in notes 1 to 22, which were not restated in note 23 using the Mexican inflation in order to have more straightforward cross-references between note 23 and the Mexican GAAP notes.

Net income and stockholders' equity reconciliations to U.S. GAAP for the year ended December 31, 2003 have been prepared on a basis that is substantially consistent with the accounting principles applied in our Annual Report on Form 20-F for the year ended December 31, 2002, except for 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"), as of and for the year ended December 31, 2003 (see notes 23(k) and 23(m)). The term "SFAS" as used herein refers to Statements of Financial Accounting Standards.

(a) Goodwill

Goodwill represents the difference between the purchase price and the estimated fair value of the acquired entity at the acquisition date. CEMEX's goodwill recognized under Mexican GAAP has been adjusted for U.S. GAAP purposes for (i) the effect on goodwill for the U.S. GAAP adjustments as of the dates the subsidiaries were acquired; (ii) until December 31, 2001, for the difference between amortization of goodwill as determined under sinking fund method over 20 to 40 years for Mexican GAAP purposes (see note 2(I)) and the straight-line method over 40 years for U.S. GAAP purposes. Beginning January 1, 2002, SFAS 142, Goodwill and Other Intangible Assets, eliminates the amortization of goodwill under U.S. GAAP (see note 23(s)) and (iii) the difference between goodwill amounts carried in the reporting unit's functional currency, restated by the inflation factor of the reporting unit's country and then translated into Mexican pesos at the exchange rates prevailing at the reporting date, under U.S. GAAP, against goodwill amounts carried in the currencies of the reporting units' holding companies, translated into pesos and then restated using the Mexican inflation index under Mexican GAAP.

In the condensed income statement under U.S. GAAP for the year ended December 31, 2001 presented in note 23(o), amortization of goodwill is reflected as an operating expense versus other expense under Mexican GAAP.

F-43

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican pesos as of December 31, 2003)

For purposes of reconciliation to U.S. GAAP, CEMEX adopted in 2002, SFAS 142 and SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets (see note 23(s)). As a result of this adoption, effective January 1, 2002, amortization ceased for goodwill under U.S. GAAP; therefore, beginning in 2002, goodwill amortization recorded under Mexican GAAP 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 (see note 23(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.

(b) Deferred Income Taxes ("IT") and Employees' Statutory Profit Sharing ("ESPS")

For U.S. GAAP purposes, CEMEX accounts for income taxes utilizing SFAS 109, Accounting for Income Taxes ("SFAS 109"), which requires the asset and liability method of accounting for income taxes. Under the asset and liability method, 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 and operating loss carryforwards. The deferred income tax charged or credited to operations 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, 2002 and 2003 are presented below:

	2002	2003
	-----	-----
Deferred tax assets:		
Net operating loss and assets tax carryforwards..... Ps	7,222.1	13,073.4
Trade accounts receivable.....	114.2	93.8
Investment in affiliated companies.....	303.0	-
Accounts payable and accrued expenses.....	4,467.2	1,705.8
Other.....	626.4	22.1
	-----	-----
Total gross deferred tax assets.....	12,732.9	14,895.1
Less valuation allowance.....	1,071.8	3,674.9
	-----	-----
Total deferred tax assets under U.S. GAAP.....	11,661.1	11,220.2
	-----	-----
Deferred tax liabilities:		
Property, plant and equipment.....	21,853.6	21,303.7
Inventories.....	1,273.6	892.6
Other.....	903.9	(19.2)
	-----	-----
Total deferred tax liability under U.S. GAAP.....	24,031.1	22,177.1
	-----	-----
Net deferred tax liability under U.S. GAAP.....	12,370.0	10,956.9
Deferred tax recognized under Mexican GAAP (see note 17B).....	5,463.5	5,170.6
	-----	-----
Excess of liability under U.S. GAAP over that recognized under Mexican GAAP.....	6,906.5	5,786.3
Less--U.S. GAAP deferred income taxes of acquired subsidiaries at date of acquisition...	6,345.2	6,554.5
Inflation adjustment (note 2B).....	327.3	-
	-----	-----
Net adjustment to stockholders' equity under U.S. GAAP..... Ps	888.6	768.2
	-----	-----

Management considers that there is existing evidence that, in the future, the Company will generate sufficient taxable income to realize the tax benefits associated with the deferred 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 deferred tax assets' valuation allowance would be increased by a charge to income.

F-44

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican pesos as of December 31, 2003)

CEMEX records a valuation allowance for the estimated amount of the recoverable tax on 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 2002 and 2003 CEMEX increased the valuation allowance by approximately Ps483.6 and Ps2,603.1, respectively.

Under Mexican GAAP, CEMEX determines deferred income tax through the asset and liability method (see notes 2K and 17B), in a manner similar to U.S. GAAP. 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 as of January 1, 2000, which was recorded directly to stockholders' equity and therefore, does not consider the provisions of APB Opinion 16 for the deferred tax consequences in business combinations made before January 1, 2000; (ii) the effects of deferred tax on the reconciling items between Mexican and U.S. GAAP, and (iii) for the year ended December 31, 2001, some inflationary adjustments to Mexican GAAP recorded in the foreign subsidiaries for consolidation purposes which were treated as permanent differences. 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, 2002 and 2003 are presented below:

	At December 31,	
	2002	2003
Deferred assets:		
Employee benefits.....	Ps 49.4	25.9
Trade accounts receivable.....	15.0	22.3
Other.....	55.6	104.7
Gross deferred assets under U.S. GAAP.....	120.0	152.9
Deferred liabilities:		
Property, plant and equipment.....	3,008.8	2,920.3
Inventories.....	148.2	111.5
Other.....	277.2	129.2
Gross deferred liabilities under U.S. GAAP.....	3,434.2	3,161.0
Net deferred liabilities under U.S. GAAP.....	Ps 3,314.2	3,008.1

In the condensed financial information presented under U.S. GAAP in note 23(o), ESPS expense, both current and deferred, is included in the determination of operating income. For Mexican GAAP presentation, ESPS expense, 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 Ps14.6 in 2001, income of Ps20.4 in 2002 and expense of Ps69.9 in 2003, determined under Mexican GAAP, were reversed.

(c) Other Employee Benefits

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 years ended December 31, 2001 and 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 Ps1.8 in 2001, expense of Ps5.7 in 2002 and expense of Ps1.2 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 for Mexican GAAP purposes.

F-45

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Severance

Under Mexican GAAP, severance payments, which are not part of a business restructuring nor a substitution for pension benefits, are recognized in earnings in the period in which they are paid. Under U.S. GAAP, post-employment benefits for former or inactive employees, excluding retirement benefits, are accounted for under the provisions of SFAS 112, Employers' Accounting for Postemployment Benefits, which requires an entity to accrue the cost of certain benefits, including severance payments, over an employee's service life. For the years ended December 31, 2001, 2002 and 2003, severance provisions recorded for U.S. GAAP purposes resulted in expenses of Ps7.9, Ps26.1 and income of Ps87.6, respectively, with an accrual of Ps269.6 and Ps175.8 at December 31, 2002 and 2003, respectively. The decrease in the accrual for severance payments during 2003 results from the voluntary early retirement program described in note 13. Severance payments relating to any specific event or restructuring are excluded from the SFAS 112 calculation.

Pension and other benefits

CEMEX accounts for employee pension benefits based on the net present value of the obligations determined by independent actuaries (see notes 2J and 13), in a manner similar to SFAS 87, Employers' Accounting for Pensions, under U.S. GAAP and, therefore, no reconciling item is necessary.

In addition, as a result of the acquisition of CEMEX, Inc. (formerly Southdown (see note 8A)) in 2000 and Puerto Rican Cement Company, Inc. ("PRCC") in 2002, CEMEX assumed a package of employee benefits, which include pension, retirement savings plan, supplemental executive retirement plan and health and life insurance benefits. The benefit obligation and the net pension cost arising from CEMEX, Inc.'s and PRCC's employee benefit plans, have been recorded under Mexican GAAP and are included in the consolidated information with respect to CEMEX's pension plans, seniority premium and other postretirement benefits (see note 13).

Most of CEMEX's health care benefits are self-insured and administered on cost plus fee arrangements with major insurance companies or provided through health maintenance organizations. 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 on property, machinery and equipment under construction, which is comprehensively measured in order to include the following effects from the debt incurred to finance the construction project: (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.

(e) Minority Interest

Financing Transactions

For U.S. GAAP presentation purposes (see note 23(o)), the preferred stock described in note 14E for a notional amount of U.S.\$650 million at December 31, 2002, which was repurchased during 2003, is presented as a separate component of mezzanine items, which are those included between the liabilities and the equity items on the balance sheet. Under Mexican GAAP, this transaction was presented as part of the minority interest within stockholders' equity. Preferred dividends paid in 2001 and 2002 were recognized as part of the minority interest in the consolidated income statements under both Mexican and U.S. GAAP, while the preferred dividends paid in 2003 were classified as interest expense under U.S. GAAP as a result of the adoption of SFAS 150, see note 23(m).

For U.S. GAAP presentation purposes (see note 23(o)), capital securities described in note 14E for a notional amount of U.S.\$66 million (Ps741.8) at December 31, 2002 and 2003, are presented as a separate component of mezzanine items at December 31, 2002 and, as a result of the adoption of SFAS 150, as a separate component within liabilities at December 31, 2003 (see note 23(m)). Under Mexican GAAP this transaction was presented as part of the minority interest within stockholders' equity at both December 31, 2002 and 2003. Capital securities dividends paid in 2001 and 2002 were recorded as part of the minority interest in the consolidated income statements under both Mexican and U.S. GAAP, while the capital securities dividends paid in 2003 were classified as interest expense under U.S. GAAP as a result of the adoption of SFAS 150 (see note 23(m)).

F-46

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

As described in note 14F, during 2003, CEMEX settled a financing transaction entered into in 1995, under which, at December 31, 2002, CEMEX had an outstanding obligation of U.S.\$90.6 million (Ps1,038.9). For U.S. GAAP purposes the amount outstanding under this arrangement was treated as debt. Under Mexican GAAP, until its liquidation, this transaction was treated as minority interest. CEMEX's cost of retaining its option to reacquire the contributed assets during the years ended December 31, 2001, 2002 and 2003 was recorded as interest expense in the consolidated income statements under both Mexican and U.S. GAAP.

U.S. GAAP adjustments on 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 as a separate component between total liabilities and stockholders' equity (see note 23(o)). At December 31, 2002 and 2003, 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, 2001, 2002 and 2003, expense of Ps44.5 and income of Ps13.1 and Ps48.8, respectively, have been reflected in the reconciliation of net income to U.S. GAAP.

Additionally, as a result of the application of APB 16 in the acquisition of Solid (formerly Rizal), one of CEMEX's subsidiaries in the Philippines, for U.S. GAAP purposes, CEMEX reduced the value of its fixed assets by Ps215.7 in 2001, net of depreciation, corresponding to the portion of the appraisal value, determined at the acquisition date, related to the minority owners. The change in the appraised fixed assets amount resulted in a decrease in depreciation expense under U.S. GAAP of Ps26.4 for the year ended December 31, 2001. As mentioned in note 8A, during July 2002, CEMEX acquired the remaining 30% economic interest in Solid from the minority shareholders. As a result, in 2002, the adjustment made to the appraised fixed assets amount was reversed against minority interest, given that the reversed amount is part of the proportional net assets' fair value assigned to the 30% economic interest acquired. There is no further effect on earnings under U.S. GAAP.

(g) Accruals for Contingencies

For Mexican GAAP purposes, CEMEX has recorded accruals for contingent items related primarily to guarantees given and other responsibilities that do not meet the accrual criteria of SFAS 5, Accounting for Contingencies, under U.S. GAAP, since the likelihood of a loss occurring is considered to be possible but not probable. Accordingly, the accruals under Mexican GAAP were reversed for U.S. GAAP purposes.

With respect to the contingencies described in note 21, for which an accrual has not been provided under Mexican GAAP at December 31, 2002 and 2003, CEMEX considers that such contingencies do not meet the accrual criteria for both, Mexican GAAP and U.S. GAAP.

(h) Affiliated Companies

CEMEX has adjusted its investment and equity method in affiliated companies (see note 8A), 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 fixed assets of foreign origin are 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.

F-47

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

(j) Temporary Equity from Forward Contracts

As mentioned in notes 14F and 16A, during 1999, CEMEX entered into equity forward contracts with respect to its ADSs with an original maturity in December 2002, in connection with its appreciation warrants. In December 2002, prior to their expiration, CEMEX renegotiated the extension of the forward contracts until December 2003 and recognized a loss of approximately U.S.\$98.3 million (Ps1,104.8), which was charged to stockholders' equity under Mexican GAAP, representing the difference between the cash redemption amount of the forward contracts and the market value of the underlying shares at the date of the agreements. Such loss was deducted by the counterparties from the prepayments made by CEMEX toward the forward contracts' final price. These contracts were settled during October 2003 in connection with a secondary equity offering (see note 16A), resulting in a gain of approximately U.S.\$19.5 million (Ps219.2), which was recognized in stockholders' equity under Mexican GAAP. According to EITF 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock, forward contracts involving a company's own stock that will be physically settled by delivering cash should be initially measured at fair value and recorded in

permanent equity, and an amount equivalent to the cash redemption at the date of reporting, should be reclassified to temporary equity, which is to be considered as a mezzanine item for balance sheet presentation under U.S. GAAP. As a result, for purposes of reconciliation to U.S. GAAP, CEMEX presents a reduction to its stockholders' equity under Mexican GAAP of approximately Ps5,878.5 (U.S.\$523.0) at December 31, 2002, which represents the cash obligation plus the advanced payments made by CEMEX under the forward contracts at the reporting date and is presented as a mezzanine item (temporary equity) for purposes of the condensed balance sheets under U.S. GAAP in note 23(o). Under Mexican GAAP, until their settlement, the shares underlying the contracts were treated as permanent equity.

For Mexican GAAP purposes, since origination, these forward contracts had been treated as equity transactions and, therefore, 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 original proceeds of the CPOs sale and the forward price that was periodically paid to the counterparties was treated as a prepayment toward the forward contracts' final price and presented as accounts receivable. Such amounts prepaid and considered as accounts receivable were also treated as preferred dividends in the net income reconciliation to U.S. GAAP, in a manner similar to a mandatorily redeemable preferred stock, representing an expense of approximately Ps461.6 in 2001, expense of Ps538.0 in 2002 and income of Ps740.5 in 2003. The amount of income in 2003 includes a net gain of U.S.\$19.5 million from the secondary equity offering, income of U.S.\$101.7 million from 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 an expense of U.S.\$6.4 million of prepayments made in 2003 treated as preferred dividends. The loss of US\$98.3 million and the gain of U.S.\$19.5 million recognized in stockholders' equity under Mexican GAAP in 2002 and 2003, respectively, were not reclassified through net income in the reconciliation to U.S. GAAP, since such amounts were periodically charged to earnings under U.S. GAAP as part of the preferred dividends.

(k) Other U.S. GAAP Adjustments

Capitalization of costs of computer software development under U.S. GAAP--Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use, requires that certain direct costs related to the development or purchase of internal-use software be capitalized and amortized over the estimated useful life of the software and that costs related to the preliminary project stage and the post-implementation/operations stage (as defined in SOP 98-1) in an internal-use computer software development project be expensed as incurred. The estimated average useful lives period to amortize these capitalized costs is between 3 and 5 years.

For the years ended December 31, 2001, 2002 and 2003, the effect of capitalizing these costs in the reconciliation of net income to U.S. GAAP, net of amortization, led to expenses of Ps228.6, Ps203.6 and Ps347.5, respectively, with a net effect of income in the stockholders' equity reconciliation to U.S. GAAP at December 31, 2002 and 2003 of Ps272.6 and Ps25.4, respectively. Beginning in 2001, in connection with CEMEX's decision to significantly enhance and/or replace, on a worldwide basis, all of its critical software systems under an effort denominated "CEMEX Way", for accounting purposes under Mexican GAAP, CEMEX implemented the policy of capitalizing the costs associated with developing and implementing internal-use software (see note 10) resulting in a capitalization under Mexican GAAP for the years ended December 31, 2001, 2002 and 2003 of Ps1,462.2, Ps1,737.6 and Ps1,410.4, net of amortization. As a result, in the reconciliation of net income to U.S. GAAP for the years ended December 31, 2001, 2002 and 2003, the reconciling item refers exclusively to the amortization of the capitalized amount under U.S. GAAP until December 2000.

F-48

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

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 expense of Ps182.0 in 2001, expense of Ps290.7 in 2002 and income of Ps90.4 in 2003. During 2003, all amounts capitalized under Mexican GAAP also met the requirements for capitalization under U.S. GAAP. Accordingly, the reconciliation of net income to U.S. GAAP for the year ended December 31, 2003 only includes amounts amortized in Mexican GAAP during the 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 Ps650.0 and Ps484.0 at December 31, 2002 and 2003, respectively. Mexican GAAP allowed the deferral of these items.

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 incur a legal obligation 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 basically the same requirement as SFAS 143. The difference between Mexican GAAP and U.S. GAAP on 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 includes the reclassification of the cumulative effect from adoption from stockholders' equity under Mexican GAAP to net income under U.S. GAAP (see notes 2V and 12).

As mentioned in note 2V, during 2003, a remediation liability was recorded in the amount of approximately Ps505.7, against fixed assets of Ps365.3, deferred IT assets of Ps54.6 and an initial cumulative effect of Ps85.8, recorded in stockholders' equity under Mexican GAAP and in earnings under U.S. GAAP.

In addition, environmental expenditures related to current operations are expensed or capitalized, as appropriate. Other than those contingencies disclosed in note 21G, 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.

Reclassifications--Non-cement related assets under Mexican GAAP (see note 7) of Ps400.2 and Ps395.6, as of December 31, 2002 and 2003, respectively, were reclassified to long-term assets for purposes of the condensed financial information under U.S. GAAP in note 23(o). These assets are stated at their estimated fair value. Estimated costs to sell these assets are not significant.

(1) Financial Instruments

Derivative Financial Instruments (see notes 2N, 11 and 16)

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 (see note 2N), establishes a methodology similar to that of U.S. GAAP (SFAS 133). 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 CEMEX's intention and designation, providing 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, are precluded by Mexican GAAP since it is not permitted to record primary hedged instruments at fair value.

F-49

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

At December 31, 2002 and 2003, the differences in derivative instruments' hedge accounting between Mexican and U.S. GAAP, as they relate to CEMEX, led to certain adjustments in the reconciliations of stockholders' equity and net income to U.S. GAAP, as well as reclassifications in the condensed financial information under U.S. GAAP in note 23(o), which are explained as follows:

- o During 2001, the estimated fair value of those interest rate swaps designated as hedges of underlying debt transactions under Mexican GAAP was not recognized in the balance sheet pursuant to the hedge designation (see note 2N). Beginning in 2002, CEMEX applied under Mexican GAAP the accounting provisions of cash flow hedges, in a manner equivalent to the rules set forth in SFAS 133. As a result, after fulfilling the hedging documentation requirements and effectiveness tests, beginning as of the designation date, the estimated fair value of the hedging instruments and changes therein have been recognized in the balance sheet against the deficit in equity restatement within stockholders' equity, which is equivalent in Mexico to other comprehensive income, as defined under U.S. GAAP (see note 14G). For the years ended December 31, 2002 and 2003, changes in the estimated fair value of interest rate derivatives, other than those designated as cash flow hedges, were recorded through earnings under Mexican GAAP (see note 11), consistently with U.S. GAAP. For the year ended December 31, 2001, changes in fair value of interest rate swaps, not designated as accounting hedges under SFAS 133, resulted in income of approximately Ps32.3 (U.S.\$3.2 million) in the reconciliation of net income to U.S. GAAP.
- o As discussed in note 11B, as of December 31, 2002 and 2003, related to the estimated fair value of Cross Currency Swaps ("CCS"), CEMEX recognized net assets of U.S.\$241.4 million (Ps2,713.3) and U.S.\$262.0 million (Ps2,944.9), respectively. Under U.S. GAAP, these 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 23(o). As a result, under U.S. GAAP at December 31, 2002, in respect to the portion of the estimated fair value attributable to changes in the exchange rates, short-term and long-term debt increased U.S.\$174.2 million (Ps1,997.8), 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.\$25.9 million (Ps297.0) against current assets. At December 31, 2003, in respect to the portion of the estimated fair value attributable to changes in the exchange rates, short-term and long-term debt increased U.S.\$192.6 million (Ps2,164.8), 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.\$12.2 million (Ps137.1) against current assets.

See note 23(m) for changes in accounting principles regarding CEMEX's equity forward contracts in its own shares resulting from the adoption of SFAS 150. All other derivative instruments, with the exception of those described above and the equity forwards described in notes 23(j) and 23(m), entered into by CEMEX and disclosed in notes 11 and 16, 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 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, 2002 and 2003, 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.

F-50

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican pesos as of December 31, 2003)

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, 2003 is summarized as follows:

At December 31, 2003	Carrying amount	Estimated fair value
	-----	-----
Bank loans.....Ps	27,935.3	30,295.5
Notes payable.....	32,530.5	34,075.6
	-----	-----

As discussed in notes 2D and 14D, 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, income of Ps633.3 in 2001, expense of Ps2,555.3 in 2002 and expense of Ps826.7 in 2003, were recognized as foreign exchange results since the related debt did not meet the conditions of SFAS 52 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 equity 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 equity 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 equity 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 equity shares, or if variations are inversely related to changes in the fair value of the issuer's equity 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 equity 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 has been required to be implemented by reporting 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.

Mandatorily Redeemable Instruments

As described in note 14E and 23(e), CEMEX held capital securities for the outstanding amount of U.S.\$66 million (Ps741.8) at both December 31, 2002 and 2003. The capital securities are a mandatorily redeemable financial instrument. As of December 31, 2002, before SFAS 150 was implemented, for purposes of the reconciliation of stockholders' equity to U.S. GAAP and the condensed financial information under U.S. GAAP in note 23(o), the outstanding amount was removed from minority interest under Mexican GAAP and presented as a separate component of mezzanine items. For the years ended December 31, 2001 and 2002, capital securities dividends were recognized in the income statement within minority interest for both Mexican GAAP and U.S. GAAP. As a result of the adoption of SFAS 150, for purposes of the reconciliation of stockholders' equity to U.S. GAAP as of December 31, 2003, capital securities were recognized at their outstanding amount (equivalent to fair value) as a separate component within liabilities, see note 23(o), for approximately Ps741.8 (U.S.\$66 million) against minority interest, which is considered a component of consolidated stockholders' equity under Mexican GAAP. In the condensed financial information under U.S. GAAP in note 23(o) for the year ended December 31, 2003, capital securities dividends in the income statement were reclassified from minority interest under Mexican GAAP to a separate item of interest expense under U.S. GAAP (see note 14E).

F-51

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Equity Forward Contracts in CEMEX's own Shares

As described in notes 15 and 16A, as of December 31, 2002 and 2003, CEMEX held equity forward contracts negotiated to hedge future exercises under its stock option programs, for notional amounts of U.S.\$436.1 million and U.S.\$789.3 million, respectively. Since January 1, 2001, under Mexican GAAP, these forward contracts, which can be physically or net cash settled at CEMEX's option, have been recognized at their fair market value as assets or liabilities in the balance sheet and changes in fair value have been recorded in earnings for the years ended December 31, 2001, 2002 and 2003. The accounting treatment given to these contracts since 2001 is consistent with SFAS 150 and, therefore, with respect to these forwards, no reconciling adjustments are required pursuant to the implementation of the Statement.

In addition, CEMEX held other equity forward contracts (see note 16A), which can be physically or net cash settled at CEMEX's option and which are considered as equity transactions for both Mexican GAAP and U.S. GAAP. Accordingly, 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. As of December 31, 2002 and 2003, the notional amounts of these forward contracts were U.S.\$547.9 million and U.S.\$295.7 million, respectively. Under SFAS 150, these instruments should be initially recognized at their fair market value as assets or liabilities in the balance sheet and subsequent changes in fair value 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

reconciliations of stockholders' equity and net income to U.S. GAAP as of and for the year ended December 31, 2003, a net liability of approximately U.S.\$11.6 million (Ps130.4) was recognized against the cumulative effect from the change in accounting principle, which represented an expense of approximately U.S.\$49.1 million (Ps551.3) and, a gain related to changes in fair value for the period from June 30, 2003 to December 31, 2003 amounting to approximately U.S.\$36.9 million (Ps415.0).

There are no other instruments subject to SFAS 150 other than those previously described.

(n) Supplemental Debt Information

At December 31, 2002 and 2003, 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.\$450 million (Ps5,058) and U.S.\$395 million (Ps4,439.8), respectively, were reclassified from short-term debt to long-term debt under Mexican GAAP (see note 11). For purposes of the condensed balance sheets under U.S. GAAP in note 23(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, 2001, 2002 and 2003, 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,		
	2001	2002	2003
Net sales.....Ps	69,031.4	69,882.0	79,748.5
Gross profit.....	29,135.4	30,180.1	33,265.2
Operating income.....	11,034.4	11,295.0	13,606.5
Comprehensive financial result.....	3,409.3	(6,131.4)	(2,835.8)
Other expenses, net.....	(648.8)	(996.1)	(1,122.7)
Income tax (including deferred).....	(1,935.2)	1,641.0	(1,111.4)
Equity in income of affiliates.....	334.4	472.1	535.7
Consolidated net income.....	12,194.1	6,280.6	9,072.3
Minority interest net income.....	1,150.5	414.4	157.9
Majority interest net income before cumulative effect of accounting change.....	11,043.6	5,866.2	8,914.4
Cumulative effect of accounting change.....	-	-	(640.7)
Majority interest net income.....Ps	11,043.6	5,866.2	8,273.7

The following table presents consolidated condensed balance sheets at December 31, 2002 and 2003, prepared under U.S. GAAP, including all differences and reclassifications as compared to Mexican GAAP described in this note 23:

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Balance sheets	At December 31,	
	2002	2003
Current assets.....Ps	20,703.7	14,329.3
Investments and non-current assets.....	7,849.4	9,501.4
Property, machinery and equipment.....	101,918.4	106,907.9
Deferred charges.....	45,646.2	53,732.4
Total assets.....	176,117.7	184,471.0
Current liabilities.....	37,548.0	33,052.6
Long-term debt.....	42,817.6	44,789.8
Shares subject to mandatory redemption:		
Putable capital securities (see note 14E).....	-	741.8

Other non-current liabilities.....	23,061.7	29,346.5
Total liabilities.....	103,427.3	107,930.7
Mezzanine items:		
Putable capital securities (see note 14E).....	711.6	-
Temporary equity.....	5,878.5	-
Preferred equity (see note 14E).....	7,008.1	-
Minority interest.....	5,395.8	5,419.1
Total mezzanine items.....	18,994.0	5,419.1
Stockholders' equity including cumulative effect of accounting change.....	53,696.4	71,121.2
Total liabilities and stockholders' equity.....Ps	176,117.7	184,471.0

The prior period amounts presented in the tables above were restated to constant pesos as of December 31, 2003 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 (see note 2B).

(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, 2001, 2002 and 2003, 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,		
	2001	2002	2003
Net cash provided by operating activities..... Ps	18,786.5	9,526.4	9,771.8
Net cash provided by (used in) financing activities.....	(9,250.1)	(1,323.7)	(4,874.0)
Net cash used in investing activities.....	(8,433.3)	(8,380.4)	(5,419.4)

F-53

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Net cash flow from operating activities reflects cash payments for interest and income taxes as follows:

	Years ended December 31,		
	2001	2002	2003
Interest paid..... Ps	3,594.9	3,467.1	4,897.4

Income taxes paid.....	559.2	1,350.3	576.2
------------------------	-------	---------	-------

Non-cash activities are comprised of the following:

1. Acquisition of fixed assets through capital leases amounting to Ps23.2 in 2001. CEMEX did not acquire assets through capital leases during 2002 and 2003.
2. Liabilities assumed through the acquisition of businesses (see note 8A) were Ps275.6 in 2001, Ps1,873.7 in 2002 and Ps137.8 in 2003.

(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, 2001 and 2002 and balance sheet information as of December 31, 2002, in constant Mexican pesos as of December 31, 2003, using the Mexican inflation index:

	Years ended December 31,	
	2001	2002
Sales.....	Ps 69,630.1	70,545.9
Gross profit.....	30,464.3	31,133.3
Operating income.....	16,628.1	14,128.4
Majority interest net income.....	11,845.5	5,609.4
		At December 31, 2002
Current assets.....	Ps	21,053.2
Non-current assets.....		150,747.7
Current liabilities.....		31,849.9
Non-current liabilities.....		65,006.3
Majority interest stockholders' equity.....		61,933.5
Minority interest stockholders' equity.....		13,011.2

(r) Stock Option Programs

For financial reporting under Mexican GAAP, CEMEX accounts for its stock option programs (see note 15) 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 cost 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 is recognized for CEMEX's fixed program (see note 15A), while compensation cost is periodically determined, beginning in 2001, for CEMEX's variable program (see note 15C) and voluntary programs (see note 15D) and beginning in 2002, for its special program (see note 15B). Stock options activity during 2002 and 2003, the balance of options outstanding at December 31, 2002 and 2003 and other general information regarding CEMEX's stock option programs is presented in note 15. CEMEX hedges the availability of CPOs for the potential future exercise of its programs through equity forward contracts in CEMEX's own stock (see note 16A).

Under U.S. GAAP, SFAS 123, Accounting for Stock-Based Compensation, requires compensation cost for stock option plans 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.

Had compensation cost be determined under SFAS 123, based on the fair value of

stock options at the grant date using the Black-Scholes pricing model, CEMEX's net income would have been reduced to the following pro forma amounts:

For the year ended December 31, 2001	Fixed program	Variable program	Total
Net income, as reported (Mexican GAAP).....Ps			13,026.6
Cost of options granted according to SFAS 123.....	(300.0)	(226.5)	(526.5)
Result from voluntary exchange program, net (note 15) 1.....	245.2	-	245.2
Reversal of cost recognized under APB 25.....	-	162.6	162.6
Approximate net income, pro forma.....			12,907.9
Basic earnings per share, as reported.....Ps			3.05
Basic earnings per share, pro forma.....Ps			3.03

For the year ended December 31, 2002	Special program	Variable program	Voluntary programs	Total
Net income, as reported (Mexican GAAP).....Ps				5,966.9
Cost of options granted according to SFAS 123.....	(10.3)	(175.3)	(19.8)	(205.4)
Reversal of cost recognized under APB 25.....	-	-	57.3	57.3
Approximate net income, pro forma.....				5,818.8
Basic earnings per share, as reported.....Ps				1.33
Basic earnings per share, pro forma.....Ps				1.29

For the year ended December 31, 2003	Special program	Variable program	Voluntary programs	Total
Net income, as reported (Mexican GAAP).....Ps				7,067.4
Cost of options granted according to SFAS 123 2.....	(13.7)	(173.4)	-	(187.1)
Reversal of cost recognized under APB 25.....	59.2	366.2	29.4	454.8
Approximate net income, pro forma.....				7,335.1
Basic earnings per share, as reported.....Ps				1.49
Basic earnings per share, pro forma.....Ps				1.55

1 The amount of income presented in the pro forma calculations of Ps245.2 in 2001, represents the difference between the intrinsic value at the exchange date paid to the executives for the repurchase of their options of approximately Ps729.1, recorded as an expense under Mexican GAAP in 2001, and the expense determined under SFAS 123 of approximately Ps483.9, representing the options unvested fair value at the date of issuance, which was accelerated as a result of the exchange program. The reason for the reversal in the pro forma calculations, of the expense recognized under Mexican GAAP, is that such amount had been previously expensed in the pro forma calculations as part of the cost under SFAS 123 in prior years and as part of the accelerated amortization of the unrecognized cost discussed above.

2 The cost of the variable program granted in 2003 under the fair value approach (FAS 123) amounting to approximately Ps214.0 million is not presented, since net income under Mexican GAAP includes the liquidation cost of approximately Ps696.8 million related to such program, which was fully exercised during the year (see note 15 D).

The assumptions for the Black-Scholes model for the options granted during each year were as follows:

	2001	2002	2003
Expected dividend yield.....	2%	2%	2%
Volatility.....	25%	25%	25%
Range of risk free interest rates.....	4.9% - 9.8%	3.6% - 4.8%	3.7% - 4.5%
Weighted average tenure.....	10 years	9.8 years	7 years

F-55

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

(s) Impairment of Long Lived Assets

As mentioned in note 23(a), effective January 1, 2002, CEMEX adopted SFAS 142, which eliminates the amortization of goodwill and indefinite-lived intangible

assets, and addresses the amortization of intangible assets with finite lives and impairment testing and recognition for goodwill and intangible assets, and 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 amount. 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, 2002 and 2003, 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 both amortizable and non-amortizable intangible assets, while undiscounted cash flow analyses are used to assess long-lived asset impairment. 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, 2002 and 2003, there were no impairment charges under U.S. GAAP in addition to those described in notes 9 and 10, which were recorded under Mexican GAAP, as CEMEX's policy for impairment is consistent with U.S. GAAP.

As of December 31, 2002 and 2003, CEMEX's approximate goodwill by reporting unit under U.S. GAAP, net of amortization accrued until December 31, 2001, is summarized as follows:

	January 1, 2002 (1)	Goodwill acquired (2)	Impairment charges	Inflation and currency fluctuation (4)	December 31, 2002
United States..... Ps	14,381.0	-	-	1,035.8	15,416.8
Mexico.....	6,282.4	-	-	-	6,282.4
Spain.....	6,641.4	-	-	2,106.2	8,747.6
Colombia.....	3,472.3	-	-	(226.2)	3,246.1
The Philippines.....	1,092.8	652.3	-	75.1	1,820.2
Dominican Republic.....	345.1	-	-	56.1	401.2
Thailand.....	377.5	-	-	37.4	414.9
The Caribbean.....	360.3	-	-	34.9	395.2
Venezuela.....	297.1	-	-	(24.4)	272.7
Egypt.....	266.2	-	-	18.1	284.3
Costa Rica.....	273.4	-	-	13.9	287.3
Other reporting units (5)....	339.6	385.7	(96.7)	99.7	728.3
Affiliates (see note 8A).....	326.9	217.8	-	8.1	552.8
Ps	34,456.0	1,255.8	(96.7)	3,234.7	38,849.8

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

	December 31, 2002	Goodwill acquired (3)	Impairment charges	Inflation and currency fluctuation (4)	December 31, 2003
United States..... Ps	15,416.8	201.8	-	713.0	16,331.6
Mexico.....	6,282.4	-	-	(298.2)	5,984.2
Spain.....	8,747.6	-	-	2,003.7	10,751.3
Colombia.....	3,246.1	-	-	457.1	3,703.2
The Philippines.....	1,820.2	-	(539.5)	63.2	1,343.9
Dominican Republic.....	401.2	-	-	(18.2)	383.0
Thailand.....	414.9	-	-	(17.2)	397.7
The Caribbean.....	395.2	-	-	(56.1)	339.1
Venezuela.....	272.7	-	-	(128.8)	143.9
Egypt.....	284.3	-	-	(44.1)	240.2
Costa Rica.....	287.3	-	-	(0.1)	287.2
Other reporting units (5)....	728.3	-	(342.4)	1,948.5	2,334.4
Affiliates (see note 8A).....	552.8	-	-	(145.6)	407.2
Ps	38,849.8	201.8	(881.9)	4,477.2	42,646.9

1. This column presents goodwill by reporting unit; net of amortization accrued until December 31, 2001, presented in constant pesos as of December 31, 2003, using the Mexican inflation rate.
2. For the acquisitions during 2002, no intangible assets were identified and determined other than goodwill. In 2002 (see note 8A), CEMEX acquired: (i) from the minority shareholders the remaining 30% economic interest in Solid for approximately U.S.\$95 million (Ps1,007.5); (ii) through a tender offer and a subsequent merger, a 100% equity interest in Puerto Rican Cement Company for approximately U.S.\$180.2 million (Ps1,911.0); and (iii) for cash and pursuant to a forward purchase agreement, a 15.1% equity interest in CAH, for approximately U.S.\$142.3 million. In addition, during 2002, CEMEX also made other minor acquisitions for approximately U.S.\$60 million.
3. During 2003 (see note 8A), CEMEX acquired a raw materials supplier and a cement plant and quarry in the United States for a combined purchase price of approximately U.S.\$99.7 million (Ps1,120.6).
4. 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, 2003 using Mexican inflation, applied to the goodwill balances at the beginning of the year.
5. Other reporting units are primarily integrated by CEMEX's cement operations in Puerto Rico and Panama, the ready-mix concrete operations in France and Italy and the reporting unit engaged in software development projects.

The following table reflects the impact that SFAS 142 would have had on net income and earnings per share under U.S. GAAP for the year ended December 31, 2001, as if adopted in that period:

Year ended December 31,	2001
Approximate net income under U.S. GAAP, as reported	Ps 11,043.9
Cease goodwill amortization.....	2,326.1
Adjusted net income under U.S. GAAP.....	Ps 13,370.0
Basic U.S. GAAP earnings per share.....	Ps 2.60
Cease goodwill amortization.....	0.54
Adjusted basic U.S. GAAP earnings per share.....	Ps 3.14
Diluted U.S. GAAP earnings per share.....	Ps 2.53
Cease goodwill amortization.....	0.53
Adjusted diluted U.S. GAAP earnings per share.....	Ps 3.06

F-57

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

(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 Surveying 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 (see note 4).

(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. As of and for the year ended December 31, 2003, 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, 2003, CEMEX has not guaranteed any third parties' obligations; however, with respect to the electricity supply long-term contract discussed in note 21F, 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. Through December 31, 2003, for accounting purposes under Mexican 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.

Variable Interest Entities

Effective January 31, 2003, CEMEX adopted Interpretation 46, Consolidation of Variable Interest Entities, an interpretation of ARB 51 ("FIN 46"). This interpretation addresses the consolidation by business enterprises of variable interest entities ("VIEs"), which defined in FIN 46 as those entities in which the controlling entity or group cannot be identified and/or such entities lack of sufficient own capital at risk to finance their operations without requiring additional financing from other entity. Moreover, 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 46 applies to variable interests in entities created or obtained after January 31, 2003. As discussed in the preceding paragraph, CEMEX has an electricity supply long-term contract (see note 21F), under which, upon the occurrence of specified material defaults or events, CEMEX may be required to purchase the power plant. Under U.S. GAAP, after analysis of the provisions of the agreements, CEMEX does not believe that based solely on the contingent obligation, it would be considered to be the primary beneficiary of the partnership's variable interests, and, therefore, as of and for the year ended December 31, 2003, CEMEX has not consolidated any asset, liability or operating result of such partnership.

(Millions of constant Mexican pesos as of December 31, 2003)

(v) Newly Issued Accounting Pronouncements under U.S. GAAP

In December 2003, FASB issued SFAS 132 (revised), Employers' Disclosures about Pensions and Other Postretirement Benefits--an amendment of FASB Statements No. 87, 88, and 106. This Statement revises employers' disclosures about pension plans and other postretirement benefit plans, retaining the disclosures required by previous SFAS 132, but requiring entities to provide additional disclosure describing the types of plan assets, investment strategy, measurement date(s), plan obligations, cash flows, and components of net periodic benefit cost recognized during interim periods. The required information should be provided separately for pension plans and for other postretirement benefit plans. This Statement does not change the measurement or recognition methods. The new disclosure requirements are effective for periods beginning after December 15, 2003.

(w) Recent Developments (unaudited)

During February 2004, eligible employees under the benefits of stock options plans were invited to participate in a voluntary exchange offer for their stock options under the variable program (see note 15C). By means of this offer, participant employees would surrender their current options, granted from November 2001 until February 2004, in exchange for new options, with a initial strike price of U.S.\$5.05 per CPO and a remaining life of 8.4 years (weighted average of qualifying options programs) maintaining an increasing strike price annually at a 7% rate. Any appreciation realized through the exercise of new options, will be obligatorily invested in CEMEX CPOs that will be restricted for sale, with monthly partial releases, for a period of five years if the exercise occurs in 2004, four years in 2005, three years in 2006 and two years from 2007 until the maturity of the options. The new options will be automatically exercised if at any time during their life, the CPO price in the market reaches U.S.\$7.50, in which case the intrinsic appreciation between U.S.\$7.50 and the option's strike price on that future date, will be invested in restricted CPOs.

As compensation to the employees for requiring them to invest the appreciation in CPOs, setting a restriction period for sale and limiting the potential appreciation of the new options, employees participating in the exchange will receive annually and until exercise or maturity of the options a payment of U.S.\$ 10 cents per any new option outstanding as of the payment date, growing annually at a 10% rate, and upon exercise, a 20% discount to market in the acquisition price of the CPOs. Employees can exchange 100% or elect to participate with 70% or only 30% of their current options. Employees' current options that are not exchanged will maintain their existing terms and conditions. In terms of fair value at the exchange date, using the Black-Scholes options pricing model, the current options' weighted average fair value was approximately 15 percent higher than that of the new options.

The exchange period expired on February 13, 2004. As of March 31, 2004, as a result of the voluntary exchange offer, approximately 122.5 million new options were issued, while employees surrendered their rights over approximately 113.9 million current options, which were forfeited. For accounting purposes under Mexican and U.S. GAAP, CEMEX will account for the new options under the intrinsic value method through earnings (see notes 2W and 15), in the same manner the current plans are accounted for, including the U.S.\$ 10 cents per option payment that would be made to employees. This exchange is part of CEMEX's strategy, beginning in 2004, to compensate its eligible employees with restricted stock instead of stock options.

On April 27, 2004, a subsidiary of CEMEX Colombia received notice as a co-defendant, along with a government agency in charge of urban development in Bogota, another supplier, and a ready-mix industry association, in an action brought by a Colombian law firm on "public interest" grounds. The lawsuit alleges that the use of a certain type of cement-based material in the construction of roads for the "Transmilenio" public transport system and for regular traffic resulted in defects that impede the proper functioning of the "Transmilenio" system and hamper traffic flow. The lawsuit argues that CEMEX Colombia's subsidiary, the other supplier, and the ready mix-industry association promoted the use of the material, and seeks damages to pay for the repair of the defects or, if repair is not possible, the rebuilding of the defective road sections. The Company is currently evaluating the potential impact of this matter on our Colombian operations. Because it is very early in the process, CEMEX cannot estimate the financial implications of an adverse resolution, but CEMEX believes that it is unlikely to have a material adverse

effect on our results of operations. CEMEX believes that this will be a protracted matter that may result in additional lawsuits or actions. CEMEX intends to defend its interests vigorously.

F-59

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

(x) Guaranteed debt

In June 2000, CEMEX concluded the issuance of U.S.\$200 million 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 million 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 (see note 2C). 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 11C, as of December 31, 2002 and 2003, indebtedness of CEMEX in an aggregate amount of U.S.\$2,339 million (Ps26,290.4) and U.S.\$3,145 million (Ps35,349.8), respectively, is fully and unconditionally guaranteed, on a joint and several basis, by CEMEX Mexico and ETM.

As of December 31, 2002 and 2003, CEMEX owned a 100% equity interest in CEMEX Mexico, including in 2002, an 0.6% equity interest held by a Mexican trust in connection with an equity financing transaction due in 2007, which was terminated during 2003 (see note 14F), and CEMEX Mexico owned a 100% equity interest in ETM at the end of both years. During October and November 2001, CEMEX Mexico and ETM carried out individually, a reverse stock split. Through this operation, stockholders of CEMEX Mexico and ETM were entitled to receive one new share for each 130 million old shares and one new share for each 20 million old shares, respectively. Pursuant to these transactions, the shares of any shareholder not meeting the minimum number required for the reverse stock split, were liquidated and converted into the right to receive a cash liquidation. As a result, as of December 31, 2001, in the consolidated balance sheet of CEMEX, an account payable of Ps427.8 million was created in favor of the old shareholders against CEMEX Mexico and ETM stockholders' equity. During 2002, CEMEX Mexico and ETM paid no material amounts to the old shareholders. On December 7, 2002, the period granted by Mexican law for the old shareholders to claim their rights under the reverse stock split expired. As prescribed by law, the unclaimed amount after the expiration date is reimbursed to the entity's stockholders' equity and, as a result, the account payable as of the expiration date was cancelled against stockholders' equity as of December 31, 2002. In addition, resulting from the reverse stock split, the equity interest of CEMEX in both subsidiaries increased to 100%.

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, 2003, for the years ended December 31, 2001 and 2002 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 2B, 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, 2003, 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.

F-60

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

The condensed consolidated financial information is as follows:

Condensed consolidated balance sheets:

As of December 31, 2002	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Current assets..... Ps	21,654.1	10,498.1	59,753.6	(69,510.8)	22,395.0
Investment in affiliates.....	83,290.4	79,263.6	8,481.9	(164,616.7)	6,419.2
Other non-current assets.....	17,743.4	510.7	1,380.8	(17,919.3)	1,715.6
Property, machinery and equipment.....	1,754.7	28,603.4	66,129.9	6,308.9	102,796.9
Deferred charges.....	6,245.1	6,260.9	83,375.3	(46,457.7)	49,423.6
Total assets.....	130,687.7	125,136.7	219,121.5	(292,195.6)	182,750.3
Current liabilities.....	24,836.1	9,070.4	23,314.8	(23,341.7)	33,879.6
Long-term debt.....	38,521.8	6.5	15,673.8	(4,038.5)	50,163.6
Other non-current liabilities.....	1,449.0	51,456.2	17,880.7	(51,800.1)	18,985.8
Total liabilities.....	64,806.9	60,533.1	56,869.3	(79,180.3)	103,029.0
Majority interest stockholders' equity.....	65,880.8	64,603.6	147,443.7	(212,047.3)	65,880.8
Minority interest.....	-	-	14,808.5	(968.0)	13,840.5
Stockholders' equity under Mexican GAAP.....	65,880.8	64,603.6	162,252.2	(213,015.3)	79,721.3
Total liabilities and stockholders' equity.. Ps	130,687.7	125,136.7	219,121.5	(292,195.6)	182,750.3

As of December 31, 2003	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Current assets..... Ps	1,716.1	6,106.7	74,175.1	(61,469.2)	20,528.7
Investment in affiliates.....	84,843.5	92,701.7	64,166.4	(234,794.0)	6,917.6
Other non-current assets.....	35,449.1	463.8	990.4	(34,833.4)	2,069.9
Property, machinery and equipment.....	1,738.5	29,817.8	72,629.0	(42.0)	104,143.3
Deferred charges.....	5,300.2	5,664.8	89,598.0	(54,205.1)	46,357.9
Total assets.....	129,047.4	134,754.8	301,558.9	(385,343.7)	180,017.4
Current liabilities.....	10,820.2	14,273.7	26,751.9	(20,044.0)	31,801.8
Long-term debt.....	46,346.2	8.4	33,636.4	(28,997.0)	50,994.0
Other non-current liabilities.....	1,808.8	47,798.1	14,036.1	(42,472.9)	21,170.1
Total liabilities.....	58,975.2	62,080.2	74,424.4	(91,513.9)	103,965.9
Majority interest stockholders' equity.....	70,072.2	72,674.6	163,505.2	(236,179.8)	70,072.2
Minority interest.....	-	-	63,629.3	(57,650.0)	5,979.3
Stockholders' equity under Mexican GAAP.....	70,072.2	72,674.6	227,134.5	(293,829.8)	76,051.5
Total liabilities and stockholders' equity.. Ps	129,047.4	134,754.8	301,558.9	(385,343.7)	180,017.4

F-61

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Condensed consolidated income statements:

For the year ended December 31, 2001	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Sales..... Ps	-	22,711.2	54,508.1	(647.2)	76,572.1
Operating income.....	(90.1)	1,624.3	6,109.2	10,642.7	18,286.1
Comprehensive financing result.....	33.9	1,457.8	2,658.6	(1,223.0)	2,927.3
Other income (expense), net.....	109.5	2,084.2	3,381.9	(10,187.2)	(4,611.6)
Income tax.....	1,389.1	606.3	(1,727.9)	(2,373.7)	(2,106.2)
Equity in income of affiliates.....	11,584.2	2,719.4	370.2	(14,447.1)	226.7
Consolidated net income.....	13,026.6	8,492.0	10,792.0	(17,588.3)	14,722.3
Minority interest.....	-	-	1,188.6	507.1	1,695.7
Majority net income..... Ps	13,026.6	8,492.0	9,603.4	(18,095.4)	13,026.6

For the year ended December 31, 2002	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Sales..... Ps	-	22,595.2	50,717.2	1,729.6	75,042.0
Operating income.....	(110.4)	3,334.0	5,638.1	6,167.2	15,028.9
Comprehensive financing result.....	(1,427.1)	(6,630.0)	(3,801.7)	8,081.4	(3,777.4)
Other income (expense), net.....	129.5	(341.2)	6,326.6	(10,579.5)	(4,464.6)
Income tax.....	2,294.4	(1,297.5)	(1,302.9)	(441.0)	(747.0)
Equity in income of affiliates.....	5,080.5	1,657.8	(2.4)	(6,383.8)	352.1
Consolidated net income.....	5,966.9	(3,276.9)	6,857.7	(3,155.7)	6,392.0
Minority interest.....	-	-	88.1	337.0	425.1
Majority net income..... Ps	5,966.9	(3,276.9)	6,769.6	(3,492.7)	5,966.9

For the year ended December 31, 2003	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Sales..... Ps	-	24,408.5	57,646.1	(1,526.9)	80,527.7
Operating income.....	(54.8)	3,383.9	349.3	12,678.2	16,356.6
Comprehensive financing result.....	(1,769.1)	(2,999.4)	1,001.6	760.7	(3,006.2)
Other income (expense), net.....	5,160.2	(489.1)	3,270.5	(13,075.4)	(5,133.8)
Income tax.....	790.2	376.8	(1,173.6)	(1,191.6)	(1,198.2)
Equity in income of affiliates.....	2,940.9	3,393.0	193.0	(6,136.1)	390.8
Consolidated net income.....	7,067.4	3,665.2	3,640.8	(6,964.2)	7,409.2
Minority interest.....	-	-	20.6	321.2	341.8
Majority net income..... Ps	7,067.4	3,665.2	3,620.2	(7,285.4)	7,067.4

F-62

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Condensed consolidated statements of changes in financial position:

For the year ended December 31, 2001	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Operating activities:					
Majority net income..... Ps	13,026.6	8,492.0	9,603.4	(18,095.4)	13,026.6
Non-cash items.....	(11,598.8)	(1,804.5)	3,194.8	21,029.9	10,821.4
Resources provided by operations.....	1,427.8	6,687.5	12,798.2	2,934.5	23,848.0
Net change in working capital.....	(7,894.8)	6,186.0	2,298.7	1,666.8	2,256.7
Resources provided by operations, net.....	(6,467.0)	12,873.5	15,096.9	4,601.3	26,104.7
Financing activities:					
Bank loans and notes payable, net.....	1,871.4	(58.1)	(15,653.3)	8,606.0	(5,234.0)
Dividends paid.....	(3,369.1)	-	9,080.3	(9,080.3)	(3,369.1)
Issuance of common stock.....	3,130.7	-	-	-	3,130.7
Issuance of preferred stock by subsidiaries.....	-	-	(7,038.1)	(238.0)	(7,276.1)
Others.....	382.5	49,084.2	(9,395.4)	(42,961.5)	(2,890.2)
Resources used in financing activities.....	2,015.5	49,026.1	(23,006.5)	(43,673.8)	(15,638.7)
Investing activities:					
Property, machinery and equipment, net.....	-	(805.5)	(4,331.4)	296.8	(4,840.1)
Acquisitions, net of cash acquired.....	42,638.3	(62,623.4)	(22,801.0)	40,561.8	(2,224.3)
Dividends received.....	-	-	-	-	-
Minority interest.....	-	-	(102.6)	(10.3)	(112.9)
Deferred charges and others.....	(38,079.8)	723.6	34,699.7	566.8	(2,089.7)
Resources used in investing activities.....	4,558.5	(62,705.3)	7,464.7	41,415.1	(9,267.0)
Change in cash and investments.....	107.0	(805.7)	(444.9)	2,342.6	1,199.0
Cash and investments initial balance.....	62.8	1,899.1	2,814.6	(1,237.6)	3,538.9

Cash and investments ending balance.....	Ps	169.8	1,093.4	2,369.7	1,105.0	4,737.9
--	----	-------	---------	---------	---------	---------

F-63

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

For the year ended December 31, 2002	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated	
Operating activities:						
Majority net income.....	Ps	5,966.9	(3,276.9)	6,769.6	(3,492.7)	5,966.9
Non-cash items.....		(6,206.7)	1,422.9	20,479.4	(6,970.4)	8,725.2
Resources provided by operations.....		(239.8)	(1,854.0)	27,249.0	(10,463.1)	14,692.1
Net change in working capital.....		1,132.1	5,227.2	(28,178.2)	26,207.0	4,388.1
Resources provided by operations, net.....		892.3	3,373.2	(929.2)	15,743.9	19,080.2
Financing activities:						
Bank loans and notes payable, net.....		7,582.0	66.3	(5,264.3)	151.8	2,535.8
Dividends paid.....		(3,750.1)	(2,255.5)	2.5	2,253.0	(3,750.1)
Issuance of common stock.....		3,279.6	-	15,063.3	(15,063.3)	3,279.6
Issuance of preferred stock by subsidiaries...		-	-	(4,631.2)	-	(4,631.2)
Others.....		361.0	(178.4)	56,322.5	(53,527.2)	2,977.9
Resources used in financing activities.....		7,472.5	(2,367.6)	61,492.8	(66,185.7)	412.0
Investing activities:						
Property, machinery and equipment, net.....		-	(1,104.8)	(2,888.1)	(254.5)	(4,247.4)
Acquisitions, net of cash acquired.....		(65,643.7)	11,990.0	584.2	50,047.2	(3,022.3)
Dividends received.....		2,396.6	-	-	(2,396.6)	-
Minority interest.....		-	-	(3,270.4)	-	(3,270.4)
Deferred charges and others.....		55,094.8	(11,076.0)	(54,093.3)	526.5	(9,548.0)
Resources used in investing activities.....		(8,152.3)	(190.8)	(59,667.6)	47,922.6	(20,088.1)
Change in cash and investments.....		212.5	814.8	896.0	(2,519.2)	(595.9)
Cash and investments initial balance.....		169.8	1,093.4	2,369.7	1,105.0	4,737.9
Cash and investments ending balance.....	Ps	382.3	1,908.2	3,265.7	(1,414.2)	4,142.0

F-64

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

For the year ended December 31, 2003	CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated	
Operating activities:						
Majority net income.....	Ps	7,067.4	3,665.2	3,620.2	(7,285.4)	7,067.4
Non-cash items.....		(2,068.5)	(1,291.9)	20,020.4	(6,232.5)	10,427.5
Resources provided by operations.....		4,998.9	2,373.3	23,640.6	(13,517.9)	17,494.9
Net change in working capital.....		18,112.7	13,871.6	(41,470.6)	9,595.0	108.7
Resources provided by operations, net.....		23,111.6	16,244.9	(17,830.0)	(3,922.9)	17,603.6
Financing activities:						
Bank loans and notes payable, net.....		(11,601.9)	(221.0)	9,979.2	(0.1)	(1,843.8)
Dividends paid.....		(3,963.0)	(5,641.0)	139.7	5,501.3	(3,963.0)
Issuance of common stock.....		3,743.0	-	-	-	3,743.0
Issuance of preferred stock by subsidiaries...		-	-	(7,343.3)	-	(7,343.3)
Others.....		746.8	(8,390.9)	2,719.5	8,812.4	3,887.8
Resources used in financing activities.....		(11,075.1)	(14,252.9)	5,495.1	14,313.6	(5,519.3)
Investing activities:						
Property, machinery and equipment, net.....		-	(952.2)	(3,317.5)	-	(4,269.7)
Acquisitions, net of cash acquired.....		(7,007.2)	(1,989.9)	12,786.5	(4,705.7)	(916.3)
Dividends received.....		5,501.3	-	-	(5,501.3)	-
Minority interest.....		-	-	(859.7)	-	(859.7)
Deferred charges and others.....		(10,804.3)	631.2	6,647.7	(3,380.1)	(6,905.5)
Resources used in investing activities.....		(12,310.2)	(2,310.9)	15,257.0	(13,587.1)	(12,951.2)
Change in cash and investments.....		(273.7)	(318.9)	2,922.1	(3,196.4)	(866.9)
Cash and investments initial balance.....		382.3	1,908.2	3,265.7	(1,414.2)	4,142.0
Cash and investments ending balance.....	Ps	108.6	1,589.3	6,187.8	(4,610.6)	3,275.1

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican pesos as of December 31, 2003)

The tables below present consolidated balance sheets as of December 31, 2002 and 2003, and income statements and statements of changes in financial position for each of the three-year periods ended December 31, 2003 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, 2002	Guarantors (Parent Company-only)			
	Assets	CEMEX Mexico	ETM	Adjustments and eliminations
Current Assets				
Cash and investments..... Ps	1,293.3	614.4	0.5	1,908.2
Trade accounts receivable, net.....	342.0	-	-	342.0
Other receivables and other current assets.....	878.4	919.0	(51.6)	1,745.8
Related parties receivables.....	3,030.9	4,762.5	(2,889.3)	4,904.1
Inventories.....	1,598.0	-	-	1,598.0
Total current assets.....	7,142.6	6,295.9	(2,940.4)	10,498.1
Other Investments				
Investments in subsidiaries and affiliates.....	103,746.0	15,244.3	(39,726.7)	79,263.6
Long-term related parties receivables.....	301.1	14,088.4	(14,088.4)	301.1
Other investments.....	209.6	-	-	209.6
Total other investments.....	104,256.7	29,332.7	(53,815.1)	79,774.3
Property, plant and equipment.....	28,603.4	-	-	28,603.4
Deferred Charges.....	2,118.7	4,230.2	(88.0)	6,260.9
Total Assets..... Ps	142,121.4	39,858.8	(56,843.5)	125,136.7
Liabilities and Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt..... Ps	261.5	-	-	261.5
Trade accounts payable.....	406.8	-	-	406.8
Other accounts payable and accrued expenses.....	1,255.1	78.7	(51.2)	1,282.6
Related parties payables.....	10,008.8	-	(2,889.3)	7,119.5
Total current liabilities.....	11,932.2	78.7	(2,940.5)	9,070.4
Total long-term debt.....	6.5	-	-	6.5
Other Noncurrent Liabilities				
Deferred income taxes.....	7,782.6	-	(88.1)	7,694.5
Others.....	-	53.5	-	53.5
Long-term related parties payables.....	57,796.5	-	(14,088.3)	43,708.2
Total other noncurrent liabilities.....	65,579.1	53.5	(14,176.4)	51,456.2
Total Liabilities.....	77,517.8	132.2	(17,116.9)	60,533.1
Stockholders' equity.....	67,880.5	41,043.4	(41,043.4)	67,880.5
Net income.....	(3,276.9)	(1,316.8)	1,316.8	(3,276.9)
Total stockholders' equity.....	64,603.6	39,726.6	(39,726.6)	64,603.6
Total Liabilities and Stockholders' Equity..... Ps	142,121.4	39,858.8	(56,843.5)	125,136.7

December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Guarantors' Combined Balance Sheets:

December 31, 2003	Guarantors (Parent Company-only)				
	Assets	CEMEX Mexico	ETM	Adjustments	Combined guarantors
and eliminations					
Current Assets					
Cash and investments.....	Ps	767.9	821.1	0.3	1,589.3
Trade accounts receivable, net.....		264.1	-	-	264.1
Other receivables and other current assets.....		841.8	101.6	(112.5)	830.9
Related parties receivables.....		2,028.3	4,498.2	(4,363.8)	2,162.7
Inventories.....		1,259.7	-	-	1,259.7
Total current assets.....		5,161.8	5,420.9	(4,476.0)	6,160.7
Other Investments					
Investments in subsidiaries and affiliates.....		111,494.0	15,720.8	(34,513.1)	92,701.7
Long-term related parties receivables.....		241.6	9,331	(9,331.0)	241.6
Other investments.....		222.2	-	-	222.2
Total other investments.....		111,957.8	25,051.8	(43,844.1)	93,165.5
Property, plant and equipment.....		29,817.8	-	-	29,817.8
Deferred Charges.....		1,550.3	4,130.8	(16.3)	5,664.8
Total Assets.....	Ps	148,487.7	34,603.5	(48,336.4)	134,754.8
Liabilities and Stockholders' Equity					
Current Liabilities					
Current maturities of long-term debt.....		6.8	-	-	6.8
Trade accounts payable.....		607.6	-	-	607.6
Other accounts payable and accrued expenses.....		1,252.1	5.2	(112.0)	1,145.3
Related parties payables.....		16,877.8	-	(4,363.8)	12,514.0
Total current liabilities.....		18,744.3	5.2	(4,475.8)	14,273.7
Total long-term debt.....		8.4	-	-	8.4
Other Noncurrent Liabilities					
Deferred income taxes.....		7,901.3	-	(16.5)	7,884.8
Others.....		96.9	85.2	-	182.1
Long-term related parties payables.....		49,062.2	-	(9,331.0)	39,731.2
Total other noncurrent liabilities.....		57,060.4	85.2	(9,347.5)	47,798.1
Total Liabilities.....		75,813.1	90.4	(13,823.3)	62,080.2
Stockholders' equity.....		69,009.4	33,575.0	(33,575.0)	69,009.4
Net income.....		3,665.2	938.1	(938.1)	3,665.2
Total stockholders' equity.....		72,674.6	34,513.1	(34,513.1)	72,674.6
Total Liabilities and Stockholders' Equity....	Ps	148,487.7	34,603.5	(48,336.4)	134,754.8

F-67

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Guarantors' Combined Income Statements:

For the year ended December 31, 2001	Guarantors (Parent Company-only)				
	CEMEX Mexico	ETM	Adjustments	Combined guarantors	
and eliminations					
Net sales.....	Ps	22,711.2	-	-	22,711.2
Cost of sales.....		(7,601.0)	-	-	(7,601.0)
Gross profit.....		15,110.2	-	-	15,110.2
Total operating expenses.....		(13,483.7)	(2.2)	-	(13,485.9)
Operating income.....		1,626.5	(2.2)	-	1,624.3
Net comprehensive financing result.....		752.8	705.0	-	1,457.8

Other income (expense), net.....	2,145.0	(60.9)	0.1	2,084.2
Income before IT, BAT, ESPS and equity in affiliates.....	4,524.3	641.9	0.1	5,166.3
Total IT, BAT and ESPS.....	771.9	(165.6)	-	606.3
Income before equity in income of affiliates.....	5,296.2	476.3	0.1	5,772.6
Equity in income of affiliates.....	3,195.8	1,160.2	(1,636.6)	2,719.4
Net income..... Ps	8,492.0	1,636.5	(1,636.5)	8,492.0

Guarantors (Parent Company-only)

For the year ended December 31, 2002	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales..... Ps	22,595.2	-	-	22,595.2
Cost of sales.....	(7,757.3)	-	-	(7,757.3)
Gross profit.....	14,837.9	-	-	14,837.9
Total operating expenses.....	(11,503.7)	(0.2)	-	(11,503.9)
Operating income.....	3,334.2	(0.2)	-	3,334.0
Net comprehensive financing result.....	(6,094.2)	(535.9)	0.1	(6,630.0)
Other income (expense), net.....	(334.2)	(6.9)	(0.1)	(341.2)
Income before IT, BAT, ESPS and equity in affiliates.....	(3,094.2)	(543.0)	-	(3,637.2)
Total IT, BAT and ESPS.....	(550.9)	(746.6)	-	(1,297.5)
Income before equity in income of affiliates.....	(3,645.1)	(1,289.6)	-	(4,934.7)
Equity in income of affiliates.....	368.2	(27.2)	1,316.8	1,657.8
Net income..... Ps	(3,276.9)	(1,316.8)	1,316.8	(3,276.9)

Guarantors (Parent Company-only)

For the year ended December 31, 2003	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales..... Ps	24,408.5	-	-	24,408.5
Cost of sales.....	(8,768.2)	-	-	(8,768.2)
Gross profit.....	15,640.3	-	-	15,640.3
Total operating expenses.....	(12,256.0)	(0.4)	-	(12,256.4)
Operating income.....	3,384.3	(0.4)	-	3,383.9
Net comprehensive financing result.....	(4,079.1)	1,079.7	-	(2,999.4)
Other income (expense), net.....	(467.6)	(21.5)	-	(489.1)
Income before IT, BAT, ESPS and equity in affiliates.....	(1,162.4)	1,057.8	-	(104.6)
Total IT, BAT and ESPS.....	448.5	(71.7)	-	376.8
Income before equity in income of affiliates.....	(713.9)	986.1	-	272.2
Equity in income of affiliates.....	4,379.1	(48.0)	(938.1)	3,393.0
Net income..... Ps	3,665.2	938.1	(938.1)	3,665.2

F-68

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Guarantors' Combined Statements of Changes in Financial Position:

Guarantors (Parent Company-only)

For the year ended December 31, 2001	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income..... Ps	8,492.0	1,636.5	(1,636.5)	8,492.0
Charges to operations which did not require resources.....	(2,479.4)	(975.7)	1,650.6	(1,804.5)
Resources provided by operating activities.....	6,012.6	660.8	14.1	6,687.5
Net change in working capital.....	17,242.8	(11,098.4)	41.6	6,186.0
Net resources provided by operating activities.....	23,255.4	(10,437.6)	55.7	12,873.5
Financing activities				
Bank loans and notes payable, net.....	(58.1)	41.5	(41.5)	(58.1)
Long-term related parties receivables and payables, net.....	40,847.7	8,384.8	-	49,232.5
Other noncurrent assets and liabilities, net.....	(148.3)	(114.6)	114.6	(148.3)
Resources used in financing activities.....	40,641.3	8,311.7	73.1	49,026.1
Investing activities				
Property, plant and equipment, net.....	(805.5)	-	-	(805.5)
Investments in subsidiaries and affiliates.....	(62,583.3)	74.5	(114.6)	(62,623.4)

Deferred charges.....	(451.5)	24.2	(13.9)	(441.2)
Other investments.....	(161.4)	1,326.2	-	1,164.8
Resources used in investing activities.....	(64,001.7)	1,424.9	(128.5)	(62,705.3)
Change in cash and investments.....	(105.0)	(701.0)	0.3	(805.7)
Cash and investments initial balance.....	522.3	1,376.6	0.2	1,899.1
Cash and investments ending balance..... Ps	417.3	675.6	0.5	1,093.4

Guarantors (Parent Company-only)

For the year ended December 31, 2002	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income..... Ps	(3,276.9)	(1,316.8)	1,316.8	(3,276.9)
Charges to operations which did not require resources....	1,611.8	1,127.9	(1,316.8)	1,422.9
Resources provided by operating activities.....	(1,665.1)	(188.9)	-	(1,854.0)
Net change in working capital.....	4,801.6	(26.2)	451.8	5,227.2
Net resources provided by operating activities.....	3,136.5	(215.1)	451.8	3,373.2
Financing activities				
Bank loans and notes payable, net.....	12.8	53.5	-	66.3
Dividends.....	(2,255.5)	-	-	(2,255.5)
Long-term related parties receivables and payables, net...	(53,630.5)	-	-	(53,630.5)
Other noncurrent assets and liabilities, net.....	53,452.1	-	-	53,452.1
Resources used in financing activities.....	(2,421.1)	53.5	-	(2,367.6)
Investing activities				
Property, plant and equipment, net.....	(1,104.8)	-	-	(1,104.8)
Investments in subsidiaries and affiliates.....	(10,774.3)	(23.2)	64.6	(10,732.9)
Deferred charges.....	(220.7)	(17.6)	(104.8)	(343.1)
Other investments.....	12,260.4	141.2	(411.6)	11,990.0
Resources used in investing activities.....	160.6	100.4	(451.8)	(190.8)
Change in cash and investments.....	876.0	(61.2)	-	814.8
Cash and investments initial balance.....	417.3	675.6	0.5	1,093.4
Cash and investments ending balance..... Ps	1,293.3	614.4	0.5	1,908.2

F-69

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

Guarantors' Combined Statements of Changes in Financial Position:

For the year ended December 31, 2003	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities				
Net income..... Ps	3,665.2	938.1	(938.1)	3,665.2
Charges to operations which did not require resources....	(3,124.0)	894.0	938.1	(1,291.9)
Resources provided by operating activities.....	541.2	1,832.1	-	2,373.3
Net change in working capital.....	38,376.8	1,055.8	(25,561.0)	13,871.6
Net resources provided by operating activities.....	38,918.0	2,887.9	(25,561.0)	16,244.9
Financing activities				
Bank loans and notes payable, net.....	(252.8)	31.8	-	(221.0)
Dividends.....	(5,641.0)	-	-	(5,641.0)
Long-term related parties receivables and payables, net...	(38,743.3)	-	30,317.0	(8,426.3)
Other noncurrent assets and liabilities, net.....	35.4	(6,460.0)	6,460.0	35.4
Resources used in financing activities.....	(44,601.7)	(6,428.2)	36,777.0	(14,252.9)
Investing activities				
Property, plant and equipment, net.....	(952.2)	-	-	(952.2)
Investments in subsidiaries and affiliates.....	5,479.3	(1,009.0)	(6,460.2)	(1,989.9)
Deferred charges.....	602.2	-	-	602.2
Other investments.....	29.0	4,756.0	(4,756.0)	29.0
Resources used in investing activities.....	5,158.3	3,747.0	(11,216.2)	(2,310.9)
Change in cash and investments.....	(525.4)	206.7	(0.2)	(318.9)
Cash and investments initial balance.....	1,293.3	614.4	0.5	1,908.2
Cash and investments ending balance..... Ps	767.9	821.1	0.3	1,589.3

Guarantors' Combined Statements of Changes in Financial Position:

Guarantors--Cash and investments

At December 31, 2002 and 2003, ETM's temporary investments are primarily comprised of CEMEX CPOs. In June 2003, CEMEX issued 817,515 CPOs through dividends to ETM amounting to Ps30.6.

Guarantors--Trade receivables

During December 2002, CEMEX Mexico and one of its subsidiaries established sales of trade accounts receivables 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, 2002 and 2003, these balances amounted to Ps1,481.2 and Ps1,618.0 from CEMEX Mexico, respectively, and Ps754.9 and Ps862.9 from its subsidiary, respectively.

Guarantors--Investment in affiliates

At December 31, 2002 and 2003, of the Guarantors' total investment in affiliates, which are accounted for under the equity method, Ps79,058.3 and Ps92,472.2, respectively, correspond to investments in non-guarantors, and Ps205.3 in 2002 and Ps229.5 in 2003, are related to minority investments in third parties.

At December 31, 2003, 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.

The investment in affiliates includes an effect of Ps647.5 corresponding to the cumulative effect of accounting change; see notes 23(k), with respect to asset retirement obligations, and 23(m) with respect to equity forward contracts.

F-70

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
 December 31, 2001, 2002 and 2003
 (Millions of constant Mexican pesos as of December 31, 2003)

Guarantors--Indebtedness

At December 31, 2002 and 2003, the Guarantors had total indebtedness of U.S.\$24.9 million (Ps268.0) and U.S.\$1.3 million (Ps15.2), respectively. At December 31, 2003, the average interest rate of this indebtedness was approximately 7.8%. Of the total indebtedness of the Guarantors at December 31, 2003, approximately U.S.\$0.6 million (Ps6.8) matures in 2004 and U.S.\$0.7 million (Ps8.4) matures in 2005 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 At December 31, 2002	Assets		Liabilities	
	Short-Term	Long-Term	Short-Term	Long-Term
CEMEX, S.A. de C.V.....	Ps 1,873.0	-	-	34,244.5
CEMEX Central, S.A. de C.V.....	940.6	-	-	-
CEMEX Concretos, S.A. de C.V.....	489.2	-	-	-
Impra Cafe, S.A. de C.V.....	389.3	-	-	-
Proveedora Mexicana de Materiales, S.A. de C.V.....	234.0	-	-	-
Servicio CEMEX Mexico, S.A. de C.V.....	226.3	-	-	-
Poveedora de Fibras Textiles, S.A. de C.V.....	183.6	-	-	-
Inversora en Cales, S.A. de C.V.....	178.0	-	-	-
Carbonifera San Patricio, S.A. de C.V.....	82.5	-	-	-
Inmobiliaria Rio la Silla, S.A. de C.V.....	72.1	301.1	-	-
Aviacion Comercial de America, S.A. de C.V.....	35.8	-	-	-
Centro Distribuidor de Cemento, S.A. de C.V.....	-	-	-	6,607.3
CEMEX International Finance Company.....	-	-	4,843.0	-
Petrocemex, S.A. de C.V.....	-	-	708.4	2,856.4
CEMEX Internacional, S.A. de C.V.....	-	-	608.0	-
Turismo CEMEX, S.A. de C.V.....	-	-	265.3	-
Neoris de Mexico, S.A. de C.V.....	-	-	223.5	-
Mexcement Holdings S.A. de C.V.....	-	-	113.2	-
Others.....	199.7	-	358.1	-
	Ps 4,904.1	301.1	7,119.5	43,708.2

Guarantors At December 31, 2003	Assets		Liabilities	
	Short-Term	Long-Term	Short-Term	Long-Term
CEMEX, S.A. de C.V.....	Ps 134.1	-	-	30,620.1
CEMEX Central, S.A. de C.V.....	667.5	-	-	-
CEMEX Concretos, S.A. de C.V.....	244.7	-	-	-
Impra Cafe, S.A. de C.V.....	476.4	-	-	-

CEMEX Trademarks Worldwide.....	-	-	4,860.3	-
Servicios CEMEX Mexico, S.A. de C.V.	258.8	-	-	-
Povedora de Fibras Textiles, S.A. de C.V.	-	-	58.0	-
Inmobiliaria Rio la Silla, S.A. de C.V.....	-	241.6	-	-
Centro Distribuidor de Cemento, S.A. de C.V.	-	-	-	6,361.1
CEMEX International Finance Company.....	-	-	3,906.1	-
Petrocemex, S.A. de C.V.....	-	-	1,124.9	2,750.0
CEMEX Internacional, S.A. de C.V.....	-	-	608.4	-
Turismo CEMEX, S.A. de C.V.....	-	-	255.2	-
Others.....	381.2	-	1,701.1	-
	Ps	2,162.7	241.6	12,514.0
				39,731.2

F-71

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

The principal transactions carried out with affiliated companies are as follows:

Guarantors	Years ended December 31,		
	2001	2002	2003
Net sales.....	Ps 3,692.7	3,493.4	3,615.3
Purchases.....	(559.9)	(1,024.0)	(1,309.9)
Selling and administrative expenses	(9,515.8)	(7,475.7)	(8,172.7)
Financial expense.....	(6,188.3)	(4,440.8)	(4,709.3)
Financial income	1,113.7	599.2	341.7
Other expense, net	Ps (72.6)	(58.8)	280.2

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 on 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 23, 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,		
	2001	2002	2003
Net income reported under Mexican GAAP.....	Ps 8,492.0	(3,276.9)	3,665.2
Approximate U.S. GAAP adjustments:			
1. Amortization of pushdown goodwill (see note A).....	(198.4)	-	-
2. Deferred income taxes and ESPS (see note B).....	(1,264.9)	2,008.8	(8.0)
3. Other employees' benefits (see note C).....	(5.0)	(14.0)	34.6
4. Inflation adjustment of machinery and equipment (see note D) ..	(249.4)	(190.1)	(116.8)
5. Other U.S. GAAP adjustments (see note E).....	(1,287.5)	314.7	(167.1)
6. Monetary position result (see note F).....	231.5	513.4	112.3
Total approximate U.S. GAAP adjustments.....	(2,773.7)	2,632.8	(145.0)
Total approximate net income under U.S. GAAP.....	Ps 5,718.3	(644.1)	3,520.2

		At December 31,	
		2002	2003
Total stockholders' equity under Mexican GAAP.....	Ps	64,603.6	72,674.6
Approximate U.S. GAAP adjustments:			
1. Effect of pushdown of goodwill, net (see note A).....		2,018.3	2,029.8
2. Deferred income taxes and ESPS (see note B).....		(2,281.3)	(3,270.9)
3. Other employees' benefits (see note C).....		(171.1)	(100.1)
4. Inflation adjustment for machinery and equipment (see note D).....		4,088.1	2,162.9
5. Other U.S. GAAP adjustments (see note E).....		(6,398.8)	551.3
Total approximate U.S. GAAP adjustments.....		(2,744.8)	1,373.0
Total approximate stockholders' equity under U.S. GAAP.....	Ps	61,858.8	74,047.6

F-72

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

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 Ps7,255.9, of which Ps3,753.1, 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 Ps1,198.0 in 2002 and Ps1,209.6 in 2003.

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 Ps922.9. The net adjustment in the Guarantors stockholders' equity reconciliation to U.S. GAAP arising from this pushed-down goodwill was Ps820.3 in 2002 and Ps820.2 in 2003.

Amortization expense related to these pushed-down goodwill amounts was recognized for purposes of the net income reconciliation to U.S. GAAP through 2001. As mentioned in note 23(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, 2002 and 2003, represented income of Ps514.7 and expense of Ps680.7, respectively. In addition, deferred ESPS adjustment to U.S. GAAP was an expense of Ps2,796.0 in 2002 and an expense of Ps2,590.2 in 2003.

C. Other employees' benefits

The Guarantors do not accrue for severance payments and until December 31, 2002, did not accrue for vacation expense. These items are recognized when retirements occur or when vacation was taken. Beginning January 1, 2003, in accordance with new Mexican GAAP pronouncements, the Guarantors began to accrue for vacation expense on the basis of services rendered. As a result, at December 31, 2002, for purposes of the U.S. GAAP reconciliation, a vacation liability was determined in an amount of Ps30.6, which was cancelled at December 31, 2003. In addition, the Guarantors recognized, for purposes of the U.S. GAAP reconciliation, a liability for severance benefits for Ps140.5 in 2002 and Ps100.1 in 2003.

D. Inflation Adjustment of Machinery and Equipment

As previously mentioned in note 23(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

Deferred charges--For U.S. GAAP purposes, other deferred charges net of accumulated amortization that did not qualify for deferral under U.S. GAAP have been charged to expense, with a net effect in the net income reconciliation to U.S. GAAP of expense of Ps27.3 and of Ps279.3 for the years ended December 31, 2001 and 2002, respectively. The net effect in the stockholders' equity reconciliation to U.S. GAAP was expenses of Ps513.6 in 2002, from the partial reversal of the adjustment. Mexican GAAP allowed the deferral of these expenses. This effect has been cancelled in stockholders' equity because the intangible assets were sold to Cemex Trademark Worldwide (CTW), an affiliated company, for a total amount of Ps494.5 in February 2003.

F-73

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican pesos as of December 31, 2003)

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, 2002 and 2003 was expense of Ps5,885.2 and income of Ps551.3, respectively. The effect in the net income reconciliation to U.S. GAAP was expense of Ps1,260.2, income of Ps594.0 and expense of Ps167.1 in 2001, 2002 and 2003, respectively. From the U.S. GAAP adjustments to subsidiary companies in the Guarantors' reconciliation of stockholders' equity, expense of Ps2,281.3 in 2002 and expense of Ps3,270.9 in 2003, 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, 2001, 2002 and 2003, 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,		
2001	2002	2003

Net cash provided by operating activities..... Ps	(2,336.9)	2,001.4	6,969.9
Net cash provided by (used in) financing activities.....	(25.4)	2,418.5	(5,886.0)
Net cash used in investing activities.....	2,287.0	(3,555.4)	(1,561.2)

Net cash flow from operating activities reflects cash payments for interests and income taxes as follows:

	Years ended December 31,		
	2001	2002	2003
Interest paid..... Ps	20.5	263.5	149.7
Income taxes paid.....	-	-	-

Guarantors' non-cash activities are comprised of the following:

During 2001, the Guarantors acquired, from CEMEX, an equity interest in CEDICE for an amount of Ps37,466.4, which was credited against an account payable owed by CEMEX to the Guarantors at the end of such year.

Dividends declared to CEMEX amounting to Ps2,171.5 in 2002 and Ps6,460.0 in 2003 were recognized by the Guarantors as accounts payable to CEMEX as of December 31, 2002 and 2003, respectively.

Contingent liabilities of the Guarantors

As of December 31, 2002 and 2003, CEMEX Mexico and ETM guaranteed debt of CEMEX in the amount of U.S.\$2,339 million and U.S.\$3,145 million (see note 11C).

F-74

INDEPENDENT AUDITORS' REPORT ON SCHEDULES

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

Under the date of January 15, 2004, we reported on the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2002 and 2003, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2001, 2002 and 2003, 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

Leandro Castillo Parada

Monterrey, N.L. Mexico
January 15, 2004

SCHEDULE I

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)
Balance Sheets

(Millions of constant Mexican Pesos as of December 31, 2003)

Assets	December 31,	
	2002	2003
Current Assets		
Cash and investments.....	Ps 382.3	108.6
Other receivables (note 3).....	1,123.9	712.1
Related parties receivables (note 7).....	20,147.9	895.4
Total current assets.....	21,654.1	1,716.1
Investments and Noncurrent Receivables		
Investments in subsidiaries and affiliated companies (note 4)	83,290.4	84,843.5
Other investments.....	84.7	71.7
Other noncurrent accounts receivable.....	511.7	940.9
Long-term related parties receivables (note 7).....	17,147.0	34,436.5
Total investments and noncurrent receivables.....	101,033.8	120,292.6
Land and Buildings.....	1,754.7	1,738.5
Deferred Charges (note 5).....	6,245.1	5,300.2
Total Assets.....	Ps 130,687.7	129,047.4
Liabilities and Stockholders' Equity		
Current Liabilities		
Bank loans (note 6).....	Ps 6,976.9	730.6
Notes payable (note 6).....	3,187.9	1,889.9
Current maturities of long-term debt (note 6).....	5,625.0	705.0
Other accounts payable and accrued expenses	2,963.3	2,816.8
Related parties payable (note 7).....	6,083.0	4,677.9
Total current liabilities.....	24,836.1	10,820.2
Long-Term Debt (notes 6 and 7)		
Long-Term Debt.....	21,337.9	22,200.1
Long-term related parties payables.....	17,183.9	24,146.1
Total long-term debt.....	38,521.8	46,346.2
Other long-term liabilities.....	1,449.0	1,808.8
Total Liabilities.....	64,806.9	58,975.2
Stockholders' Equity.....	65,880.8	70,072.2
Total Liabilities and Stockholders' Equity.....	Ps 130,687.7	129,047.4

See accompanying notes to financial statements.

SCHEDULE I (continued)

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)
Statements of Income

(Millions of constant Mexican Pesos as of December 31, 2003,

except for earnings per share)

	Years ended December 31,		
	2001	2002	2003
Total revenues	13,828.0	5,560.4	3,733.4
Administrative expenses.....	(90.1)	(110.4)	(54.8)
Operating income.....	13,737.9	5,450.0	3,678.6
Net comprehensive financing result.....	33.9	(1,427.1)	(1,769.1)
Other income (expense), net.....	(2,134.3)	(350.4)	4,367.7
Income before income taxes.....	11,637.5	3,672.5	6,277.2
Income tax benefit and business assets tax, net (note 8).....	1,389.1	2,294.4	790.2
Net income.....Ps	13,026.6	5,966.9	7,067.4
Basic earnings per share.....Ps	3.05	1.33	1.49
Diluted earnings per share.....Ps	3.03	1.33	1.46

See accompanying notes to financial statements.

S-3

SCHEDULE I (continued)

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)
Statements of Changes in Financial Position

(Millions of constant Mexican Pesos as of December 31, 2003)

	Years ended December 31,		
	2001	2002	2003
Operating activities			
Net income.....	Ps 13,026.6	5,966.9	7,067.4
Charges to operations which did not require resources (note 9).....	(11,598.8)	(6,206.7)	(2,068.5)
Resources (used in) provided by operating activities.....	1,427.8	(239.8)	4,998.9
Net change in working capital.....	(7,894.8)	1,132.1	18,112.7
Net resources provided by (used in) operating activities.....	(6,467.0)	892.3	23,111.6
Financing activities			
Proceeds from bank loans (repayments), net.....	7,070.0	3,343.2	(9,394.6)
Notes payable.....	(5,198.6)	4,238.8	(2,207.3)
Dividends paid.....	(3,369.1)	(3,750.1)	(3,963.0)
Issuance of common stock from reinvestment of dividends.....	3,015.3	3,203.8	3,700.0
Issuance of common stock under stock option plan.....	115.4	75.8	43.0
Acquisition of shares under repurchase program.....	(245.6)	(400.6)	387.0
Other financing activities, net.....	628.1		
Resources provided by financing activities.....	2,015.5	7,472.5	(11,075.1)
Investing activities			
Long-term related parties receivables, net.....	(38,601.4)	55,069.4	(10,327.3)
Net change in investment in subsidiaries.....	42,638.3	(65,643.7)	(7,007.2)
Dividends received.....	-	2,396.6	5,501.3
Deferred charges.....	1,156.5	(97.8)	(47.5)
Other noncurrent accounts receivable.....	(634.9)	123.2	(429.5)
Resources (used in) provided by investing activities.....	4,558.5	(8,152.3)	(12,310.2)
Increase (decrease) in cash and investments.....	107.0	212.5	(273.7)
Cash and investments at beginning of year.....	62.8	169.8	382.3
Cash and investments at end of year..... Ps	169.8	382.3	108.6

See accompanying notes to financial statements.

S-4

SCHEDULE I (continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

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 and ready-mix concrete.

2. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND DISCLOSURE

These financial statements have been prepared in accordance with Generally Accepted Accounting Principles in Mexico ("Mexican GAAP"), which include the recognition of the effects of inflation on the financial information.

B) PRESENTATION OF COMPARATIVE FINANCIAL STATEMENTS

The restatement factors for the Parent Company's financial statements of prior periods were calculated using Mexican inflation.

	2001 to 2002	2002 to 2003
Restatement factor using Mexican inflation.....	1.0559	1.0387

C) CASH AND INVESTMENTS

Investments include fixed-income securities with original maturities of three months or less, as well as marketable securities easily convertible into cash. Investments in fixed-income securities are recorded at cost plus accrued interest. Investments in marketable securities are recorded at market value. Results from changes in market values, accrued interest and the effects of inflation are included in earnings as part of the Comprehensive Financing Result.

D) INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

Investments in common stock representing between 10% and 100% of the issuer's common stock are accounted for by the equity method. Under the equity method, after acquisition, the investments original cost are adjusted for the proportional interest of the holding company in the affiliates equity and earnings, considering the inflation effects.

E) LAND AND BUILDINGS

Land and buildings are presented at their restated values using the Mexican inflation index. Depreciation of buildings is provided on the straight-line method over the estimated useful lives of the assets. The useful lives of administrative buildings are approximately 50 years.

F) INTANGIBLE ASSETS, DEFERRED CHARGES AND AMORTIZATION (note 5)

Effective January 1, 2003, 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 on such benefits is demonstrated. Other expenditures are charged to earnings as incurred. Intangible assets are presented at their restated value and are classified as of definite life, which are amortized over the benefited periods, and as of indefinite life, which are not amortized since it cannot be accurately established the period in which the benefits associated with such intangibles will terminate. Amortization of intangible assets, except for goodwill, is calculated under the straight-line method.

Intangible assets acquired in a business combination are separately accounted for at fair value at the acquisition date, unless such value cannot be reasonably estimated, in which case, are included as part of goodwill, an intangible asset of indefinite life, which is nevertheless amortized. The Company amortizes goodwill under the present worth or sinking fund method, which is intended to provide a better matching of goodwill amortization with the revenues generated from the acquired companies. Goodwill generated before 1992 is amortized in a maximum of 40 years, while such generated from 1992 to date, is amortized in a maximum period of 20 years. Deferred charges previously recognized under former Bulletin C-8 will continue to be amortized in their original period. Intangible assets are subject to periodic impairment evaluations. The adoption of new Bulletin C-8 only implied grouping intangible assets in the categories indicated above.

S-5

SCHEDULE I (continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

Direct costs incurred in debt issuances are capitalized and amortized as part of the effective interest rate of each transaction over its maturity. These costs include discounts on debt issuance, bank fees, fees paid to attorneys, agents, printers and consultants.

G) 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 Mexican inflation rate on the Company's net monetary position.

H) DEFICIT IN EQUITY RESTATEMENT

The deficit in equity restatement includes the accumulated effect from holding non-monetary assets as well as the foreign currency translation effects from foreign subsidiaries' financial statements.

I) CONTINGENCIES AND COMMITMENTS

Obligations or material losses, related to contingencies and commitments, are recognized when present obligations exist, as a result of past events, it is probable that the effects will materialize and there are reasonable elements for quantification. If there are no reasonable elements for quantification, a qualitative disclosure is included in the notes to the financial statements. The Company does not recognize contingent revenues, income or assets.

J) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the financial statements date and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from these estimates.

3. OTHER ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Other accounts receivable as of December 31, 2002 and 2003 consist of:

	2002	2003
	-----	-----
Non-trade receivables.....	Ps 163.4	282.9
Receivables from valuation of derivative instruments.....	-	110.0
Refundable income tax.....	675.4	8.0
Other refundable taxes.....	285.1	311.2
	-----	-----
	Ps 1,123.9	712.1
	-----	-----

Other accounts payable and accrued expenses as of December 31, 2002 and 2003 consist of:

	2002	2003
	-----	-----
Other accounts payable and accrued expenses.....	Ps 1,525.5	1,483.2
Interest payable.....	606.1	319.6
Tax payable.....	-	485.6
Dividends payable.....	4.2	4.9
Provisions.....	-	6.9
Accounts payable from valuation of derivative instruments.....	827.5	516.6
	-----	-----
	Ps 2,963.3	2,816.8
	-----	-----

S-6

SCHEDULE I (continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

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.

4. INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

As of December 31, 2002 and 2003, investments in subsidiaries and affiliated companies accounted for by the equity method, are summarized as follows:

	2002	2003
	-----	-----
Book value at acquisition date.....	Ps 66,259.1	64,076.5
Equity in income and other changes in stockholders' equity of subsidiaries and affiliated companies.....	17,031.3	20,767.0
	-----	-----
	Ps 83,290.4	84,843.5
	-----	-----

5. INTANGIBLE ASSETS AND DEFERRED CHARGES

At December 31, 2002 and 2003, intangible assets of indefinite life and deferred charges are summarized as follows:

	2002	2003
	-----	-----
Intangible of indefinite useful life:		
Goodwill.....	Ps 2,010.6	1,981.9

Accumulated amortization.....	(148.6)	(149.8)
	-----	-----
	1,862.0	1,832.1
	-----	-----
Deferred Charges:		
Deferred financing costs.....	761.8	384.7
Deferred income taxes (note 17B).....	3,709.7	3,023.9
Others.....	1,501.5	415.6
Accumulated amortization	(1,589.9)	(356.1)
	-----	-----
	4,383.1	3,468.1
	-----	-----
Ps	6,245.1	5,300.2
	-----	-----

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

A total of 95.6% and 69.9% of the Parent Company-only short-term debt is denominated in dollars in 2002 and 2003, respectively.

Of the Parent Company-only long-term debt, approximately 77.0% and 89.0% is denominated in dollars in 2002 and 2003, respectively; the remaining debt in 2002 is primarily denominated in Mexican pesos.

The maturities of long-term debt as of December 31, 2003 are as follows:

		Parent

2005.....		6,564.6
	Ps	
2006.....		5,364.0
2007.....		2,998.4
2008.....		3,473.3
2009 and thereafter.....		3,799.8

	Ps	22,200.1

In the Parent Company-only balance sheet at December 31, 2003, there were short-term debt transactions amounting to U.S.\$ 395 million (\$4,439.8), classified as long-term debt, due to the Company's ability and the intention to refinance such indebtedness with the available amounts of the committed long-term lines of credit.

S-7

SCHEDULE I (continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main balances receivable and payable with related parties as of December 31, 2002 and 2003 are:

Parent Company	2002			
	Assets		Liabilities	
	Short-Term	Long-Term	Short-Term	Long-Term
	-----	-----	-----	-----
CEMEX Mexico, S.A. de C.V.....	Ps 20,048.8	16,764.2	-	-
CEMEX International Finance Co.....	-	-	271.9	11,192.6
CEMEX Trademarks Worldwide Ltd.....	-	-	156.0	5,991.3
Empresas Tolteca de Mexico, S.A. de C.V.....	-	-	4,439.3	-
CEMEX Central, S.A. de C.V.	-	-	722.3	-
Assiut Cement Company.....	-	-	395.1	-
International Investors LLC.....	-	382.8	-	-
CEMEX Asia PTE. Ltd.....	-	-	73.9	-
Centro Distribuidor de Cemento, S.A. de C.V.	-	-	16.2	-

Sunbelt Trading, S.A. de C.V.	45.6	-	-	-
CEMEX Concretos, S.A. de C.V.	24.0	-	-	-
PT CEMEX Indonesia.....	14.2	-	-	-
Other.....	15.3	-	8.3	-
	-----	-----	-----	-----
Ps	20,147.9	17,147.0	6,083.0	17,183.9
	-----	-----	-----	-----

Parent Company

2003

	Assets		Liabilities	
	Short-Term	Long-Term	Short-Term	Long-Term
	-----	-----	-----	-----
CEMEX Mexico, S.A. de C.V.....Ps	745.5	34,236.9	-	-
CEMEX International Finance Co.....	-	-	39.6	20,119.2
Empresas Tolteca de Mexico, S.A. de C.V.....	-	-	4,496.4	-
CEMEX Irish Investment Company Limited.....	-	-	16.9	3,898.6
International Investors LLC.....	9.7	199.6	-	-
Centro Distribuidor de Cemento, S.A. de C.V.....	2.7	-	-	128.3
CEMEX Asia PTE. Ltd.....	-	-	118.6	-
CEMEX Manila Investments B. V.....	55.6	-	-	-
Sunbelt Trading, S.A.	47.6	-	-	-
CEMEX Venezuela S.A. de C.V.....	8.4	-	-	-
CEMEX Colombia S.A.....	6.7	-	-	-
Latin Asia Investments. Pte Ltd.....	5.6	-	-	-
Other.....	13.6	-	6.4	-
	-----	-----	-----	-----
Ps	895.4	34,436.5	4,677.9	24,146.1
	-----	-----	-----	-----

The main transactions carried out during the last three years with related parties are:

	2001	2002	2003
	-----	-----	-----
Rental income.....	302.0	288.1	275.7
Ps			
License fees.....	1,941.8	191.8	516.8
Financial expense.....	(642.4)	(834.0)	(792.8)
Financial income.....	4,958.5	3,232.7	3,067.8
Dividends received.....	-	2,253.0	5,641.0
	-----	-----	-----

S-8

SCHEDULE I (continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

8. INCOME TAX (IT), BUSINESS ASSETS TAX (BAT)

In accordance with the effective tax legislation in Mexico, corporations must pay either income tax ("IT") or business assets tax ("BAT") depending on which amount is greater for their operations in Mexico. Both taxes recognize the effects of inflation, though in a manner different from Mexican GAAP.

The IT benefit, presented in the accompanying income statements, is summarized as follows:

	2001	2002	2003
	-----	-----	-----
Received from subsidiaries.....	Ps 703.9	967.8	1,337.7
Deferred IT.....	685.2	1,326.6	(547.5)
	-----	-----	-----
Ps	1,389.1	2,294.4	790.2
	-----	-----	-----

Arising from its Mexican subsidiaries, the Company has accumulated IT loss carry forwards 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
	-----	-----
1995.....	Ps 1,776.6	2005
2000.....	420.7	2010
2001.....	3,265.7	2011
2002.....	3,752.4	2012
2003.....	872.2	2013

	Ps 10,087.6	

The Company and its subsidiaries in Mexico must generate taxable income to preserve the benefit of the tax loss carryforwards generated beginning in 1999.

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. 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, 2003 is as follows:

Year in which BAT exceeded IT	Amount of carryforwards	Year of expiration
	-----	-----
1997.....	Ps 162.4	2007

9. ITEMS NOT AFFECTING CASH FLOWS

For the years ended December 31, 2001, 2002 and 2003, items charged or credited to the results of operations, which did not generated the use of resources, are summarized as follows:

	2001	2002	2003
	-----	-----	-----
Depreciation of properties.....Ps	5.2	5.2	5.2
Amortization of deferred charges and credits, net.....	665.4	195.2	319.7
Deferred income tax credited to results.....	(685.2)	(1,326.6)	
			547.5
Equity in income of subsidiaries and affiliates.....	(11,584.2)	(5,080.5)	(2,940.9)
	-----	-----	-----
	Ps (11,598.8)	(6,206.7)	(2,068.5)
	-----	-----	-----

S-9

SCHEDULE I (continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

10. CONTINGENCIES AND COMMITMENTS

As of December 31, 2002 and 2003, CEMEX has signed as guarantor of loans made to certain subsidiaries for approximately U.S.\$55.2 million and U.S. \$ 1,322 million, respectively. As of the same date, the Company and certain

subsidiaries have 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. \$175.0 million and U.S. \$55 million, respectively.

S-10

SCHEDULE II

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
December 31, 2001, 2002 and 2003
(Millions of constant Mexican Pesos as of December 31, 2003)

Valuation and Qualifying Accounts as of December 31, 2001, 2002 and 2003, 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, 2001:					
Allowance for doubtful accounts..... Ps	521.4	84.0	43.9	(5.7)	555.8
Year ended December 31, 2002:					
Allowance for doubtful accounts.....	555.8	267.4	314.9	20.4	528.7
Year ended December 31, 2003:					
Allowance for doubtful accounts.....	528.7	351.2	281.2	33.4	632.1

(1) Amounts included in "Others" primarily result from 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.

S-11

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 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. (b)
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)
- 2.8 Form of appreciation warrant deed. (b)
- 2.9 Form of CPO Purchasing and Disbursing Agreement. (c)
- 2.10 Form of appreciation warrant certificate. (c)
- 2.11 Form of Warrant Deposit Agreement among CEMEX, S.A. de C.V., Depository and holders and beneficial owners of American Depository Warrants. (c)
- 2.12 Form of American Depository Warrant Receipt (included in Exhibit 2.10). (c)
- 4.1 Note and Guarantee Agreement dated as of March 15, 2001, by and among CEMEX, Inc., as issuer, Valenciana, as parent guarantor and Sandworth Plaza Holding B.V., Cemex Caracas Investments B.V., Cemex Caribe Investments B.V., Cemex Manila Investments B.V., Valcem International B.V., as subsidiary guarantors, and the several purchasers named therein, in connection with the offering and issuance by CEMEX, Inc. of U.S.\$315,000,000 aggregate principal amount of Series A Guaranteed Senior Notes due 2006, (euro)50,000,000 aggregate principal amount of Series B Guaranteed Senior Notes due 2006 and U.S.\$396,000,000 aggregate principal amount of Series C Guaranteed Senior Notes due 2008. (d)
- 4.2 Credit facility dated as of October 29, 2001, by and among Compania Valenciana de Cementos Portland, S.A., as borrower, Banco Bilbao Vizcaya Argentaria, S.A., Salomon Brothers International Limited, and Deutsche Bank AG as mandated lead arrangers and the several banks and other financial institutions named therein, as lenders, for an aggregate amount of (euro)800 million. (e)
- 4.3 Agreement and Plan of Merger, dated as of June 11, 2002, among CEMEX, S.A. de C.V., Tricem Acquisition, Corp. and the Puerto Rican Cement Company, Inc. (f)
- 4.4 ABN AMRO Special Corporate Services B.V. Forward Contract, dated as of December 13, 2002. (g)
- 4.5 Citibank, N.A. Forward Contract, dated as of December 13, 2002. (g)
- 4.6 Credit Suisse First Boston International Forward Contract, dated as of December 13, 2002. (g)
- 4.7 Deutsche Bank AG, London Branch, Forward Contract, dated as of December 13, 2002. (g)
- 4.8 ING Bank, N.V. Forward Contract, dated as of December 13, 2002. (g)
- 4.9 JPMorgan Chase Bank Forward Contract, dated as of December 13, 2002. (g)
- 4.10 Societe Generale Forward Contract, dated as of December 13, 2002. (g)
- 4.11 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. (h)

- 4.12 First Amended and Restated Reimbursement and Credit Agreement dated as of August 8, 2003, by and among, CEMEX, S.A. de C.V., as Issuer, CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V., as Guarantors, Barclays Bank PLC, New York Branch, as Issuing Bank, Documentation Agent and Administrative Agent, the several lenders party thereto and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Arranger and Banc of America Securities LLC, as Joint Arranger and Syndication Agent., for an aggregate principal amount of U.S.\$400,000,000. (h)
- 4.13 \$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. (h)
- 4.14 Early Termination Amendment to ABN AMRO Special Corporate Services B.V. Forward Contract, dated as of October 15, 2003. (h)
- 4.15 Early Termination Amendment to Citibank, N.A. Forward Contract, dated as of October 15, 2003. (h)
- 4.16 Early Termination Amendment to Credit Suisse First Boston International Forward Contract, dated as of October 15, 2003. (h)
- 4.17 Early Termination Amendment to Deutsche Bank AG, London Branch, Forward Contract, dated as of October 15, 2003. (h)
- 4.18 Early Termination Amendment to ING Bank, N.V. Forward Contract, dated as of October 15, 2003. (h)
- 4.19 Early Termination Amendment to JPMorgan Chase Bank Forward Contract, dated as of October 15, 2003.(h)
- 4.20 Early Termination Amendment to Societe Generale Forward Contract, dated as of October 15, 2003. (h)
- 4.21 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. (h)
- 8.1 List of subsidiaries of CEMEX, S.A. de C.V. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)
- 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. (h)

- 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. (h)
- 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. (h)
- 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. (h)

-
- (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 Amendment No. 2 to the Registration Statement on Form F-4 of CEMEX, S.A. de C.V. (Registration No. 333-13956), filed with the Securities and Exchange Commission on November 19, 2001.
- (d) Incorporated by reference to Amendment No. 1 to the annual report on Form 20-F/A of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on November 19, 2001.
- (e) Incorporated by reference to the annual report on Form 20-F of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on April 8, 2002.
- (f) Incorporated by reference to the Tender Offer Statement on Schedule TO of Tricem Acquisition, Corp. and CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on July 1, 2002.
- (g) Incorporated by reference to the annual report on Form 20-F of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on April 8, 2003.
- (h) Filed herewith.

CONFORMED COPY

=====

CEMEX ESPANA FINANCE LLC

\$103,000,000 4.77% Senior Notes, Series 2003, Tranche 1, due 2010

\$96,000,000 5.36% Senior Notes, Series 2003, Tranche 2, due 2013

\$201,000,000 5.51% Senior Notes, Series 2003, Tranche 3, due 2015

NOTE PURCHASE AGREEMENT

Dated as of June 23, 2003

=====

TABLE OF CONTENTS

	Page
1. AUTHORIZATION OF NOTES.....	1
2. SALE AND PURCHASE OF NOTES.....	1
3. CLOSING.....	2
4. CONDITIONS TO CLOSING.....	2
4.1 Representations and Warranties.....	2
4.2 Performance; No Default.....	2
4.3 Compliance Certificates.....	3
4.4 Opinions of Counsel.....	3
4.5 Purchase Permitted By Applicable Law, etc.....	3
4.6 Related Transactions.....	4
4.7 Payment of Special Counsel Fees.....	4

4.8	Private Placement Number.....	4
4.9	Changes in Corporate Structure.....	4
4.10	Proceedings and Documents.....	4
4.11	Note Guarantee.....	4
4.12	Agent for Service of Process.....	4
5.	REPRESENTATIONS AND WARRANTIES OF CEMEX ESPANA AND THE COMPANY.....	5
5.1	Organization; Power and Authority.....	5
5.2	Authorization, etc.....	5
5.3	Disclosure.....	5
5.4	Organization and Ownership of Shares of Subsidiaries.....	6
5.5	Financial Statements.....	6
5.6	Compliance with Laws, Other Instruments, etc.....	6
5.7	Governmental Authorizations, etc.....	7
5.8	Litigation; Observance of Agreements, Statutes and Orders.....	7
5.9	Taxes.....	7
5.10	Title to Property; Leases.....	8
5.11	Licenses, Permits, etc.....	8
5.12	ERISA; Foreign Pension Plans.....	8
5.13	Private Offering by the Company.....	9
5.14	Use of Proceeds; Margin Regulations.....	9
5.15	Existing Financial Indebtedness; Future Liens.....	10
5.16	Foreign Assets Control Regulations, Foreign Corrupt Practices Act, etc.....	10
5.17	Status under Certain Statutes.....	10
5.18	Environmental Matters.....	11
5.19	Pari Passu Obligations.....	11
6.	REPRESENTATIONS OF THE PURCHASERS.....	11
6.1	Purchase for Investment.....	11
6.2	Source of Funds.....	12
7.	INFORMATION AS TO CEMEX ESPANA AND THE COMPANY.....	13
7.1	Financial and Business Information.....	13
7.2	Officer's Certificate.....	15
7.3	Inspection.....	16
7.4	Maintenance of Books and Records.....	16
8.	MATURITY; PREPAYMENT OF THE NOTES.....	16
8.1	Stated Maturity.....	16
8.2	Optional Prepayments with Make-Whole Amount.....	17
8.3	Optional Prepayment of Notes for Tax Reasons.....	17
8.4	Prepayment Upon Substantial Asset Disposition.....	19
8.5	Allocation of Partial Prepayments.....	19
8.6	Maturity; Surrender, etc.....	20
8.7	Purchase of Notes.....	20
8.8	Make-Whole Amount for Notes.....	20
8.9	Change in Control, Offer to Prepay, etc.....	21
9.	AFFIRMATIVE COVENANTS.....	23
9.1	Compliance with Law.....	23
9.2	Insurance.....	23
9.3	Maintenance of Properties.....	23
9.4	Payment of Taxes and Claims.....	23
9.5	Corporate Existence, etc.....	24

9.6	Pari Passu Obligations.....	24
10.	NEGATIVE COVENANTS.....	24
10.1	Transactions with Affiliates.....	24
10.2	Merger, Consolidation, etc.....	25
10.3	Liens.....	26
10.4	Sales of Assets.....	28
10.5	Financial Covenants.....	29
10.6	Limitation on Non-Guarantor Financial Indebtedness.....	29
10.7	Notarization.....	31
11.	EVENTS OF DEFAULT.....	32
12.	REMEDIES ON DEFAULT, ETC.....	34
12.1	Acceleration.....	34
12.2	Other Remedies.....	35
12.3	Rescission.....	35
12.4	No Waivers or Election of Remedies, Expenses, etc.....	35
13.	REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.....	36
13.1	Registration of Notes.....	36
13.2	Transfer and Exchange of Notes.....	36
13.3	Replacement of Notes.....	36
14.	PAYMENTS ON NOTES.....	37
14.1	Place of Payment.....	37
14.2	Home Office Payment.....	37
14.3	Tax Indemnification.....	37
14.4	Currency of Payment.....	40
15.	EXPENSES, ETC.....	40
15.1	Transaction Expenses.....	40
15.2	Survival.....	41
16.	SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.....	41
17.	AMENDMENT AND WAIVER.....	41
17.1	Requirements.....	41
17.2	Solicitation of Holders of Notes.....	42
17.3	Binding Effect, etc.....	42
17.4	Notes held by Company, etc.....	42
18.	NOTICES.....	42
19.	REPRODUCTION OF DOCUMENTS.....	43
20.	CONFIDENTIAL INFORMATION.....	44
21.	SUBSTITUTION OF PURCHASER.....	45
22.	MISCELLANEOUS.....	45
22.1	Successors and Assigns.....	45
22.2	Payments Due on Non-Business Days.....	45
22.3	Severability.....	45
22.4	Construction.....	46
22.5	Counterparts.....	46
22.6	Governing Law.....	46
22.7	Jurisdiction; Service of Process.....	46
22.8	Judgment Currency.....	48

Schedule A	Information Relating to Purchasers
Schedule B	Defined Terms
Schedule 4.9	Changes in Corporate Structure
Schedule 5.3	Disclosure Exceptions
Schedule 5.4	Subsidiaries (including identification of Material Subsidiaries)
Schedule 5.5	Financial Statements
Schedule 5.8	Litigation
Schedule 5.11	License, etc. Exceptions
Schedule 5.15	Financial Indebtedness
Schedule 10.3	Existing Liens
Schedule 10.7	Existing Notarizations

Exhibits

Exhibit 1	Forms of Notes
Exhibit 4.4(a)	Form of Opinion of Counsel to Cemex Espana
Exhibit 4.4(b)	Form of Opinion of Special New York Counsel to the Obligors
Exhibit 4.4(c)	Form of Opinion of Special Netherlands Counsel to the Obligors
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

CEMEX ESPANA FINANCE LLC
c/o Cemex Espana, S.A.
Caleruega 67- 5(0)
28033 Madrid, Spain

4.77% Senior Notes, Series 2003, Tranche 1, due June 15, 2010

5.36% Senior Notes, Series 2003, Tranche 2, due June 15, 2013

5.51% Senior Notes, Series 2003, Tranche 3, due June 15, 2015

as of June 23, 2003

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) \$103,000,000 aggregate principal amount of its 4.77% Senior Notes, Series 2003, Tranche 1, due June 15, 2010 (the "Tranche 1 Notes"), (ii) \$96,000,000 aggregate principal amount of its 5.36% Senior Notes, Series 2003, Tranche 2, due June 15, 2013 (the "Tranche 2 Notes") and (iii) \$201,000,000 aggregate principal amount of its 5.51% Senior Notes, Series 2003, Tranche 3, due June 15, 2015 (the "Tranche 3 Notes"; the Tranche 1 Notes, the Tranche 2 Notes and the Tranche 3 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), Exhibit 1(b) and Exhibit 1(c), 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 3, Notes in the principal amount and of the tranche(s) 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, 1675 Broadway, New York, New York 10019, at 10:00 a.m., New York time, at a closing (the "Closing") on June 23, 2003 or on such other Business Day thereafter on or prior to June 23, 2003 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., New York, ABA:021000089 for further transfer to the credit of Cemex Espana Finance, LLC, account USD:0011022014 held at Citibank International, PLC, Madrid Branch, Swift: CITIESMX. 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, 10.3 or 10.7 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, 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 Clifford Chance Limited Liability Partnership, 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, 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 tranche 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 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.

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 April 30, 2003 (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, 2002, 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, showing, as to each 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 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) No Subsidiary is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the agreements and other restrictions listed on Schedule 5.4 and 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 5.5 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 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 (i) 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 and (ii) the assumption, made solely for the purpose of making such representation, that Department of Labor Interpretive Bulletin 75-2 with respect to prohibited transactions remains valid in the circumstances of the transactions contemplated herein.

(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 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 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 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 May 31, 2003, 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 10.3.

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.

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), Article 914 of the Spanish Commercial Code (Codigo de Comercio), 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) and those whose claims that according to Spanish law rank in priority as a result of having been raised to the status of a Spanish Public Document as a result of Permitted Notarizations in accordance with Section 10.7.

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 6.2 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, 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), 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(b) 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 10.7 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 Tranche 1 Notes shall become due and payable on June 15, 2010.

(b) The entire principal amount of the Tranche 2 Notes shall become due and payable on June 15, 2013.

(c) The entire principal amount of the Tranche 3 Notes shall become due and payable on June 15, 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. Each such notice shall specify such date, 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 repaid, 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 purchased 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 purchased 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 8.2, 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 8, 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 the Notes 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 (i) 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 display 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 duration closest to and greater than the Remaining Life and (2) the actively traded U.S. Treasury security with the duration 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 the Notes, 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 and assessments 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 or assessment or claims 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 and assessments 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), Article 914 of the Spanish Commercial Code (Codigo de Comercio), 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) and those whose claims that according to Spanish law rank in priority as a result of having been raised to the status of a Spanish Public Document as a result of Permitted Notarizations in accordance with Section 10.7.

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 corporation or convey, transfer or lease 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 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 is a member of the EU on the date hereof (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 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 corporation or convey, transfer or lease 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 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 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, provided that, 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, provided that the principal amount of such Financial Indebtedness shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing;

(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.

10.7 Notarization

(a) Subject to clause (b) below, Cemex Espana will not (and will not permit its Subsidiaries to) permit any unsecured Financial Indebtedness of Cemex Espana or its Subsidiaries to be notarized as a Spanish Public Document (any such notarization, a "Notarization"), other than the following permitted Notarizations ("Permitted Notarizations"):

(i) any existing Notarization listed in Schedule 10.7 (Existing Notarizations) and any amendments or modifications thereof, provided that any such amendment or modification shall not increase the principal amount of such Financial Indebtedness, extend the maturity thereof or refinance such Financial Indebtedness;

(ii) Notarizations with the prior written consent of the Required Holders;

(iii) any Notarization securing indebtedness, provided that immediately after giving effect to such Notarization 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; and

(iv) any Notarizations relating to indebtedness in respect of any sale and purchase agreement customarily registered in a public register in Spain and payment of which indebtedness is made within seven days of the date of such agreement.

(b) This Section 10.7 shall not apply if Cemex Espana, concurrently with any such Notarization (other than a Permitted Notarization) referred to in clause (a) above and at its own cost and expense, causes this Agreement and the Note Guarantee of Cemex Espana to be the subject of a Notarization. Cemex Espana shall give each holder at least 30 days' written notice prior to the Notarization of any Financial Indebtedness other than a Permitted Notarization. Such notice shall instruct the holders as to the procedures to be followed in order for this Agreement and the Note Guarantee of Cemex Espana of the Notes to be notarized. Each holder shall, at the expense of Cemex Espana, take such actions as may be reasonably requested by Cemex Espana and are necessary or required in obtaining such Notarization. Cemex Espana shall have no obligation

to notarize Financial Indebtedness held by any Person (including a holder) if such Person does not take such actions as may be reasonably requested by Cemex Espana in order for Cemex Espana to satisfy its obligations under this Section 10.7(b). If requested in writing by the Required Holders, Cemex Espana shall, prior to the time of any such Notarization, deliver to the holders an opinion of nationally recognized Spanish counsel to the effect that, upon the Notarization of this Agreement and Cemex Espana's Note Guarantee of the Notes required to be Notarized, such Note Guarantee shall, in the event of a bankruptcy of Cemex Espana, rank in right of payment equal and pro rata with or senior to all other unsecured Financial Indebtedness of Cemex Espana Notarized concurrently therewith, 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), Article 914 of the Spanish Commercial Code (Codigo de Comercio), 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).

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), 10.2, 10.4, 10.5, 10.6 or 10.7 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 (euro)27,500,000 (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 (euro)27,500,000 (or the equivalent thereof if denominated in a currency other than euro) (excluding in the calculation of such (euro)27,500,000 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 tranche 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 tranche 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 \$1,000,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$1,000,000. 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 tranche, 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 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 14.3 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 therefore 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 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 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 or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement 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 or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby 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 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 under this Section 15 will survive the

payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement 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 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 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 and the holder of any Note nor any delay in exercising any rights hereunder 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 or the Notes, or have directed the taking of any action provided herein 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 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

(iii) if to the Company or Cemex Espana, to the Company or Cemex Espana at Caleruega 67- 5, 28033 Madrid, Spain, Facsimile number:+ 3491 3535065/66, Phone number: + 3491 3535055, to the attention of Santiago Puellas/Francisco Lopez, with a copy to Cemex Espana at Ave. Ricardo Margain Zozaya, n(0) 325, Col. Valle del Campestre, Garza Garcia NL, 66220 Mexico, Facsimile number: +52 81 8888 4428, to the attention of Francisco Contreras, 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 with 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 20, (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 (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 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 20 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. Notwithstanding anything to the contrary set forth herein or in any other written or oral understanding or agreement to which the parties hereto are parties or by which they are bound, the parties to this Agreement acknowledge and agree that (i) any obligations of confidentiality contained herein and therein do not apply and have not applied from the commencement of discussions between the parties to the tax treatment and tax structure of the Notes (and any related transactions or arrangements) and (ii) each Purchaser (and each of its 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 Notes and all materials of any kind (including opinions or other tax analyses) that are provided to such Purchaser relating to such tax treatment and tax structure, all within the meaning of the U.S. Department of the Treasury Regulations Section 1.6011-4.

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/ Hector Campa Martinez

Hector Campa Martinez
Financing Director Spain

CEMEX ESPANA FINANCE LLC

By /s/ Juan M Portal

Juan M. Portal
Treasurer and Assistant
Secretary

The foregoing is hereby agreed
to as of the date thereof.

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY
OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY
MERIT LIFE INSURANCE CO.

By: AIG Global Investment Corp.,
Investment Adviser

By: /s/Lorri J. White

Vice President

THE TRAVELERS INSURANCE COMPANY

By: /s/John A. Wills

Assistant Investment Officer

THE TRAVELERS LIFE AND ANNUITY COMPANY

By: /s/John A. Wills

Assistant Investment Officer

NATIONAL BENEFIT LIFE INSURANCE COMPANY

By: /s/John A. Wills

Assistant Investment Officer

PRIMERICA LIFE INSURANCE COMPANY

By: /s/John A. Wills

Assistant Investment Officer

AMERICAN MAYFLOWER LIFE INSURANCE COMPANY

By: GE Asset Management Incorporated,
Its Investment Advisor

By: /s/Jon M. Lucia

Senior Vice President - Fixed Income Private Placement

EMPLOYERS REINSURANCE CORPORATION

By: GE Asset Management Incorporated,
Its Investment Advisor

By: /s/Jon M. Lucia

Senior Vice President - Fixed Income Private Placement

FIRST COLONY LIFE INSURANCE COMPANY

By: GE Asset Management Incorporated,
Its Investment Advisor

By: /s/Jon M. Lucia

Senior Vice President - Fixed Income Private Placement

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

By: GE Asset Management Incorporated,
Its Investment Advisor

By: /s/Jon M. Lucia

Senior Vice President - Fixed Income Private Placement

MEDICAL PROTECTIVE COMPANY

By: GE Asset Management Incorporated,
Its Investment Advisor

By: /s/Jon M. Lucia

Senior Vice President - Fixed Income Private Placement

JOHN HANCOCK LIFE INSURANCE COMPANY

By: /s/David E. Johnson

Managing Director

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY

By: /s/David E. Johnson

Authorized Signatory

AMCO INSURANCE COMPANY

By: /s/Joseph P. Young

Associate Vice President

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

By: /s/Joseph P. Young

Associate Vice President

NATIONWIDE LIFE INSURANCE COMPANY

By: /s/Joseph P. Young

Associate Vice President

NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT

By: /s/Joseph P. Young

Associate Vice President

NATIONWIDE MUTUAL INSURANCE COMPANY

By: /s/Joseph P. Young

Associate Vice President

CALHOUN & CO., AS NOMINEE FOR COMERICA
BANK & TRUST, NATIONAL ASSOCIATION, TRUSTEE
TO THE TRUST CREATED BY TRUST AGREEMENT
DATED OCTOBER 1, 2002

By: /s/Lori Perrault

Assistant Vice President

(Scottish - Lincoln Account)

CALHOUN & CO., AS NOMINEE FOR COMERICA
BANK & TRUST, NATIONAL ASSOCIATION, TRUSTEE
TO THE TRUST CREATED BY TRUST AGREEMENT
DATED OCTOBER 1, 2002

By: /s/Lori Perrault

Assistant Vice President

(Scottish -1YR Trust Account)

CALHOUN & CO., AS NOMINEE FOR COMERICA
BANK & TRUST, NATIONAL ASSOCIATION, TRUSTEE
TO THE TRUST CREATED BY TRUST AGREEMENT
DATED OCTOBER 1, 2002

By: /s/Lori Perrault

Assistant Vice President

(Scottish -5YR Trust Account)

BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA

By: /s/Thomas M. Donahue

Managing Director

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/Thomas M. Donahue

Managing Director

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD LIFE INSURANCE COMPANY
SENTINEL INSURANCE COMPANY

By Hartford Investment Services, Inc.

By: /s/Ronald S. Mendel

Ronald A. Mendel
Senior Vice President

RELIASTAR LIFE INSURANCE COMPANY
USG ANNUITY & LIFE COMPANY
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK

By: ING Investment Management LLC, as Agent

By: /s/Kurt Opperman

Vice President

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By: /s/Michael A. Boedeker

Senior Vice President, Investments

THRIVENT FINANCIAL FOR LUTHERANS

By: /s/Mark O. Swenson

Vice President

NEW YORK LIFE INSURANCE COMPANY

By: /s/Lisa A. Scuderi

Investment Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: New York Life Investment Management LLC,
Its Investment Manager

By: /s/Lisa A. Scuderi

Director

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE ACCOUNT

By New York Life Investment Management LLC,
Its Investment Manager

By: /s/Lisa A. Scuderi

Director

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/Timothy S. Collins

Authorized Representative

BENEFICIAL LIFE INSURANCE COMPANY

By: /s/Robert R. Dalley

Senior Vice President and CFO

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC
a Delaware limited liability company,
its authorized signatory

By: /s/Jon C. Heiny

Counsel

By: /s/James C. Fifield

Counsel

PHOENIX LIFE INSURANCE COMPANY

By: /s/Christopher M. Wilkos

Senior Vice President
Corporate Portfolio Management

PHL VARIABLE INSURANCE COMPANY

By: /s/Christopher M. Wilkos

Senior Vice President
Corporate Portfolio Management

SCHEDULE A

TRANCHE 1
INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

THE TRAVELERS INSURANCE COMPANY

Series 2003
Tranche 1
\$18,900,000
(R-T1-1)
\$4,400,000
(R-T1-2)

1) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Travelers Insurance Company -
Consolidated Private Placement
Account No. 910-2-587434
JPMorgan Chase Bank
One Chase Manhattan Plaza
New York, New York 10081
ABA No. 021000021

In case of all notices with respect to payments:

The Travelers Insurance Company
242 Trumbull Street, P.O. Box 150449
Hartford, Connecticut 06115-0449
Attention: Cashier, 5th Floor
Facsimile: 860-308-8556

Delivery of Notes after Closing:

Daniel B. Kenney, Esq.
Citigroup Investments Inc.
242 Trumbull Street
Hartford, Connecticut 06115-0449

Notices and Communications:

The Travelers Insurance Company
242 Trumbull Street, P.O. Box 150449
Hartford, Connecticut 06115-0449
Attention: Private Placements, 7th Floor
Facsimile: 860-308-8547

Tax Identification No.: 06-0566090

Signature Block Format:

THE TRAVELERS INSURANCE COMPANY
By: _____
Name: _____
Title: _____

Nominee: TRAL & CO

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

THE TRAVELERS LIFE AND ANNUITY COMPANY

Series 2003
Tranche 1
\$2,000,000
(R-T1-3)

(2) All payments on account of the Notes shall be

made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Travelers Insurance Company -
Consolidated Private Placement
Account No. 910-2-587434
JPMorgan Chase Bank.
One Chase Manhattan Plaza
New York, New York

In case of all notices with respect to payments:

The Travelers Insurance Company
242 Trumbull Street, P.O. Box 150449
Hartford, Connecticut 06115-0449
Attention: Cashier, 5th Floor
Facsimile: 860-308-8556

Delivery of Notes after Closing:

Daniel B. Kenney, Esq.
Citigroup Investments Inc.
242 Trumbull Street
Hartford, Connecticut 06115-0449

Notices and Communications:

The Travelers Insurance Company
242 Trumbull Street, P.O. Box 150449
Hartford, Connecticut 06115-0449
Attention: Private Placements, 7th Floor
Facsimile: 860-308-8547

Tax Identification No.: 06-0904249

Signature Block Format:

THE TRAVELERS LIFE AND ANNUITY COMPANY
By: _____
Name: _____
Title: _____

Nominee: TRAL & CO

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NATIONAL BENEFIT LIFE INSURANCE COMPANY

Series 2003
Tranche 1
\$1,100,000
(R-T1-4)

(3) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

National Benefit Life Insurance Company
Account No. 910-2-790384
JPMorgan Chase Bank

One Chase Manhattan Plaza
New York, New York 10081
ABA No. 021000021

In case of all notices with respect to payments:

National Benefit Life Insurance Company
242 Trumbull Street, P.O. Box 150449
Hartford, Connecticut 06115-0449
Attention: Cashier, 5th Floor
Facsimile: 860-308-8556

Delivery of Notes after Closing:

Daniel B. Kenney, Esq.
Citigroup Investments Inc.
242 Trumbull Street
Hartford, Connecticut 06115-0449

Notices and Communications:

National Benefit Life Insurance Company
242 Trumbull Street, P.O. Box 150449
Attention: Private Placements, 7th Floor
Facsimile: 860-308-8547

Tax Identification No.: 23-1618791

Signature Block Format:

NATIONAL BENEFIT LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

PRIMERICA LIFE INSURANCE COMPANY

Series 2003
Tranche 1
\$3,600,000
(R-T1-5)

(4) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Primerica Life Insurance Company
Account No. 910-2-790079
JPMorgan Chase Bank
One Chase Manhattan Plaza
New York, New York 10081
ABA No. 021000021

In case of all notices with respect to payments:

Primerica Life Insurance Company
242 Trumbull Street, P.O. Box 150449
Hartford, Connecticut 06115-0449
Attention: Cashier, 5th Floor

Facsimile: 860-308-8556

Delivery of Notes after Closing:

Daniel B. Kenney, Esq.
Citigroup Investments Inc.
242 Trumbull Street
Hartford, Connecticut 06115-0449

Notices and Communications:

Primerica Life Insurance Company
242 Trumbull Street, P.O. Box 150449
Attention: Private Placements, 7th Floor
Facsimile: 860-308-8547

Tax Identification No.: 04-1590590

Signature Block Format:

PRIMERICA LIFE INSURANCE COMPANY

By: _____
Name: _____
Title: _____

Nominee: NONE

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
AMERICAN MAYFLOWER LIFE INSURANCE COMPANY OF NEW YORK	Series 2003 Tranche 1 \$2,000,000 (R-T1-6)

(5) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Deutsche Bank
14 Wall Street
New York, NY 10005
SWIFT Code: BKTR US 33
ABA #021001033
Account Number 99-911-145
FCC: #098067

In case of all notices with respect to payments:

GE Asset Management
Account: American Mayflower Life Insurance Company
of New York
3003 Summer Street
Stamford, CT 06904
Attn: Investment Accounting (Private Placement Event)
Telephone No.: (203) 356-2734
Fax No.: (203) 356-3023
Jennifer.Ficko@corporate.ge.com (preferred method)

with a copy to:

GE Asset Management

Account: American Mayflower Life Insurance Company
of New York
3003 Summer Street
Stamford, CT 06904
Attn: Trade Operations-Data Integrity
Telephone No.: (203) 921-2126
Fax No.: (203) 326-4288
allison.lima@corporate.ge.com

and with a copy to:

GE Asset Management
Account: American Mayflower Life Insurance Company
of New York
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Delivery of Notes after Closing:

Deutsche Bank
14 Wall Street, 4th Floor
Mail Stop 4042, Window 61
New York, NY 10005
Acct #098067
Attn: Lorraine Squires (212)618-2200

Notices and Communications:

GE Asset Management
Account: American Mayflower Life Insurance Company
of New York
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Tax Identification No.: 13-5660550

Signature Block Format:

AMERICAN MAYFLOWER LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: SALKELD & CO

NAME OF PURCHASER

EMPLOYERS REINSURANCE CORPORATION

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 1
\$10,000,000
(R-T1-7)

(6) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Deutsche Bank Trust Company
16 Wall Street
New York, NY 10005
SWIFT Code: BKTR US 33
ABA #021-001-033
Account Number 99-911-196
FCC: ERC Total Return (TR) #098481

In case of all notices with respect to payments:

GE Asset Management
Account: ERC Total Return (TR)
3003 Summer Street
Stamford, CT 06904
Attn: Investment Accounting (Private Placement Event)
Telephone No.: (203) 356-2734
Fax No.: (203) 356-3023
Jennifer.Ficko@corporate.ge.com (preferred method)

with a copy to:
GE Asset Management
Account: ERC Total Return (TR)
3003 Summer Street
Stamford, CT 06904
Attn: Trade Operations-Data Integrity
Telephone No.: (203) 921-2126
Fax No.: (203) 326-4288
allison.lima@corporate.ge.com

and with a copy to:

GE Asset Management
Account: ERC Total Return (TR)
601 Union Street, Suite 2200
Seattle, WA 98101

Attn: Private Placements

Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Delivery of Notes after Closing:

Deutsche Bank Trust Company
16 Wall Street
4th Floor, Window 61
New York, NY 10005
Ref: ERC Total Return (TR) #098481
Attn: Lorraine Squires

Notices and Communications:

GE Asset Management Incorporated
Account: ERC Total Return (TR)
Two Union Square, 601 Union Street
Seattle, WA 98101
Attn: Investment Dept., Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Tax Identification No.: 48-0921045

Signature Block Format:

EMPLOYERS REINSURANCE CORPORATION

By: _____

Name: _____

Title: _____

Nominee: SALKELD & CO.

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NAME OF PURCHASER

FIRST COLONY LIFE INSURANCE COMPANY

Series 2003
Tranche 1
\$9,000,000
(R-T1-8)

- (7) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Deutsche Bank
14 Wall Street
New York, NY 10005
SWIFT Code: BKTR US 33
ABA #021001033
Account Number 99-911-145
FCC: #098069

In case of all notices with respect to payments:

GE Asset Management
Account: First Colony Life Insurance Company
3003 Summer Street
Stamford, CT 06904
Attn: Investment Accounting (Private Placement Event)
Telephone No.: (203) 356-2734
Fax No.: (203) 356-3023
Jennifer.Ficko@corporate.ge.com (preferred method)

with a copy to:

GE Asset Management
Account: First Colony Life Insurance Company
3003 Summer Street
Stamford, CT 06904
Attn: Trade Operations-Data Integrity
Telephone No.: (203) 921-2126
Fax No.: (203) 326-4288
allison.lima@corporate.ge.com

and with a copy to:

GE Asset Management
Account: First Colony Life Insurance Company
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Delivery of Notes after Closing:

Deutsche Bank
14 Wall Street, 4th Floor
Mail Stop 4042, Window 61
New York, NY 10005
Acct #098069
Attn: Lorraine Squires (212) 618-2200

Notices and Communications:

GE Asset Management
Account: First Colony Life Insurance Company
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements

Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Tax Identification No.: 54-0596414

Signature Block Format:

FIRST COLONY LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: SALKELD & CO.

NAME OF PURCHASER

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 1
\$6,000,000
(R-T1-9)

(8) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Deutsche Bank
14 Wall Street
New York, NY 10005
SWIFT Code: BKTR US 33
ABA #021001033
Account Number 99-911-145
FCC: #097833

In case of all notices with respect to payments:

GE Asset Management
Account: General Electric Capital Assurance Company
3003 Summer Street
Stamford, CT 06904
Attn: Investment Accounting (Private Placement Event)
Telephone No.: (203) 356-2734
Fax No.: (203) 356-3023
Jennifer.Ficko@corporate.ge.com (preferred method)

with a copy to:
GE Asset Management
Account: General Electric Capital Assurance Company
3003 Summer Street
Stamford, CT 06904
Attn: Trade Operations-Data Integrity
Telephone No.: (203) 921-2126
Fax No.: (203) 326-4288
allison.lima@corporate.ge.com

and with a copy to:

GE Asset Management
Account: General Electric Capital Assurance Company
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements

Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Delivery of Notes after Closing:

Deutsche Bank
14 Wall Street, 4th Floor
Mail Stop 4042, Window 61
New York, NY 10005
Acct #097833
Attn: Lorraine Squires (212)618-2200

Notices and Communications:

GE Asset Management
Account: General Electric Capital Assurance Company
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Tax Identification No.: 91-6027719

Signature Block Format:

GENERAL ELECTRIC CAPITAL ASSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: SALKELD & CO.

NAME OF PURCHASER

MEDICAL PROTECTIVE COMPANY

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 1
\$3,000,000
(R-T1-10)

- (9) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Deutsche Bank Trust Company
16 Wall Street
New York, NY 10005
SWIFT Code: BKTR US 33
ABA #021-001-033
Account Number 99-911-196
FCC: Med Pro General Fund (MPG) #094773

In case of all notices with respect to payments:

GE Asset Management
Account: Medical Protective Company
3003 Summer Street
Stamford, CT 06904
Attn: Investment Accounting (Private Placement Event)
Telephone No.: (203) 356-2734
Fax No.: (203) 356-3023

Jennifer.Ficko@corporate.ge.com (preferred method)

with a copy to:

GE Asset Management
Account: Medical Protective Company
3003 Summer Street
Stamford, CT 06904
Attn: Trade Operations-Data Integrity
Telephone No.: (203) 921-2126
Fax No.: (203) 326-4288
allison.lima@corporate.ge.com

and with a copy to:

GE Asset Management
Account: Medical Protective Company
601 Union Street, Suite 2200
Seattle, WA 98101
Attn: Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Delivery of Notes after Closing:

Deutsche Bank Trust Company
16 Wall Street
4th Floor, Window 61
New York, NY 10005
Ref: Med Pro General Fund (MPG) Account # 094773
Attn: Lorraine Squires

Notices and Communications:

GE Asset Management Incorporated
Account: Medical Protective General Fund (MPG)
Two Union Square, 601 Union Street
Seattle, WA 98101
Attn: Investment Dept., Private Placements
Telephone No: (206) 516-4515
Fax No: (206) 516-4578

Tax Identification No.: 35-0506406

Signature Block Format:

MEDICAL PROTECTIVE COMPANY

By: _____

Name: _____

Title: _____

Nominee: SALKELD & CO.

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

John Hancock Life Insurance Company

Series 2003
Tranche 1
\$13,750,000
(R-T1-11)

(10) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes

due June 2010, PPN 15128@AA 1, principal,
interest and/or Make Whole Amount") to:

Bank One, N.A.
ABA No. 071000013
Account of: John Hancock Champaign Service Center -
Mortgage/Bond
Account Number: 617423603

In case of all notices with respect to payments:

John Hancock Life Insurance Company
201 Knollwood Drive, Suite A
Champaign, IL 61820-7594
Attn: Accounting
Fax: (217) 356-1031

with a copy to:
John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond & Corp. Finance Group, T-57
Fax: (617) 572-1165

Delivery of Notes after Closing:

John Hancock Life Insurance Company
200 Clarendon Street, T-30
Boston, MA 02117
Attn: Malcolm Pittman

Notices and Communications:

John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond and Corporate Finance Group, T-57
Fax: (617) 572-1605

Tax Identification No.: 04-1414660

Signature Block Format:

JOHN HANCOCK LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY

Series 2003
Tranche 1
\$6,250,000
(R-T1-12)

(11) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Bank One, N.A.
ABA No. 071000013
Account of: John Hancock Champaign Service Center -
Mortgage/Bond
Account Number: 617423603

In case of all notices with respect to payments:

John Hancock Life Insurance Company
201 Knollwood Drive, Suite A
Champaign, IL 61820-7594
Attn: Accounting
Fax: (217) 356-1031

with a copy to:
John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond & Corp. Finance Group, T-57
Fax: (617) 572-1165

Delivery of Notes after Closing:

John Hancock Life Insurance Company
200 Clarendon Street, T-30
Boston, MA 02117
Attn: Malcolm Pittman

Notices and Communications:

John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond and Corporate Finance Group, T-57
Fax: (617) 572-1605

Tax Identification No.: 04-2664016

Signature Block Format:

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY
By: _____
Name: _____
Title: _____

Nominee: None

NAME OF PURCHASER

AMCO INSURANCE COMPANY

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 1
\$1,000,000
(R-T1-13)

(12) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Bank of New York
ABA #021-000-018
BNF: IOC566

F/A/O AMCO Insurance Company
Attn: P & I Department

In case of all notices with respect to payments:

AMCO Insurance Company
c/o The Bank of New York
P O Box 19266
Attn: P & I Department
Newark, NJ 07195

With a copy to:
AMCO Insurance Company
Attn: Investment Accounting
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, NY 10286
F/A/O AMCO Insurance Co. Acct #000611

Notices and Communications:

AMCO Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
Attention: Corporate Fixed-Income Securities

Tax Identification No.: 42-6054959

Signature Block Format:

AMCO INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY	Series 2003 Tranche 1 \$1,000,000 (R-T1-14)

(13) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Bank of New York
ABA #021-000-018
BNF: IOC566
F/A/O Nationwide Life and Annuity Insurance Company
Attn: P & I Department

In case of all notices with respect to payments:

Nationwide Life and Annuity Insurance Company
c/o The Bank of New York
P O Box 19266
Attn: P & I Department
Newark, NJ 07195

With a copy to:
Nationwide Life and Annuity Insurance Company
Attn: Investment Accounting
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, NY 10286
F/A/O Nationwide Life and Annuity Insurance Co. Acct #267961

Notices and Communications:

Nationwide Life and Annuity Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
Attention: Corporate Fixed-Income Securities

Tax Identification No.: 31-1000740

Signature Block Format:

NATIONWIDE LIFE AND ANNUITY INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NATIONWIDE LIFE INSURANCE COMPANY

Series 2003
Tranche 1
\$10,000,000
(R-T1-15)

(14) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Bank of New York
ABA #021-000-018
BNF: IOC566
F/A/O Nationwide Life Insurance Company
Attn: P & I Department

In case of all notices with respect to payments:

Nationwide Life Insurance Company
c/o The Bank of New York
P O Box 19266

Attn: P & I Department
Newark, NJ 07195

With a copy to:
Nationwide Life Insurance Company
Attn: Investment Accounting
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, NY 10286
F/A/O Nationwide Life Insurance Co. Acct #267829

Notices and Communications:

Nationwide Life Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
Attention: Corporate Fixed-Income Securities

Tax Identification No.: 31-4156830

Signature Block Format:

NATIONWIDE LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
----------------------------	---

NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT	Series 2003 Tranche 1 \$1,000,000 (R-T1-16)
---	--

(15) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Bank of New York
ABA #021-000-018
BNF: IOC566
F/A/O Nationwide Multiple Maturity Separate Account
Attn: P & I Department

In case of all notices with respect to payments:

Nationwide Multiple Maturity Separate Account
c/o The Bank of New York
P O Box 19266
Attn: P & I Department

Newark, NJ 07195

With a copy to:
Nationwide Multiple Maturity Separate Account
Attn: Investment Accounting
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, NY 10286
F/A/O Nationwide Multiple Maturity Separate Account -
Account #267919

Notices and Communications:

Nationwide Multiple Maturity Separate Account
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
Attention: Investments

Tax Identification No.: 31-4156830

Signature Block Format:

NATIONWIDE MULTIPLE MATURITY SEPARATE ACCOUNT

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

NATIONWIDE MUTUAL INSURANCE COMPANY

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 1
\$2,000,000
(R-T1-17)

(16) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

The Bank of New York
ABA #021-000-018
BNF: IOC566
F/A/O Nationwide Mutual Insurance Company
Attn: P & I Department

In case of all notices with respect to payments:

Nationwide Mutual Insurance Company
c/o The Bank of New York
P O Box 19266
Attn: P & I Department
Newark, NJ 07195

With a copy to:

Nationwide Mutual Insurance Company
Attn: Investment Accounting
One Nationwide Plaza (1-32-05)
Columbus, Ohio 43215-2220

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
3rd Floor - Window A
New York, NY 10286
F/A/O Nationwide Mutual Insurance Co. Acct #264232

Notices and Communications:

Nationwide Mutual Insurance Company
One Nationwide Plaza (1-33-07)
Columbus, Ohio 43215-2220
Attention: Investments

Tax Identification No.: 31-4177100

Signature Block Format:

NATIONWIDE MUTUAL INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

SCOTTISH ANNUITY & LIFE HOLDINGS LINCOLN, LTD

Series 2003
Tranche 1
\$1,000,000
(R-T1-18)

(17) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Comerica Bank / Trust Operations
AC: 2158598532
BNF: Scottish Annuity & Life Holdings, Ltd.
AC: 011000734950
BBI: Trade Settlement (313) 222-3111
Bank Routing Number: 072000096
OBI PFGSE (S) B0066174()

In case of all notices with respect to payments:

Scottish Annuity & Life - Lincoln
c/o Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0960
Attn: Investment Accounting - Securities
Fax (515) 248-2643
Confirmation (515) 248-2766

Delivery of Notes after Closing:

Comerica Bank
Attn: Dan Molnar
Mail Code 3462
411 West Lafayette
Detroit, MI 48226

Notices and Communications:

Scottish Annuity & Life - Lincoln
c/o Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0800
Attn: Fixed Income - Securities
Fax (515) 248-2490
Confirmation (515) 248-3495

Tax Identification No.: 23-2038295

Signature Block Format:

CALHOUN & CO., AS NOMINEE FOR COMERICA BANK &
TRUST, NATIONAL ASSOCIATION, TRUSTEE TO THE
TRUST CREATED BY TRUST AGREEMENT DATED
OCTOBER 1, 2002

By: _____

Name: _____

Title: _____

Nominee: CALHOUN & CO.

NAME OF PURCHASER

SCOTTISH RE (US)/ NATIONWIDE LIFE INSURANCE
CO. 1 YR TRUST

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 1
\$1,000,000
(R-T1-19)

- (18) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Comerica Bank / Trust Operations
AC: 2158598532
BNF: Scottish Annuity & Life Holdings, Ltd.
AC: 011000735079
BBI: Trade Settlement (313) 222-3111
Bank Routing Number: 072000096
OBI PFGSE (S) B0066174 ()

In case of all notices with respect to payments:

Scottish Annuity & Life - 1 YR
c/o Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0960
Attn: Investment Accounting - Securities
Fax (515) 248-2643
Confirmation (515) 248-2766

Delivery of Notes after Closing:

Comerica Bank
Attn: Dan Molnar
Mail Code 3462
411 West Lafayette
Detroit, MI 48226

Notices and Communications:

Scottish Annuity & Life - 1 YR
c/o Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0800
Attn: Fixed Income - Securities
Fax (515) 248-2490
Confirmation (515) 248-3495

Tax Identification No.: 23-2038295

Signature Block Format:

CALHOUN & CO., AS NOMINEE FOR COMERICA
BANK & TRUST, NATIONAL ASSOCIATION, TRUSTEE
TO THE TRUST CREATED BY TRUST AGREEMENT
DATED OCTOBER 1, 2002

By: _____

Name: _____

Title: _____

Nominee: CALHOUN & CO.

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
SCOTTISH RE (US)/ NATIONWIDE LIFE & ANNUITY INSURANCE CO. 5 YR TRUST	Series 2003 Tranche 1 \$1,000,000 (R-T1-20)

(19) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

Comerica Bank / Trust Operations
AC: 2158598532
BNF: Scottish Annuity & Life Holdings, Ltd.
AC: 011000782327
BBI: Trade Settlement (313) 222-3111
Bank Routing Number: 072000096
OBI PFGSE (S) B0066174 ()

In case of all notices with respect to payments:

Scottish Annuity & Life - 5 YR
c/o Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0960
Attn: Investment Accounting - Securities
Fax (515) 248-2643
Confirmation (515) 248-2766

Delivery of Notes after Closing:

Comerica Bank
Attn: Dan Molnar
Mail Code 3462
411 West Lafayette
Detroit, MI 48226

Notices and Communications:

Scottish Annuity & Life - 5 YR
c/o Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0800
Attn: Fixed Income - Securities
Fax (515) 248-2490
Confirmation (515) 248-3495

Tax Identification No.: 23-2038295

Signature Block Format:

CALHOUN & CO., AS NOMINEE FOR COMERICA BANK
& TRUST, NATIONAL ASSOCIATION, TRUSTEE TO
THE TRUST CREATED BY TRUST AGREEMENT DATED
OCTOBER 1, 2002

By: _____

Name: _____

Title: _____

Nominee: CALHOUN & CO.

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

PHL VARIABLE INSURANCE COMPANY

Series 2003
Tranche 1
\$2,500,000
(R-T1-21)

(20) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
New York, New York
ABA# 021 000 021
Acct. No. 900 9000 200
Acct. Name: Income Processing
Reference: G 09390, Phoenix Life
PHLVIC Annuity

In case of all notices with respect to payments:

Phoenix Investment Partners
Private Placement Group
56 Prospect Street
Hartford, CT 06115
Fax number: (860) 403-7248

Delivery of Notes after Closing:

Phoenix Life Insurance Company
Attn: John Mulrain
One American Row
Hartford, CT 06115

Notices and Communications:

Phoenix Investment Partners
Private Placement Group
56 Prospect Street
Hartford, CT 06115
Fax number: (860) 403-7248

with a copy to:

PHL Variable Insurance Company
One American Row
Hartford, CT 06115

Tax Identification No.: 06-1045829

Signature Block Format:

PHL VARIABLE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

PHL VARIABLE INSURANCE COMPANY

Series 2003
Tranche 1
\$2,500,000
(R-T1-22)

(21) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 4.77% Senior Notes due June 2010, PPN 15128@AA 1, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
New York, New York
ABA# 021 000 021
Acct. No. 900 9000 200
Acct. Name: Income Processing
Reference: G 09163, Phoenix Life
PHLVIC Separate Account MVA

In case of all notices with respect to payments:

Phoenix Investment Partners
Private Placement Group
56 Prospect Street
Hartford, CT 06115
Fax number: (860) 403-7248

Delivery of Notes after Closing:

Phoenix Life Insurance Company
Attn: John Mulrain
One American Row
Hartford, CT 06115

Notices and Communications:

Phoenix Investment Partners
Private Placement Group
56 Prospect Street
Hartford, CT 06115
Fax number: (860) 403-7248

with a copy to:

PHL Variable Insurance Company
One American Row
Hartford, CT 06115

Tax Identification No.: 06-1045829

Signature Block Format:

PHL VARIABLE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

TRANCHE 2
INFORMATION RELATING TO PURCHASERS

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA	Series 2003 Tranche 2 \$2,000,000 (R-T2-1)

(22) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
FED ABA#021000021
Chase/NYC/CTR/BNF
A/C 900-9-000200
Ref. A/C # G07064 Berkshire Life Insurance and
[insert Cusip No.]

In case of all notices with respect to payments:

Berkshire Life Insurance Company of America
c/o The Guardian Life Insurance Company of America
7, Hanover Square
New York,
NY 10004-2616

Fax +1 212 919 2906
Attn. Investment Accounting Department 17-B

Delivery of Notes after Closing:

JP Morgan Chase
4 New York Plaza
Ground Floor Receive Window New York 10004
Ref. A/C # G07064 Berkshire Life Insurance

Notices and Communications:

Berkshire Life Insurance Company of America
c/o The Guardian Life Insurance Company of America
7, Hanover Square
New York,
NY 10004-2616
Fax +1 212 919 2656/2658
Attn. Thomas M. Donohue
Investment Department 20-D

Tax Identification No.: 75-1277524

Signature Block Format:

BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

Series 2003
Tranche 2
\$5,000,000 (R-T2-2)
\$4,000,000 (R-T2-3)

(23) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
FED ABA#021000021
Chase/NYC/CTR/BNF
A/C 900-9-000200
Ref. A/C # G05978 Guardian Life
The Guardian Life Insurance Company of America and
[insert Cusip No.]

In case of all notices with respect to payments:

The Guardian Life Insurance Company of America
Attn.: Investment Accounting Dept. 17-B
7, Hanover Square
New York,
NY 10004-2616
Fax +1 212 919 2906

Delivery of Notes after Closing:

JP Morgan Chase
4 New York Plaza
Ground Floor Receive Window
New York 10004
Ref. A/C # G05978 Guardian Life

Notices and Communications:

The Guardian Life Insurance Company of America
7, Hanover Square
New York,
NY 10004-2616
Fax +1 212 919 2656/2658
Attn. Thomas M. Donohue
Investment Department 20-D

Tax Identification No.: 13-5123390

Signature Block Format:

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY	Series 2003 Tranche 2 \$10,000,000 (R-T2-4)

(24) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
4 New York Plaza
New York New York 10004
Bank ABA No. 021000021
Chase NYC/Cust
A/C # 900-9-000200 for F/C/T G06956-EBD
Attn: Bond Interest/Principal - Cemex Espana Finance LLC Senior Notes Ser 2003 Tranche 2

In case of all notices with respect to payments:

Hartford Investment Management Company
c/o Portfolio Support
P.O. Box 1744 Hartford, Connecticut 06144-1744
Fax 860-297-8875/8876

Delivery of Notes after Closing:

JP Morgan Chase
North America Insurance

3 Chase MetroTech Center - 5th Floor South
Brooklyn, New York 11245
Attn: Bettye Carrera
Custody Account Number: G06956-EBD must appear
on outside of envelope

Notices and Communications:

Hartford Investment Management Company
c/o Investment Department - Private Placements
P.O. Box 1744 Hartford, Connecticut 06144-1744
Fax 860-297-8884

Tax Identification No.: 06-0838648

Signature Block Format:

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD LIFE INSURANCE COMPANY
SENTINEL INSURANCE COMPANY
BY HARTFORD INVESTMENT SERVICES, INC.

By: _____

Name: Ronald A. Mendel

Title: Senior Vice President

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
HARTFORD LIFE INSURANCE COMPANY	Series 2003 Tranche 2 \$10,000,000 (R-T2-5)

(25) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
4 New York Plaza
New York New York 10004
Bank ABA No. 021000021
Chase NYC/Cust
A/C # 900-9-000200 for F/C/T G06641-CRC
Attn: Bond Interest/Principal - Cemex Espana
Finance LLC Senior Notes Ser 2003 Tranche 2

In case of all notices with respect to payments:

Hartford Investment Management Company
c/o Portfolio Support
P.O. Box 1744 Hartford, Connecticut 06144-1744
Fax 860-297-8875/8876

Delivery of Notes after Closing:

JP Morgan Chase
North America Insurance
3 Chase MetroTech Center - 5th Floor South
Brooklyn, New York 11245

Attn: Bettye Carrera
Custody Account Number: G06641-CRC must appear
on outside of envelope

Notices and Communications:

Hartford Investment Management Company
c/o Investment Department - Private Placements
P.O. Box 1744 Hartford, Connecticut 06144-1744
Fax 860-297-8884

Tax Identification No.: 06-0974148

Signature Block Format:

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD LIFE INSURANCE COMPANY
SENTINEL INSURANCE COMPANY
BY HARTFORD INVESTMENT SERVICES, INC.

By: _____

Name: Ronald A. Mendel

Title: Senior Vice President

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
SENTINEL INSURANCE COMPANY, LTD	Series 2003 Tranche 2 \$10,000,000 (R-T2-6)

(26) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
4 New York Plaza
New York New York 10004
Bank ABA No. 021000021
Chase NYC/Cust
A/C # 900-9-000200 for F/C/T G06249-SEN
Attn: Bond Interest/Principal - Cemex Espana
Finance LLC Senior Notes Ser 2003 Tranche 2

In case of all notices with respect to payments:

Hartford Investment Management Company
c/o Portfolio Support
P.O. Box 1744 Hartford, Connecticut 06144-1744
Fax 860-297-8875/8876

Delivery of Notes after Closing:

JP Morgan Chase
North America Insurance
3 Chase MetroTech Center - 5th Floor South
Brooklyn, New York 11245
Attn: Bettye Carrera
Custody Account Number: G06249-SEN must appear on

outside of envelope

Notices and Communications:

Hartford Investment Management Company
c/o Investment Department - Private Placements
P.O. Box 1744
Hartford, Connecticut 06144-1744
Fax 860-297-8884

Tax Identification No.: 06-1552103

Signature Block Format:

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD LIFE INSURANCE COMPANY
SENTINEL INSURANCE COMPANY
BY HARTFORD INVESTMENT SERVICES, INC.

By: _____

Name: Ronald A. Mendel

Title: Senior Vice President

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
RELIASTAR LIFE INSURANCE COMPANY	Series 2003 Tranche 2 \$2,000,000 (R-T2-7)

(27) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

BK OF NYC
IOC 566-INST'L CUSTODY
ABA #021000018
Ref.: ReliaStar Life Insurance Company,
Acct. No. 187035 and [insert Cusip No.]

In case of all notices with respect to payments:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Securities Accounting
Fax: (770) 690-4886

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
Window A - 3rd Floor
New York, NY 10286
Ref. RLI - Acct. No. 187035
with copy to:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Private Placements
Fax: (770) 690-5057

Notices and Communications:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Private Placements
Fax: (770) 690-5057

Tax Identification No.: 41-0451140

Signature Block Format:

RELIASTAR LIFE INSURANCE COMPANY
USG ANNUITY & LIFE COMPANY
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK
By: ING Investment Management LLC, as Agent

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK	Series 2003 Tranche 2 \$8,000,000 (R-T2-8)

(28) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

BK OF NYC
IOC 566-INST'L CUSTODY
ABA #021000018
Ref.: ReliaStar Life Insurance Company of New York,
Acct. No. 187038 and [insert Cusip No.]

In case of all notices with respect to payments:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Securities Accounting
Fax: (770) 690-4886

Delivery of Notes after Closing:

The Bank of New York
One Wall Street
Window A - 3rd Floor
New York, NY 10286
Ref. RNY - Acct. No. 187038

with copy to:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Private Placements
Fax: (770) 690-5057

Notices and Communications:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Private Placements
Fax: (770) 690-5057

Tax Identification No.: 53-0242530

Signature Block Format:

RELIASTAR LIFE INSURANCE COMPANY
USG ANNUITY & LIFE COMPANY
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK
By: ING Investment Management LLC, as Agent

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

USG ANNUITY & LIFE COMPANY

Series 2003
Tranche 2
\$ 15,000,000
(R-T2-9)

(29) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

The Bank of New York
ABA #021000018
BNF #IOC566 - Income Collections
Attn: William Cashman
Ref.: USG Annuity & Life Company,
Acct. No. 368520 and [insert Cusip No.]

In case of all notices with respect to payments:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Securities Accounting
Fax: (770) 690-4886

Delivery of Notes after Closing:

The Bank of New York
One Wall Street

Window A - 3rd Floor
New York, NY 10286
Ref. USG - Acct. No. 368520

with copy to:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Private Placements
Fax: (770) 690-5057

Notices and Communications:

ING Investment Management LLC
5780 Powers Ferry Road, NW, Suite 300
Atlanta, GA 30327-4349
Attn.: Private Placements
Fax: (770) 690-5057

Tax Identification No.: 73-0663836

Signature Block Format:

RELIASTAR LIFE INSURANCE COMPANY
USG ANNUITY & LIFE COMPANY
RELIASTAR LIFE INSURANCE COMPANY OF NEW YORK
By: ING Investment Management LLC, as Agent

By: _____

Name: _____

Title: AUTHORISED SIGNATORY

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

THE OHIO NATIONAL LIFE INSURANCE COMPANY

Series 2003
Tranche 2
\$10,000,000
(R-T2-10)

(30) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

U.S. Bank N.A. (ABA #042-000013)
5th & Walnut Streets
Cincinnati, OH 45202
For credit to The Ohio National Life Insurance Company's
Account No. 910-275-7

In case of all notices with respect to payments:

The Ohio National Life Insurance Company
One Financial Way
Cincinnati, OH 45242
Attention: Investment Department
Fax number: 513-794-4506

Delivery of Notes after Closing:

Jed R. Martin
Investment Vice President, Private Placements

The Ohio National Life Insurance Company
One Financial Way
Cincinnati, OH 45242
telephone number: 513-794-6381
fax number: 513-794-4506
e-mail: jed_martin@ohionational.com

Notices and Communications:

The Ohio National Life Insurance Company
One Financial Way
Cincinnati, OH 45242
Attention: Investment Department
Fax number: 513-794-4506

Tax Identification No.: 31-0397080

Signature Block Format:

THE OHIO NATIONAL LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

THRIVENT FINANCIAL FOR LUTHERANS

Series 2003
Tranche 2
\$20,000,000
(R-T2-11)

(31) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.36% Senior Notes due June 2013, PPN 15128@AB 9, principal, interest and/or Make Whole Amount") to:

ABA # 011000028
State Street Bank & Trust Co.
DDA # A/C - 6813-049-1
Fund Number: NCE1
Fund Name: Thrivent Financial for Lutherans

In case of all notices with respect to payments:

Investment Division
Thrivent Financial for Lutherans
625 Fourth Avenue North
Minneapolis MN 55415
Fax: 612-340-5776

With a copy to:

Thrivent Accounts
State Street Kansas City
801 Pennsylvania
Kansas City, MO 64105
Attention: Bart Woodson
Fax: 816-691-3610

Delivery of Notes after Closing:

DTC/New York Window
55 Water Street
Plaza Level - 3rd Floor
New York, NY 10041
Account: State Street
Fund Name: Thrivent Financial for Lutherans
Fund Number: NCE1
Nominee Name: Swanbird & Co.
Nominee Tax ID Number: 04-3475606

With a copy to the Thrivent Financial in-house attorney

Notices and Communications:

Thrivent Financial for Lutherans
Attn: Investment Division
625 Fourth Avenue South
Minneapolis, MN 55415
Fax: (612) 340-5776

Tax Identification No.: 39-0123480

Signature Block Format:

THRIVENT FINANCIAL FOR LUTHERANS

By: _____
Name: _____
Title: _____

Nominee: SWANBIRD & CO.

TRANCHE 3
INFORMATION RELATING TO PURCHASERS

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NAME OF PURCHASER

AIG ANNUITY INSURANCE COMPANY

Series 2003
Tranche 3
\$15,000,000
(R-T3-1)

(32) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

ABA # 011000028
State Street Bank and Trust Company
Boston, MA 02101
Re: AIG Annuity Insurance Company
A/C: 7215-132-7
OBI = PPN # and description of payment
Fund Number WE1B

In case of all notices with respect to payments:

AIG Annuity Insurance Company and WE1B
c/o State Street Bank Corporation

Insurance Services
801 Pennsylvania
Kansas City, MO 64105
Fax: (816) 691-3619

Duplicate payment notices to:

AIG Annuity Insurance Company and WE1B
c/o AIG Global Investment Corporation
Attn: Private Placements Department, A36-04
P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Fax: (713) 831-1072

with copy to:

AIG Global Investment Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Delivery of Notes after Closing:

DTC / New York Window,
55 Water Street
New York, N.Y. 10041
Attention: Robert Mendez
Account: State Street
Fund Name: AIG ANNUITY INSURANCE COMPANY
Fund Number: WE 1B

Depository Trust Company (DTC) Instructions:
DTC Participant # 0997
Agent Bank ID # 20997
Institution ID # 39456
Fund Name: AIG ANNUITY INSURANCE COMPANY
Fund Number: WE 1B

Notices and Communications:

AIG Annuity Insurance Company and WE1B
c/o AIG Global Investment Corporation
Attn: Private Placements Department, A36-04
P.O. Box 3247
Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Fax: (713) 831-1072

with copy to:

AIG Global Investment Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Tax Identification No.: 75-0770838

Signature Block Format:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY
OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE
COMPANY
MERIT LIFE INSURANCE CO.

BY: AIG GLOBAL INVESTMENT CORP.,
INVESTMENT ADVISER

By: _____

Name: _____

Title: _____

Nominee: NONE

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NAME OF PURCHASER

AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY

Series 2003
Tranche 3
\$10,000,000
(R-T3-2)

(33) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

ABA#0110000280
State Street Bank and Trust Company
Boston, MA 02101
Re: American General Life and Accident
Insurance Company
AC-0125-934-0
OBI=PPN # and description of payment
Fund Number PA 10

In case of all notices with respect to payments:

American General Life and Accident Insurance Company
and PA 10
c/o State Street Bank Corporation
Insurance Services
801 Pennsylvania
Kansas City, MO 64105
Fax: (816) 691-3619

Duplicate payment notices to:

American General Life and Accident Insurance
Company and PA 10
c/o AIG Global Investment Corporation
Attn: Private Placement Department, A36-04
P.O. Box 3247
Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, TX 77019-2155
Fax: (713) 831-1072

with copy to:

AIG Global Investment Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Delivery of Notes after Closing:

DTC / New York Window,
55 Water Street
New York, N.Y. 10041
Attention: Robert Mendez
Account: State Street
Fund Name: AGLA
Fund Number: PA 10

Depository Trust Company (DTC) Instructions:

DTC Participant # 0997
Agent Bank ID # 20997
Institution ID # 39456
Fund Name: AGLA
Fund Number: PA 10

Notices and Communications:

American General Life and Accident Insurance
Company and PA 10
c/o AIG Global Investment Corporation
Attn: Private Placement Department, A36-04
P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, TX 77019-2155
Fax: (713) 831-1072

with copy to:
AIG Global Investment Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Tax Identification No.: 62-0306330

Signature Block Format:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE
COMPANY OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE
COMPANY
MERIT LIFE INSURANCE CO.

BY: AIG GLOBAL INVESTMENT CORP.,
INVESTMENT ADVISER

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY
OF NEW YORK

Series 2003
Tranche 3
\$12,000,000
(R-T3-3)

(34) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

ABA#011001234 / BOS SAFE DEP
Federal Reserve Bank of Boston
Boston, MA
DDA # 169064
Cost Center 1178
Ref A/C: AGIFLNY0012 - AILIFE
OBI=PPN # and description of payment
P \$ _____ I \$ _____

In case of all notices with respect to payments:

AIG Global Investment Group
ATTN: Jennifer Lee / Kathleen Cosgrove
160 Water Street, 15th Floor
New York, NY 10038
Tel: 212-820-4899 / 4913
Fax: 212-820-4925

Duplicate payment notices to:
American International Life Assurance Company
of New York
c/o AIG Global Investment Corporation
Attn: Private Placement Department, A36-04
P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Fax: (713) 831-1072

with copy to:

AIG Global Investment Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax (713) 831-2328

Delivery of Notes after Closing:

Mellon Bank
Attn: Mr. Michael Visone
Mellon Bank Securities Trust
120 Broadway - 13th Floor
New York, NY 10271
Ref A/C: AGIFLNY0012 - AI LIFE

DTC Participation # 0954
Agent Bank ID # 26017
Institution ID # 30012
Ref: AI Life
Account # AGIFLNY0012

Notices and Communications:

American International Life Assurance Company
of New York
c/o AIG Global Investment Corporation
Attn: Private Placement Department, A36-04
P.O. Box 3247
Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Fax: (713) 831-1072

with copy to:

AIG Global Investment Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax (713) 831-2328

Tax Identification No.: 13-6101875

Signature Block Format:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE
COMPANY OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE
COMPANY
MERIT LIFE INSURANCE CO.

BY: AIG GLOBAL INVESTMENT CORP.,
INVESTMENT ADVISER

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
MERIT LIFE INSURANCE CO.	Series 2003 Tranche 3 \$3,000,000 (R-T3-4)

(35) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

ABA#011000028
State Street Bank and Trust Company
Boston, MA 02101
Re: Merit Life Insurance Co.
AC-4653-082-0
OBI=PPN # and description of payment
Fund Number PA 20

In case of all notices with respect to payments:

Merit Life Insurance Co. and PA 20
c/o State Street Bank Corporation
Insurance Services
801 Pennsylvania
Kansas City, MO 64105
Fax: (816) 691-3619

Duplicate payment notices to:

Merit Life Insurance Co. and PA 20
Attn: Private Placement Department, A36-04
c/o AIG Global Investment Corporation

P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, TX 77019-2155
Fax: (713) 831-1072
with copy to:

American General Enterprise Services, Inc.
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Delivery of Notes after Closing:

DTC / New York Window,
55 Water Street
New York, N.Y. 10041
Attention: Robert Mendez
Account: State Street
Fund Name: MERIT LIFE INSURANCE CO.
Fund Number: PA 20

Depository Trust Company (DTC) Instructions:
DTC Participant # 0997
Agent Bank ID # 20997
Institution ID # 39456
Fund Name: MERIT LIFE INSURANCE CO.
Fund Number: PA 20

Notices and Communications:

Merit Life Insurance Co. and PA 20
Attn: Private Placement Department, A36-04
c/o AIG Global Investment Corporation
P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, TX 77019-2155
Fax: (713) 831-1072

with copy to:

American General Enterprise Services, Inc.
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Tax Identification No.: 35-1005090

Signature Block Format:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY
OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE
COMPANY
MERIT LIFE INSURANCE CO.

BY: AIG GLOBAL INVESTMENT CORP.,
INVESTMENT ADVISER

By: _____

Name: _____

Title: _____

Nominee: NONE

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NAME OF PURCHASER

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY

Series 2003
Tranche 3
\$35,000,000
(R-T3-5)

(36) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

ABA # 011000028
State Street Bank and Trust Company
Boston, MA 02101
Re: The Variable Annuity Life Insurance Company
A/C: 0125-821-9
OBI = PPN # and description of payment
Fund Number PA 54

In case of all notices with respect to payments:

The Variable Annuity Life Insurance Company and PA 54
c/o State Street Bank Corporation
Insurance Services
801 Pennsylvania
Kansas City, MO 64105
Fax: (816) 691-3619

Duplicate payment notices to:

The Variable Annuity Life Insurance Company and PA 54
c/o AIG Global Investment Corporation
Attn: Private Placement Department, A36-04
P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Fax: (713) 831-1072

with copy to:
AIG Global Investments Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Delivery of Notes after Closing:

DTC / New York Window,
55 Water Street
New York, N.Y. 10041
Attention: Robert Mendez
Account: State Street
Fund Name: The Variable Annuity Life Insurance Company
Fund Number: PA 54

Depository Trust Company (DTC) Instructions:
DTC Participant # 0997
Agent Bank ID # 20997
Institution ID # 39456
Fund Name: The Variable Annuity Life Insurance Company
Fund Number: PA 54

Notices and Communications:

The Variable Annuity Life Insurance Company and PA 54
c/o AIG Global Investment Corporation
Attn: Private Placement Department, A36-04
P.O. Box 3247 Houston, Texas 77253-3247

Overnight Mail Address:
2929 Allen Parkway, A36-04
Houston, Texas 77019-2155
Fax: (713) 831-1072

with copy to:
AIG Global Investments Corporation
Legal Department - Investment Management
2929 Allen Parkway, Suite A36-01
Houston, TX 77019-2155
Fax: (713) 831-2328

Tax Identification No.: 74-1625348

Signature Block Format:

THE VARIABLE ANNUITY LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY
AMERICAN INTERNATIONAL LIFE ASSURANCE COMPANY
OF NEW YORK
AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE
COMPANY
MERIT LIFE INSURANCE CO.

BY: AIG GLOBAL INVESTMENT CORP.,
INVESTMENT ADVISER

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
JOHN HANCOCK LIFE INSURANCE COMPANY	Series 2003 Tranche 3 \$17,500,000 (R-T3-6)

(37) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

Bank One, N.A.
ABA No. 071000013
Account of: John Hancock Champaign Service Center -
Mortgage/Bond
Account Number: 617423603

In case of all notices with respect to payments:

John Hancock Life Insurance Company
201 Knollwood Drive, Suite A

Champaign, IL 61820-7594
Attn: Accounting
Fax: (217) 356-1031

with a copy to:
John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond & Corp. Finance Group, T-57
Fax: (617) 572-1165

Delivery of Notes after Closing:

John Hancock Life Insurance Company
200 Clarendon Street, T-30
Boston, MA 02117
Attn: Malcolm Pittman

Notices and Communications:

John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond and Corporate Finance Group, T-57
Fax: (617) 572-1605

Tax Identification No.: 04-1414660

Signature Block Format:

JOHN HANCOCK LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY	Series 2003 Tranche 3 \$2,500,000 (R-T3-7)

(38) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

Bank One, N.A.
ABA No. 071000013
Account of: John Hancock Champaign Service Center -
Mortgage/Bond
Account Number: 617423603

In case of all notices with respect to payments:

John Hancock Life Insurance Company
201 Knollwood Drive, Suite A
Champaign, IL 61820-7594
Attn: Accounting
Fax: (217) 356-1031

with a copy to:
John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond & Corp. Finance Group, T-57
Fax: (617) 572-1165

Delivery of Notes after Closing:

John Hancock Life Insurance Company
200 Clarendon Street, T-30
Boston, MA 02117
Attn: Malcolm Pittman

Notices and Communications:

John Hancock Life Insurance Company
200 Clarendon St.
Boston, MA 02117
Attn: Bond and Corporate Finance Group, T-57
Fax: (617) 572-1605

Tax Identification No.: 04-2664016

Signature Block Format:

JOHN HANCOCK VARIABLE LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NEW YORK LIFE INSURANCE COMPANY

Series 2003
Tranche 3
\$16,000,000
(R-T3-8)

(39) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

Chase Manhattan Bank
New York, New York 10019
ABA No. 021-000-021
Credit: New York Life Insurance Company
General Account No. 008-9-00687

In case of all notices with respect to payments:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management and Operations Group
Securities Operations
2nd Floor

Fax #: (212) 447-4160

Delivery of Notes after Closing:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention Parkin Lee - Deputy General Counsel
Fax #: (212) 447-4160

Notices and Communications:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010
Attention: Securities Investment Group
Private Finance
2nd Floor
Fax #: (212) 447-4122

with a copy of any notices regarding defaults or
Events of Default under the operative documents to:

Attention: Office of General Counsel
Investment Section, Room 1104
Fax #: (212) 576-8340

Tax Identification No.: 13-5582869

Signature Block Format:

NEW YORK LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER -----	PRINCIPAL AMOUNT AND SERIES OF NOTES TO BE PURCHASED -----
NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION	Series 2003 Tranche 3 \$8,500,000 (R-T3-9)

(40) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

Chase Manhattan Bank
New York, New York 10019
ABA No. 021-000-021
Credit: New York Life Insurance and Annuity Corporation
General Account No. 323-8-47382

In case of all notices with respect to payments:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management and Operations Group
Securities Operations
2nd Floor
Fax #: (212) 447-4160

Delivery of Notes after Closing:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention Parkin Lee - Deputy General Counsel
Fax #: (212) 447-4160

Notices and Communications:

New York Life Insurance and Annuity Corporation
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010
Attention: Securities Investment Group
Private Finance
2nd Floor
Fax #: (212) 447-4122

with a copy of any notices regarding defaults or
Events of Default under the operative documents to:

Attention: Office of General Counsel
Investment Section, Room 1104
Fax #: (212) 576-8340

Tax Identification No.: 13-3044743

Signature Block Format:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

By: New York Life Investment Management LLC,
Its Investment Manager

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

NEW YORK LIFE INSURANCE AND ANNUITY
CORPORATION INSTITUTIONALLY OWNED LIFE
INSURANCE SEPARATE ACCOUNT

Series 2003
Tranche 3
\$500,000
(R-T3-10)

(41) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

Chase Manhattan Bank
New York, New York 10019
ABA No. 021-000-021
Credit: NYLIAC SEPARATE BOLI 3 BROAD FIXED
General Account No. 323-8-39002

In case of all notices with respect to payments:

New York Life Insurance and Annuity Corporation
Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention: Financial Management and Operations Group
Securities Operations
2nd Floor
Fax #: (212) 447-4160

Delivery of Notes after Closing:

New York Life Insurance Company
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010-1603
Attention Parkin Lee - Deputy General Counsel
Fax #: (212) 447-4160

Notices and Communications:

New York Life Insurance and Annuity Corporation
Institutionally Owned Life Insurance Separate Account
c/o New York Life Investment Management LLC
51 Madison Avenue
New York, New York 10010
Attention: Securities Investment Group
Private Finance
2nd Floor
Fax #: (212) 447-4122

with a copy of any notices regarding defaults or
Events of Default under the operative documents to:

Attention: Office of General Counsel
Investment Section, Room 1104
Fax #: (212) 576-8340

Tax Identification No.: 13-3044743

Signature Block Format:

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
INSTITUTIONALLY OWNED LIFE INSURANCE SEPARATE
ACCOUNT
By New York Life Investment Management LLC,
Its Investment Manager

Name: _____

Title: _____

Nominee: None

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

Series 2003
Tranche 3
\$38,000,000
(R-T3-11)

(42) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

State Street Corporation
14 Wall Street, 4th Floor
New York, NY 10005
ABA # 021001033
Account Name: The Northwestern Mutual Life Insurance Company
Account #: 00-000-027

In case of all notices with respect to payments:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Treasury & Investment Operations Department
Facsimile: (414) 625-6998

Delivery of Notes after Closing:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: David Silber

Notices and Communications:

The Northwestern Mutual Life Insurance Company
720 East Wisconsin Avenue
Milwaukee, WI 53202
Attention: Securities Department
Facsimile: (414) 665-7124

Tax Identification No.: 39-0509570

Signature Block Format:

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: NONE

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

BENEFICIAL LIFE INSURANCE COMPANY

Series 2003
Tranche 3
\$3,000,000
(R-T3-12)

(43) All payments on account of the Notes shall be made by crediting in the form of bank wire

transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes due June 2015, PPN 15128@AC 7, principal, interest and/or Make Whole Amount") to:

JP Morgan Chase
ABA # 021000021
A/C # 544755102
FFC: Zions First National Bank G70990

In case of all notices with respect to payments:

Beneficial Life Insurance Co.
36 South State, 25th floor
Salt Lake City, UT 84136
Attn: Sterling Russell
Fax: (801)531-3339

Delivery of Notes after Closing:

Annette Rohovit
Deseret Trust Co.
10 East South Temple
Salt Lake City, UT 84133
Phone: 801-363-2991, x3016

Notices and Communications:

Sterling Russell
Beneficial Life Insurance Company
36 South State Street, Salt Lake City, Utah 84136
Phone (801-933-1239)
Facsimile (801-531-3339)
Sterling.Russell@benlife.com

Tax Identification No.: 87-0115120

Signature Block Format:

BENEFICIAL LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: TFINN

NAME OF PURCHASER

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

PRINCIPAL LIFE INSURANCE COMPANY

Series 2003
Tranche 3
\$27,500,000
(R-T3-13)
\$5,000,000
(R-T3-14)
\$2,500,000
(R-T3-15)

(44) All payments on account of the Notes shall be made by crediting in the form of bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cemex Espana Finance LLC, 5.51% Senior Notes

due June 2015, PPN 15128@AC 7, principal,
interest and/or Make Whole Amount") to:

ABA No.: 073000228
Wells Fargo Bank Iowa, N.A.
7th and Walnut Streets
Des Moines, Iowa 50309
For credit to Principal Life Insurance Company
Account No.: 0000014752
OBI PFGSE (S) B0066175 ()

In case of all notices with respect to payments:

Principal Global Investors, LLC
801 Grand Ave
Des Moines, IA 50392-0960
ATTN: Investment Accounting - Securities
Fax: (515) 248-2643
Confirmation: (515) 248-2766

Delivery of Notes after Closing:

Principal Global Investors, LLC
801 Grand Avenue
Des Moines, Iowa 50392-0301
Attn.: Jon C. Heiny, Esq.

Notices and Communications:

Principal Global Investors, LLC
801 Grand Ave
Des Moines, IA 50392-0800
ATTN.: Fixed Income - Securities
Fax: (515) 248-2490
Confirmation: (515) 248-3495

Tax Identification No.: 42-0127290

Signature Block Format:

PRINCIPAL LIFE INSURANCE COMPANY

By: Principal Global Investors, LLC
a Delaware limited liability company,
its authorized signatory

By: _____
Its: _____

By: _____
Its: _____

Nominee: NONE

NAME OF PURCHASER

PHOENIX LIFE INSURANCE COMPANY

PRINCIPAL AMOUNT
AND SERIES OF NOTES
TO BE PURCHASED

Series 2003
Tranche 3
\$5,000,000
(R-T3-16)

(45) All payments on account of the Notes shall be
made by crediting in the form of bank wire
transfer of Federal or other immediately
available funds (identifying each payment as
"Cemex Espana Finance LLC, 5.51% Senior Notes

due June 2015, PPN 15128@AC 7, principal,
interest and/or Make Whole Amount") to:

JP Morgan Chase
New York, New York
ABA# 021 000 021
Acct. No. 900 9000 200
Acct. Name: Income Processing
Reference: G05123, Phoenix Life
PHL Closed Block

In case of all notices with respect to payments:

Phoenix Investment Partners
Private Placement Group
56 Prospect Street
Hartford, CT 06115
Fax number: (860) 403-7248

Delivery of Notes after Closing:

Phoenix Life Insurance Company
Attn: John Mulrain
One American Row
Hartford, CT 06115

Notices and Communications:

Phoenix Investment Partners
Private Placement Group
56 Prospect Street
Hartford, CT 06115
Fax number: (860) 403-7248

with a copy to:

Phoenix Life Insurance Company
One American Row
Hartford, CT 06115

Tax Identification No.: 06-0493340

Signature Block Format:

PHOENIX LIFE INSURANCE COMPANY

By: _____

Name: _____

Title: _____

Nominee: None

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); 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 exceed EBITDA by (euro)10,000,000 or more.

"Affiliate" means, at any time, and with respect to any Person, (a) 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) 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 corporation 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 8.8 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 of any Subsidiary.

"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 Federal, state, local, and foreign 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 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, and (vi) Sandworth Plaza Holding 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.

"Notarization" is defined in Section 10.7(a).

"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 Notarization" is defined in Section 10.7(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, covenants and indemnities, 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 Cemex Espana or its Subsidiary as to which a valid Notarization is in effect, excluding Permitted Notarizations of the type described in clauses (i), (ii) and (iv) of Section 10.7(a), (ii) Financial Indebtedness of Subsidiaries (other than Excluded Subsidiary Guarantors and the Company), excluding Financial Indebtedness of the type described in clauses (a) through (h) of Section 10.6 and (iii) 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 the 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 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.

"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.

"Spanish Public Document" means any obligation in an Escritura Publica or documento intervenido.

"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 Subsidiary held by Cemex Espana or 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 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 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.

"Tranche 1 Notes" is defined in Section 1.

"Tranche 2 Notes" is defined in Section 1.

"Tranche 3 Notes" is defined in Section 1.

"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

None.

SCHEDULE 5.3

DISCLOSURE EXCEPTIONS

None.

SCHEDULE 5.4

SUBSIDIARIES (INCLUDING IDENTIFICATION OF MATERIAL SUBSIDIARIES)

AS OF MAY 31, 2003

COMPANY'S NAME	PLACE OF INCORPORATION	SHAREHOLDING PARTICIPATION
AGROPECUARIA ROSARITO, C.A.	Venezuela	100%
ALTAIR (INDIA) PRIVATE LIMITED	India	100%
APO CEMENT CORPORATION	Philippines	100%
APO LAND & QUARRY CORPORATION	Philippines	100%
ARICEMEX, S.A.	Spain	100%
ARIDOS SILICIOS, S.A.	Spain	100%
ARIDOS Y ASFALTOS CANARIOS, S.A.	Spain	100%
ARRENDAMIX DE VENEZUELA, S.A.	Venezuela	100%
ASESORIAS Y GESTIONES LIMITADA	Colombia	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%
CEMENTO CERRO BLANCO, S.A.	Argentina	65%
CEMENTOS DEL PACIFICO, S.A.	Costa Rica	98%

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	92%*
CEMEX ASIA PACIFIC INVESTMENTS B.V.	Netherlands	100%
CEMEX ASIA PTE. LTD.	Singapore	100%
CEMEX ASIA VENTURES INC.	Philippines	100%
CEMEX ASIAN INVESTMENTS N.V.	Netherlands Antilles	100%
CEMEX BETON, S.A.S.	France	100%
CEMEX CALIFORNIA CEMENT LLC	Delaware	100%
CEMEX CAPE VERDIAN INVESTMENTS B.V.	Netherlands	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	98%*
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 DANISH INVESTMENTS B.V.	Netherlands	100%*
CEMEX EGYPT FOR DISTRIBUTION COMPANY	Egypt	100%
CEMEX EGYPT FOR SERVICES	Egypt	100%
CEMEX EGYPTIAN INVESTMENTS B.V.	Netherlands	100% (G)
CEMEX ELEVEN INVESTMENTS B.V.	Netherlands	100%
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 FOURTEEN INVESTMENTS B.V.	Netherlands	100%
CEMEX GENERACION Y COMERCIALIZACION DE ENERGIA, S.A. E.S.P.	Colombia	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 THIRTEEN 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 TWELVE INVESTMENTS B.V.	Netherlands	100%
CEMEX VENEZUELA, S.A.C.A.	Venezuela	76%*
CEMEX VENTURES, INC.	Delaware	100%
CEMEX, INC.	Louisiana	100%*
CEMSAL Ltd.	Ghana	75%
CENTRAL DE MEZCLAS, S.A.	Colombia	100%
CETACEA INVESTMENTS LIMITED	Trinidad & Tobago	100%
CETRA INC.	Cayman Islands	100%
CHIQUEIJOS, S.A.	Costa Rica	100%
COLOMBIA HOLDINGS 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%*
CORBIN INVESTMENTS	Cayman Islands	100%*
CUBIC HOLDINGS LTD	Cayman Islands	100%
CX (THAILAND) LIMITED	Thailand	100%
DESARROLLOS DIADANILO, C.A.	Venezuela	100%
DESARROLLOS MULTIPLES INSULARES, INC.	Puerto Rico	100%
DIAMANTE TRANSPORTES LIMITADA	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%
FUNDACION DIAMANTE SAMPER	Colombia	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%
HISPAGOLD INVESTMENTS B.V.	Netherlands	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.	Colombia	98%
INMOBILIARIA VALLE DOS C.A.	Venezuela	100%
INMOBILIARIA Y ARRENDAMIENTO BAYANO, S.A.	Panama	100%
INTERNATIONAL COMPANY FOR SILOS LTD.	Egypt	70%
INVERSIONES CALLEGARI, C.A.	Venezuela	100%
ISLAND QUARRY AND AGGREGATES CORP.	Philippines	100%
JAMES H. DREW CORPORATION	Indiana	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%*
MADISA B.V.	Netherlands	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 POLINA 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%
SANDWORTH PLAZA HOLDING B.V.	Netherlands	100% (G)
SERVICIOS MUNDIALES DE CONSULTORIA SEMUCOSA, S.A.	Venezuela	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%
TENNESSEE GUARDRAIL, INC.	Tennessee	100%
TOULOUSE MIDI PYRENNEES ENROBES, S.A.	France	57%
TRANSENERGY, INC.	Texas	100%
TRANSPORTES DE CEMENTO, S.A.	Spain	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%

* In Bold, material subsidiaries
(G) In Bold, Guarantor

As of May 31, 2003

BOARD OF DIRECTORS OF CEMEX ESPANA

LORENZO H. ZAMBRANO TREVINO
JOSE LUIS SAENZ DE MIERA ALONSO
IGNACIO ORTIZ MARTIN
HECTOR MEDINA AGUIAR
VICTOR MANUEL ROMO MUNOZ
RAMIRO VILLARREAL MORALES
MARCELO ZAMBRANO LOZANO

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
JUAN M. PORTAL

SCHEDULE 5.8

LITIGATION

None.

SCHEDULE 5.11

LICENSE, ETC. EXCEPTIONS

None.

SCHEDULE 5.15

EXISTING FINANCIAL INDEBTEDNESS

[GRAPHIC OMITTED]

SCHEDULE 10.3
EXISTING LIENS

CONSOLIDATED GROUP
LIEN SCHEDULE (M (euro))

[GRAPHIC OMITTED]

SCHEDULE 10.7
EXISTING NOTARIZATIONS

Type of Agreement	Borrower/Guarantor	Maturity date	Total Principal Amount of Indebtedness notarized as of May 31, 2003
Bilateral lines	Cemex Espana S.A./n.a.	Between June 2003 and April 2006	EUR 77,052,847 (1) (2)
Capital Lease contract	Cemex Espana S.A./n.a.	December 21st, 2003	EUR 1,060,362
Deferred purchase price	Aricemex S.A./n.a.	July, 2005	EUR 1,442,429
5-year term loan	Cementos Diamante/ Cemex Espana S.A.	October 19th, 2004	US\$ 55,672,250
5-year term loan	Cemex Inc./ Cemex Espana S.A.	November 6th, 2005	US\$ 325,000,000

(1) Corresponds to the total committed amount under the facilities

(2) (euro)21,459,227 matured on June 3,2003

EXHIBIT 1 (a)

[FORM OF TRANCHE 1 NOTE]

CEMEX ESPANA FINANCE LLC

4.77% SENIOR NOTE, SERIES 2003, TRANCHE 1, DUE JUNE 15, 2010

No. [_____]]
\$ [_____]

[Date]
PPN 15128@AA 1

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 15, 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 4.77% per annum from the date hereof, payable semiannually, on the 15th day of June and December in each year, commencing with the June 15th or December 15th 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) 6.77% 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 23, 2003 (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 representation 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.

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]

[FORM OF TRANCHE 2 NOTE]

CEMEX ESPANA FINANCE LLC

5.36% SENIOR NOTE, SERIES 2003, TRANCHE 2, DUE JUNE 15, 2013

No. [_____]
\$ [_____]

[Date]
PPN 15128@AB 9

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 15, 2013, 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 5.36% per annum from the date hereof, payable semiannually, on the 15th day of June and December in each year, commencing with the June 15th or December 15th 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) 7.36% 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 23, 2003 (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.

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(c)

[FORM OF TRANCHE 3 NOTE]

CEMEX ESPANA FINANCE LLC

5.51% SENIOR NOTE, SERIES 2003, TRANCHE 3, DUE JUNE 15, 2015

No. [_____]
 \$ [_____]

[Date]
 PPN 15128@AC 7

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 15, 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 5.51% per annum from the date hereof, payable semiannually, on the 15th day of June and December in each year, commencing with the June 15th or December 15th 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) 7.51% 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 23, 2003 (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.

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

[To be completed]

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

[To be completed]

EXHIBIT 4.4 (d)

FORM OF OPINION OF SPECIAL US COUNSEL
TO THE PURCHASERS

[To be completed]

EXHIBIT 4.4 (e)

FORM OF OPINION OF SPECIAL SPANISH COUNSEL
TO THE PURCHASERS

[To be completed]

=====

FIRST AMENDED AND RESTATED
REIMBURSEMENT AND CREDIT AGREEMENT

among

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

as Issuer

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

as Guarantor

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

as Guarantor

BARCLAYS BANK PLC,
NEW YORK BRANCH,
as Issuing Bank, Documentation Agent and
Administrative Agent

and

The Several Lenders Party Hereto,

and

BARCLAYS CAPITAL,
THE INVESTMENT BANKING DIVISION
OF BARCLAYS BANK PLC,
as Joint Arranger

and

BANC OF AMERICA SECURITIES LLC
as Joint Arranger and Syndication Agent

US\$400,000,000

Dated as of August 8, 2003

=====

TABLE OF CONTENTS

	Page

ARTICLE I DEFINITIONS.....	8
1.01 Certain Definitions.....	8
1.02 Other Definitional Provisions.....	25
1.03 Accounting Terms and Determinations.....	26
ARTICLE II THE LETTER OF CREDIT FACILITY.....	26
2.01 Issuance of the Letter of Credit.....	26

2.02 Reimbursement Obligations.....	26
2.03 Obligations Absolute.....	27
2.04 Participating Interests.....	28
2.05 Limited Liability of the Issuing Bank.....	31
2.06 Defaulting Lenders.....	31
2.07 Non-Default Disruption Event.....	33
2.08 Maximum Interest Rate.....	34
ARTICLE III THE LOAN FACILITY.....	35
3.01 Commitments to Lend.....	35
3.02 Notice of Borrowing.....	36
3.03 Notice to Lenders; Funding of Loans.....	37
3.04 Notes 38	
3.05 Conversion and Continuation	
of Loans.....	39
3.06 Maturity of Loans.....	40
3.07 Interest Rates.....	40
3.08 Computation of Interest.....	40
3.09 Optional Prepayments.....	41
3.10 Mandatory Prepayments.....	41
3.11 Maximum Interest Rate.....	42
ARTICLE IV THE STANDBY L/C FACILITY.....	42
4.01 Issuance of the Standby L/C.....	42
4.02 Reimbursement Obligations.....	43
4.03 Obligations to reimburse Standby L/C Drawing Absolute.....	43
4.04 Participating Interests.....	45
4.05 Limited Liability of the Issuing Bank.....	47
ARTICLE V TERMINATION AND REDUCTION OF COMMITMENTS; FEES, TAXES, PAYMENT PROVISIONS.....	48
5.01 Termination or Reduction of Commitments.....	48
(a) Mandatory Termination.....	48
(b) Voluntary Termination.....	48
(c) Reduction of Letter of Credit Facility.....	48
5.02 Extension of Stated Termination Date.....	49
(b) Requests for Extension.....	49
(c) Additional Commitment Lenders.....	49
(d) Minimum Extension Requirement.....	49
5.03 Fees 50	
(a) Participation Fee.....	50
(b) Letter of Credit Fees.....	50
(c) Standby L/C Fees.....	50
(d) Agency Fees.....	50
(e) Arrangement Fees.....	50
(f) Depository Fees.....	50
(g) Up-Front Fee.....	51
5.04 Computation of Fees.....	51
5.05 Taxes 51	
5.06 General Provisions as to Payments.....	53
5.07 Funding Losses.....	54
5.08 Basis for Determining Interest Rate Inadequate or Unfair.....	54
5.09 Illegality.....	54
5.10 Increased Costs; Capital Adequacy.....	54
5.11 Substitute Lenders.....	56
5.12 Sharing of Payments, Etc.....	56
ARTICLE VI CONDITIONS PRECEDENT.....	57
6.01 Conditions to Effectiveness.....	57
(a) Agreement.....	57
(b) Notes.....	57
(c) Depository Agreement and Dealer Agreements.....	57
(d) Opinions of Issuer's and each Guarantor's Counsel.....	57
(e) Opinion of Counsel to the Administrative Agent.....	58
(f) Opinion of Counsel to the Issuing Bank.....	58
(h) Governmental Approvals.....	58
(i) Organizational Documents of the Issuer and the Guarantors.....	58
(j) Agent for Service of Process.....	58
(k) Ratings.....	58
(l) Fees and Expenses.....	58
(m) No Default.....	59
(n) Representations and Warranties.....	59
(o) No Material Adverse Effect.....	59
(p) Other Documents.....	59
(q) Fees, Costs and Expenses under the Prior Agreement.....	59
(r) Prior Agreement.....	59

(s) Non-Extending Lenders.....	59
(t) Additional Commitment Lenders and Lenders.....	59
6.02 Conditions Precedent to the Issuance of Commercial Paper Notes.....	59
6.03 Conditions Precedent to Borrowings, Continuation or Conversion of the Loans and Issuances of Standby L/Cs.....	60
6.04 Conditions Precedent to Effectiveness of Extensions Amendment and Restatement.....	61
ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE ISSUER.....	62
7.01 Corporate Existence and Power.....	62
7.02 Power and Authority; Enforceable Obligations.....	62
7.03 Compliance with Law and Other Instruments.....	62
7.04 Governmental Approvals.....	63
7.05 Financial Information.....	63
7.06 Litigation.....	63
7.07 No Immunity.....	63
7.08 Investment Company Act.....	64
7.09 Direct Obligations; Pari Passu; Liens.....	64
7.10 Subsidiaries.....	64
7.11 Ownership of Property.....	64
7.12 No Recordation Necessary.....	64
7.13 Taxes	65
7.14 Compliance with Laws.....	65
7.15 Absence of Default.....	65
7.16 Full Disclosure.....	65
7.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity.....	65
7.18 Aggregate Outstandings.....	65
7.19 Standby L/C's.....	66
ARTICLE VIII REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS.....	66
8.01 Corporate Existence and Power.....	66
8.02 Power and Authority; Enforceable Obligations.....	66
8.03 Compliance with Law and Other Instruments.....	66
8.04 Governmental Approvals.....	66
8.05 No Immunity.....	67
8.06 Direct Obligations; Pari Passu.....	67
8.07 No Recordation Necessary.....	67
8.08 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity.....	67
ARTICLE IX AFFIRMATIVE COVENANTS.....	68
9.01 Financial Reports and Other Information.....	68
9.02 Notice of Default and Litigation.....	69
9.03 Compliance with Laws and Contractual Obligations, Etc.....	69
9.04 Payment of Obligations.....	69
9.05 Maintenance of Insurance.....	69
9.06 Conduct of Business and Preservation of Corporate Existence.....	69
9.07 Books and Records.....	70
9.08 Maintenance of Properties, Etc.....	70
9.09 Use of Proceeds.....	70
9.10 Pari Passu Ranking.....	70
9.11 Transactions with Affiliates.....	70
9.12 Maintenance of Governmental Approvals.....	71
ARTICLE X NEGATIVE COVENANTS.....	71
10.01 The Commercial Paper Notes.....	71
10.02 Securities Act.....	71
10.03 Offering Statements.....	71
10.04 Depositary; Dealers; Depositary Agreement.....	72
10.05 Financial Conditions.....	72
10.06 Liens.....	72
10.07 Consolidations and Mergers.....	73
10.08 Sales of Assets, Etc.....	74
10.09 Change in Nature of Business.....	75
10.10 Margin Regulations.....	75
ARTICLE XI OBLIGATIONS OF GUARANTORS.....	75
11.01 The Guaranty.....	75
11.02 Nature of Liability.....	75
11.03 Unconditional Obligations.....	75
11.04 Independent Obligation.....	76
11.05 Waiver of Notices.....	76
11.06 Waiver of Defenses.....	76
11.07 Bankruptcy and Related Matters.....	77
11.08 No Subrogation.....	78

11.09	Right of Contribution.....	79
11.10	General Limitation on Guaranty.....	79
11.11	Covenants of the Guarantors.....	79
ARTICLE XII EVENTS OF DEFAULT.....		80
12.01	Events of Default.....	80
	(a) Payment Defaults.....	80
	(b) Representation and Warranties.....	80
	(c) Specific Defaults.....	80
	(d) Other Defaults.....	80
	(e) Defaults under Other Agreements.....	80
	(f) Voluntary Bankruptcy.....	80
	(g) Involuntary Bankruptcy.....	81
	(h) Monetary Judgment.....	81
	(i) Pari Passu.....	81
	(j) Validity of Agreement.....	81
	(k) Governmental Authority.....	81
	(l) Expropriation, Etc.....	81
	(m) Moratorium; Availability of Foreign Exchange.....	81
	(n) Material Adverse Effect.....	82
	(o) Attachments of Accounts.....	82
	(p) Change of Ownership or Control.....	82
12.02	Remedies.....	82
12.03	Notice of Default.....	84
12.04	Default Interest.....	84
ARTICLE XIII THE ADMINISTRATIVE AGENT.....		84
13.01	Appointment and Authorization.....	84
13.02	Delegation of Duties.....	84
13.03	Liability of Administrative Agent.....	85
13.04	Reliance by Administrative Agent.....	85
13.05	Notice of Default.....	85
13.06	Credit Decision.....	86
13.07	Indemnification.....	86
13.08	Administrative Agent in Individual Capacity.....	87
13.09	Successor Administrative Agent.....	87
ARTICLE XIV THE ISSUING BANK.....		88
14.01	Appointment.....	88
14.02	Liability of Issuing Bank.....	88
14.03	Reliance by Issuing Bank.....	88
14.04	Credit Decision.....	89
14.05	Indemnification.....	89
14.06	Issuing Bank in Its Individual Capacity.....	90
14.07	Notice of Default.....	90
ARTICLE XV THE ARRANGERS.....		90
15.01	The Arrangers.....	90
15.02	Liability of Arrangers.....	90
15.03	Arrangers in their respective Individual Capacities.....	91
15.04	Credit Decision.....	91
ARTICLE XVI MISCELLANEOUS.....		91
16.01	Notices.....	91
16.02	Amendments and Waivers.....	92
16.03	No Waiver; Cumulative Remedies.....	93
16.04	Payment of Expenses, Etc.....	93
16.05	Indemnification.....	94
16.06	Successor and Assigns.....	94
16.07	Right of Set-off.....	96
16.08	Confidentiality.....	97
16.09	Use of English Language.....	97
16.10	GOVERNING LAW.....	97
16.11	Submission to Jurisdiction.....	97
16.12	Appointment of Agent for Service of Process.....	98
16.13	Waiver of Sovereign Immunity.....	99
16.14	Judgment Currency.....	99
16.15	Counterparts.....	99
16.16	Effect of Termination of Commitments.....	99
16.17	Severability.....	100
16.18	Survival of Agreements and Representations.....	100

SCHEDULES

- Schedule 1.01 (a) Commitments
- Schedule 1.01 (b) Lending Offices

Schedule 7.06 Litigation
Schedule 7.10 Subsidiaries
Schedule 7.19 Outstanding Standby L/Cs
Schedule 10.06 Liens

EXHIBITS

Exhibit A Form of Letter of Credit
Exhibit B Form of Note
Exhibit C Form of Depositary Agreement Borrowing
Exhibit E Form of Notice of Continuation/Conversion
Exhibit F Form of Assignment and Assumption Agreement
Exhibit G Form of Opinion of Special New York Counsel to the Issuer and the Guarantors
Exhibit H Form of Opinion of Mexican Counsel to the Issuer and the Guarantors
Exhibit I-1 Form of Standby Letter of Credit
Exhibit I-2 Form of Standby Letter of Credit

REIMBURSEMENT AND CREDIT AGREEMENT

FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, dated as of August 8, 2003 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 "Issuer"), 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"), BARCLAYS BANK PLC, NEW YORK BRANCH, as Issuing Bank, Documentation Agent and Administrative Agent, the several Lenders party hereto, and BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, as a Joint Arranger and BANC OF AMERICA SECURITIES LLC, as a Joint Arranger and Syndication Agent.

RECITALS

(1) Barclays Bank PLC, New York Branch issued its letter of credit in the maximum face amount of US\$275,000,000 to provide for the repayment of outstanding promissory notes of the Issuer issued in the United States commercial paper market and issued certain standby letters of credit all in accordance with the provisions of (i) a Reimbursement and Credit Agreement, dated as of August 26, 2002 (the "Prior Agreement") among the Issuer, the Guarantors, Barclays Bank PLC, New York Branch, as issuing bank, documentation agent and administrative agent, the several lenders party thereto, and Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a joint arranger and Banc of America Securities LLC, as a joint arranger and syndication agent, and (ii) an existing Depositary Agreement, dated as of August 26, 2002 upon the terms and subject to the conditions set forth therein.

(2) The Issuer proposes (i) to issue and sell a new series of its promissory notes in the United States commercial paper market supported by a letter of credit issued by the Issuing Bank, (ii) to obtain from the Lenders commitments to make loans and (iii) to request the Issuing Bank to issue Standby L/Cs (as defined herein) for its account in an aggregate principal amount (together with any outstanding commercial paper notes and outstanding standby letters of credit pursuant to the Prior Agreement and unreimbursed drawings under the letters of credit issued hereunder) not in excess of U.S.\$400,000,000 at any one time outstanding.

(3) The Issuer has requested the Documentation Agent and Issuing Bank (i) to amend and restate the Prior Agreement and the letter of credit issued in connection with the Prior Agreement; (ii) to extend the Stated Termination Date, to increase the amount of the Commitments to US\$400,000,000; (iii) to increase the sublimit for issuance of Standby L/C's issued and to be issued to US\$200,000,000; (iv) to permit a change in the Participation Percentages and in the amount of the Commitments of certain of the lenders party thereto; and (v) to provide for the addition of certain lenders as Lenders party hereto.

(4) Upon the terms and subject to the conditions set forth below, (a) the Issuing Bank is willing to issue an amended and restated irrevocable direct-pay letter of credit in the stated amount of US\$400,000,000; (b) the

Administrative Agent, the Joint Arrangers, the Lenders and the Issuing Bank are willing to amend and restate the Prior Agreement in its entirety to extend the Stated Termination Date and to incorporate other provisions as requested by the Issuer; and (c) the Lenders are willing to participate in (i) the new irrevocable direct-pay letter of credit, (ii) the standby letters of credit issued and outstanding under the Prior Agreement and deemed to be made pursuant to this Agreement as of the date hereof, (iii) any new Standby L/Cs to be issued hereunder, and (iv) to make loans to the Issuer upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, the Issuer, the Issuing Bank, the Lenders, the Administrative Agent and the Joint Arrangers hereby agree 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 Issuer 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 formed by the Issuer or 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 Issuer or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Additional Commitment Lender" has the meaning specified in Section 5.02(c).

"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, New York Branch, in its capacity as administrative agent for the Issuing Bank and 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 5.10(a).

"Affiliate" of any specified Person means any other Person who directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings

correlative to the foregoing.

"Aggregate Reported Proceeds" means the aggregate net sales price of any Commercial Paper Notes, i.e., the Face Amount thereof less discount for interest and fees.

"Aggregate Outstandings" means the sum of (i) Face Amount of Commercial Paper Notes issued and unpaid; (ii) the amount of any Standby L/C issued and outstanding; (iii) the principal amount of any Loans outstanding; and (iv) the amount of any unreimbursed Drawing or Standby L/C Drawing.

"Agreement" means this Reimbursement and Credit Agreement, as from time to time amended, supplemented or otherwise modified.

"Applicable Base Rate" has the meaning specified in Section 3.07(a).

"Applicable Eurodollar Rate" has the meaning specified in Section 3.07(b).

"Arrangers" or "Joint Arrangers" means Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and Banc of America Securities LLC, in their capacity as joint arrangers hereunder, and each of their successors in such capacity.

"Assignee" has the meaning specified in Section 16.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit F.

"Available Commitments" has the meaning specified in Section 3.01(f).

"Available Standby L/C Sublimit" means, at any time, the lesser of (a) (i) Standby L/C Sublimit minus (ii) the Standby L/C Exposure at such time, and (b) the Available Commitments.

"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 Bank of America, N.A. 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.

"Borrowing" means the aggregate amount of Loans hereunder to be made to the Issuer pursuant to Article III on a particular date by the Lenders pro rata in accordance with their respective Participation Percentages.

"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.

"Capital Adequacy Regulation" means any guideline, request or directive of any central bank or other similar Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of the Issuing Bank or any Lender.

"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.

"Commercial Paper Account" means a special purpose account established by the Depository for the benefit of the Issuing Bank pursuant to the Depository Agreement.

"Commercial Paper Notes" means, collectively, the promissory notes of the Issuer in book-entry form represented by the master note in the form of Annex A to the Depository Agreement, in each case issued in accordance with the terms of the Depository Agreement.

"Commitment" means, with respect to each Lender, the 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 from time to time pursuant to Section 5.01 or 16.06 or increased pursuant to Section 5.02, 5.11 or 16.06. The aggregate amount of the Commitments of all the Lenders is referred to as the "Commitments".

"Confidential Information" means information that the Issuer or a Guarantor furnishes to the Administrative Agent or the Arrangers or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent or the Arrangers or such Lender from a source other than the Issuer or a Guarantor that is not, to the best of the Administrative Agent's, the Arrangers' or such Lender's knowledge, acting in violation of a confidentiality agreement with the Issuer or Guarantor or any other Person.

"Consolidated" refers to the consolidation of accounts in accordance with Mexican GAAP.

"Consolidated EBITDA" means, for any period, the sum for the Issuer 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 Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if at any time during such Reference Period the Issuers or any of its Subsidiaries shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period and (ii) if at any time during such Reference Period the Issuer or any of its Subsidiaries shall have made any Material Acquisition, Consolidated 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 Issuer 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 Issuer or any of its Subsidiaries during such Reference Period, Consolidated 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 period.

"Consolidated Fixed Charges" means, for any period, means the sum (without duplication) of (a) Consolidated Interest Expense for such period, (b) mandatory dividend payments during such period in respect of preferred Capital Stock of the Issuer or any of its Subsidiaries and (c) 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, the ratio of (a) Consolidated 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 Issuer 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) Consolidated EBITDA for the four consecutive fiscal quarters immediately preceding such fiscal quarter.

"Consolidated Net Debt" means, at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of the Issuer 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 plus (c) to the extent not included in Debt, all payment obligations of such Person under (i) the 9.66% Puttable Capital Securities issued by CEMEX International Capital LLC on May 14, 1998 or (ii) the Framework Agreement, dated November 6, 2000, relating to the financing of the subscription by New Sunward Holdings B.V. of the equivalent in euro of U.S.\$1,500,000,000 for common stock of Cia. Valenciana de Cementos Portland, S.A. in connection with the acquisition of Southdown, Inc. (the "Framework Agreement"), the Facility Agreement (as such term is defined in the Framework Agreement) and the other documents and instruments executed in connection with the Framework Agreement, or under any transaction similar to (i) or (ii), minus (d) all Temporary Investments of the Issuer and its Subsidiaries at 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.

"CP Disruption Event" has the meaning specified in the definition of "Non-Default Disruption Event" in this Section 1.01.

"Dealer" means Banc of America Securities LLC., Banc One Capital Markets, Inc., Barclays Capital Inc. and any other dealer or placement agent of the Commercial Paper Notes appointed by the Issuer and approved by the Arrangers and the Issuing Bank.

"Dealer Agreement" means any agreement between the Issuer and any Dealer with respect to the issue and sale or placement of Commercial Paper Notes, as amended, modified or supplemented from time to time.

"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.

"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 2.06(a).

"Depository" means U.S. Bank Trust National Association, in its capacity as depository, issuing agent and paying agent under the Depository Agreement and any successor depository appointed in accordance with the terms hereof and thereof.

"Depositary Agreement" means the First Amended and Restated Depositary Agreement among the Issuer, the Issuing Bank, the Administrative Agent and the Depositary in substantially the form of Exhibit C, as from time to time amended, supplemented or otherwise modified.

"Disbursement Date" means, with respect to a Drawing, the Business Day on which such Drawing is paid by the Issuing Bank, with respect to a Standby L/C Drawing, the Business Day on which such Standby L/C Drawing is paid by the Issuing Bank and, with respect to a Loan under Section 3.01(f), the date on which such Loan is made.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" and "U.S.\$" each means the lawful currency of the United States.

"Dow Jones Page 3750" means the display designated as page "3750" on the Dow Jones Market Screen (formerly known as the Telerate Service) or such other page as may replace the "3750" page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for Dollar deposits.

"Downgrading Event" has the meaning set forth in the definition of "Non-Default Disruption Event" in this Section 1.01.

"Drawing" means a drawing made by the Depositary under the Letter of Credit.

"Effective Date" has the meaning specified in Section 6.01.

"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.

"Eurocurrency Liabilities" means, with respect to the Issuing Bank or any Lender, the full reserve requirement percentage imposed in respect of "Eurocurrency liabilities", as such term is defined in Regulation D (or any successor provision) (including any marginal, emergency, supplemental, special or other reserves) of the Federal Reserve Board, applicable to the Issuing Bank or such Lender for any day during an Interest Period.

"Eurodollar 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.

"Eurodollar Loan" means any Loan made or maintained at a

rate of interest calculated with reference to LIBOR.

"Events of Default" has the meaning specified in Section 12.01.

"Face Amount" of any Commercial Paper Note means the full amount thereof payable at maturity.

"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 any written agreement as to the payment of fees referred to in Section 5.03.

"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 154 of the Mexican Income Tax Law.

"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 authority), any entity or instrumentality (including any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantor" shall have 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.

"Illegality Event" has the meaning set forth in the definition of "Non-Default Disruption Event" in this Section 1.01.

"Indemnified Party" has the meaning specified in Section 16.05.

"Interest Period" means, with respect to each Borrowing of Eurodollar Loans, the period (i) commencing (A) on the date of such Borrowing or conversion of Base Rate Loans into Eurodollar Loans or (B) in the case of the continuation of Eurodollar Loans for a further Interest Period, on the last day of the immediately preceding Interest Period and (ii) ending one, two or three months thereafter as the Issuer may elect in the applicable Notice of Borrowing or Notice of Continuation/Conversion; provided, however, that:

(a) any Interest Period which would otherwise end on a day which is not a Eurodollar Business Day shall, subject to paragraph (c) below, be extended to the next succeeding Eurodollar Business Day unless such Eurodollar Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately

preceding Eurodollar Business Day;

(b) any Interest Period which begins on the last Eurodollar 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 (c) below, end on the last Eurodollar Business Day of a calendar month;

(c) any Interest Period which would otherwise end after the last day of the Loan Period shall end on the last day of the Loan Period; and

(d) any Interest Period which would otherwise end after the Maturity Date shall end on the Maturity Date.

"Issuer" has the meaning specified in the preamble hereto.

"Issuer Deposit Amount" has the meaning specified in Section 2.02(d).

"Issuing Bank" means Barclays Bank PLC, New York Branch, in its capacity as issuer of the Letter of Credit and of Standby L/Cs, and its successors in such capacity.

"Lender" means each financial institution listed on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 5.02(c) or 16.06(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 Issuer and the Administrative Agent and with the consent of the Issuing Bank (which shall not be unreasonably withheld).

"Letter of Credit" means the first amended and restated irrevocable direct-pay letter of credit of the Issuing Bank in substantially the form of Exhibit A, issued to the Depositary, as the Letter of Credit may be amended or replaced from time to time pursuant to the terms of this Agreement.

"Letter of Credit Account" has the meaning specified in the Depositary Agreement.

"Letter of Credit Exposure" means, at any time, the sum, without duplication, of (a) the Face Amount of all Outstanding Commercial Paper Notes plus (b) the aggregate unpaid amount at such time of all unreimbursed Drawings made under the Letter of Credit which have not been converted into Loans pursuant to Article III.

"Letter of Credit Facility" means the Letter of Credit, any drafts presented thereunder, any Drawings (including any unreimbursed Drawings), any obligations of the Issuer in respect of the foregoing and any payments received by the Issuing Bank in respect of any of the foregoing.

"Letter of Credit Fees" has the meaning specified in Section 5.03(b).

"LIBOR", applicable to any Interest Period, means the rate for deposits in Dollars for a period equal to such Interest Period quoted on the second Eurodollar Business Day prior to the first day of such Interest Period, as such rate appears on Dow Jones Page 3750 as of 11:00 a.m. (London time) on such date as determined by the Administrative Agent and notified to the Lenders and the Issuer on such second prior Eurodollar Business Day. If LIBOR cannot be determined based on the Dow Jones Page 3750, LIBOR means the arithmetic mean (rounded upwards to the nearest 1/16%) of the rates per annum, as supplied to the Administrative Agent, quoted by the Reference Banks to prime banks in the London interbank market for deposits in Dollars at approximately 11:00 a.m. (London time) two Eurodollar Business Days prior to the first day of such Interest Period in an amount approximately equal to the principal amount of

the Loans to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"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 Issuer or any Subsidiary of the Issuer shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Loan" has the meaning specified in Section 3.01(a).

"Loan Period" has the meaning specified in Section 3.01(a).

"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 Issuer or any of its Subsidiaries, in each case, which involves the payment of consideration by the Issuer 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 Issuer and its Subsidiaries taken as a whole, (b) the rights and remedies of the Administrative Agent or any Lender under this Agreement or any Note or (c) the ability of the Issuer and/or the Guarantors to perform their Obligations under this Agreement or any other Transaction Document.

"Material Debt" means Debt (other than the Notes, the Letter of Credit Exposure and the Standby L/C Exposure) of the Issuer 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 Issuer 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 Issuer (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 Issuer 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 5% or more of the consolidated operating profit of the Issuer and its Subsidiaries for the then most recently ended fiscal quarter and (b) each Guarantor.

"Maturity Date" means, with respect to any Loan, the earlier of (a) the Termination Date and (b) the last day of the Loan Period.

"Mexican GAAP" means, generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Section 10.05, 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 7.05. 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 Issuer 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 Issuer'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 Issuer, 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.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating business thereof.

"Non-Default Disruption Date" means the first date to occur which is both (a) a Disbursement Date and (b) a date on which a Non-Default Disruption Event has occurred or is continuing.

"Non-Default Disruption Event" means (a) that for any reason the cost of funds to the Issuer (which shall include all costs associated with a borrowing, including commitment fees, Letter of Credit Fees, Mexican withholding tax and all other out-of-pocket costs actually incurred by or supported by the Issuer directly related to the borrowing of funds which are customarily included in determining the all-in cost of funds) from the issuance of Commercial Paper Notes exceeds the cost to the Issuer of borrowing Loans or as a result of a disruption in the market for Commercial Paper Notes the Issuer is unable to sell new Commercial Paper Notes to repay maturing Commercial Paper Notes (a "CP Disruption Event") as notified in writing by the Issuer to the Issuing Bank, the Arrangers and the Administrative Agent in accordance with the terms and provisions of Section 2.07(a); or (b) (i) any introduction of, or change in, or change in the interpretation or application of, any Requirement of Law by any Governmental Authority that would make it unlawful for the Issuing Bank to issue or maintain the Letter of Credit or (ii) any declaration of a general banking moratorium by any of the United States, the State of New York or Mexican banking authority (an "Illegality Event"); or (c) a downgrading of the Issuing Bank's short-term credit rating below A-2 by S&P or below P-2 by Moody's, as notified by the Issuing Bank or the Administrative Agent to the Issuer and the Dealers (a "Downgrading Event"); provided, however, that so long as any Default or Event of Default has occurred and is continuing, no Non-Default Disruption Event shall be deemed to exist.

"Non-Extending Lender" means, in connection with extending the Stated Termination Date and the Commitments in accordance with Section 5.02, (a) any Lender that gives written notice to the Arrangers and Administrative Agent that it does not agree to extend its Commitment and (b) any Lender that fails to give any notice within five Business Days prior to the effective date of such extension, whether or not such Lender agrees to such extension, and shall, for purposes of the effectiveness of this Agreement, also include any lender under the Prior Agreement that elected not to extend its commitment under the Prior Agreement to be a Lender hereunder.

"Note" means a promissory note of the Issuer in substantially the form of Exhibit B, evidencing the obligation of the Issuer to repay the Loans made by a Lender.

"Notice of Acceleration" means a notice from the Administrative Agent to the Depositary pursuant to Section 12.02(b) in substantially the form of Annex F to the Letter of Credit.

"Notice of Borrowing" has the meaning specified in Section 3.02(a).

"Notice of Continuation/Conversion" has the meaning specified in Section 3.05(b).

"Notice of Default" means a notice from the Issuing Bank to the Issuer and the Depositary pursuant to Section 12.02(a) in substantially the form of Annex E-1 to the Letter of Credit.

"Notice of Default Reduction" means a notice from the Depository to the Issuing Bank pursuant to Section 12.02(a) in substantially the form of Annex E-2 to the Letter of Credit.

"Notice of Reduction of Stated Amount" means a notice from the Issuing Bank to the Depository pursuant to Section 2.06(d), 5.01(c) or 5.11 in substantially the form of Annex G to the Letter of Credit.

"Notice of Termination" means a notice from the Issuing Bank to the Issuer and the Depository pursuant to Section 12.02(a) in substantially the form of Annex D to the Letter of Credit.

"Obligations" means, (a) as to the Issuer, all of the indebtedness, obligations and liabilities of the Issuer to the Lenders, the Issuing Bank, the Arrangers and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, due or to become due and (b) as to each Guarantor, all the indebtedness, obligations and liabilities of such Guarantor to the Lenders the Issuing Bank, the Arrangers and the Administration Agent now or in the future existing under or in connection with this Agreement, whether direct or indirect, absolute or contingent, due or to become due.

"Obligor" means the Issuer and each Guarantor.

"OECD Bank shall mean any bank organized under the laws of a member of the Organization for Economic Cooperation and Development.

"Offering Statements" means (a) the Commercial Paper Offering Memoranda of Barclays Capital Inc. and Banc of America Securities LLC., relating to the offering of the Commercial Paper Notes and any amendment or supplement thereto and (b) each other document used by a Dealer in offering Commercial Paper Notes for sale.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges, imposts, duties, fees, or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery, registration, performance or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document and which are imposed, levied, collected or withheld by any Governmental Authority.

"Outstanding" means all or any Commercial Paper Notes issued at any time under the Depository Agreement, except Commercial Paper Notes (a) that have been paid through the Depository or (b) that have matured but have not been presented for payment on the date of such maturity, but as to which funds for payment are available in the Letter of Credit Account or as to which the Presentment Deadline has passed. Funds which are subject to any writ, order, judgment, warrant of attachment, execution or similar process or which the Depository determines were deposited in the Letter of Credit Account in error shall be deemed not to be available for payment in the Letter of Credit Account.

"Participant" has the meaning specified in Section 16.06(d).

"Participation Fee" has the meaning specified in Section 5.03(a).

"Participation Percentage" means, for any Lender, at any time of determination thereof, a fraction having (a) as its numerator the Total Exposure of such Lender as in effect at such time and (b) as its denominator the aggregate amount of the Total Exposures of all of the Lenders as in effect at such time.

"Participation Rate" has the meaning specified in Section 5.03(a).

"Permitted Liens" has the meaning specified in Section 10.06.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Presentment Deadline" means, as to any Commercial Paper Note, the date which is two Business Days after the maturity date thereof.

"Prior Agreement" has the meaning specified in the Recitals hereto.

"Prime Rate" means the rate of interest publicly announced by Bank of America N.A. 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 Bank of America N.A. or any Lender in connection with extensions of credit to debtors of any class, or generally.

"Process Agent" has the meaning specified in Section 16.12(a).

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Issuer or any Subsidiary pursuant to which the Issuer or any Subsidiary may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by the Issuer 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 Issuer or any other Seller or (ii) is recourse to or obligates the Issuer 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 Issuer 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.

"Rating Agencies" means Moody's and S&P.

"Receivables" means all rights of the Issuer 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 Issuer 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 Issuer, another Seller and/or a Special Purpose Vehicle, and (b) each other instrument, agreement and other document entered into by the Issuer, 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 Issuer, 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 Issuer, a Subsidiary of the Issuer 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 Bank of America N.A. and Barclays Bank PLC.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) having more than 50% of the sum of the Total Exposures of all of the Lenders (other than Defaulting Lenders) at such time.

"Requirement of Law" means, as to any Person, any law, ordinance, rule, regulation or requirement of any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any Person means the Chief Financial Officer, the Corporate Planning and Finance Director, the Finance Director or the Comptroller of such Person.

"Seller" means the Issuer and any Subsidiary or other affiliate of the Issuer (other than a Subsidiary or affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

"Settlement Limits" has the meaning specified in Section 10.01.

"S&P" means Standard & Poor's Ratings Corporation or any successor to the rating agency business thereof.

"Special Purpose Vehicle" means a trust, partnership or other special purpose person established by the Issuer and/or its Subsidiaries to implement a Qualified Receivables Transaction.

"Standby L/C" means (i) a standby letter of credit of the Issuing Bank in substantially the form of Exhibit I-1 or Exhibit I-2 as may be amended or replaced from time to time pursuant to the terms of this Agreement, and (ii) a standby letter of credit of the Issuing Bank, issued and outstanding on the Effective Date pursuant to the terms of the Prior Agreement.

"Standby L/C Drawing" means a drawing made under a Standby L/C.

"Standby L/C Exposure" means, at any time, the sum of (a) the aggregate undrawn amount at such time of all outstanding Standby L/Cs plus (b) the aggregate unpaid amount at such time of all unreimbursed Standby L/C Drawings under all outstanding Standby L/Cs.

"Standby L/C Facility" means the Standby L/Cs, any Standby L/C Drawing (including any unreimbursed Standby L/C Drawing), any obligations of the Issuer in respect of the foregoing and the payments received by the Issuing Bank in respect of any of the foregoing.

"Standby L/C Sublimit" means initially US\$200,000,000 as such amount as may be reduced or increased in connection with an extension of the Stated Termination Date and the Commitments in accordance with Section 5.02(d).

"Stated Amount" means the stated amount of the Letter of Credit, initially, US\$400,000,000, as such amount may be reduced, increased or reinstated from time to time in accordance with the terms of the Letter of Credit.

"Stated Termination Date" means, at any time, the date specified in the Letter of Credit as the Stated Termination Date, initially August 5, 2005.

"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 Issuer, the Issuing Bank and the Administrative Agent, each in its sole discretion, and approved by the Arrangers (including such a bank or financial institution which is already a Lender hereunder) which assumes all or a portion of the Commitment of a Lender pursuant to the terms of this Agreement.

"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 Issuing Bank and the Administrative Agent, such taxes (including income taxes or franchise taxes) as are imposed on or measured by its net income by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender, the Issuing Bank or the Administrative Agent, as the case may be, is organized or maintains a Lending Office or its principal office or performs its functions as Administrative Agent or as are imposed on the Lender, the Issuing Bank or the Administrative Agent (as the case may be) as a result of a present or former connection between the Lender, the Issuing Bank and the Administrative Agent and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Lender, the Issuing Bank or such Administrative Agent having executed, delivered or performed its obligations or received a payment under, or enforced, the Transaction Documents) and (b) any taxes, levies, imposts, deductions, charges or withholdings imposed by reason of any Lender's or Administrative Agent's failure to (i) register as a Foreign Financial Institution with the Ministry of Finance and (ii) be a resident (or have a principal office which is a resident, if such Lender lends through a branch or agency) for tax purposes of a jurisdiction with which Mexico has in effect a treaty for the avoidance of double taxation (but only in respect of those taxes payable in excess of taxes that would have been payable had such Lender complied with those conditions).

"Temporary Investments" means, at any date, all amounts that would, in conformity with Mexican GAAP consistently applied, be set forth opposite the caption "cash and cash equivalent" ("efectivo y equivalentes de efectivo") or "temporary investments" ("inversiones temporales") on a consolidated balance sheet of the Issuer at such

date.

"Termination Date" means the date which is the earliest of (a) the date on which the Letter of Credit is surrendered by the Depository to the Issuing Bank for cancellation, (b) the Stated Termination Date and (c) the date specified in a Notice of Termination or a Notice of Default delivered by the Issuing Bank in accordance with the terms of this Agreement.

"Total Exposure" means at any time, as to any Lender, the amount of its Commitment at such time, or, if the Commitments shall have terminated, its Total Outstandings at such time.

"Total Outstandings" means at any time, as to any Lender, the sum of the aggregate outstanding principal amount of such Lender's Loans, its share of the aggregate outstanding Letter of Credit Exposure and its share of the aggregate outstanding Standby L/C Exposure.

"Transaction Documents" means this Agreement, the Notes, the Letter of Credit, the Standby L/Cs, the Depository Agreement, the Commercial Paper Notes and the Dealer Agreements.

"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 5.03(g).

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to".

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days or Eurodollar Business Days are expressly prescribed.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with Mexican GAAP.

ARTICLE II THE LETTER OF CREDIT FACILITY

2.01 Issuance of the Letter of Credit.

(a) Upon at least one Business Day's prior notice from the Issuer to the Issuing Bank, the Issuing Bank agrees, on the terms and subject to the conditions hereinafter set forth, to issue and deliver the Letter of Credit to the Depository (with a copy to the Administrative Agent and the Issuer) on the Effective Date, in the Stated Amount and expiring on or, subject to the terms and conditions thereof, before the Stated Termination Date. The Letter of Credit No. SB00197 issued and outstanding pursuant to the Prior Agreement shall, upon effectiveness of this Agreement, be superceded and replaced by a First Amended and Restated Irrevocable Direct-Pay Letter of Credit in substantially the form as Exhibit A hereto.

(b) Each Lender hereby irrevocably authorizes the Issuing Bank to issue the Letter of Credit under and in accordance with this Agreement, to pay the amount of any draft presented under the Letter of Credit in accordance with the terms and conditions thereof, to receive from the Issuer reimbursement for Drawings and to take such action on its behalf under the provisions of this Agreement and the Depositary Agreement and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Issuing Bank by the terms hereof and thereof, together with such powers as are reasonably incidental thereto.

2.02 Reimbursement Obligations.

(a) The Issuer agrees to reimburse the Issuing Bank for the full amount of any Drawing paid by the Issuing Bank on the Disbursement Date; provided, however, that in no event shall such reimbursement be made prior to the time such Drawing is paid by the Issuing Bank. The Issuer may cause the Issuing Bank to be reimbursed as provided in accordance with paragraph (d) of this Section 2.02.

(b) If a Non-Default Disruption Event occurs or continues to exist on a Disbursement Date, the unreimbursed amount of the Drawing honored on such date may, during the Loan Period and subject to the conditions of Section 6.03, be converted into Loans in accordance with Section 3.01, and, at the time such conversion becomes effective, the obligation of the Issuer to reimburse the Issuing Bank under paragraph (a) above shall be discharged in an amount equal to the aggregate principal amount paid by the Lenders to the Administrative Agent for the account of the Issuing Bank pursuant to Section 3.03(b) and retained by the Issuing Bank. Any Drawing not converted into Loans in accordance with Section 3.01 shall remain an unconditional and immediate payment obligation of the Issuer.

(c) If the amount of any Drawing is not reimbursed in full on the Disbursement Date (or as of the Disbursement Date as provided in Section 3.03(e)), then the amount thereof which is not so reimbursed shall bear interest from the Disbursement Date until the date of actual payment thereof or the date of conversion into Loans pursuant to Section 3.01 at a rate per annum equal to the Base Rate plus 2.00%, payable on demand.

(d) Except as otherwise provided in Sections 2.02(b) and 3.01, the Issuer agrees that it will meet its obligations under paragraph (a) above by causing to be deposited on each maturity date of any Commercial Paper Note in the Commercial Paper Account in immediately available funds an amount equal to the aggregate Face Amount of all Commercial Paper Notes scheduled to mature on such day less the Aggregate Reported Proceeds payable on or before 4:30 p.m. (New York City time) on account of the purchase price of Commercial Paper Notes duly issued and delivered on such day in accordance with the provisions of this Agreement and the Depositary Agreement and to be deposited in the Commercial Paper Account (the amount to be so deposited by the Issuer in the Commercial Paper Account being the "Issuer Deposit Amount").

(e) Except for the first issuance of Commercial Paper Notes under the Depositary Agreement after the Effective Date, each issuance of Commercial Paper Notes pursuant to the provisions of the Depositary Agreement shall be deemed (i) an unconditional, irrevocable and absolute assignment by the Issuer to the Issuing Bank of the proceeds of the sale of such Commercial Paper Notes in an amount not to exceed the amount required to reimburse the Issuing Bank in respect of any Drawing made on the same day under the Letter of Credit and otherwise not reimbursed by the Issuer and (ii) an irrevocable and absolute assignment by the Issuer to the Administrative Agent of any remaining proceeds of the sale of such Commercial Paper Notes; provided, however, that, the Administrative Agent shall remit or instruct the Depositary to remit to the Issuer a portion of such remaining proceeds in an amount equal to the excess of such remaining proceeds over such amount as the Administrative Agent may instruct the Depositary to apply to payment of principal and interest due and payable with respect to the Loans or any other amounts due and payable under this Agreement (including any amounts due under Section 12.02(c)).

2.03 Obligations Absolute.

(a) The obligations of the Issuer to reimburse the Issuing Bank for any Drawing shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following circumstances:

(i) any lack of validity or enforceability of any Transaction Document;

(ii) any amendment to or waiver of or any consent to departure from the terms of any Transaction Document;

(iii) the existence of any claim, set-off, defense or other right which the Issuer may have at any time against the Depository or any transferee of the Letter of Credit (or any Person for whom the Depository or any such transferee may be acting), any Dealer, the Administrative Agent, the Issuing Bank or any Lender or any other Person, whether in connection with this Agreement, any other Transaction Document or any unrelated transaction;

(iv) any draft, statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

(v) payment by the Issuing Bank under the Letter of Credit against presentation of a draft or document which does not comply with the terms of the Letter of Credit.

(b) The Issuing Bank shall not be responsible to any Person:

(i) for the validity, genuineness or legal effect of any document submitted to the Issuing Bank by any Person in connection with the issuance of, or any Drawing under, the Letter of Credit; provided, however, that nothing in this clause (i) shall relieve the Issuing Bank from its obligations to honor a Drawing under the Letter of Credit that strictly complies with the terms of the Letter of Credit;

(ii) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher;

(iii) for any loss or delay in the transmission or otherwise of any document required in order to make a Drawing under the Letter of Credit or of the proceeds thereof;

(iv) for the misapplication by the beneficiary of the Letter of Credit of the proceeds of any Drawing under the Letter of Credit; or

(v) for any consequences arising from causes beyond the control of the Issuing Bank (including, any acts of any Governmental Authority);

provided, however, that the provisions of this Section 2.03 shall not limit any right or claim the Issuer may have against the Issuing Bank to the extent of any direct, as opposed to consequential or special, damages suffered by the Issuer which the Issuer proves were caused by the Issuing Bank's gross negligence or willful misconduct, it being understood that the existence of any such right or claim shall not in any way affect the obligation of the Issuer to reimburse the Issuing Bank for all Drawings under the Letter of Credit.

2.04 Participating Interests.

(a) Each Lender, by its execution and delivery of this Agreement, severally purchases from the Issuing Bank, without recourse to the Issuing Bank, and the Issuing Bank hereby sells to each Lender, an undivided interest, to the extent of such Lender's Participation Percentage, in the Letter of Credit, all Drawings, all interest thereon and all other rights of the Issuing Bank hereunder and under the Letter of Credit with respect thereto.

(b) The liability of each Lender to the Issuing Bank as described in Section 2.04(a) shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever and shall not be affected by any circumstance, including:

(i) any set-off, counterclaim, defense or other right which such Lender or any other Person may have against the Administrative Agent, the Issuing Bank or any other Person for any reason

whatsoever;

(ii) the occurrence or continuance of a Default or Event of Default or the termination of the Commitments or the expiration of the Letter of Credit;

(iii) any adverse change in the condition (financial or otherwise) of the Issuer;

(iv) any breach of any Transaction Document by any party thereto;

(v) the fact that any condition precedent to the issuance of Commercial Paper Notes was not in fact met;

(vi) any violation or asserted violation of law by any Lender or any affiliate thereof;

(vii) the failure of any Lender to perform its obligations hereunder; or

(viii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing;

provided, however, that no Lender shall be liable for any portion of such liability resulting from the Issuing Bank's gross negligence or willful misconduct.

(c) As promptly as practicable upon becoming aware that the Issuer has not reimbursed or will not reimburse or cause the Issuing Bank to be reimbursed in full for any Drawing under the Letter of Credit in accordance with Section 2.02(a) or 2.02(b) on any Disbursement Date, the Issuing Bank shall notify the Administrative Agent which shall promptly notify each Lender to such effect and each Lender shall (i) not later than 4:30 p.m. (New York City time) on the Business Day such notice is received from the Administrative Agent (if such notice is received at or prior to 12:00 noon (New York City time)) or (ii) not later than 11:00 a.m. (New York City time) on the Business Day following receipt of such notice (if such notice is received after 12:00 noon (New York City time)) pay to the Administrative Agent, at the Administrative Agent's Payment Office, for the account of the Issuing Bank, an amount equal to such Lender's Participation Percentage of such unreimbursed Drawing. Notwithstanding clause (ii) of this paragraph (c), if a Lender does not make available to the Administrative Agent on the Disbursement Date such Lender's Participation Percentage of any unreimbursed Drawing, such Lender shall be required to pay interest to the Administrative Agent for the account of the Issuing Bank on its Participation Percentage of the amount of such unreimbursed Drawing at the Federal Funds Rate from such Disbursement Date until the date payment is received by the Administrative Agent; provided, however, that if the Federal Funds Rate does not cover the Issuing Bank's cost of funds, the applicable rate of interest shall be such rate as determined by the Issuing Bank, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after receipt of notice, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent for the account of the Issuing Bank at a rate per annum equal to the Federal Funds Rate plus 2%. Upon receipt of any such funds, the Administrative Agent shall promptly pay such funds to the Issuing Bank.

(d) If the Administrative Agent receives a Lender's Participation Percentage of any unreimbursed Drawing on the Disbursement Date therefor, or if the Administrative Agent receives such payment together with interest thereon in accordance with the provisions of the preceding paragraph (c), such Lender shall be entitled to receive interest on its Participation Percentage of such Drawing, as provided in paragraph (e)(ii) below, from the Disbursement Date.

(e) The Issuing Bank agrees to pay promptly upon receipt to the Administrative Agent for the account of each Lender (i) such Lender's Participation Percentage of all amounts received from the Issuer directly or indirectly (from the Commercial Paper Account or otherwise) in payment, in whole or in part, of any unreimbursed Drawing, but only to the extent that such Lender has paid in full its Participation Percentage of such Drawing to the Administrative Agent for the account of the Issuing Bank pursuant to paragraph (c) above and (ii) such Lender's Participation Percentage of any interest received from the Issuer with respect to any such unreimbursed

Drawing, but only to the extent such Lender has paid in full its Participation Percentage of such Drawing to the Administrative Agent for the account of the Issuing Bank pursuant to paragraph (c) above.

(f) If, on account of the bankruptcy, insolvency, concurso mercantil or governmental intervention (or similar event) of the Issuer, the Issuing Bank or the Administrative Agent is required at any time (whether before or after the Termination Date) to return to the Issuer or to a trustee, receiver, liquidator, custodian or other similar official or any other Person, any portion of the payments made by (or on behalf of) the Issuer to the Administrative Agent for the account of the Issuing Bank (or directly to the Issuing Bank) in reimbursement of any unreimbursed Drawing and interest thereon, each Lender shall, on demand of the Issuing Bank or the Administrative Agent, forthwith return to the Issuing Bank or the Administrative Agent for the account of the Issuing Bank any amounts transferred to such Lender by the Issuing Bank or the Administrative Agent in respect thereof pursuant to the terms hereof plus such Lender's pro rata share of any interest on such payments required to be paid to the Person recovering such payments plus interest on all amounts so demanded from the day such amounts are returned by the Issuing Bank or the Administrative Agent, as the case may be, to the day such amounts are returned by such Lender to the Issuing Bank or the Administrative Agent at a rate per annum for each day equal to the Federal Funds Rate; provided, however, that if the Federal Funds Rate does not cover the Issuing Bank's or the Administrative Agent's cost of funds, the applicable rate of interest shall be such rate as determined by the Issuing Bank or the Administrative Agent, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after demand, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Issuing Bank or the Administrative Agent, as the case may be, at a rate per annum equal to the Federal Funds Rate plus 2.00%. In any case when an amount is returned to any Person pursuant to this paragraph (f), the reimbursement obligation of the Issuer contained in Section 2.02(a) will be reinstated as of the original date such reimbursement obligation arose.

(g) The Issuer hereby confirms and acknowledges that each Lender shall have a direct claim against the Issuer for the principal of and interest on each portion of any unreimbursed Drawing advanced by such Lender to the Issuing Bank and that each Lender shall to the extent applicable be entitled to all the rights of the Issuing Bank against the Issuer (to the extent not exercised by the Issuing Bank) as if such Lender had funded its Participation Percentage of the Drawing directly to the Depositary.

(h) The Issuing Bank and each Lender, with respect to the amounts payable to it in respect of any unreimbursed Drawing, and the Administrative Agent, with respect to all amounts payable in respect of unreimbursed Drawings, shall maintain on its books in accordance with its usual practice, loan accounts, setting forth its Participation Percentage of each Drawing, the applicable interest rate and the amounts of principal and interest paid and payable by the Issuer from time to time hereunder with respect thereto; provided, however, that the failure by the Issuing Bank, any Lender or the Administrative Agent to record any such amount on its books or any error in such recordation shall not affect the obligations of the Issuer with respect thereto. In the case of any dispute, action or proceeding relating to any amount payable in respect of any unreimbursed Drawings, the entries in each such account shall be prima facie evidence of such amount. In case of any discrepancy between the entries in the Administrative Agent's books and a Lender's books, such Lender's books shall be considered correct in the absence of manifest error. In the case of any discrepancy between the entries in the Issuing Bank's books and any Lender's books or the Administrative Agent's books, the Issuing Bank's books shall be considered correct in the absence of manifest error.

2.05 Limited Liability of the Issuing Bank. As between the Issuing Bank on the one hand, and the Issuer on the other, the Issuer assumes all risks of any acts or omissions of the Depositary with respect to its use of the Letter of Credit or the proceeds thereof. Neither the Issuing Bank nor any of its employees, officers, directors or agents shall be liable or responsible for any acts or omissions of the Depositary in connection therewith.

2.06 Defaulting Lenders.

(a) If any Lender (i) fails to reimburse the Issuing Bank as provided in Section 2.04(c) for any Drawing or Section 4.04(c) for any Standby L/C Drawing or to make available its Participation Percentage of any Borrowing as

provided in Section 3.03(b) within five Business Days after the Disbursement Date, (ii) is in receivership or liquidation, (iii) advises the Issuing Bank or the Administrative Agent or the Issuer that it will be unable or unwilling to fund its Participation Percentage of any future unreimbursed Drawing or Standby L/C Drawing, as the case may be, or make available its Participation Percentage of any Borrowing or (iv) is prohibited by the central bank having jurisdiction over such Lender from performing its obligations hereunder (any such Lender, a "Defaulting Lender"), then the Issuing Bank may (but shall not be obligated to) acquire, in exchange for the sum or sums due to it from such Defaulting Lender, such Defaulting Lender's Participation Percentage of the defaulted amount, without, however, relieving such Defaulting Lender from any liability to the Issuing Bank as a result of its failure to make payment due the Issuing Bank or make funds available to the Issuing Bank. Subject to paragraph (b) below, the Issuing Bank, until repaid in full, shall be entitled to receive all subsequent payments which the Defaulting Lender would otherwise have received with respect to principal or interest on its Participation Percentage of any unreimbursed Drawing, Standby L/C Drawing or any Loan, as the case may be, or any fees or other amounts otherwise payable to it hereunder, in each case to the extent the Issuing Bank has acquired such participation. If a Lender shall fail, for any reason, to fund its participation in any Drawing or Standby L/C Drawing, as the case may be, or make available its Participation Percentage of any Borrowing, no other Lender shall be obligated to purchase such Defaulting Lender's Participation Percentage or make funds available for such Defaulting Lender's Participation Percentage of any Borrowing and no such failure shall release the Issuer from its obligation to reimburse the Issuing Bank.

(b) Upon a Lender becoming a Defaulting Lender, the Arrangers, at the request of the Issuer, shall use their commercially reasonable efforts to find one or more Substitute Lenders willing to assume the Commitment of the Defaulting Lender and, if applicable, purchase such Defaulting Lender's Participation Percentage of any unreimbursed Drawings or Standby L/C Drawing, as the case may be, or any outstanding Loans hereunder and become an Assignee of such Defaulting Lender in accordance with the provisions of Section 16.06(b). Upon such assignment, the Defaulting Lender shall no longer be a party hereto or have any rights hereunder and the Substitute Lender or Substitute Lenders shall succeed to the rights and obligations of the Defaulting Lender hereunder, including the obligation to reimburse the Issuing Bank in accordance with Section 2.04(c) for any Drawing and 4.04(c) for any Standby L/C Drawing or to make Loans pursuant to Section 3.03(b) except that such Defaulting Lender shall continue (i) to have the rights of a Lender that survive assignment as provided in Section 16.18(b) and (ii) to be entitled to be paid for all amounts previously advanced by it not theretofore paid and not assigned to the Substitute Lender and to be paid interest thereon and any other amounts to which such Lender is entitled in accordance with this Agreement.

(c) No Lender shall be deemed to be a Defaulting Lender solely as a result of its inability to fund its Participation Percentage of any unreimbursed Drawing or Standby L/C Drawing, as the case may be, or to make available its Participation Percentage of any Borrowing in a timely manner as a result of a difference in time zones or a breakdown or delay in the wire transfer of funds.

(d) In the event a Lender has become a Defaulting Lender and the Arrangers have been unable to find a Substitute Lender within fifteen Business Days after payment was due to the Issuing Bank, the Arrangers shall so notify the Issuer and the Issuing Bank. At the request of the Issuing Bank, upon delivery of a Notice of Reduction of Stated Amount, the Commitments will be reduced by an amount equal to the Commitment of the Defaulting Lender with respect to the Letter of Credit Facility and Loans (but not with respect to the Standby L/C Facility) and the Participation 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 Commitment of the Defaulting Lender. No such reduction in the Commitments shall in any way release any Defaulting Lender from any of its direct or indirect obligations under Section 2.04 in respect of any Commercial Paper Notes issued prior to the termination of its Commitment and under Section 4.04 in respect of Standby L/Cs issued prior to the termination of its Commitment. Upon the termination of the Commitment of the Defaulting Lender and the payment of all Commercial Paper Notes issued prior to such termination, the Issuing Bank shall cause the Stated Amount of the Letter of Credit to be reduced, each time Commercial Paper Notes mature until an amount equal to the Defaulting Lender's Commitment is reached, by submitting to the Depositary a Notice of Reduction of Stated

Amount. Notwithstanding any reduction of the Commitments pursuant hereto, the Arrangers will continue to use their commercially reasonable efforts to find a Substitute Lender to replace the Defaulting Lender in the manner described in Section 2.06(b). If a Substitute Lender is found, the Letter of Credit Facility and Loans (but not the Standby L/C Facility) shall be increased by an amount equal to the Commitment of the Substitute Lender, and the total Commitments will be increased by an amount equal to the Commitment of the Substitute Lender and the Participation Percentage of each other Lender shall be reduced to a fraction, the numerator of which is the Commitment of such other Lender and the denominator of which equals the Commitments of all the Lenders, including the Substitute Lender. Upon a subsequent increase in the Commitments as a result of a Substitute Lender becoming a party hereto, the Stated Amount of the Letter of Credit shall be increased by an amount equal to the Commitment of the Substitute Lender but in no event by more than the Commitment of the Defaulting Lender being replaced. The Issuing Bank may deliver a new Letter of Credit to the Depository in the reduced or increased Stated Amount or deliver an amendment to the same effect.

(e) In the event a Lender has become a Defaulting Lender and the Arrangers have been unable to find a Substitute Lender therefor within ten Business Days after such Lender became a Defaulting Lender, the Issuer shall pay to the Administrative Agent for the account of the Issuing Bank within five Business Days after demand from the Issuing Bank all amounts then owing by such Defaulting Lender to the Issuing Bank, together with interest thereon at the Federal Funds Rate from the date such amounts became due; provided, however, that if any amount remains unpaid by the Issuer for more than five Business Days after demand, the Issuer shall, commencing on the day next following such fifth Business Day, pay interest to the Issuing Bank at a rate per annum equal to the Federal Funds Rate plus 2%.

2.07 Non-Default Disruption Event.

(a) If, based upon information provided by the Dealers regarding prevailing interest rates in the United States commercial paper market, the Issuer shall determine on any Business Day that a CP Disruption Event shall have occurred, the Issuer shall cease issuing Commercial Paper Notes, and written notice of such determination shall be given to the Issuing Bank, the Arrangers and the Administrative Agent by the Issuer not later than 11:00 a.m., New York City time, on such Business Day. The Administrative Agent as promptly thereafter as is possible under the circumstances shall give notice of such determination to the Lenders. The Issuer shall also give notice to the Depository pursuant to the Depository Agreement not to issue and deliver any Commercial Paper Notes.

(b) If the Issuing Bank shall determine on any Business Day that a Downgrading Event or an Illegality Event shall have occurred, then the Issuing Bank shall immediately give notice to the Depository pursuant to the Depository Agreement not to issue and deliver any Commercial Paper Notes. The Issuing Bank shall give notice of such determination to the Issuer, the Arrangers, the Administrative Agent and the Dealers as promptly thereafter as is possible under the circumstances. The Administrative Agent as promptly as is possible under the circumstances shall give notice of such determination to the Lenders.

(c) In the event that the issuance of Commercial Paper Notes by the Issuer is suspended as a result of this Section 2.07, the Issuer may incur Loans in accordance with the terms and provisions of Sections 3.01 and 3.02 by submitting to the Administrative Agent a Notice of Borrowing.

(d) If the Dealers shall have advised the Issuer that a CP Disruption Event has ceased to exist, then notice of such advice or determination shall be given to the Issuing Bank, the Arrangers and the Depository and, if applicable, the Issuing Bank and the Administrative Agent as soon as practicable. If any Loans are then outstanding, the Issuer shall promptly either repay such Loans with its own funds or, if the Termination Date has not yet occurred, instruct the Depository and the Dealers to recommence issuing Commercial Paper Notes and apply the Aggregate Reported Proceeds of such issuance to fully repay the Loans and so notify the Administrative Agent and the Administrative Agent shall in turn promptly notify the Lenders and the Issuing Bank; provided, however, that if such Loans are Eurodollar Loans, the Issuer shall not be required to repay such Loans prior to the end of the applicable Interest Period therefor.

(e) If the Issuing Bank shall determine that a Downgrading Event or an Illegality Event, as the case may be, shall have ceased to exist, then the

Issuing Bank shall immediately give written notice of such determination to the Depositary, the Arrangers, the Administrative Agent, the Dealers, the Lenders and the Issuer, whereupon the Issuer may recommence issuing Commercial Paper Notes and the Issuing Bank shall revoke forthwith any instructions to the Depositary not to issue and deliver Commercial Paper Notes. If any Loans are then outstanding, the Issuer shall promptly either repay such Loans with its own funds or, if the Termination Date has not yet occurred, instruct the Depositary and the Dealers to recommence issuing Commercial Paper Notes and apply the Aggregate Reported Proceeds of such issuance to fully repay the Loans and so notify the Administrative Agent and the Administrative Agent shall in turn promptly notify the Lenders and the Issuing Bank; provided, however, that if such Loans are Eurodollar Loans, the Issuer shall not be required to repay such Loans prior to the end of the applicable Interest Period therefor.

(f) No suspension or termination of the issuance of Commercial Paper Notes pursuant to this Section 2.07 shall affect, terminate or reduce (i) the liability of the Issuing Bank under the Letter of Credit with respect to Commercial Paper Notes validly issued in accordance with the Depositary Agreement, (ii) the liability of the Issuer with respect to any Drawing under the Letter of Credit, any Standby L/C Drawing under a Standby L/C or any Loan hereunder or (iii) the liability of the Lenders to reimburse the Issuing Bank for any unreimbursed Drawings or any unreimbursed Standby L/C Drawing.

2.08 Maximum Interest Rate. Anything in this Agreement or any other Transaction Document to the contrary notwithstanding, (a) the Issuer shall not issue any Commercial Paper Notes if the discount factor thereof would be in excess of the maximum permitted by applicable law and (b) if the interest rate provided for in Sections 2.02(c) or 4.04(c) would exceed the maximum rate permitted by applicable law, such interest rate shall be automatically reduced to the maximum rate legally allowable.

ARTICLE III THE LOAN FACILITY

3.01 Commitments to Lend.

(a) If at any time during the term of this Agreement there shall occur a Non-Default Disruption Event, then, on the terms and subject to the conditions of this Agreement, including the conditions precedent specified in Section 6.03, each Drawing paid by the Issuing Bank on any Disbursement Date while such Non-Default Disruption Event is in existence in respect of Commercial Paper Notes issued and Outstanding on such Non-Default Disruption Date may be reimbursed by loans made pursuant to this Article III (such loans, together with any Loans made pursuant to Section 3.01(f), being referred to herein, collectively, as the "Loans"); provided, however, that no Loans may be made, based on such Non-Default Disruption Event, after the end of the period beginning on the Non-Default Disruption Date and ending on the date which is the earlier of (i) the Stated Termination Date, (ii) 90 days after the Non-Default Disruption Date and (iii) the date such Non-Default Disruption Event ceases to exist and; provided, further, that there may be only one Non-Default Disruption Event during the term of this Agreement (such period, the "Loan Period"). In the event that more than one Non-Default Disruption Event occurs, the parties hereto agree to negotiate in good faith the terms of any further Loans, provided, however, that the parties hereto agree that nothing herein shall be deemed to be a commitment on the part of (A) any Lender to agree to make or to make any further Loans, or (B) the Issuer to accept any terms offered by the Lenders with respect to Loans.

(b) Each Lender severally agrees, on the terms and subject to the conditions set forth in this Agreement, to make a Loan to the Issuer pursuant to this Section 3.01, on the Disbursement Date in respect of each Drawing made during the Loan Period, in an amount such that:

(i) the Total Outstandings of such Lender at any time will not exceed the amount of its Commitment at such time; and

(ii) the amount of any Borrowing will not exceed the amount of any Drawing being reimbursed with the proceeds of such Borrowing.

(c) The proceeds of Loans made under Section 3.01(a) hereof shall be used solely to reimburse the Issuing Bank for payments made under the Letter of Credit during the Loan Period (i) to pay Commercial Paper Notes maturing on the Non-Default Disruption Date or (ii) during the continuance of the

Non-Default Disruption Event existing on the Non-Default Disruption Date, to pay as they mature Commercial Paper Notes that were issued and Outstanding on the Non-Default Disruption Date.

(d) The commitment of each Lender hereunder to make Loans is not revolving in nature and any amounts borrowed hereunder during a Loan Period and repaid or prepaid prior to the end of such Loan Period may not be reborrowed during such Loan Period.

(e) Each Borrowing shall be made from the several Lenders ratably in accordance with their Participation Percentages.

(f) During the existence of a Non-Default Disruption Event and prior to the earlier of (i) the Stated Termination Date, (ii) 90 days after the Non-Default Disruption Date and (iii) the date such Non-Default Disruption Event ceases to exist, on the terms and subject to the conditions set forth in this Agreement, including the conditions precedent specified in Section 6.03, the Issuer may borrow Loans other than under Section 3.01(a) above under the Available Commitments (as defined below) in a minimum amount of U.S.\$5,000,000 or in integral multiples of U.S.\$1,000,000 in excess thereof on any Business Day; provided that the Issuer shall give the Administrative Agent notice as provided in Section 3.02. As used in this paragraph (f), "Available Commitments" shall mean, as of any date, the total amount of the Commitments minus the sum of (A) the aggregate principal amount of Commercial Paper Notes Outstanding and unreimbursed Drawings, (B) the aggregate principal amount of any Loans made under this Section 3.01 (whether or not still outstanding) and (C) the Standby L/C Exposure.

3.02 Notice of Borrowing.

(a) Upon the occurrence of a Non-Default Disruption Event, the Issuer may (but shall not be obligated to) request under Section 3.01(a) that an amount up to the amount of any Drawing or Drawings made during the Loan Period be converted into Loans by giving notice to the Administrative Agent on or prior to 12:00 Noon (New York City time) on the date of any such Drawing. In addition, the Issuer may (but shall not be obligated to) request Loans under Section 3.01(f) by giving notice to the Administrative Agent by 3:00 p.m. (New York City time) at least three Business Days prior to the date of Borrowing. Each such notice (a "Notice of Borrowing") may be made by telephone to the Administrative Agent, if promptly confirmed in writing in substantially the form of Exhibit D, and may be made by facsimile transmission to the Administrative Agent in substantially the form of Exhibit D.

(b) The Notice of Borrowing shall specify (i) the aggregate amount of such Borrowing, which shall be in a minimum amount equal to U.S.\$5,000,000 or multiples of U.S.\$1,000,000 in excess thereof, or such lesser amount, if necessary, pursuant to Section 3.01(b), (ii) whether the Loans comprising such Borrowing shall bear interest based on the Base Rate or LIBOR (provided that, in the case of Loans made under Section 3.01(a), all such Loans will be Base Rate Loans during the initial period of at least three Eurodollar Business Days after the date of the Notice of Borrowing) and (iii) if such Loans are to be made as (in the case of Loans made under Section 3.01(f)) or converted into (in the case of any Loans made under Section 3.01(a)) Eurodollar Loans, the commencement date and the duration of the initial Interest Period applicable to such Loans. The Notice of Borrowing shall further certify that as of the date of such Notice of Borrowing:

(A) in the case of Loans made under Section 3.01(a), the amount of such Borrowing does not exceed the aggregate amount of the unreimbursed Drawing made on or prior to the date of such Notice of Borrowing and that the Issuer elects to make a Borrowing in order to reimburse the amount of such Drawing;

(B) no Default or Event of Default has occurred and is continuing on such date or will result from such Borrowing;

(C) the representations and warranties of the Issuer contained in this Agreement are true and correct in all material respects on and as of such date; and

(D) a Non-Default Disruption Event has occurred and is continuing.

The Notice of Borrowing shall not be revocable by the Issuer after the Administrative Agent has notified any Lender thereof.

3.03 Notice to Lenders; Funding of Loans.

(a) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's Participation Percentage of such Borrowing.

(b) On the date of each Borrowing, each Lender shall, to the extent such Lender has not already funded its Participation Percentage of the corresponding unreimbursed Drawing being converted into Loans pursuant to Section 2.04(c), make available its Participation Percentage of such Borrowing, in immediately available funds, to the Administrative Agent at the Administrative Agent's Payment Office not later than 3:00 p.m. (New York City time) on the date notice is received from the Administrative Agent pursuant to paragraph (a) above (if such notice is received at or prior to 1:30 p.m. (New York City time)) or not later than 12:00 noon (New York City time) on the Business Day following such notice (if such notice is received after 1:30 p.m. (New York City time)). Unless the Administrative Agent determines that any applicable condition specified in Section 6.03 has not been satisfied, the funds so received from the Lenders shall be paid on the date of such Borrowing (i) in the case of a Borrowing under Section 3.01(a), to the Issuing Bank on behalf of the Issuer of the then outstanding unreimbursed Drawing and (ii) in the case of a Borrowing under Section 3.01(f), to the Issuer by transfer to the Issuer's account with the Administrative Agent. Upon receipt of such funds, the Administrative Agent shall promptly pay such funds to the Issuing Bank or to the Issuer, as the case may be.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's Participation Percentage of such Borrowing, the Administrative Agent may assume that such Lender has made its Participation Percentage available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (b) above and the Administrative Agent may (but shall not be required to do so), in reliance upon such assumption, make available to the Issuing Bank or the Issuer, as the case may be, on such date a corresponding amount. If such amount is made available to the Administrative Agent on a date after the date on which the Administrative Agent pays the proceeds of the Borrowing to the Issuing Bank or the Issuer, as the case may be, such Lender shall pay to the Administrative Agent on demand interest on such amount at the Federal Funds Rate for the period from the date of such payment until such amount is made available to the Administrative Agent. If such amount is not made available to the Administrative Agent within five Business Days after the date of such payment, the Issuer agrees to pay such amount to the Administrative Agent together with interest thereon from the date of such payment at a rate per annum equal to the Federal Funds Rate plus 2.00%; provided, however, that in the case of a Borrowing under Section 3.01(a), if the Issuer fails to pay such amount to the Administrative Agent within five Business Days after demand, the Issuing Bank will return to the Administrative Agent the funds made available to it together with interest thereon at the Federal Funds Rate from the date of payment to it. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Loan included in such Borrowing for purposes of this Agreement. Nothing contained in this paragraph (c) shall be construed to excuse any Lender from performing its obligations under this Agreement or to relieve any Lender from any liability it may have to the Issuing Bank or the Issuer for any default by such Lender in the performance of its obligations hereunder. Upon receipt of such funds, the Administrative Agent shall promptly pay such funds to the Issuing Bank or the Issuer, as the case may be.

(d) If and to the extent that any Lender is a Defaulting Lender, the provisions of paragraphs (a), (b) and (e) of Section 2.06 shall apply and (i) the Issuing Bank shall be entitled to receive all payments which the Defaulting Lender would otherwise have received in respect of its unfunded Participation Percentage of the Loans, (ii) the Arrangers, at the request of the Issuer, may seek one or more Substitute Lenders willing to assume the Commitment of the Defaulting Lender and to become an Assignee of such Defaulting Lender in accordance with the provisions of Section 16.06(b) and (iii) the Issuer shall reimburse the Issuing Bank as provided in paragraph (e) of Section 2.06 without releasing the Defaulting Lender from any liability to the Issuer for the default in the performance of its obligations hereunder.

(e) All Loans made to the Issuer shall be deemed made as of the relevant Disbursement Date. If for any reason a Lender does not fund any Loan to be made by it under Section 3.01(a) on such Disbursement Date (because

notice from the Administrative Agent was received after 1:30 p.m. (New York City time) on such date or for any other reason) and the Administrative Agent does not make the corresponding funds available to the Issuing Bank pursuant to paragraph (c), such Lender shall also pay interest to the Administrative Agent for the account of the Issuing Bank on its Participation Percentage of the unreimbursed Drawing accrued from the Disbursement Date to the date of payment by such Lender at the Federal Funds Rate; provided, however, that if the Federal Funds Rate does not cover the Issuing Bank's cost of funds, the applicable rate of interest shall be such rate as determined by the Issuing Bank, in good faith, to be equal to its cost of funds; and provided, further, however, that if any such amount remains unpaid by any Lender for more than five Business Days after the Disbursement Date, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent for the account of the Issuing Bank at a rate per annum equal to the Federal Funds Rate plus 2%. Upon receipt of any such funds, the Administrative Agent shall promptly pay such funds to the Issuing Bank.

3.04 Notes. The Loans made by each Lender shall be evidenced by a Note appropriately completed, representing the obligation of the Issuer to pay to such Lender the unpaid principal amount of all Loans made by such Lender pursuant to Section 3.01, plus interest thereon as provided in Section 3.07. The date, type, and principal amount of each Loan made by such Lender and the date and amount of each payment or prepayment of the principal amount of each such Loan, the date of each conversion and each continuation pursuant to Section 3.05 and, in the case of Eurodollar Loans, the rate of interest with respect thereto, shall be recorded by such Lender on the Schedules annexed to its Note and such Schedules shall constitute prima facie evidence of the accuracy of the information so recorded; provided, however, that the failure of any Lender to make such recordation (or any error in such recordation) shall not affect the obligations of the Issuer hereunder or under the Notes.

3.05 Conversion and Continuation of Loans.

(a) All Loans made under Section 3.01(a) shall initially be made as Base Rate Loans. If so specified in the applicable Notice of Borrowing, Loans made under Section 3.01(a) will be converted into Eurodollar Loans on or after the third Eurodollar Business Day after the date of such Borrowing as provided in the Notice of Borrowing.

(b) (i) All Eurodollar Loans shall initially have the Interest Period specified by the Issuer in the applicable Notice of Borrowing. Subject to the conditions set forth in Section 6.03, on the last day of the Interest Period for such Loans, (A) provided such day is at least one month prior to the end of the Loan Period, the Issuer may from time to time elect to continue such Loans as Eurodollar Loans for an additional identical or different Interest Period or (B) the Issuer may elect to convert such Eurodollar Loans into Base Rate Loans.

(ii) Subject to the conditions set forth in Section 6.03, on any Eurodollar Business Day prior to the Maturity Date of any Base Rate Loans, provided such day is at least one month prior to the end of the Loan Period, the Issuer may elect to convert such Base Rate Loans into Eurodollar Loans with an Interest Period ending no later than the last day of the Loan Period.

(iii) Each election to convert or continue any Loans shall be made by giving the Administrative Agent irrevocable notice in substantially the form of Exhibit E (a "Notice of Continuation/Conversion") not later than 11:00 a.m. (New York City time) at least three Eurodollar Business Days before the date on which continuation or conversion selected in such notice is to be effective.

(iv) Each Notice of Continuation/Conversion shall specify:

(A) the Loans to which such notice applies;

(B) the date on which the continuation or conversion selected in such notice is to be effective; and

(C) the duration of the Interest Period to be applicable to the Loans to be continued as, or converted into, Eurodollar Loans (which must comply with the provisions of the definition of Interest Period); provided, however, that if the Issuer fails to select the duration of any Interest Period, it will be deemed to have selected an Interest Period of one month.

(c) If the Issuer fails to deliver a Notice of Continuation/Conversion to the Administrative Agent for any Eurodollar Loans on or prior to the third Eurodollar Business Day before the end of the Interest Period therefor, the Issuer will be deemed to have elected to continue such Eurodollar Loans for a further Interest Period of one month or, if the last day of such Interest Period is less than one month prior to the end of the Loan Period, to convert such Eurodollar Loans to Base Rate Loans. If the conditions of Section 6.03 have not been satisfied, such Loans shall automatically become due and payable on the last day of the then current Interest Period.

(d) Upon receipt of a Notice of Continuation/Conversion from the Issuer, the Administrative Agent shall promptly notify the Lenders thereof.

3.06 Maturity of Loans. Each Loan included in any Borrowing shall mature, and the principal amount thereof shall be due and payable, on the Maturity Date.

3.07 Interest Rates.

(a) Each Base Rate Loan shall bear interest on the unpaid principal amount thereof at a rate per annum equal to the sum of the Base Rate minus 0.50% plus the Participation Rate then in effect (the "Applicable Base Rate").

(b) Each Eurodollar Loan shall bear interest on the outstanding principal amount thereof, for the Interest Period applicable thereto, at a rate per annum equal to the sum of LIBOR plus 0.50% plus the Participation Rate then in effect (the "Applicable Eurodollar Rate").

(c) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at maturity, by acceleration or otherwise), (i) all Eurodollar Loans then outstanding shall be converted to Base Rate Loans at the end of the then current Interest Period with respect thereto and until such conversion shall bear interest at a rate per annum equal to the sum of the Applicable Eurodollar Rate plus 2.00% and (ii) the principal amount of all Base Rate Loans (including any Eurodollar Loans converted to Base Rate Loans pursuant to this paragraph (c)) shall bear interest at a rate per annum equal to the sum of the Applicable Base Rate plus 2.00% from the date of non-payment (or the date of conversion) until paid in full (after as well as before judgment) and shall be payable on demand. If all or any portion of (A) any interest payable on the principal amount of any Loan or (B) any fee or other amount payable hereunder shall not be paid when due, such overdue amount shall bear interest at a rate per annum equal to the sum of the Base Rate plus 2.00% from the date of such non-payment until such amount is paid in full (after as well as before judgment) and shall be payable on demand.

(d) Except as otherwise provided in paragraph (c) above, interest shall be payable in arrears on the Maturity Date of each Loan, on the last day of each Interest Period therefor, on the date of conversion of Base Rate Loans into Eurodollar Loans pursuant to Section 3.05(a) or 3.05(b) and on each date of prepayment or repayment of any Loans on the amount prepaid or repaid.

3.08 Computation of Interest.

(a) All computations of interest for Base Rate Loans when the Base Rate is determined by reference to the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue during each period during which interest is computed from the first day thereof to the last day thereof.

(b) Each determination of an interest rate by the Administrative Agent shall be conclusive and binding on the Issuer and the Lenders in the absence of demonstrable error.

3.09 Optional Prepayments.

(a) The Issuer may, without premium or penalty, (i) upon at least three Business Days' prior notice to the Administrative Agent prepay Base Rate Loans in whole or in part and (ii) subject to the provisions of Section 5.07, upon at least three Eurodollar Business Days' prior notice to the Administrative Agent, prepay Eurodollar Loans, in whole or in part, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. Each such optional prepayment shall be applied to

prepay the Loans to the Lenders ratably based on their Participation Percentages. Amounts so applied to the prepayment or repayment of Loans shall be applied first, if the payment date is the last day of an Interest Period for any Loans, to pay such Loans until paid in full; and second to pay such other Loans as the Issuer may, by notice to the Administrative Agent, elect (or if the Issuer fails to give timely notice of such election, as the Required Lenders at such time may select).

(b) Upon receipt of a notice of prepayment pursuant to this Section 3.09, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's Participation Percentage of such prepayment, and such notice of prepayment shall not thereafter be revocable by the Issuer.

(c) Optional prepayments of Loans shall be in a minimum amount equal to U.S.\$5,000,000 and in integral multiples of U.S.\$1,000,000 in excess thereof or, if less, the aggregate principal amount of the Loans then outstanding.

3.10 Mandatory Prepayments.

(a) If at any time the aggregate Total Outstandings of the Lenders exceed the Commitments then in effect, the Issuer shall immediately prepay outstanding Loans, repay unreimbursed Drawings, if any, and repay unreimbursed Standby L/C Drawings, if any, to the extent of such excess, ratably among the Lenders.

(b) Upon determination that a Non-Default Disruption Event has ceased to exist and any Loans are then outstanding, the Issuer shall, as provided in Sections 2.07(d) or (e), either repay such Loans with its own funds or, if the Termination Date has not already occurred, instruct the Depositary and the Dealers to recommence issuing Commercial Paper Notes as soon as practicable (provided, that, in the case of Eurodollar Loans, the Issuer shall recommence issuing Commercial Paper Notes not later than the last day of the then current Interest Period therefor) and apply the Aggregate Reported Proceeds of such issuance to repay such Loans. For so long as any Loans are outstanding hereunder, the Issuer shall prepay or repay, on each date that the Issuer issues Commercial Paper Notes, an aggregate principal amount of Loans equal to the Aggregate Reported Proceeds of issuance of such Commercial Paper Notes less the Face Amount of the Commercial Paper Notes, if any, maturing on that date. All such prepayments or repayments shall be made together with accrued and unpaid interest to the date of payment.

(c) Amounts applied to the prepayment or repayment of Loans pursuant to this Section 3.10 shall be applied to prepay or repay the Loans of the Lenders ratably in accordance with their Participation Percentages. Amounts so applied to the prepayment or repayment of Loans shall be applied first, if the payment date is the last day of an Interest Period for any Loans, to pay such Loans until paid in full; and second to pay such other Loans as the Issuer may, by notice to the Administrative Agent, elect (or if the Issuer fails to give timely notice of such election, as the Required Lenders at such time may select).

(d) Any prepayments of Eurodollar Loans pursuant to this Section 3.10 shall be subject to the provisions of Section 5.07.

3.11 Maximum Interest Rate. Anything in this Agreement or any other Transaction Document to the contrary notwithstanding, (a) the interest rate on any Loan or other amount due hereunder shall in no event be in excess of the maximum permitted by applicable law and (b) if the interest rate provided for in this ARTICLE III would exceed the maximum rate permitted by applicable law, such interest rate shall be automatically reduced to the maximum rate legally allowable.

ARTICLE IV THE STANDBY L/C FACILITY

4.01 Issuance of the Standby L/C.

(a) Subject to the terms and conditions set forth herein, including but not limited to the conditions precedent specified in Section 6.03, and so long as no Default or Event of Default shall have occurred and be continuing, the Issuer may request the Issuing Bank to issue, in support of certain obligations of the Issuer and any of its Subsidiaries including, without

limitation, contingent liabilities arising in connection with forward sales contracts, leases, insurance contracts and arrangements, service contracts, equipment contracts, financing transactions and other payment obligations, and the Issuing Bank agrees to issue at any time from time to time during the period from and including the Effective Date to but excluding the date that is five Business Days prior to the Termination Date, a Standby L/C denominated in Dollars for the Issuer's own account, and having a stated amount not exceeding the Available Standby L/C Sublimit at the time of issuance; provided, however, that the issuance of such requested Standby L/C shall not cause the Issuing Bank to violate any law or regulation to which it is subject. The Standby L/C shall be substantially in the form indicated in Exhibit I-1, I-2 or I-3, as determined by the Issuer.

(b) There currently are outstanding Standby L/Cs issued pursuant to the Prior Agreement, the outstanding balance of each of which is set forth on Schedule [7.19] hereto. From and after the date hereof and upon fulfillment of the conditions specified in Section [6.04] hereof, each such existing letter of credit, as such may have been amended, shall be deemed and treated for all purposes hereof as a "Standby L/C" hereunder, and each Lender, without further act on its part, shall be deemed to have purchased a participation in each such Standby L/C as provided in Section 5 hereof in accordance with its Commitment.

(c) To request the issuance of a Standby L/C, the Issuer shall deliver notice to the Issuing Bank requesting the issuance of a Standby L/C, specifying the date of issuance (which shall be a Business Day that is no earlier than either (i) the Business Day following the Business Day on which the Issuing Bank shall have received the request for the issuance of the Standby L/C, if such request is received by the Issuing Bank prior to 11:00 a.m. (New York City time), or (ii) the Business Day that is two (2) Business Days following the Business Day on which the Issuing Bank shall have received the request for the issuance of the Standby L/C, if such request is received is by the Issuing Bank after 11:00 a.m. (New York City time) but before 5:00 p.m. (New York City time); provided however, that the Issuing Bank, in its sole discretion and on a request by request basis, may elect to accept a request for issuance of a Standby L/C specifying an issuance date not complying with the terms of this parenthetical), the date on which such Standby L/C is to expire, the amount of such Standby L/C, the name and address of the beneficiary thereof and any such other information as shall be necessary to prepare such Standby L/C. On the requested date of issuance, the Issuing Bank shall, subject to the terms and conditions set forth herein and so long as no Default or Event of Default shall have occurred or be continuing, issue a Standby L/C in accordance with the Issuer's request pursuant to this clause (c).

(d) Each Standby L/C shall have a minimum stated amount equal to U.S.\$3,000,000 and shall expire at or prior to the close of business on the earlier of (a) the date that is 360 days after the date of issuance of such Standby L/C and (b) the date that is five Business Days prior to the Stated Termination Date.

(e) Each Lender hereby irrevocably authorizes the Issuing Bank to issue Standby L/Cs under and in accordance with this Agreement, to pay the amount of any draft presented under any Standby L/C in accordance with the terms and conditions thereof, to receive from the Issuer reimbursement for Standby L/C Drawings and to take such action on its behalf under the provisions of this Agreement and the other Transaction Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Issuing Bank by the terms hereof or thereof, together with such powers as are reasonably incidental thereto.

4.02 Reimbursement Obligations.

(a) The Issuer agrees to reimburse the Issuing Bank for the full amount of any Standby L/C Drawing paid by the Issuing Bank on the Disbursement Date; provided, however, that in no event shall such reimbursement be made prior to the time such Standby L/C Drawing is paid by the Issuing Bank.

(b) If the amount of any Standby L/C Drawing is not reimbursed in full on the Disbursement Date, then the amount thereof which is not so reimbursed shall bear interest from the Disbursement Date until the date of actual payment thereof at a rate per annum equal to the Base Rate plus 2.00%, payable on demand.

4.03 Obligations to reimburse Standby L/C Drawing Absolute.

(a) The obligations of the Issuer to reimburse the Issuing Bank for any Standby L/C Drawing shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following circumstances:

(i) any lack of validity or enforceability of any Transaction Document;

(ii) any amendment to or waiver of or any consent to departure from the terms of any Transaction Document;

(iii) the existence of any claim, set-off, defense or other right which the Issuer may have at any time against the beneficiary of any Standby L/C or any transferee of any Standby L/C (or any Person for whom any such transferee may be acting), the Administrative Agent, the Issuing Bank or any Lender or any other Person, whether in connection with this Agreement, any other Transaction Document or any unrelated transaction;

(iv) any draft, statement or any other document presented under a Standby L/C proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

(v) payment by the Issuing Bank under a Standby L/C against presentation of a draft or document which does not comply with the terms of such Standby L/C.

(b) The Issuing Bank shall not be responsible to any Person:

(i) for the validity, genuineness or legal effect of any document submitted to the Issuing Bank by any Person in connection with the issuance of, or any Standby L/C Drawing under, any Standby L/C; provided, however, that nothing in this clause (i) shall relieve the Issuing Bank from its obligations to honor a Standby L/C Drawing under a Standby L/C that strictly complies with the terms of such Standby L/C;

(ii) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher;

(iii) for any loss or delay in the transmission or otherwise of any document required in order to make a Standby L/C Drawing under a Standby L/C or of the proceeds thereof;

(iv) for the misapplication by the beneficiary of a Standby L/C of the proceeds of a Standby L/C Drawing under such Standby L/C; or

(v) for any consequences arising from causes beyond the control of the Issuing Bank (including, any acts of any Governmental Authority);

provided, however, that the provisions of this Section 4.03 shall not limit any right or claim the Issuer may have against the Issuing Bank to the extent of any direct, as opposed to consequential or special, damages suffered by the Issuer which the Issuer proves were caused by the Issuing Bank's gross negligence or willful misconduct, it being understood that the existence of any such right or claim shall not in any way affect the obligation of the Issuer to reimburse the Issuing Bank for all Standby L/C Drawings under Standby L/Cs.

4.04 Participating Interests.

(a) Without further action on the part of the Issuing Bank and the Lenders, each Lender severally purchases from the Issuing Bank, without recourse to the Issuing Bank, and the Issuing Bank hereby sells to each such Lender, an undivided interest, to the extent of such Lender's Participation Percentage, in each Standby L/C issued or to be issued hereunder or issued pursuant to the Prior Agreement, all Standby L/C Drawings, all interest thereon and all other rights, costs and expenses of the Issuing Bank hereunder and under such Standby L/C with respect thereto.

(b) As promptly as practicable upon becoming aware that the Issuer has not reimbursed or will not reimburse the Issuing Bank in full for a Standby L/C Drawing under any Standby L/C in accordance with Section 4.02(a) or 4.02(b) on applicable Disbursement Date, the Issuing Bank shall notify the Administrative Agent which shall promptly notify each Lender to such effect and each Lender shall (i) not later than 4:30 p.m. (New York City time) on the Business Day such notice is received from the Administrative Agent (if such notice is received at or prior to 12:00 noon (New York City time)) or (ii) not later than 11:00 a.m. (New York City time) on the Business Day following receipt of such notice (if such notice is received after 12:00 noon (New York City time)) pay to the Administrative Agent, at the Administrative Agent's Payment Office, for the account of the Issuing Bank, an amount equal to such Lender's Participation Percentage of such unreimbursed Standby L/C Drawing. Notwithstanding clause (ii) of this paragraph (c), if a Lender does not make available to the Administrative Agent on the applicable Disbursement Date such Lender's Participation Percentage of any unreimbursed Standby L/C Drawing, such Lender shall be required to pay interest to the Administrative Agent for the account of the Issuing Bank on its Participation Percentage of the amount of such unreimbursed Standby L/C Drawing at the Federal Funds Rate from such Disbursement Date until the date payment is received by the Administrative Agent; provided, however, that if the Federal Funds Rate does not cover the Issuing Bank's cost of funds, the applicable rate of interest shall be such rate as determined by the Issuing Bank, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after receipt of notice, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent for the account of the Issuing Bank at a rate per annum equal to the Federal Funds Rate (or such other rate as may be determined by the Issuing Bank as set forth herein) plus 2%. Upon receipt of any such funds, the Administrative Agent shall promptly pay such funds to the Issuing Bank.

(c) If the Administrative Agent receives a Lender's Participation Percentage of an unreimbursed Standby L/C Drawing on the corresponding Disbursement Date therefor, or if the Administrative Agent receives such payment together with interest thereon in accordance with the provisions of the preceding paragraph (c), such Lender shall be entitled to receive interest on its Participation Percentage of such Standby L/C Drawing, as provided in paragraph (e)(ii) below, from the applicable Disbursement Date.

(d) The payment obligations of each Lender to the Issuing Bank as described in this Section 4.04 shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever and shall not be affected by any circumstance, including:

(i) any set-off, counterclaim, defense or other right which such Lender or any other Person may have against the Administrative Agent, the Issuing Bank or any other Person for any reason whatsoever;

(ii) the occurrence or continuance of a Default or Event of Default or the termination of the Commitments or the expiration the applicable Standby L/C;

(iii) any adverse change in the condition (financial or otherwise) of the Issuer;

(iv) any breach of any Transaction Document by any party thereto;

(v) any violation or asserted violation of law by any Lender or any affiliate thereof;

(vi) the failure of any Lender to perform its obligations hereunder;

(vii) any amendment to or extension of an issued and outstanding Standby L/C; or

(viii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing;

provided, however, that no Lender shall be liable for any portion of such liability resulting from the Issuing Bank's gross negligence or willful

misconduct.

(e) The Issuing Bank agrees to pay promptly upon receipt to the Administrative Agent for the account of each Lender (i) such Lender's Participation Percentage of all amounts received from the Issuer in payment, in whole or in part, of an unreimbursed Standby L/C Drawing, but only to the extent that such Lender has paid in full its Participation Percentage of such Standby L/C Drawing to the Administrative Agent for the account of the Issuing Bank pursuant to paragraph (c) above and (ii) such Lender's Participation Percentage of any interest received from the Issuer with respect to any such unreimbursed Standby L/C Drawing, but only to the extent such Lender has paid in full its Participation Percentage of such Standby L/C Drawing to the Administrative Agent for the account of the Issuing Bank pursuant to paragraph (c) above.

(f) If, on account of the bankruptcy, insolvency, concurso mercantil or governmental intervention (or similar event) of the Issuer, the Issuing Bank or the Administrative Agent is required at any time (whether before or after the Termination Date) to return to the Issuer or to a trustee, receiver, liquidator, custodian or other similar official or any other Person, any portion of the payments made by (or on behalf of) the Issuer to the Administrative Agent for the account of the Issuing Bank (or directly to the Issuing Bank) in reimbursement of any unreimbursed Standby L/C Drawing and interest thereon, each Lender shall, on demand of the Issuing Bank or the Administrative Agent, forthwith return to the Issuing Bank or the Administrative Agent for the account of the Issuing Bank any amounts transferred to such Lender by the Issuing Bank or the Administrative Agent in respect thereof pursuant to the terms hereof plus such Lender's pro rata share of any interest on such payments required to be paid to the Person recovering such payments plus interest on all amounts so demanded from the day such amounts are returned by the Issuing Bank or the Administrative Agent, as the case may be, to the day such amounts are returned by such Lender to the Issuing Bank or the Administrative Agent at a rate per annum for each day equal to the Federal Funds Rate; provided, however, that if the Federal Funds Rate does not cover the Issuing Bank's or the Administrative Agent's cost of funds, the applicable rate of interest shall be such rate as determined by the Issuing Bank or the Administrative Agent, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after demand, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Issuing Bank or the Administrative Agent, as the case may be, at a rate per annum equal to the Federal Funds Rate plus 2.00%. In any case when an amount is returned to any Person pursuant to this paragraph (f), the reimbursement obligation of the Issuer contained in Section 4.02(a) will be reinstated as of the original date such reimbursement obligation arose.

(g) The Issuer hereby confirms and acknowledges that each Lender shall have a direct claim against the Issuer for the principal of and interest on each portion of any unreimbursed Standby L/C Drawing advanced by such Lender to the Issuing Bank and that each Lender shall to the extent applicable be entitled to all the rights of the Issuing Bank against the Issuer (to the extent not exercised by the Issuing Bank) as if such Lender had funded its Participation Percentage of the Standby L/C Drawing directly to the beneficiary of the applicable Standby L/C.

(h) The Issuing Bank and each Lender, with respect to the amounts payable to it in respect of any unreimbursed Standby L/C Drawing, and the Administrative Agent, with respect to all amounts payable in respect of unreimbursed Standby L/C Drawings, shall maintain on its books in accordance with its usual practice, loan accounts, setting forth its Participation Percentage of each Standby L/C Drawing, the applicable interest rate and the amounts of principal and interest paid and payable by the Issuer from time to time hereunder with respect thereto; provided, however, that the failure by the Issuing Bank, any Lender or the Administrative Agent to record any such amount on its books or any error in such recordation shall not affect the obligations of the Issuer with respect thereto. In the case of any dispute, action or proceeding relating to any amount payable in respect of any unreimbursed Standby L/C Drawings, the entries in each such account shall be prima facie evidence of such amount. In the case of any discrepancy between the entries in the Issuing Bank's books and any Lender's books or the Administrative Agent's books, the Issuing Bank's books shall be considered correct in the absence of manifest error.

4.05 Limited Liability of the Issuing Bank. As between the Issuing Bank on the one hand, and the Issuer on the other, the Issuer assumes all

risks of any acts or omissions of the beneficiaries of Standby L/Cs with respect to their use of the Standby L/Cs or the proceeds thereof. Neither the Issuing Bank nor any of its employees, officers, directors or agents shall be liable or responsible for any acts or omissions of the beneficiaries in connection therewith.

ARTICLE V
TERMINATION AND REDUCTION OF
COMMITMENTS; FEES, TAXES, PAYMENT PROVISIONS

5.01 Termination or Reduction of Commitments.

(a) **Mandatory Termination:** Subject to Section 5.02, the Commitments shall terminate on the Stated Termination Date.

(b) **Voluntary Termination:** Upon at least five Business Days' notice to the Administrative Agent, the Arrangers, the Issuing Bank and the Depositary (with a copy thereof to each Dealer and each of Moody's and S&P), but no sooner than six months after the Effective Date unless a Non-Default Disruption Event has occurred and is continuing, in which case such termination may occur at any time upon five Business Days' prior notice, the Issuer may terminate the existing Commitments by instructing the Depositary to surrender the Letter of Credit and each beneficiary of a Standby L/C to surrender such Standby L/C to the Issuing Bank for cancellation; provided, however, that in connection with an extension of the term of this Agreement pursuant to Section 5.02, the Issuer may terminate the existing Commitments upon one Business Day's prior notice; and provided, further, however, that the existing Commitments may not be terminated so long as (i) any Commercial Paper Note is Outstanding or (ii) any Standby L/C is outstanding or (iii) any Loan is outstanding or (iv) any Drawing, Standby L/C Drawing, interest, fee or expenses remain unpaid. Upon at least five Business Days prior notice to the Administrative Agent and the Issuing Bank, the Issuer may terminate any Standby L/C, in accordance with its terms, by surrendering, or causing the beneficiary thereof to surrender, such Standby L/C to the Issuing Bank for cancellation.

(c) **Reduction of Letter of Credit Facility:** Upon at least five Business Days' prior notice to the Administrative Agent, the Arrangers, the Issuing Bank and the Depositary (with a copy thereof to each Dealer and each of Moody's and S&P), but no sooner than six months after the Effective Date, the Issuer may permanently reduce the amount of the Letter of Credit Facility and, accordingly, the Stated Amount of the Letter of Credit by a minimum amount of U.S.\$5,000,000 or any integral multiple of U.S.\$1,000,000 in excess thereof provided, however, that if such reduction is to an amount below the Standby L/C Sublimit, then the Standby L/C Sublimit should also be reduced in an amount equal to such amount. To effect any such reduction, the Issuer shall cause the Issuing Bank to deliver a Notice of Reduction of Stated Amount and instruct the Depositary either (i) to surrender the Letter of Credit to the Issuing Bank for cancellation in exchange for a new Letter of Credit having the reduced Stated Amount or (ii) to obtain an amendment to the Letter of Credit to the same effect. Any reduction of the Stated Amount pursuant to this paragraph (c) shall be irrevocable. Upon at least five Business Days prior notice to the Administrative Agent and the Issuing Bank, the Issuer may reduce the stated amount of any Standby L/C to be reduced, in accordance with its terms, by surrendering, or causing the beneficiary thereof to surrender, such Standby L/C to the Issuing Bank for cancellation in exchange for a new Standby L/C having the reduced stated amount and otherwise having the same terms as the Standby L/C being cancelled; provided, however, that the stated amount of any Standby L/C shall not as a result of such reduction be reduced below U.S.\$3,000,000. Without limitation of the foregoing, the Stated Amount of the Letter of Credit shall not, as a result of any reduction, be reduced below the Aggregate Outstandings.

(d) (i) Any reduction in the Stated Amount pursuant to paragraph (c) above shall cause the aggregate amount of the Commitments to be reduced by the same amount.

(ii) Any reduction of the Commitments shall reduce the Commitment of each Lender pro rata except as otherwise specified in Section 5.02(c).

(iii) No reduction of the Stated Amount will be permitted if, after giving effect thereto, the aggregate amount of the Commitments would be less than the Aggregate Outstandings.

(e) The Stated Amount shall be automatically reduced or reinstated, as the case may be, as specified in the Letter of Credit.

(f) In accordance with the terms thereof, the Letter of Credit may be terminated as provided in Section 12.02(a) and the Stated Amount may also be reduced as provided in Section 2.06.

(g) No reduction or termination of the Commitments shall in any event release any Lender from any of its direct or indirect obligations to the Issuing Bank in respect of (i) any Commercial Paper Notes, Loans or Standby L/Cs issued prior to such termination or reduction or (ii) any Drawing or (iii) any Standby L/C Drawing.

5.02 Extension of Stated Termination Date.

(a) The Commitment of each Lender will expire on the Stated Termination Date except as otherwise provided herein.

(b) Requests for Extension. The Issuer may, by notice to the Arrangers, Issuing Bank and Administrative Agent (which shall promptly notify the Lenders) not later than five (5) Business Days prior to the Stated Termination Date request that each Lender extend such Lender's Commitment for an additional period by an amendment and restatement of this Agreement, subject to the conditions of Section 6.04.

(c) Additional Commitment Lenders. The Issuer shall have the right on or before the Stated Termination Date to request the Arrangers replace each Non-Extending Lender with, and add as Lenders under this Agreement in place thereof, one or more Assignees (each, an "Additional Commitment Lender") with the approval of the Administrative Agent (which approval shall not be unreasonably withheld), and the approval of the Issuing Bank in its sole discretion. Each Additional Commitment Lender shall enter into an agreement in form and substance satisfactory to the Arrangers, the Issuing Bank, and the Administrative Agent pursuant to which such Additional Commitment Lender shall, as of the effective date of the extension amendment and restatement, undertake a Commitment. If any such Additional Commitment Lender is already a Lender, its Commitment shall be increased by the amount of the Commitment of the Non-Extending Lender it is replacing.

(d) Minimum Extension Requirement. If the total of the Commitments of the Lenders that have agreed to extend their Commitment and the additional Commitments of the Additional Commitment Lenders shall be more than the Aggregate Outstandings, then, effective as of the effective date of the extension amendment and restatement, the Stated Termination Date of each Extending Lender and of each Additional Commitment Lender shall be extended to the new Stated Termination Date specified in such amendment and restatement (except that, if such date is not a Business Day, such date as so extended shall be the next Business Day) and each Additional Commitment Lender shall thereupon become a "Lender" for all purposes of this Agreement.

(e) If, in connection with an extension of the term of this Agreement, any Lender elects to be a Non-Extending Lender, such Non-Extending Lender agrees that such amendment and restatement will become effective without the signature of such Non-Extending Lender subject to the termination of its Commitment on the effective date of such extension, the payment of all amounts owed to such Non-Extending Lender by the Issuer and the payment by such Non-Extending Lender of all amounts owed by it to the Issuing Bank.

5.03 Fees.

(a) Participation Fee. The Issuer agrees to pay to the Administrative Agent for the account of the Lenders ratably in accordance with their Participation Percentages a participation fee (the "Participation Fee") at the rate of 0.70% per annum from the Effective Date until August 6, 2004, and at the rate of 0.90% per annum anytime after August 6, 2004 (each such rate being the "Participation Rate") on the amount of the Commitments as from time to time in effect less the aggregate amount of (i) any unreimbursed Drawings not converted into Loans (ii) any unreimbursed Standby L/C Drawing and (iii) any outstanding Loans. The Participation Fee shall accrue from August 8, 2003 to the Termination Date and shall be payable in arrears on the 8th day in each of November, February, May and August and on the Termination Date commencing on August 8, 2003, provided that if any day or the Termination Date is not a Business Day, then the Participation Fee shall be payable on the next preceding Business Day.

(b) Letter of Credit Fees. The Issuer will pay to the Issuing Bank Letter of Credit administration fees (the "Letter of Credit Fees") in the amounts and at the times agreed to by the Issuing Bank and the Issuer in a separate fee letter among the Administrative Agent and the Issuer, dated August 8, 2003 (the "Fee Letter").

(c) Standby L/C Fees. The Issuer will pay to the Issuing Bank Standby L/C administration fees (the "Standby L/C Fees") in the amounts and at the times agreed to by the Issuing Bank and the Issuer in the Fee Letter.

(d) Agency Fees. The Issuer will pay to the Administrative Agent, for the sole account of the Administrative Agent, an agency fee (the "Agency Fees") in the amount and at the times agreed to by the Administrative Agent and the Issuer in the Fee Letter.

(e) Arrangement Fees. The Issuer will pay to the Arrangers, for the sole account of the Arrangers, the arrangement fees (the "Arrangement Fees") and other fees in the amounts and at the times agreed to by the Arrangers and the Issuer in the Fee Letter.

(f) Depositary Fees. The Issuer will pay to the Depositary, for the sole account of the Depositary, a depositary fee (the "Depositary Fees") in the amount and at the times agreed to by the Depositary and the Issuer in a separate fee letter (the "Depositary Fee Letter").

(g) Up-Front Fee. The Issuer will pay to the Administrative Agent, for the account of the Lenders, an up-front fee (the "Up-front Fee") in accordance with the Summary of Terms and Conditions agreed to by the Issuer and the Arrangers on June 18, 2003.

5.04 Computation of Fees. All fees calculated on a per annum basis shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed.

5.05 Taxes.

(a) Any and all payments by the Issuer or the Guarantor, as the case may be, to any Lender, the Issuing Bank 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 Issuer shall promptly pay all Other Taxes.

(b) Except as otherwise provided in Section 5.05(c), the Issuer and the Guarantors agree to indemnify and hold harmless each Lender, the Issuing Bank and the Administrative Agent for the full amount of Taxes or Other Taxes, excluding in each case United States backup withholding Taxes imposed because of payee underreporting (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 5.05) paid by or assessed against any Lender, the Issuing Bank or the Administrative Agent in respect of any sum payable hereunder and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, unless such penalties, interest, additions to tax or expenses are incurred solely as a result of any gross negligence or willful misconduct of such Lender, Issuing Bank or Administrative Agent, as the case may be. Payment under this indemnification shall be made within 30 days after the date any Lender, the Issuing Bank or the Administrative Agent makes written demand therefore, 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 Issuer 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, the Issuing Bank or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 5.05, but excluding in each case United States backup withholding Taxes imposed because of payee underreporting), such Lender, the Issuing Bank or the Administrative Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made; provided, that, the Issuer shall not be

required to increase any amounts payable to such Lender, Issuing Bank or the Administrative Agent to the extent such increased amounts would be in excess of the increased amounts that would have been payable to such Lender or Issuing Bank had such Lender, Issuing Bank or Administrative Agent complied with the requirements of paragraph (f) of this section;

(ii) the Issuer or the Guarantors, as the case may be, shall make such deductions and withholdings; and

(iii) the Issuer 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 Issuer or the Guarantors, as the case may be, of Taxes or Other Taxes, the Issuer 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 Issuer or the Guarantors, as the case may be, is required to pay additional amounts to any Lender or the Issuing Bank pursuant to paragraph (c) of this Section 5.05, then such Lender or the Issuing Bank, as the case may be, shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office or issuing office, as the case may be, so as to eliminate the obligation of the Issuer or the Guarantor, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify such Lender or the Issuing Bank in the future, if such change in the reasonable judgment of such Lender or the Issuing Bank is not otherwise disadvantageous to such Lender or the Issuing Bank.

(f) The Issuing Bank, each Lender and the Administrative Agent shall, from time to time at the request of the Issuer or the Administrative Agent (as the case may be), promptly furnish to the Issuer 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 neither the Issuing Bank nor any Lender nor the Administrative Agent shall be obliged to disclose information regarding its tax affairs or computations to the Issuer in connection with this paragraph (f). Each of the Issuer and the Administrative Agent shall be entitled to rely upon the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have become payable by such Person had such documentation been accurate.

(g) If the Issuing Bank, the Administrative Agent or any Lender receives a refund or credit in respect of Taxes or Other Taxes as to which it has been indemnified by the Issuer or a Guarantor, as the case may be, pursuant to Section 5.05(b) and such refund or credit is directly and clearly attributable to this Agreement, it shall notify the Issuer or such Guarantor, as the case may be, of the amount of such refund or credit and shall return to the Issuer or such Guarantor, as the case may be, such refund or the benefit of such credit; provided, however, that (A) the Issuing Bank, the Administrative Agent or such Lender, as the case may be, shall not be obligated to make any effort to obtain such refund or credit or to provide the Issuer or the Guarantors with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Issuer, the Guarantors or any other Person any information that it considers to be proprietary or confidential, and (B) the Issuer or such Guarantor, as the case may be, upon the request of the Issuing Bank, the Administrative Agent or such Lender, as the case may be, shall return the amount of such refund or the benefit of such credit to the Issuing Bank, the Administrative Agent or such Lender, as the case may be, if the Issuing Bank, the Administrative Agent or such Lender, as the case may be, is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six years of the date the Issuer or such Guarantor, as the case may be, is paid such amount by the Issuing Bank, the Administrative Agent or such Lender, as the case may be.

5.06 General Provisions as to Payments.

(a) All payments to be made by the Issuer or the Guarantors, as the

case may be, shall be made without set-off, counterclaim or other defense. Except as otherwise expressly provided herein and in the Depositary Agreement, all payments by the Issuer shall be made to the Administrative Agent for the account of the Lenders or the Issuing Bank, as the case may be, at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 3:30 p.m. (New York City time) (but not earlier than 11:30 a.m. (New York City time)) in respect of any Drawing under the Letter of Credit or any Standby L/C Drawing under a Standby L/C, on the dates specified herein but in no event prior to the payment by the Issuing Bank of such Drawing or Standby L/C Drawing, as the case may be, to be reimbursed. The Administrative Agent will promptly distribute to the Issuing Bank or to each Lender its Participation 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 Issuer prior to the date on which any payment is due to the Issuing Bank or the Lenders hereunder that the Issuer will not make such payment in full, the Administrative Agent may assume that the Issuer has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, cause to be distributed to the Issuing Bank or each Lender, as the case may be, on such due date an amount equal to the amount then due the Issuing Bank or such Lender. If and to the extent that the Issuer shall not have made such payment, the Issuing Bank or each Lender, as the case may be, shall repay to the Administrative Agent forthwith on demand such amount distributed to the Issuing Bank or such Lender together with accrued interest thereon, for each day from the date such amount is distributed to the Issuing Bank or such Lender until the date the Issuing Bank or such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by the Issuing Bank or any Lender for more than five Business Days after the Administrative Agent has made a demand for such amount, the Issuing Bank or such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 1%, and, provided further, that if any such amount remains unpaid by the Issuing Bank or any Lender for more than ten Business Days, the Issuing Bank or such Lender shall, commencing on the day next following such tenth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 2%.

5.07 Funding Losses. If the Issuer makes any payment of principal with respect to any Eurodollar Loan on any day other than the last day of the Interest Period applicable thereto (including a prepayment pursuant to Section 3.09, 3.10 or 12.02), or if the Issuer fails to borrow any Eurodollar Loans after notice has been given to any Lender in accordance with Section 3.02 or to convert or continue a Loan as a Eurodollar Loan after a Notice of Continuation/Conversion has been delivered by the Issuer pursuant to Section 3.05, or if the Issuer fails to prepay any Eurodollar Loans after notice has been given pursuant to Section 3.09, the Issuer shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it, including any loss incurred in obtaining, liquidating or reemploying deposits bearing interest by reference to LIBOR from third parties, provided such Lender shall have delivered to the Issuer 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.

5.08 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any Eurodollar Loan:

(a) the Administrative Agent determines that by reason of circumstances affecting the London interbank market, adequate means do not exist for ascertaining LIBOR applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market for such Interest Period, or

(b) the Required Lenders advise the Administrative Agent that LIBOR as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of funding their Loans for such Interest Period, the Administrative Agent shall forthwith give notice thereof to the Issuer and the Lenders. Thereafter, for so long as paragraph (a) or paragraph (b) above applies, all Loans hereunder shall be made or continued as Base Rate Loans.

5.09 Illegality. If any Requirement of Law or any change therein or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Loans as contemplated by this Agreement, (a) the obligation of such Lender hereunder to make Loans shall forthwith be cancelled to the extent required by law and (b) all outstanding Loans, if any, shall (i) if so required by law be repaid or (ii) in the case of Eurodollar Loans, if so permitted by law, at the option of the Issuer either (A) be repaid or (B) be converted to Base Rate Loans, in each case, on the last day of the Interest Period therefor. If any such repayment or conversion of a Eurodollar Loan is made on a day which is not the last day of the Interest Period therefor, the Issuer shall pay to such Lender such amounts, if any, as may be required pursuant to Section 5.07.

5.10 Increased Costs; Capital Adequacy.

(a) If the Issuing Bank or any Lender determines that due to either (x) the introduction of any Requirement of Law, including any Capital Adequacy Regulation, or any change in any Requirement of Law or in the interpretation thereof (including those relating to reserves, special deposits, the basis of taxation, capital adequacy or Eurocurrency Liabilities or any other form of banking or monetary requirements or controls) or (y) compliance therewith by the Issuing Bank or any Lender:

(i) the cost to the Issuing Bank or such Lender of maintaining its Commitment or maintaining the Letter of Credit or maintaining the Standby L/Cs or making or maintaining its Loans or its participation in the Letter of Credit Facility or Standby L/C Facility is increased;

(ii) the Issuing Bank or such Lender incurs a cost or suffers a reduction in yield (including the cost of, or reduction in yield arising from, complying with such taxation, reserve, special deposit, cash ratio, liquidity, capital adequacy, Eurocurrency Liabilities or other requirement or control as aforesaid) as a result of its having agreed to issue the Letter of Credit, to participate in the Letter of Credit Facility, to issue the Standby L/Cs or to participate in the Standby L/C Facility or to give effect to its obligations contemplated hereunder; or

(iii) the Issuing Bank or such Lender makes any additional payment or suffers a reduction in yield or forgoes any interest or other return on or calculated by reference to any amount received or receivable by it hereunder or calculated by reference to the amount of its Loans, its issuance of the Letter of Credit or its participation in the Letter of Credit Facility, its issuance of Standby L/Cs, or participation in the Standby L/C Facility or its Commitment;

then and in each such case:

(A) the Issuing Bank or such Lender (an "Affected Lender") shall notify the Issuer through the Administrative Agent in writing of such event promptly upon its becoming aware of the event entitling it to make a claim; provided, however, that the failure to give such notice shall not affect the rights of any Affected Lender under this Section 5.10(a); and

(B) upon demand from time to time by such Affected Lender through the Administrative Agent, the Issuer shall pay to the Administrative Agent for the account of such Affected Lender such amount as shall compensate such Affected Lender for such increased cost, reduction in yield, or shortfall in return, additional payment or forgone interest or other return. The certificate of such Affected Lender specifying the amount of such compensation shall be conclusive except in the case of manifest error.

(b) The Issuing Bank and each Lender agree that, upon the occurrence of any event giving rise to the operation of paragraph (a) above as to it, it will, if so requested by the Issuer, use its commercially reasonable efforts to avoid or minimize the consequences of such event; provided, however, that such action shall not, in the judgment of the Issuing Bank or such Lender, as the case may be, be illegal or economically or otherwise disadvantageous to it.

(c) It is understood that paragraph (a) above does not apply to the introduction of or any increase in the income or franchise taxes of the Issuing Bank, the Administrative Agent or any Lender levied by any jurisdiction (or political subdivision or taxing authority thereof) under the laws of which the Issuing Bank, the Administrative Agent or any Lender is organized or in which a Lending Office or the principal place of business of the Issuing Bank, the Administrative Agent or such Lender is located or where the Administrative Agent performs its functions as Administrative Agent or as are imposed on the Lender, the Issuing Bank or the Administrative Agent (as the case may be) as a result of a present or former connection between the Lender, the Issuing Bank or the Administrative Agent and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Lender, the Issuing Bank or such Administrative Agent having executed, delivered or performed its obligations or received a payment under, or enforced, the Transaction Documents).

5.11 Substitute Lenders. If any Lender has demanded compensation pursuant to Section 5.05(c) or to Section 5.10(a), and such Lender does not waive its right to future additional compensation pursuant to Section 5.05(c) or Section 5.10(a), the Issuer shall have the right (a) 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 Issuer of the related processing fee of U.S.\$3,500 to the Administrative Agent and a fee of U.S.\$1,500 payable directly to the Issuing Bank; or (b) to remove such Lender, reduce the Commitments by the amount of the Commitment of such Lender, adjust the Participation Percentage of each Lender in the manner set forth in Section 2.06 and, by requesting the Issuing Bank to submit a Notice of Reduction of Stated Amount to cause the Stated Amount of the Letter of Credit to be reduced by an amount equal to the Commitment of such Lender; provided, however, that such Lender shall not be replaced or removed hereunder until such Lender has been repaid in full all amounts owed to it pursuant to this Agreement and the other Transaction Documents (including Section 5.05(c) and Section 5.10(a)) unless any such amount is being contested by the Issuer in good faith and; provided, further, however, that no such reduction shall be permitted if after giving effect thereto, the sum of the aggregate Face Amount of Commercial Paper Notes Outstanding, any unreimbursed Drawings, the Standby L/C Exposure and any Loans then outstanding would exceed the Commitments as so reduced or the Commitments as so reduced would aggregate less than the Aggregate Outstandings.

5.12 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 Participation 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 Participation 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 5.12 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 Issuer agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 5.12 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 Issuer in the amount of such participation.

ARTICLE VI CONDITIONS PRECEDENT

6.01 Conditions to Effectiveness. The obligation of the Issuing Bank to issue the Letter of Credit is 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.

(b) Notes. All the Notes shall have been duly executed and delivered by the Issuer to the Administrative Agent.

(c) Depositary Agreement and Dealer Agreements. The Administrative Agent shall have received (i) counterparts of the Depositary Agreement duly executed by each party thereto together with evidence from the Depositary that the Commercial Paper Account and the Letter of Credit Account have been established at the office of the Depositary and copies of all documents to be delivered pursuant to the Depositary Agreement, (ii) copies of each Dealer Agreement duly executed by the parties thereto and (iii) evidence reasonably satisfactory to it that each Dealer has approved the Offering Statement to be used in connection with the issuance and sale of the Commercial Paper Notes.

(d) Opinions of Issuer'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 Issuer and the Guarantors, in substantially the form of Exhibit G, (ii) the opinion of Lic. Ramiro G. Villareal Morales, Mexican counsel to the Issuer, in substantially the form of Exhibit H and (iii) a favorable opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Issuer and the Guarantors, as to certain securities laws issues as the Dealers may request and bankruptcy law issues as the Rating Agencies may request.

(e) Opinion of Counsel to the Administrative Agent. The Administrative Agent shall have received a favorable opinion of Basham, Ringe y Correa, special Mexican counsel to the Administrative Agent.

(f) Opinion of Counsel to the Issuing Bank. The Administrative Agent shall have received (i) the opinion of Lovells, English counsel to the Issuing Bank, and (ii) the opinion of Hughes Hubbard & Reed LLP, New York counsel to the Issuing Bank, each as to the enforceability of the Letter of Credit.

(g) Governmental Approvals. The Administrative Agent shall have received certified copies of all necessary approvals, authorizations, or consents of, or notices to, or registrations with, any Governmental Authority required for the Issuer and each Guarantor to enter into, or perform its obligations under, the Transaction Documents, including the approval of the Mexican National Banking and Securities Commission (Comision Nacional Bancaria y de Valores) for the registration of the Commercial Paper Notes with the Special Section of the National Registry of Securities and Intermediaries (Registro Nacional de Valores e Intermediarios).

(h) Organizational Documents of the Issuer 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 Issuer and each Guarantor, (ii) the powers-of-attorney of each Person executing any Transaction Document on behalf of the Issuer 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).

(i) Agent for Service of Process. The Administrative Agent shall have received a power of attorney, notarized under Mexican law, granted by the Issuer 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 16.12.

(j) Ratings. The Administrative Agent shall have received copies of letters, addressed to the Issuer and delivered by the Issuer to each Dealer, from Moody's and S&P confirming that upon the issuance of the Letter of Credit the Commercial Paper Notes will be rated at least P-1 by Moody's and A-1 by S&P or similarly rated by another nationally recognized rating agency mutually acceptable to the Issuer and the Arrangers.

(k) Fees and Expenses. The Issuer shall have paid (i) to the Administrative Agent, the Agency Fees and the Up-Front Fee due on the Effective Date, (ii) to the Arrangers the fees specified in the Fee Letter due on the Effective Date, (iii) to the Issuing Bank the Letter of Credit Fees due on the Effective Date, (iv) to the Depositary, the fees specified in the Depositary Fee Letter due on the Effective Date, and (v) all other reasonable fees and amounts payable by the Issuer hereunder pursuant to Section 16.04 on or prior to the Effective Date and as otherwise agreed.

(l) No Default. No Default or Event of Default shall have occurred and be continuing as of the Effective Date and the Issuer and each Guarantor shall have provided a certificate from a Responsible Officer of the Issuer to such effect to the Administrative Agent.

(m) Representations and Warranties. The representations and warranties of the Issuer 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 Issuer and each Guarantor shall have provided a certificate to such effect to the Administrative Agent.

(n) No Material Adverse Effect. No Material Adverse Effect shall have occurred since December 31, 2002 and there shall have occurred no circumstance and/or event of a financial, political or economic nature in Mexico which has a reasonable likelihood of having a material adverse effect on the ability of the Issuer or the Guarantors to perform their obligations under this Agreement and the other Transaction Documents.

(o) Other Documents. The Administrative Agent shall have received such other certificates, powers of attorney and other documents and undertakings relating to the authority for, and the execution, delivery and validity of, the Transaction Documents, as may be reasonably requested by the Administrative Agent or the Issuing Bank or any Lender through the Administrative Agent.

(p) Fees, Costs and Expenses under the Prior Agreement. The Issuer shall have paid all accrued and unpaid fees payable under the Prior Agreement to the extent due and payable on or before the Effective Date of this Agreement.

(q) Prior Agreement. All notes in favor of or commitments issued by each lender under the Prior Agreement shall be simultaneously paid, cancelled, refinanced or replaced hereunder, except with regard to Standby L/C's pursuant to Section 4.01(b).

(r) Non-Extending Lenders. Each Non-Extending Lender shall, subject to Section 5.02 and Section 16.06, be released from its obligations as under this Agreement and shall no longer be a Lender hereunder, but shall continue to be entitled to the benefits of Sections 5.05, 5.07, 5.10 with respect to facts and circumstances occurring prior to the Effective Date of this Agreement.

(s) Additional Commitment Lenders and Lenders. Each Additional Commitment Lender and each lender party to the Prior Agreement that elected to extend its Commitment hereunder by signing this Agreement shall have become a Lender for all purposes of this Agreement and confirms its obligations under Section 2.04 with respect to the Letter of Credit Facility and 4.04 with

respect to the Standby L/C Facility and Standby L/Cs existing on the Effective Date.

6.02 Conditions Precedent to the Issuance of Commercial Paper Notes. Each issuance of Commercial Paper Notes is subject to the satisfaction of the following conditions precedent on the date of issuance:

(a) other than in connection with the first issuance of Commercial Paper Notes on the Effective Date, the Issuer shall have deposited or caused to be deposited in the Commercial Paper Account an amount equal to the Issuer Deposit Amount for such date;

(b) immediately after giving effect to such issuance, the aggregate Face Amount of all Commercial Paper Notes issued and Outstanding shall not be greater than the Stated Amount of the Letter of Credit;

(c) immediately after giving effect to such issuance, the aggregate Face Amount of all Commercial Paper Notes Outstanding shall not exceed an amount equal to (i) the amount of the Commitments at such time less (ii) the sum of (A) the aggregate principal amount of all outstanding Loans, (B) the aggregate amount of all unreimbursed Drawings not converted into Loans and (C) the Standby L/C Exposure;

(d) immediately before and after such issuance, no Default or Event of Default shall have occurred and be continuing;

(e) (i) no Notice of Termination or Notice of Default shall have been delivered by the Issuing Bank, (ii) no Notice of Acceleration shall have been delivered by the Administrative Agent and (iii) no instruction to cease issuing Commercial Paper Notes shall have been delivered to the Depository by the Administrative Agent, the Issuer or the Issuing Bank pursuant to Section 2.07 or 12.02(e) or as provided in the Depository Agreement;

(f) no writ, order, judgment, warrant of attachment, execution or similar process or stay or legal restraint shall have been imposed on the Commercial Paper Account or the Letter of Credit Account or on the proceeds of the Commercial Paper Notes;

(g) the Commercial Paper Notes shall be rated at least P-2 by Moody's and A-2 by S&P;

(h) no Non-Default Disruption Event shall have occurred and be continuing; and

(i) each of the representations and warranties made by the Issuer in or pursuant to the Transaction Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date.

6.03 Conditions Precedent to Borrowings, Continuation or Conversion of the Loans and Issuances of Standby L/Cs. The obligation of any Lender to make a Loan on the occasion of any Borrowing or to continue or convert any Loan or for the Issuing Bank to issue a Standby L/C is subject to the satisfaction of the following conditions:

(a) in the case of Borrowings, continuance or conversion of Loans, the Administrative Agent shall have received a Notice of Borrowing or a Notice of Continuation/Conversion as required by Section 3.02 or 3.05 respectively and, in the case of issuances of Standby L/Cs, the Issuing Bank shall have received the notice and all other documents, instruments and agreements referred to in Section 4.01(c);

(b) in the case of Borrowings continuance or conversion of Loans, (i) the Issuer shall have certified to the Administrative Agent no later than 11:00 a.m. (New York City time) on the date of such Borrowing or continuation or conversion of any Loan that a CP Disruption Event has occurred and is continuing or that the CP Disruption Event which existed on the Non-Default Disruption Date is continuing to exist or (ii) the Issuing Bank shall have confirmed to the Administrative Agent that a Downgrading Event or an Illegality Event, as the case may be, has occurred and is continuing or that the Downgrading Event or the Illegality Event, as the case may be, which existed on the Non-Default Disruption Date is continuing to exist;

(c) immediately after such Borrowing (after giving effect to the payment of any unreimbursed Drawing with the proceeds of such Borrowing), the continuation or conversion of any Loan or the issuance of the Standby L/C, as

the case may be, the Total Outstandings shall not exceed the Commitments;

(d) in the case of Borrowings of Loans pursuant to Section 3.01(a), the amount of such Borrowing shall not exceed the amount of the payment under the Letter of Credit in respect of a Drawing being reimbursed with the proceeds of such Borrowing;

(e) in the case of issuances of Standby L/Cs, the stated amount of the Standby L/C subject of such issuance shall not exceed the Available Standby Sublimit.

(f) immediately before and after such Borrowing or the continuation or conversion of any Borrowing or the issuance of such Standby L/C, no Default or Event of Default shall have occurred and be continuing and such Borrowing or continuation or conversion of any Loan or issuance of a Standby L/C thereof will not cause or result in a Default or Event of Default; and

(g) the representations and warranties of the Issuer contained in this Agreement and in each other Transaction Document and of each Guarantor contained in this Agreement shall be true and correct in all material respects on and as of the date of any Borrowing, continuation or conversion of any Loan or issuance of a Standby L/C thereof.

(h) in the case of issuances of Standby L/Cs the Issuer shall have paid to the Issuing Bank all of the Standby L/C Fees due and payable on or before the issuance of such Standby L/C.

6.04 Conditions Precedent to Effectiveness of Extension Amendment and Restatement. In addition to the foregoing, an extension of the Stated Termination Date, including the extension of the Prior Agreement embedded in this Agreement, shall not be effective unless:

(x) no Default or Event of Default shall have occurred and be continuing on the date of such extension and after giving effect thereto;

(y) the representations and warranties contained in this Agreement are true and correct on and as of the date of such extension and after giving effect thereto, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

(z) on or before the effective date of each extension amendment and restatement, (1) the Issuer shall have paid in full the principal of and interest on all of the Loans made by each Non-Extending Lender to the Issuer under the Prior Agreement, (2) the Issuer shall have paid in full all other amounts owing to such Non-Extending Lender under the Prior Agreement, (3) the aggregate amount of the Commitments shall not be less than the Aggregate Outstandings, and (4) each Non-Extending Lender shall have paid all amounts owed by it to the Issuing Bank.

ARTICLE VII REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer represents and warrants that:

7.01 Corporate Existence and Power.

(a) The Issuer 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 Issuer has been validly issued and is fully paid and non-assessable.

7.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Issuer 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 Issuer's corporate powers and have been duly authorized by all necessary corporate action pursuant to the estatutos sociales of the Issuer.

(b) This Agreement and the other Transaction Documents to which the Issuer is a party have been duly executed and delivered by the Issuer and constitute, and each Commercial Paper Note, when executed by the Issuer, countersigned by the Depositary as provided in the Depositary Agreement, and delivered, will constitute, legal, valid and binding obligations of the Issuer 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.

7.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which the Issuer 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 Issuer pursuant to, any Contractual Obligation of the Issuer or (b) result in any violation of the estatutos sociales of the Issuer or any provision of any Requirement of Law applicable to the Issuer.

7.04 Governmental Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority is required to authorize, or is required in connection with, the execution, delivery and performance by the Issuer of this Agreement and the other Transaction Documents to which the Issuer is a party or the taking of any action contemplated hereby or by any other Transaction Document except for the registration of the Commercial Paper Notes with the Special Section of the Registro Nacional de Valores e Intermediarios of the Comision Nacional Bancaria y de Valores, in respect of which an authorization has been obtained and is in full force and effect.

7.05 Financial Information.

(a) The consolidated balance sheet of the Issuer and its Subsidiaries as at December 31, 2002, and the related consolidated statements of income and cash flows of the Issuer 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 Issuer and its Subsidiaries as at June 30, 2003, and the related consolidated statements of income and cash flows of the Issuer and its Subsidiaries for the six months then ended, duly certified by the chief financial officer of the Issuer, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at June 30, 2003, and said statements of income and cash flows for the six months then ended, to year-end audit adjustments, the consolidated financial condition of the Issuer and its Subsidiaries as at such dates and the consolidated results of the operations of the Issuer and its Subsidiaries for the periods ended on such dates, all in accordance with Mexican GAAP, consistently applied.

(b) Since December 31, 2002 there has been no development or event which has had or is reasonably likely to have a Material Adverse Effect.

7.06 Litigation. Except as set forth in Schedule 7.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Issuer 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 Issuer or any of its Subsidiaries, of the litigation described in Schedule 7.06.

7.07 No Immunity. The Issuer 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 Issuer constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither the Issuer nor any of its property has any immunity from jurisdiction of any court or any legal process

(whether through service or notice, attachment prior to judgment or attachment in aid of execution).

7.08 Investment Company Act. The Issuer is not, and is not controlled by, an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended.

7.09 Direct Obligations; Pari Passu; Liens.

(a) (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Issuer, and (ii) the Notes and the Commercial Paper Notes, when issued and delivered, will constitute direct, unconditional unsubordinated and unsecured obligations of the Issuer.

(b) The obligations of the Issuer under this Agreement and the Notes rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of the Issuer.

(c) There are no Liens on the property of the Issuer or any of its Subsidiaries other than Permitted Liens.

7.10 Subsidiaries. All Material Subsidiaries of the Issuer are listed on Schedule 7.10.

7.11 Ownership of Property. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Issuer 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.

7.12 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 Issuer under the law of Mexico. Except for the registration referred to in Section 7.04, 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 Issuer; 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, the Issuing Bank 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, the Issuing Bank or any Lender, that the Administrative Agent, the Issuing Bank or such Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

7.13 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 Issuer, 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 Issuer, 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 Issuer pursuant

to this Agreement or any of the other Transaction Documents. The Issuer is permitted to pay any additional amounts payable pursuant to Section 5.05.

7.14 Compliance with Laws. The Issuer 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.

7.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

7.16 Full Disclosure. All information heretofore furnished by the Issuer to the Administrative Agent, the Arrangers, the Issuing Bank or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by the Issuer to the Administrative Agent, the Arrangers, the Issuing Bank or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified. The Issuer has disclosed to the Lenders in writing any and all facts which may have a Material Adverse Effect.

7.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Issuer arising out of or relating to this Agreement in any Mexican court or tribunal, a Lender, the Issuing Bank, the Arrangers and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 16.10, 16.11 and 16.13.

7.18 Aggregate Outstandings. The Aggregate Outstandings do not exceed the aggregate amount of the Commitments.

7.19 Standby L/C's. Attached hereto as Schedule 7.19 is a complete and accurate list of the outstanding Standby L/C's issued hereunder or under the Prior Agreement for the account of the Issuer, listed by L/C Number, stated amount, date of issue and expiry.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

8.01 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.

8.02 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.

8.03 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.

8.04 Governmental Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority 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 except for the registration of the Commercial Paper Notes with the Special Section of the Registro Nacional de Valores e Intermediarios of the Comision Nacional Bancaria y de Valores, in respect of which an authorization has been obtained and is in full force and effect.

8.05 No Immunity. Such Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by such Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither such Guarantor nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

8.06 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.

8.07 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. Except for the registration referred to in Section 8.04, 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 Issuer 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.

8.08 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, a Lender, the Issuing Bank, the Arrangers and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 16.10, 16.11 and 16.13.

ARTICLE IX AFFIRMATIVE COVENANTS

The Issuer covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid, the Letter of Credit remains outstanding, any Standby L/Cs remain outstanding or

any Lender has any Commitment hereunder:

9.01 Financial Reports and Other Information. The Issuer 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 Issuer, a copy of the annual audit report for such year for the Issuer and its Subsidiaries containing consolidated and consolidating balance sheets of the Issuer and its Subsidiaries, as of the end of such fiscal year and consolidated statements of income and cash flows of the Issuer 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 Issuer 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 Issuer, 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 Issuer 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 Issuer 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 7.05 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 Issuer, consolidated balance sheets of the Issuer and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Issuer 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 Issuer as having been prepared in accordance with Mexican GAAP and together with a certificate of a Responsible Officer of the Issuer, 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 Issuer 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 Issuer 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 7.05 and provided further that all such documents will be prepared in English.

9.02 Notice of Default and Litigation. The Issuer will furnish to the Administrative Agent (and the Administrative Agent will notify the Issuing Bank, each Lender, the Depositary and each Dealer):

(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 Issuer setting forth details of such Default or Event of Default and the action that the Issuer has taken and proposes to take with respect thereto; and

(b) promptly after the commencement thereof, notice of all actions and proceedings before any court, Governmental Authority or arbitrator affecting the Issuer or any of its Subsidiaries of the type described in Section 7.06.

9.03 Compliance with Laws and Contractual Obligations, Etc. The Issuer 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.

9.04 Payment of Obligations. The Issuer 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 Issuer 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.

9.05 Maintenance of Insurance. The Issuer 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 Issuer or such Subsidiary operates.

9.06 Conduct of Business and Preservation of Corporate Existence. The Issuer will continue to engage in business of the same general type as now conducted by the Issuer 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 Issuer nor any of its Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 10.07; and provided, further that neither the Issuer nor any of its Subsidiaries shall be required to preserve any right or franchise if the Issuer or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of the Issuer or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

9.07 Books and Records. The Issuer 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 Issuer and each such Subsidiary in accordance with Mexican GAAP, consistently applied.

9.08 Maintenance of Properties, Etc. The Issuer 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 Issuer or its Subsidiaries, provided neither paragraph (a) nor this paragraph (b) shall prevent the Issuer 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.

9.09 Use of Proceeds.

(a) The Issuer will use the proceeds of the Commercial Paper Notes and the proceeds of Loans made under Section 3.01(f) for general corporate purposes, including but not limited to the repayment of short term debt.

(b) The Issuer will use the proceeds of the Loans made under Section 3.01(a) to reimburse the Issuing Bank as provided in Section 3.01(c).

(c) The Issuer will ensure that at no time shall the Aggregate Outstandings exceed the aggregate amount of the Commitments then in effect.

9.10 Pari Passu Ranking. The Issuer will ensure that at all times the Obligations of the Issuer under the Transaction Documents and the Obligations of the Guarantors under this Agreement 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.

9.11 Transactions with Affiliates. The Issuer 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 Issuer or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

9.12 Maintenance of Governmental Approvals. The Issuer will maintain in full force and effect at all times all approvals of and filings with any Governmental Authority 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 Issuer 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.

ARTICLE X NEGATIVE COVENANTS

The Issuer covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid, the Letter of Credit remains outstanding, any Standby L/C remain outstanding or any Lender has any Commitment hereunder:

10.01 The Commercial Paper Notes. The Issuer shall not permit (a) any Commercial Paper Note to have a stated date of maturity more than 360 days after its date of issuance, (b) any Commercial Paper Notes to mature after the Stated Termination Date or (c) Commercial Paper Notes having an aggregate Face Amount in excess of an amount equal to the product of (i) 50% and (ii) the Stated Amount to mature on any one Business Day (the "Settlement Limits"); provided, however, that in connection with an extension of the Stated Termination Date, the aggregate Face Amount of all Commercial Paper Notes Outstanding may mature on one Business Day on or prior to such Stated Termination Date and provided, further, notwithstanding any provision contained herein to the contrary, these Settlement Limits are for the benefit of the Issuing Bank, which may in its sole discretion waive these requirements without the prior written consent of any party to any Transaction Document.

10.02 Securities Act. The Issuer shall not take or permit to be taken, to the extent within the control of the Issuer, any action that would result in the issuance and sale of the Commercial Paper Notes being subject to the registration requirements of the United States Securities Act of 1933, as amended.

10.03 Offering Statements. The Issuer shall not issue Commercial Paper Notes except pursuant to an Offering Statement and shall not include in any Offering Statement in connection with the issuance, sale and distribution of the Commercial Paper Notes any information with respect to the Issuing Bank, the Letter of Credit, the Standby L/Cs, the Administrative Agent or any Lender unless the same shall have been previously approved in writing, in the case of the Issuing Bank, the Letter of Credit and the Standby L/Cs, by the Issuing Bank or, in the case of the Administrative Agent or a Lender, by the Administrative Agent or such Lender, as the case may be, prior to the inclusion in such Offering Statement.

10.04 Depositary; Dealers; Depositary Agreement.

(a) The Issuer shall not replace, or agree to any replacement of, the Depositary without the prior consents of the Issuing Bank and the Administrative Agent, which consents shall not be unreasonably withheld or delayed.

(b) The Issuer shall not appoint or replace any Dealer without the approvals of the Issuing Bank and the Arrangers, which approvals shall not be unreasonably withheld or delayed.

(c) The Issuer shall not agree to any amendment to the Depositary

Agreement or waive any of its rights thereunder without the consent of the Administrative Agent, which consent shall not be unreasonably withheld or delayed.

10.05 Financial Conditions.

(a) The Issuer shall not permit the Consolidated Leverage Ratio at any time to exceed 3.5 to 1.

(b) The Issuer 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 Issuer of any financial statements pursuant to Section 9.01 the Issuer shall deliver to 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 Issuer with Sections 10.5(a) and (b) above.

10.06 Liens. The Issuer 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 Issuer 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 such 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 as described in Schedule 10.06 hereto;

(f) any Lien on property acquired by the Issuer 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 Issuer 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 Issuer 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 Issuer; 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 Issuer's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Section 10.08; and provided, further that such Liens may not secure Debt of the Issuer or any Subsidiary (unless permitted under another clause of this Section 10.06);

(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 Issuer and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of the Issuer and its Subsidiaries;

unless, in each case, the Issuer 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.

10.07 Consolidations and Mergers. The Issuer shall not, and shall not permit any Material Subsidiary to, 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 Issuer or such Material Subsidiary, or the Person that acquires by transfer, conveyance, sale, lease or other disposition all or substantially all of the properties and assets of the Issuer or such Material Subsidiary (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 Issuer 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 Issuer, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the Obligations of the Issuer pursuant to this Agreement and the performance of every covenant on part of the Issuer 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 Issuer or any Guarantor, the Issuer or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Lender, the Administrative Agent and the Issuing Bank against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Lender, the Administrative Agent and/or the Issuing Bank 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 Issuer for the Issuer or the substitution of any Successor to a Subsidiary for such Subsidiary and treating any Debt or Lien incurred by the Issuer or any Successor to the Issuer, or by a Subsidiary of the Issuer or any Successor to such Subsidiary, as a result of such transactions as having been incurred at the time of such transaction, no Event of Default or an event or condition which, after the giving of notice or lapse of time, or both, would have become an Event of Default shall have occurred and be continuing; and

(d) the Issuer 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 X and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

10.08 Sales of Assets, Etc. The Issuer will not, and will not permit any of its Material Subsidiaries to, sell, lease or otherwise dispose 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 Issuer 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 Issuer 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 Issuer or any of its Subsidiaries, whether secured or unsecured; or (iii) investments in companies engaged in the cement industry or related industries.

10.09 Change in Nature of Business. The Issuer 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.

10.10 Margin Regulations. The Issuer shall not use any part of the proceeds of the Commercial Paper Notes or the Loans for any purpose which would result in any violation (whether by the Issuer, the Administrative Agent, the Issuing Bank or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. The Issuer 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 XI OBLIGATIONS OF GUARANTORS

11.01 The Guaranty. Each of the Guarantors jointly and severally hereby unconditionally and irrevocably guarantee (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Issuer to the Issuing Bank, each Lender, the Administrative Agent and, the Arrangers under this Agreement and the other Transaction Documents and any Fee Letter, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

11.02 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 Issuer have been validly, finally and irrevocably paid in full, and shall not be affected in any way by the absence of any action to obtain such amounts from the Issuer 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.

11.03 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 Issuer, the Administrative Agent, the Issuing Bank, 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 Issuer or either of the Guarantors for any reason (including for the reason that the obtaining of the Letter of Credit or the Standby L/Cs may be in excess of the powers of the Issuer or of its officers, directors or other agents, acting or purporting to act on its behalf, or be in any way irregular or defective);

(c) any provision of applicable law or regulation purporting to

prohibit the payment by the Issuer of any amount payable by the Issuer 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 Issuer; or

(e) any other act or omission to act or delay of any kind by the Issuer, the Administrative Agent, the Issuing Bank, 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.

11.04 Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Issuer's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Administrative Agent, the Issuing Bank 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, the Issuing Bank or the Lenders shall not be obligated to exhaust recourse or take any other action against the Issuer or under any agreement to purchase or security which the Administrative Agent, the Issuing Bank 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, the Issuing Bank or the Lenders in favor of the Issuer or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent, the Issuing Bank 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 Issuer and/or the other Guarantor.

11.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this Article XI 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, the Issuing Bank or the Lenders against, and any other notice, to the Guarantors.

11.06 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 XI, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Issuer, 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, the Issuing Bank 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 XI shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Issuer 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 Issuer to creditors of the Issuer other than the Administrative Agent, the Issuing Bank 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 Issuer under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Issuing Bank, the Administrative Agent and the Lenders regardless of which of such liability or liabilities of the Issuer under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents,

or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantors under this Article XI, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof. Furthermore, each of the Guarantors hereby waives to the extent permitted by law any right to which it may be entitled to under Articles 2830, 2836, 2842, 2845, 2846, 2848 and 2849 of the Mexican Federal Civil Code and related Articles contained in the Civil Codes of the States in Mexico. The Guarantors further expressly waive the benefits of order, 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.

11.07 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 Issuing Bank), commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization, concurso mercantil or insolvency proceedings of, or against, the Issuer.

(b) If acceleration of the time for payment of any amount payable by the Issuer under this Agreement or the Notes is stayed upon the insolvency, bankruptcy, reorganization, concurso mercantil or any similar event of the Issuer 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 XI 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 Issuer or similar proceedings or actions or by any defense which the Issuer 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 Issuer 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 paragraph (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, the Issuing Bank and the Lenders that the Obligations which are to be purchased by the Guarantors pursuant to this Article XI shall be determined without regard to any rule of law or order which may relieve the Issuer 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, the Issuing Bank 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 Issuer, 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, the Issuing Bank 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 XI, to the extent permitted by applicable law.

11.08 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 Issuing Bank, the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Issuing Bank, the Administrative Agent or any Lender against the Issuer or any other Guarantor or any collateral security or guarantee or right of offset held by the Issuing Bank, 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 Issuer or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Issuing Bank, the Administrative Agent and the Lenders by the Issuer on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by such Guarantor in trust for the Issuing Bank, the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

11.09 Right of Contribution. Subject to Section 11.08, 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 11.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Issuing Bank, the Administrative Agent, the Arrangers and the Lenders, and each Guarantor shall remain liable to the Issuing Bank, the Administrative Agent, the Arrangers and the Lenders for the full amount guaranteed by such Guarantor hereunder.

11.10 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 11.01 would otherwise, taking into account the provisions of Section 11.09, 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 11.01, 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, the Issuing Bank 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.

11.11 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, the Letter of Credit remain outstanding, any Standby L/C remain outstanding 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 Issuer.

ARTICLE XII EVENTS OF DEFAULT

12.01 Events of Default. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Issuer shall (i) fail to reimburse any Drawing or Standby L/C Drawing or fail to pay any principal of any Loan when due in accordance with the terms hereof or (ii) fail to pay any interest on any Drawing, Standby L/C Drawing or any Loan, any fee or any other amount payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Representation and Warranties. Any representation or warranty made by the Issuer herein or in any other Transaction Document on 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 Issuer or such Guarantor, as the case may be, becomes aware of such incorrectness or (ii) written notice thereof shall have been given to the Issuer by the Administrative Agent; or

(c) Specific Defaults. The Issuer or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in Section 9.01, 9.02(a), 9.06 (with respect to the Issuer's and each Guarantor's existence only), 9.09(b) or 9.10 or ARTICLE X; or

(d) Other Defaults. The Issuer or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in this Agreement or any other Transaction Document (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 Issuer becomes aware of such failure or (ii) written notice thereof shall have been given to the Issuer 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 Issuer 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 Issuer 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, suspension de pagos, 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 Issuer or any Material Subsidiary seeking liquidation, reorganization, suspension de pagos 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 Issuer 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 Issuer and/or any of its one or more Subsidiaries of the Issuer that are neither discharged nor bonded in full within 30 days thereafter; or

(i) Pari Passu. The Obligations of the Issuer under this Agreement or the Commercial Paper Notes or of any Guarantor under this Agreement shall fail to rank at least pari passu with all other senior unsecured Debt of the Issuer or such Guarantor, as the case may be; or

(j) Validity of Agreement. The Issuer shall contest the validity or enforceability of any Transaction Document or shall deny generally the liability of the Issuer 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 XI 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 Issuer 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, the Issuing Bank or 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 Issuer or either Guarantor or take any action that would prevent the Issuer or either Guarantor from performing its obligations under the Transaction Documents; or

(m) Moratorium; Availability of Foreign Exchange. A moratorium shall be agreed or declared in respect of any Debt of the Issuer 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 Issuer or either Guarantor for the purpose of performing any material obligation under any Transaction Document to which it is a party; or

(n) Material Adverse Effect. There shall occur any circumstance, event or condition of a financial or other nature which the Required Lenders determine in good faith is reasonably likely to have a material adverse effect on the ability of the Issuer or either Guarantor to perform its obligations under this Agreement or any of the other Transaction Documents; or

(o) Attachments of Accounts. The Commercial Paper Account or the Letter of Credit Account or funds on deposit in, or otherwise to the credit of, the Commercial Paper Account or the Letter of Credit Account shall be subject to any writ, order, judgment, warrant of attachment, execution or similar process or stay or other similar legal restraint; or

(p) 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 Issuer or either Guarantor is acquired by any Person; provided that the acquisition of beneficial ownership of capital stock of the Issuer or either Guarantor by Lorenzo H. Zambrano or any member of his immediate family shall not constitute an Event of Default.

12.02 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, do any or all of the following:

(a) direct the Issuing Bank (i) if and only if no Commercial Paper Notes are Outstanding and there are no Standby L/C's outstanding, to deliver a Notice of Termination to the Issuer and the Depository (with a copy to the Administrative Agent and each Dealer) whereupon the Letter of Credit shall terminate upon the terms and subject to the conditions stated in the Letter of Credit and the Notice of Termination and whereupon the Commitments shall terminate or (ii) if any Commercial Paper Notes are Outstanding or there are any Standby L/C's outstanding, to deliver a Notice of Default to the Issuer and the Depository (with a copy to the Administrative Agent and each Dealer) whereupon (A) the Stated Amount shall be reduced, as directed by the Depository pursuant to a Notice of Default Reduction delivered to the Issuing Bank, such that the Stated Amount equals the aggregate Face Amount of the Commercial Paper Notes then Outstanding plus the aggregate amount of Standby L/C's then outstanding, (B) no amounts shall be reinstated to the Stated Amount of the Letter of Credit and (C) the Letter of Credit shall expire and the Commitments shall terminate two Business Days following the later of (i) the date which the Depository advises the Issuing Bank is the latest maturity date of any Commercial Paper Note Outstanding on the date of such Notice of Default and (ii) the date which is the latest expiration date of any Standby L/C then outstanding;

*[(b) deliver a Notice of Acceleration to the Depository with a copy to the Issuer, the Issuing Bank and each Dealer directing the Depository to make a Drawing under the Letter of Credit in the aggregate amount required to pay in full all Outstanding Commercial Paper Notes entitled to the benefit of the Letter of Credit upon maturity, the proceeds of such Drawing to be deposited in the Letter of Credit Account, and require from the Issuer immediate reimbursement for payments pursuant to such Drawing;]

* Should Standby L/C's also be drawn?

(c) if no Notice of Acceleration has been delivered pursuant to paragraph (b) above, direct the Issuer immediately to pay into an account specified by the Administrative Agent, and under the exclusive dominion and control of the Administrative Agent, an amount in immediately available funds (to which neither the Issuing Bank nor the Lenders shall have any right in respect of any Drawing until the Issuing Bank shall have honored the same) equal to the Stated Amount or, if less, the aggregate Face Amount of all Commercial Paper Notes Outstanding, whereupon such amount shall become immediately due and payable without presentment, demand, protest or other notice, all of which are hereby expressly waived;

(d) declare by notice to the Issuer 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 paragraph (f) or (g) of Section 12.01, without notice or any other act by the Lenders, the Loans (together with accrued interest thereon) and all other Obligations of the Issuer 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 Issuer;

(e) notify the Issuer, the Depositary and each Dealer (which notice may be by telephone to be confirmed in writing within two Business Days) that an Event of Default has occurred and is continuing and in such notice direct the Issuer and the Depositary not to issue any Commercial Paper Notes from and after the actual receipt by the Depositary of such notice until such Event of Default has been waived or cured and such notice has been rescinded in writing; and/or

(f) direct the Issuer immediately to pay into an account specified by the Administrative Agent, and under the exclusive dominion and control of the Administrative Agent, an amount in immediately available funds (to which neither the Issuing Bank nor the Lenders shall have any right in respect of any Standby L/C Drawing until the Issuing Bank shall have honored the same) equal to the aggregate stated amount of all Standby L/Cs issued and outstanding hereunder, whereupon such amount shall become immediately due and payable without presentment, demand, protest or other notice, all of which are hereby expressly waived.

provided, however, that nothing in this Section 12.02 shall (x) impair the obligation of the Issuing Bank to make payments in accordance with the Letter of Credit with respect to maturing Commercial Paper Notes or in accordance with the Standby L/Cs or (y) impair the obligation of the Issuer to reimburse the Issuing Bank for, or the obligation of any Lender to fund its participation in, any Drawing or Standby L/C Drawing, as the case may be, made subsequent to the time any remedy provided in this paragraph shall have been exercised and, provided, further, that nothing in this Section 12.02 shall give the Issuing Bank the right to request the Depositary to debit the Commercial Paper Account on any Business Day until after such time as the Issuing Bank shall have honored any demand for payment under the Letter of Credit required to be paid on such Business Day.

12.03 Notice of Default. The Administrative Agent shall give notice to the Issuer of any event occurring under Section 12.01(b) or (d) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

12.04 Default Interest. In the event of default by the Issuer in the payment on the due date of any sum due under this Agreement, the Issuer 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(c), 3.07(c) or 4.02(c). 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 Issuer is in default.

ARTICLE XIII
THE ADMINISTRATIVE AGENT

13.01 Appointment and Authorization. Each Lender and the Issuing Bank hereby irrevocably designate and appoint Barclays Bank PLC, New York Branch as the Administrative Agent of such Lender and the Issuing Bank under this Agreement, and each Lender and the Issuing Bank hereby irrevocably authorize 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 or the Issuing Bank, 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.

13.02 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.

13.03 Liability of Administrative Agent. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall (a) be 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) be responsible in any manner to any of the Lenders or the Issuing Bank for any recital, statement, representation or warranty made by the Issuer, 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 Issuer, 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 or the Issuing Bank 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 Issuer or the Guarantors.

13.04 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 6.01, 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.

13.05 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 Issuing Bank and the Lenders) unless the Administrative Agent shall have received written notice from a Lender, the Issuing Bank or the Issuer 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 Issuing Bank and the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders and the Issuing Bank.

13.06 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 Issuer, 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 Issuer, 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 Issuer 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 Issuer 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.

13.07 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 Issuer and without limiting the obligation of the Issuer to do so), ratably according to the respective amounts of their Participation 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 Issuer.

13.08 Administrative Agent in Individual Capacity. Barclays Bank PLC, New York Branch 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 Issuer, the Guarantors or any of their Affiliates as though Barclays Bank PLC, New York Branch 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, New York Branch or its Affiliates may receive information regarding the Issuer, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of the Issuer 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, New York Branch 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, New York Branch in its individual capacity.

13.09 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 Issuer. 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 Issuer, 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 Issuer, 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 XIII and Sections 16.04 and 16.05 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 Issuer 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 XIV
THE ISSUING BANK

14.01 Appointment. Each Lender hereby irrevocably designates and appoints Barclays Bank PLC, New York Branch, as the Issuing Bank under this Agreement, and each Lender hereby irrevocably authorizes Barclays Bank PLC, New York Branch, as the Issuing Bank, to take such action under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Issuing Bank by the terms of this Agreement or any other Transaction Document, together with such other powers as are reasonably incidental thereto. Notwithstanding

any provision to the contrary elsewhere in this Agreement or in any other Transaction Document, the Issuing Bank shall not have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, nor shall the Issuing Bank have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Issuing Bank; provided, however, that nothing contained in this ARTICLE XIV shall be deemed to limit or impair the rights and obligations of the Issuing Bank under the Letter of Credit or Standby L/Cs issued hereunder.

14.02 Liability of Issuing Bank. Neither the Issuing Bank nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall (a) be liable for any action taken or omitted to be taken by it or any such Person under or in connection with this Agreement or any other Transaction Document (except for its or such Person's own gross negligence or willful misconduct), or (b) be responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Issuer or any officer thereof contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Issuing Bank 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 Issuer or any other party to any Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, and except for the obligation to examine all documents stipulated in the Letter of Credit or any Standby L/C issued hereunder, in accordance with the Uniform Customs and Practice for Documentary Credits and applicable law, the Issuing Bank 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 Issuer or the Guarantors.

14.03 Reliance by Issuing Bank. The Issuing Bank 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 Issuing Bank. Except for the issuance of the Letter of Credit, or any Standby L/Cs issued hereunder, in accordance with the terms of this Agreement and the payment of Drawings or Standby L/C Drawings, as the case may be, thereunder, the Issuing Bank 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 the Issuing Bank deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of failing to take, taking or continuing to take any such action. The Issuing Bank shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Transactions Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

14.04 Credit Decision. Each Lender expressly acknowledges that neither the Issuing Bank 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 Issuing Bank hereafter taken, including any review of the affairs of the Issuer, the Guarantors or any of their Affiliates, shall be deemed to constitute any representation or warranty by the Issuing Bank to any Lender. Each Lender acknowledges to the Issuing Bank that it has, independently and without reliance upon the Issuing Bank, 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 Issuer, the Guarantors and their Affiliates and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Issuing Bank, 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 Issuer and the Guarantors.

14.05 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand the Issuing Bank and its Affiliates, directors, officers, agents and employees (to the extent not reimbursed by the Issuer and without limiting the obligation of the Issuer to do so in accordance with Section 16.05), ratably according to the respective amounts of their Participation Percentages in effect on the date the cause for indemnification arose, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the Obligations or the Termination Date) be imposed on, incurred by or asserted against the Issuing Bank (or any of its Affiliates, directors, officers, agents or employees) in any way relating to or arising out of this Agreement or any other Transaction Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Issuing Bank under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for (a) the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent it results from the Issuing Bank's gross negligence or willful misconduct or (b) any untrue statement of a material fact in the material furnished in writing by the Issuing Bank to the Issuer for inclusion in any Offering Statement or any omission in such Offering Statement to state a material fact required to be stated therein in light of the circumstances under which they were made. Notwithstanding the foregoing, no Lender shall be required to fund any other Lender's portion of an unreimbursed Drawing or Standby L/C Drawing, as the case may be, which such other Lender fails to fund hereunder.

14.06 Issuing Bank in Its Individual Capacity. Barclays Bank PLC and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Issuer or any of its Affiliates as though Barclays Bank PLC, New York Branch were not the Issuing Bank hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, the Issuing Bank or its Affiliates may receive information regarding the Issuer, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of the Issuer or the Guarantors) and acknowledge that the Issuing Bank shall be under no obligation to provide such information to them. With respect to the Obligations, Barclays Bank PLC, New York Branch 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 Issuing Bank, and the terms "Lender" and "Lenders" shall include Barclays Bank PLC, New York Branch in its individual capacity.

14.07 Notice of Default. The Issuing Bank shall not be deemed to have knowledge or notice of any Default or Event of Default unless the Issuing Bank shall have received written notice from the Administrative Agent, any Lender, the Issuer or a Guarantor referring to this Agreement and describing such Default or Event of Default.

ARTICLE XV THE ARRANGERS

15.01 The Arrangers. The Issuer hereby confirms the designation of Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and Banc of America Securities LLC, as arrangers and book-runners of the Letter of Credit Facility and the Standby L/C Facility. The Arrangers assume no responsibility or obligation hereunder for servicing, enforcement or collection of the Obligations, or any duties as agent for the Lenders. The title "Arranger" or "Book-runner" implies no fiduciary responsibility on the part of the Arrangers to the Administrative Agent, the Issuing Bank or the Lenders and the use of either such title does not impose on the Arrangers any duties or obligations under this Agreement except as may be expressly set forth herein.

15.02 Liability of Arrangers. Neither the Arrangers nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall (a) be 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 the Arrangers or such Person's own

gross negligence or willful misconduct), or (b) be responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Issuer 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 Issuer or any other party to any other Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Arrangers 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 Issuer.

15.03 Arrangers in their respective Individual Capacities. Each of Barclays Capital, the Investment Banking Division of Barclays Bank PLC and its Affiliates, and Banc of America Securities LLC, and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Issuer or any of its Affiliates as though they were not the Arrangers or Book-runners hereunder.

15.04 Credit Decision. Each Lender expressly acknowledges that neither the Arrangers 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 Arrangers hereafter taken, including any review of the affairs of the Issuer or the Guarantors, shall be deemed to constitute any representation or warranty by the Arrangers to any Lender. Each Lender acknowledges to the Arrangers that it has, independently and without reliance upon the Arrangers, 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 Issuer 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 Arrangers, 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 Issuer or the Guarantors. The Arrangers 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 Issuer which may come into the possession of the Arrangers or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XVI MISCELLANEOUS

16.01 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 Issuer, the Guarantors, the Issuing Bank, the Arrangers or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof 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 Issuer, the Issuing Bank, the Arrangers 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 or III or IV or V or ARTICLE XIII

shall not be effective until received.

16.02 Amendments and Waivers. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Issuer 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 Issuer 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, other than as provided in Section 5.02, extend the Stated Termination Date;

(iii) forgive any Obligation, reduce the principal amount of the Obligations, reduce the rate of interest thereon, or reduce the amount or change the method of calculation of any Fee hereunder (other than the Letter of Credit Fees, Standby L/C Fees, Agency Fees or Arrangement Fees);

in each case without the consent of the Issuer and each Lender directly affected thereby;

(b) (i) amend, modify or waive any provision of this Section 16.02;

(ii) change the percentage specified in the definition of Required Lenders or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement (except as provided in Article V for Non-Extending Lenders); or

(iii) amend, modify or waive any provision of Section 6.01;

(iv) amend or modify the definition of "Available Standby L/C Sublimit" in Section 1.01 hereof;

(v) amend, modify or waive any provision of Section 5.12; or

(vi) amend, modify or waive any provision of Section 16.06;

in each case without the consent of the Issuer and all the Lenders;

(c) amend, modify or waive any provision of ARTICLE XIII without the written consent of the Administrative Agent;

(d) amend, modify or waive any provision of ARTICLE II, IV, V or XIV or any other provision of this Agreement (including an increase in the initial Stated Amount and waiver of the Settlement Limits in Section 10.01) affecting the Issuing Bank without the consent of the Issuing Bank; or

(e) amend, modify or waive any provision of ARTICLE XV without the consent of the Arrangers.

In addition, no amendment, waiver or consent to or under this Agreement which could reasonably be expected to affect adversely the rights of the holders of Commercial Paper Notes will become effective unless Moody's and S&P have confirmed that such amendment, waiver or consent will not cause their rating of the Commercial Paper Notes to be lowered or withdrawn.

16.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Issuing Bank, 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.

16.04 Payment of Expenses, Etc. The Issuer agrees to pay on demand

(a) all reasonable and documented out-of-pocket costs and expenses (including reasonable legal fees and disbursements of special Mexican counsel to the Administrative Agent, English and New York counsel to the Issuing Bank and the allocated cost of in-house counsel to the Administrative Agent), syndication (including printing, distribution and bank meetings), travel, telephone and duplication expenses and other reasonable and documented costs and out of- pocket expenses in connection with the arrangement, documentation, negotiation and closing of the Transactions Documents, subject to the maximum amount set forth in a letter agreement between the Issuer and the Arrangers;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent and the Issuing Bank 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 counsel for the Administrative Agent and the Issuing Bank and the allocated cost of in-house counsel thereof; and

(c) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent, the Issuing Bank 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 counsel for the Administrative Agent, the Issuing Bank or such Lender and the allocated costs of in-house counsel thereof.

16.05 Indemnification. The Issuer agrees to indemnify and hold harmless the Arrangers, the Administrative Agent, the Issuing Bank and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel and the allocated cost of in-house counsel), but excluding taxes that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (a) the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Commercial Paper Notes or (b) or any Environmental Action relating in any way to the Issuer 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 or to have been incurred by reason of any untrue statement contained in information furnished in writing by the Indemnified Party expressly for use in an Offering Statement. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 16.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Issuer, 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 Issuer also agrees not to assert any claim against the Arrangers, the Administrative Agent, the Issuing Bank, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. Neither the Arranger, the Administrative Agent, the Issuing Bank nor any Lender shall be deemed to have any fiduciary relationship with the Issuer or the Guarantor.

16.06 Successor and Assigns.

(a) The provisions of this Agreement shall be binding upon the Issuer, the Guarantors, their successors and assigns and shall inure to the benefit of the Issuing Bank, the Arrangers, the Administrative Agent and the Lenders and their respective successors and assigns, except that the Issuer and the Guarantors may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of all Lenders except pursuant to the terms of this Agreement.

(b) Any Lender (other than the Issuing Bank in its capacity as Issuing Bank) may at any time, and any Lender, if demanded by the Issuer or the Issuing Bank pursuant to Section 2.06 or Section 5.11 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 Issuer and the Administrative Agent (which consents shall not be unreasonably withheld and shall not be required by the Issuer if a Default or an Event of Default has occurred and is continuing) and the Issuing Bank (which consent may be withheld for any reason; except that where such Assignee is an OECD Bank, consent may not be unreasonably withheld); provided, however, that if an Assignee is an Affiliate of such transferor Lender, which Affiliate is registered as a Foreign Financial Institution and meets the tax residence and qualification requirements of clause (ii) above and, at the time of such assignment, the additional amounts payable with respect to Taxes to such Assignee will not exceed such amounts payable to the transferor Lender, no such consent shall be required other than from the Issuing Bank; and provided further that, in the case of an assignment of only part of such rights and obligations, the Assignee shall acquire a Total Exposure of not less than U.S.\$3,000,000 and integral multiples of U.S.\$1,000,000 in excess thereof. Upon execution and delivery of an Assignment and Assumption Agreement and payment by the Assignee to the transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such instrument of assumption (in addition to any Commitment previously held by it), and the transferor Lender shall be released from its obligations hereunder to a corresponding extent (except to the extent the same arose prior to the assignment), and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this paragraph (b), the transferor Lender, the Administrative Agent and the Issuer shall make appropriate arrangements so that a new Note is issued to the Assignee at the expense of the Assignee. In connection with any such assignment (other than a transfer by a Lender to one of its Affiliates), the transferor Lender (or in the case of Section 2.06(b) or 5.11, the Issuer), without prejudice to any claims the Issuer may have against any Defaulting Lender, shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of U.S.\$2,000 and to the Issuing Bank a fee of U.S.\$1,000.

(c) Nothing herein shall prohibit any Lender from pledging or assigning any Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 16.06; 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 Issuer, the Administrative Agent, the Issuing Bank or any other third party at any time grant to one or more banks or other institutions (i) registered as a Foreign Financial Institution and (ii) resident (or having its principal office as a resident, if lending through a branch or agency) for tax purposes in a jurisdiction that is a party to an income tax treaty to avoid double taxation with Mexico on the date of such assignment and qualified to receive the benefits of said treaty and having (at the time such Lender or financial institution becomes a Participant) a withholding tax rate under such treaty applicable to payments hereunder no higher than that applicable to payments to such Lender (each a "Participant") participating interests in its Commitment or any or all of its Loans or its share of the Letter of Credit Exposure or its share of the Standby L/C Exposure. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Issuer, the Issuing Bank and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Issuer 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 Issuer 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 Issuer agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 5.07 and 5.10 with respect to its participating interest as if it were a Lender named herein; provided, however, that the Issuer 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 16.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Issuer furnished to such Lender by or on behalf of the Issuer; 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 Issuer received by it from such Lender.

16.07 Right of Set-off. In addition to any rights and remedies of the Lenders and the Issuing Bank provided by law, each Lender and the Issuing Bank shall have the right, without prior notice to the Issuer or the Guarantors, any such notice being expressly waived by the Issuer and the Guarantors to the extent permitted by applicable law, upon any amount becoming due and payable by the Issuer 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 the Issuing Bank, as the case may be, or any branch or agency thereof to or for the credit or the account of the Issuer or the Guarantors. Each Lender and the Issuing Bank agree promptly to notify the Issuer, or such Guarantor, as the case may be, and the Administrative Agent after any such set-off and application made by such Lender or the Issuing Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application.

16.08 Confidentiality. Neither the Administrative Agent, the Issuing Bank nor any Lender shall disclose any Confidential Information to any other Person without the prior written consent of the Issuer, other than (a) to the Administrative Agent's, the Issuing Bank's or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 16.06(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, the Issuing Bank's or such Lender's independent auditors) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking. Notwithstanding the foregoing or anything contained in any Transaction Document to the contrary, the parties (and each employee, representative, or other agent of the parties) may disclose to any and all persons, without limitation of any kind, the tax treatment and any facts that may be relevant to the tax structure of the transactions contemplated by this Agreement, provided, however, that no party (and no employee, representative, or other agent thereof) shall disclose any other information that is not relevant to understanding the tax treatment and tax structure of such transactions (including the identity of any party and any information that could lead another to determine the identity of any party), or any other information to the extent that such disclosure could result in a violation of any federal or state securities law.

16.09 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 Sections 6.01(i)(i), (ii) and (iii) 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.

16.10 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.

16.11 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 and, with respect to the Issuer and the Guarantors, to the competent courts of their own corporate domicile 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 Issuer 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 or, with respect to the Issuer and the Guarantors, any such competent court in the place of their corporate domicile 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 THE ARRANGER, THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

16.12 Appointment of Agent for Service of Process.

(a) The Issuer 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 Issuer or the Guarantor, as the case may be, in care of the Process Agent at its address specified above, and the Issuer or the Guarantor, as the case may be, hereby authorizes and directs the Process Agent to accept such service on its behalf. The appointment of the Process Agent shall be irrevocable until the appointment of a successor Process Agent. The Issuer 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 16.11 or in this Section 16.12 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.

16.13 Waiver of Sovereign Immunity. To the extent that the Issuer 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 Issuer 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 Issuer and each Guarantor agrees that the waivers set forth in this Section 16.13 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.

16.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Issuer in Dollars into another currency, the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent, the Issuing Bank or each Lender, as the case may be, could purchase Dollars with such currency at or about 11:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given.

(b) The Obligations in respect of any sum due to any Lender, the Issuing Bank or the Administrative Agent hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by such Lender, the Issuing Bank or the Administrative Agent of any sum adjudged to be so due in such other currency such Lender, the Issuing Bank or the Administrative Agent may in accordance with normal banking procedures purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due to the Issuing Bank, such Lender or the Administrative Agent, the Issuer 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 the Issuing Bank, such Lender or the Administrative Agent against such resulting loss.

16.15 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.

16.16 Effect of Termination of Commitments. Any Commercial Paper Notes issued and sold in accordance with the terms of the Transaction Documents and which are Outstanding on the date of the termination of any Commitment hereunder shall remain valid obligations of the Issuer and shall be entitled to the benefits of the Letter of Credit to the extent provided therein.

16.17 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.

16.18 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 5.05, 5.07, 5.09, 5.10, 16.04, 16.05, 16.08, 16.09, 16.11 and 16.12, and the obligations of the Lenders under Sections 13.07 and 14.05, shall survive the termination of the Commitments, the expiration of Standby L/Cs and the expiration of the Letter of Credit 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 FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Attorney-in-Fact

CEMEX, S.A. de C.V.
Ave. Ricardo Margain Zozava #325
Col. Valle del Campestre
Garza Garcia, N.L.
66265 Mexico
Telephone: 011-52818-888-4132
Fax: 011-52818-888-4402
Attention: Ramiro Villareal

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CEMEX MEXICO, S.A. de C.V.,
as Guarantor,

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Attorney-in-Fact

CEMEX MEXICO, S.A. de C.V.
Ave. Ricardo Margain Zozava #325
Col. Valle del Campestre
Garza Garcia, N.L.
66265 Mexico
Telephone: 011-52818-888-4132
Fax: 011-52818-888-4402
Attention: Ramiro Villareal

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

EMPRESAS TOLTECA DE MEXICO, S.A.
de C.V.,
as Guarantor,

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Attorney-in-Fact

EMPRESAS TOLTECA DE MEXICO, S.A. de C.V.
Ave. Ricardo Margain Zozava #325
Col. Valle del Campestre
Garza Garcia, N.L.
66265 Mexico
Telephone: 011-52818-888-4132
Fax: 011-52818-888-4402
Attention: Ramiro Villareal

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BARCLAYS BANK PLC, NEW YORK
BRANCH,
as Issuing Bank,

By: /s/ Douglas Bernegger

Name: Douglas Bernegger
Title: Director

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, NY 10166
Telephone: 212-412-6888
Fax: 212-412-1615
Attention: Thomas C. Janson

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS

ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Documentation Agent,

By: /s/ Nicholas A. Bell

Name: Nicholas A. Bell
Title: Director Loan Transaction
Management

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, NY 10166
Telephone: 212-412-6888
Fax: 212-412-1615
Attention: Thomas C. Janson

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent,

By: /s/ Nicholas A. Bell

Name: Nicholas A. Bell
Title: Director Loan Transaction
Management

Barclays Bank PLC, New York Branch
222 Broadway
New York, NY 10038
Telephone: 212-412-3724
Fax: 212-412-5306
Attention: Mayerlin Jaramillo

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to

be executed by their duly authorized representatives as of the date first above written.

BARCLAYS CAPITAL, THE INVESTMENT
BANKING DIVISION OF BARCLAYS BANK PLC,
as Joint Arranger,

By: /s/ Thomas C. Janson

Name: Thomas C. Janson
Title: Associate Director

Barclays Capital, The Investment Banking Division of Barclays Bank, PLC
200 Park Avenue
New York, NY 10166
Telephone: 212-412-6888
Fax: 212-412-1615
Attention: Thomas C. Janson

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANC OF AMERICA SECURITIES LLC,
as Joint Arranger,

By: /s/ Rosemary Halpin

Name: Rosemary Halpin
Title: Vice President

Banc of America Securities LLC
9 West 57 Street, 32nd Floor
NY1-301-32-03
New York, NY 10019
Telephone: 212-847-5069
Fax: 212-847-6677
Attention: Rosemary Halpin

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANC OF AMERICA SECURITIES LLC,
as Syndication Agent,

By: /s/ Rosemary Halpin

Name: Rosemary Halpin
Title: Vice President

Banc of America Securities LLC
9 West 57 Street, 32nd Floor
NY1-301-32-03
New York, NY 10019
Telephone: 212-847-5069
Fax: 212-847-6677
Attention: Rosemary Halpin

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

ABN AMRO BANK N.V.,
as a Bank,

By: /s/ Guillermo Mulville

Name: Guillermo Mulvill
Title: Vice President

By: /s/ Oscar Herrera

Name: Oscar Herrera
Title: AVP

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANCO BILBAO VIZCAYA ARGENTARIA
S.A., as a Bank,

By: /s/ Santiago Hernandez

Name: Santiago Hernandez
Title: Vice President Global
Corporate Banking

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V.,

AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANCO SANTANDER CENTRAL HISPANO,
S.A., NEW YORK BRANCH,
as a Bank,

By: /s/ Javier Guibert

Name: Javier Guibert
Title: Executive Director--Manager
Santander Central Hispano

By: /s/ L. Ruben Perez-Bomo

Name: L. Ruben Perez-Bomo
Title: Country Specialist (Mexico)
Banco Santander Central
Hispano

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANK BOSTON, N.A.,
as a Bank,

By: /s/ Pamela Prisco Carpenter

Name: Pamel Prisco Carpenter
Title: Attorney in Fact

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANK OF AMERICA SECURITIES LLC AS JOINT ARRANGER AND SYNDICATION AGENT AND CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANK OF AMERICA, NA,
as a Bank,

By: /s/ Mauricio Reballeo

Name: Mauricio Reballeo
Title: Managing Director

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

THE BANK OF NOVA SCOTIA,
as a Bank,

By: /s/ Robert Hirsh

Name: Robert Hirsh
Title: Representative

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

THE BANK OF TOKYO-MITSUBISHI, LTD.,
New York Branch

By: /s/ Hiroshi Azuma

Name: Hiroshi Azuma
Title: Vp & Head of EMD

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BANK ONE, NATIONAL ASSOCIATION,
as a Bank,

By: /s/ Catherine J. Duffy

Name: Catherine J. Duffy
Title: Managing Director

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BARCLAYS BANK, PLC,
NEW YORK BRANCH,
as a Bank,

By: /s/ Thomas C. Janson

Name: Thomas C. Janson
Title: Associate Director

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

BAYERISCHE HYPO- UND VEREINSBANK
AG, NY BRANCH,
as a Bank,

By: /s/ Jorge Wilmer

Name: Jorge Wilmer
Title: Managing Director

By: /s/ Lara Cunha

Name: Lara Cunha
Title: Associate

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CREDIT LYONNAIS NEW YORK BRANCH,
as a Bank,

By: /s/ Silvia Rubio

Name: Silvia Rubio
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES,
as a Bank,

By: /s/ Brian Schneider

Name: Brian Schneider
Title: Vice President

By: /s/ Brian M. Smith

Name: Brian M. Smith
Title: Director

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

LANDESBANK RHEINLAND-PFALZ -
GIROZENTRALE,
as a Bank,

By: /s/ Fred Molich

Name: Fred Molich
Title: Senior Vice President

By: /s/ Anke Gorg

Name: Anke Gorg
Title: Creditanalyst

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

MIZUHO CORPORATE BANK, Ltd.,
as a Bank,

By: /s/ Tsukasa Takasawa

Name: Tsukasa Takasawa
Title: Senior Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

SANPAOLO IMI S.p.A.,
as a Bank,

By: /s/ Carlo Persico

Name: Carlo Persico
Title: CEO for the Americas

By: /s/ Barbara Bassi

Name: Barbara Bassi
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AS OF AUGUST 8, 2003, AMONG CEMEX, S.A. DE C.V., AS ISSUER, CEMEX MEXICO, S.A. DE C.V., AS GUARANTOR, EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTOR, BARCLAYS BANK PLC, NEW YORK BRANCH, AS ISSUING BANK, DOCUMENTATION AGENT AND ADMINISTRATIVE AGENT, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT ARRANGER, BANC OF AMERICA SECURITIES LLC, AS JOINT ARRANGER AND SYNDICATION AGENT AND THE CERTAIN BANKS PARTY HERETO.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Bank,

By: /s/ J. Calvin Ratcliff, Jr.

Name: J. Calvin Ratcliff, Jr.
Title: Director

SCHEDULE 1.01(B)

Notice Addresses and Lending Offices

Name of Bank and Address for Notices

ABN AMRO BANK N.V.
Prolongacion Reforma 600-320
Col. Santa Fe Pena Blanca
Mexico DF 01210
Attention: Rosalia Noble
Telephone: 011-52-55-5257-7842
Fax: 011-52-55-5257-7829
Email: rosalia.noble@abnamro.com

BANCO BILBAO VIZCAYA ARGENTARIA S.A.
1345 Avenue of the Americas 45th Floor
New York, NY 10105
Attention: Francisco Miguens
Telephone: 212-728-1682
Fax: 212-333-2926
Email: francisco.miguens@bbvany.com

BANCO SANTANDER CENTRAL HISPANO, S.A., NEW YORK BRANCH
45 East 53rd Street
New York, NY 10022
Attention: Ruben Perez-Romo
Telephone: 212-350-0645
Fax: 212-407-1141

BANK BOSTON, N.A.
125 Dupont Drive
Providence RI 02907
Attention: Jorge Garcia
Telephone: 401-865-7486
Fax: 401-865-7335

BANK OF AMERICA, NA
1850 Gateway Blvd., 5th Floor
Concord, CA 94520
Attention: Julia del Rio
Telephone: 925-675-8019
Fax: 925-675-8051

THE BANK OF NOVA SCOTIA
720 King Street West, 4th Floor
MSV 2T3
Toronto, Ontario, Canada
Attention: Nancy Buccat
Telephone: 416-866-6471
Fax: 416-866-5991

THE BANK OF TOKYO-MITSUBISHI, LTD.
1251 Avenue of the Americas
New York, NY 10020-1104
Attention: Marina Gomez, IOD
Telephone: 212-413-8823
Fax: 212-413-8817
Email: mgomez@btmna.com

BANK ONE, NATIONAL ASSOCIATION
300 South Riverside, Suite ILI-0236
7th Floor
Chicago, IL 60606-0236
Attention: Kathrine M. Giuseppi
Telephone: 312-954-7076
Fax: 312-954-6207

BARCLAYS BANK PLC, NEW YORK BRANCH
200 Park Avenue
New York, NY 10167
Attention: Thomas C. Janson
Telephone: 212-412-6888
Fax: 212-412-1615
Email: Thomas.Janson@barclayscapital.com

BAYERISCHE HYPO - UND VEREINSBANK
AG, NY BRANCH
245 Park Avenue
New York, NY 10017
Attention: Antoinette Wynn
Telephone: 212-672-5337
Fax: 212-672-5506
Email: Antoinette.Wynn@hvbamericas.com

CREDIT LYONNAIS NEW YORK BRANCH
1301 Avenue of Americas, 20th Floor
New York, NY 10019
Attention: Yolanda Santana
Telephone: 212-261-7489
Fax: 212-261-3402

DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES
75 Wall Street
New York, NY 10005
Attention: Joyanna Dennis
Telephone: 212-429-3154
Email: joyanna.dennis@drkw.com

LANDESBANK RHEINLAND-PFALZ -GIROZENTRALE
Grosse Bleiche 54-56
55098 Mainz, Germany
Attention: Fred Molich/Anke Gorg
Telephone: 011-49-6131-13-6561 (Fred Molich)
Telephone: 011-49-6131-13-3914 (Anke Gorg)
Fax: 011-49-6131-13-2599

MIZUHO CORPORATE BANK, Ltd.
1800 Plaza 10
Jersey City, NJ 07311-4098
Attention: Joann Olivencia
Telephone: 201-626-9347
Fax: 201-626-9913
Email: joann.olivencia@mizuhocbus.com

SANPAOLO IMI S.p.A.
245 Park Avenue, 35th Floor
New York, NY 10167
Attention: Marco Fracchia
Telephone: 212-692-3132
Fax: 212-599-5307

WACHOVIA BANK, NATIONAL ASSOCIATION
201 S. College Street
Charlotte, NC 28244-0002
Attention: Roshenna Smith
Telephone: 704-374-6171
Telecopier: 704-715-0091
Email: roshenna.smith@wachovia.com

Domestic Lending Offices

ABN AMRO BANK N.V.
Prolongacion Reforma 600-320
Col. Santa Fe Pena Blanca
Mexico, D.F. 01210

BANCO BILBAO VIZCAYA ARGENTARIA S.A.
1345 Avenue of the Americas, 45th Floor

New York, NY 10105
Attention: Maite Vizan
Telephone: 212-728-1697
Fax: 212-333-2904
Email: maite.vizan@bbvany.com

BANCO SANTANDER CENTRAL HISPANO, S.A., NEW YORK BRANCH
45 East 53rd Street
New York, NY 10022

BANK BOSTON, N.A.
100 Federal Street
Boston, MA

BANK OF AMERICA, NA
1850 Gateway Blvd., 5th Floor
Concord, CA 94520
Attention: Credit Services West

THE BANK OF NOVA SCOTIA
Mexico Representative Office
Blvd. M. Avila Camacho No. 1, Piso 18
Col. Lomas de Chapultepec
Mexico, DF 11009

THE BANK OF TOKYO-MITSUBISHI, LTD.
1251 Avenue of the Americas
New York, NY 10020-1104

BANK ONE, NATIONAL ASSOCIATION
1 Bank One Plaza
Chicago, IL 60670

BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC
200 Park Avenue
New York, NY 10166
Attention: Thomas C. Janson
Telephone: 212-412-6888
Fax: 212-412-1615

BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH
150 East 42nd Street
New York, NY 10017

CREDIT LYONNAIS NEW YORK BRANCH
1301 Avenue of Americas, 20th Floor
New York, NY 10019
Attention: Silvia Rubio
Telephone: 212-261-7485
Fax: 212-261-3402

DRESDNER KLEINWORT WASSERSTEIN
75 Wall Street
New York, NY 10005

LANDESBANK RHEINLAND-PFALZ -GIROZENTRALE
Grosse Bleiche 54-56
55098 Mainz, Germany

MIZUHO CORPORATE BANK, Ltd.
1251 Avenue of the Americas, 32nd Floor
New York, NY 10020

SANPAOLO IMI S.p.A.
245 Park Avenue, 35th Floor
New York, NY 10167

WACHOVIA BANK, NATIONAL ASSOCIATION
Wachovia Securities 29th Floor
191 Peachtree St., NE
Atlanta, GA 30303
Attention: Kay Reedy
Telephone: 404-332-5262
Fax: 404-332-5905

Eurodollar Lending Offices

ABN AMRO BANK N.V.
Prolongacion Reforma 600-320
Col. Santa Fe Pena Blanca
Mexico DF 01210

BANCO BILBAO VIZCAYA ARGENTARIA S.A.
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Maite Vizan
Telephone: 212-728-1697
Telecopier: 212-333-2904
Email: maite.vizan@bbvany.com

BANCO SANTANDER CENTRAL HISPANO, S.A., NEW YORK BRANCH
45 East 53rd Street
New York, NY 10022

BANK BOSTON, N.A.
100 Federal Street
Boston, MA

BANK OF AMERICA, NA
Credit Services West
1850 Gateway Blvd., 5th Floor
Concord, C A94520

THE BANK OF NOVA SCOTIA
720 King Street West, 4th Floor
MSV 2T3
Toronto, Ontario, Canada

THE BANK OF TOKYO-MITSUBISHI, LTD.
1251 Avenue of the Americas
New York, NY 10020

BANK ONE, NATIONAL ASSOCIATION
300 South Riverside,
Suite ILI-0236 7th Floor
Chicago, IL 60606-0236

BARCLAYS CAPITAL,
THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC
200 Park Avenue
New York, NY 10166
Attention: Thomas C. Janson
Telephone: 212-412-6888
Fax: 212-412-1615

BAYERISCHE HYPO-UND VEREINSBANK AG, IBF
150 East 42nd Street
New York, NY 10017

CREDIT LYONNAIS NEW YORK BRANCH
1301 Avenue of Americas, 20th Floor
New York, NY 10019
Attention: Silvia Rubio
Telephone: 212-261-7485
Fax: 212-261-3402

DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN BRANCHES
75 Wall Street
New York, NY 10005

LANDESBANK RHEINLAND-PFALZ -GIROZENTRALE
Grosse Bleiche 54-56
55098 Mainz, Germany

MIZUHO CORPORATE BANK, Ltd.
1251 Avenue of the Americas, 32nd Floor

New York, NY 10020

SANPAOLO IMI S.p.A. - NASSAU BRANCH
c/o New York Branch
245 Park Avenue, 35th Floor
New York, NY 10167

WACHOVIA BANK, NATIONAL ASSOCIATION
191 Peachtree St., NE
Atlanta, GA 30303
Attention: Kay Reedy
Telephone: 404-332-5262
Fax: 404-332-5905

Payment Instructions

BANKS

ABN AMRO BANK, N.V.

PAYMENT ADDRESS

Bank Name: ABN AMRO Bank, N.V.
ABA#: Chips 958
For credit to: ABN AMRO Bank, N.V.
Acct.#: 574-07000-2941
Ref: OBCA Cemex

BANCO BILBAO VIZCAYA
ARGENTARIA S.A.

Bank Name: Banco Bilbao Vizcaya Argentaria
ABA#: 026001847
For credit to: BBVA CHIPS NY
Acct.#: 00000 30444
Re: CEMEX S.A. de CV US\$300,000,000 USCP PROGRAM

BANCO SANTANDER
CENTRAL HISPANO, S.A.,
NEW YORK BRANCH

Bank Name: Banco Santander Central, S.A.,
New York Branch
ABA#: 026007692
For credit to: Bridge Loans
Acct.#: 107144001
Ref: CEMEX, S.A.

BANK BOSTON, N.A.

Bank Name: Bank Boston, N.A.
ABA#: 011-000-138
For credit to: Bank Boston, N.A.
Acct.#: 009-07309
Ref: Cemex USCP Program

BANK OF AMERICA, NA

Bank Name: Bank of America, NA
ABA#: 121000358
For credit to: Credit Services #6910
Acct.#: 12338-17137
Re: Cemex USCP

THE BANK OF NOVA SCOTIA

Bank Name: The Bank of Nova Scotia
ABA#: 02600253-2
For credit to: BNS International Banking Division
Acct.#: 6027-36
Re: Loan Administration and Agency Services

THE BANK OF TOKYO-
MITSUBISHI, LTD.

Bank Name: The Bank of Tokyo-Mitsubishi, Ltd.
ABA#: 0260-0963-2
For credit to: The Bank of Tokyo-Mitsubishi, Ltd.
Acct.#: 97770094
Re: Cemex - USCP

BANK ONE, NATIONAL ASSOCIATION

Bank Name: Bank One, NA
ABA #: 071000013
For credit to: Cash Account
Acct. #: 481152860000
Re: Cemex, S.A. de C.V.

BARCLAYS CAPITAL,
THE INVESTMENT BANKING
DIVISION OF BARCLAYS BANK PLC

Bank Name: Barclays Bank PLC
ABA#: 026002574
For credit to: CEMEX
Acct. #: 050019104

BAYERISCHE HYPO - UND
VEREINSBANK AG, NY BRANCH

Bank Name: The Federal Bank of New York
ABA#: 026 008 808
For credit to: Bayerische Hypo - und Vereinsbank AG,
New York Branch
Acct. #: 594-012025-4055-01
Re: CEMEX USCP

CREDIT LYONNAIS NEW YORK BRANCH

Bank Name: Federal Reserve Bank of New York
ABA#: 026008073
For credit to: Credit Lyonnais New York, further credit
to Credit Lyonnais NY IBF
Acct. #: 01-13058-0090-00
Re: CEMEX

DRESDNER BANK AG, NEW YORK
AND GRAND CAYMAN BRANCHES

Bank Name: Dresdner Bank AG, New York
ABA#: 026008303
Acct. #: 000995068000
Re: Cemex, S.A. de C.V.

LANDESBANK RHEINLAND-
PFALZ-GIROZENTRALE

Bank Name: Deutsche Bank Trust Company
ABA#: 021001033
Acct. #: 04101861
Re: 3-511 Pazandeh/Cemex

MIZUHO CORPORATE BANK, Ltd.

Bank Name: Federal Reserve Bank of New York
ABA#: 026004307
Acct. #: H79--740-222205
Re: August 2003 Reimbursement and Credit Agreement for
Cemex SA de CV

SANPAOLO IMI S.p.A.

Bank Name: Bank One International, New York
ABA#: 0265-009-797
For credit to: SANPAOLO IMI Bank New York
Acct. #: 1002209
Re: Cemex

WACHOVIA BANK, NATIONAL ASSOCIATION

Bank Name: Wachovia Bank, National Association
ABA#: 053000219
For credit to: ICB
Acct. #: 01459168118013
Reference: CEMEX

EXHIBIT A

FORM OF FIRST AMENDED
AND RESTATED IRREVOCABLE DIRECT-PAY
LETTER OF CREDIT NO. SB00197

August 8, 2003

U.S. Bank Trust National Association,
as Depositary for the holders of
certain commercial paper notes of
CEMEX, S.A. de C.V.
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Commercial Paper Department

Ladies and Gentlemen:

We refer to the Irrevocable Direct-Pay Letter of Credit No. SB00197,
issued in favor of U.S. Bank Trust National Association, dated August 26, 2002
(the "Prior Letter of Credit"). This First Amended and Restated Irrevocable
Direct-Pay Letter of Credit (the "Letter of Credit") amends and restates such

Prior Letter of Credit, and supersedes and replaces the Prior Letter of Credit in its entirety.

At the request and for the account of CEMEX, S.A. de C.V., a sociedad anonima de capital variable organized under the laws of the United Mexican States ("Mexico") (the "Issuer"), we hereby establish our above-referenced letter of credit (the "Letter of Credit") in the stated amount of U.S.\$400,000,000 (as subject to adjustment as provided herein, the "Stated Amount") in your favor, as Depositary under the First Amended and Restated Depositary Agreement dated as of August 8, 2003 (as from time to time amended, supplemented or otherwise modified, the "Depositary Agreement"), among the Issuer, you, and us, in our capacity as Administrative Agent (the "Administrative Agent") and in our capacity as Issuing Bank, pursuant to which the Issuer's commercial paper notes (collectively, the "Commercial Paper Notes") in an aggregate amount not in excess of U.S.\$400,000,000 at any time outstanding may, from time to time, be issued. We irrevocably agree to honor your demands for payment and transfer which comply with the terms and conditions of this Letter of Credit.

This Letter of Credit is effective immediately and will expire on the Termination Date (as defined below).

Funds under this Letter of Credit will be made available to you against receipt by us of a certificate in the form of Annex B or Annex C hereto (each, a "Drawing Certificate") appropriately completed and purportedly signed by you, in each case accompanied by your sight draft in the form of Annex A hereto (each, a "Draft") drawn on us, stating on its face: "Drawn under Barclays Bank PLC, New York Branch, Irrevocable Direct-Pay Letter of Credit No. SB00197." Each Draft and Drawing Certificate presented hereunder shall be dated the date of presentation and shall be presented by hand delivery or by facsimile (such facsimile transmission to be immediately confirmed by you by telephone; provided, however, that the absence of such confirmation shall not affect our obligation to honor any drawing hereunder) to the New York office of Barclays Bank PLC located at 222 Broadway, 11th Floor, New York, NY 10038, Attention: Letter of Credit Department, Facsimile: (212) 412-5306 (or such other facsimile number of which we notify you in writing), Telephone: (212) 412-3708 or (212) 412-3726 (or at such other office in New York City which may be designated by us upon prior written notice delivered to you, which office for all purposes hereof shall thereupon be the issuing office of this Letter of Credit).

Payment shall be made to you of the amount specified in each Draft (up to the Stated Amount), (a) if a drawing is made by you hereunder at or prior to 4:00 p.m. (New York City time) on a Business Day (as defined below), not later than 11:00 a.m. (New York City time) on the next succeeding Business Day, or (b) if a drawing is made by you hereunder after 4:00 p.m. (New York City time) on a Business Day, not later than 1:00 p.m. (New York City time) on the next succeeding Business Day, provided, in each case, such drawing and the documents presented therewith conform to the terms and conditions hereof. Payment under this Letter of Credit will be made to you solely out of our own funds and not with the funds of the Issuer by wire transfer of immediately available funds to you or to your account. If a non-conforming demand for payment is made, we shall notify you of our dishonor on or before the applicable time specified above for honoring such demand, and our notice of dishonor shall state the reasons therefor and that we will, upon your instructions, hold any documents at your disposal or return the same to you. Upon being notified that the demand was dishonored, you may attempt to correct such non-conforming demand for payment to the extent that you are entitled to do so, provided the revised documentation is submitted on or before the Termination Date (as defined below), and any such submission by you of such revised (or any other) documentation shall be deemed to be a new drawing for purposes of the time for payment to you hereunder.

The Stated Amount shall be reduced by the amount of each payment of any drawing hereunder pursuant to a Drawing Certificate or to the amount specified pursuant to a Notice of Default Reduction in the form of Annex E-2 hereto or by the amount specified pursuant to a Notice of Reduction of Stated Amount of Letter of Credit in the form of Annex G hereto; provided, however, that the amount of any payment pursuant to a Drawing Certificate in the form of Annex B hereto shall be reinstated automatically upon the issuance of Commercial Paper Notes to the extent of the full amount thereof payable at maturity (the "Face Amount") unless at or prior to the time we make such payment you shall have received from us a notice of termination in the form of Annex D hereto (a "Notice of Termination") or a notice of default in the form of Annex E-1 hereto (a "Notice of Default") or we shall have received from the

Administrative Agent a copy of a notice of acceleration in the form of Annex F hereto (a "Notice of Acceleration") directing you to make a drawing in respect of all Commercial Paper Notes then outstanding.

We may deliver to you a new Letter of Credit in exchange herefor, or an amendment hereto, as provided in the Reimbursement Agreement (as defined below). Simultaneously with delivery of a new Letter of Credit, you will surrender this Letter of Credit (and any amendments thereto) for cancellation.

Upon the payment to you or to your account of the amount in respect of a Draft hereunder, we shall be fully discharged of our obligation under this Letter of Credit with respect to such Draft, and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such Draft to you or any other person who may have made to you or makes to you a demand for payment in respect of any Commercial Paper Note. By paying to you an amount demanded in accordance herewith, we make no representation as to the correctness of the amount demanded, and we shall not be liable to you or to any other person for or in respect of any amount so paid or disbursed for any reason whatsoever, including any non-application or misapplication by you of the proceeds of such payment or disbursement.

This Letter of Credit expires at 5:00 p.m. (New York City time) on the date which is the earliest to occur of (i) the date on which this Letter of Credit is surrendered by you to us for cancellation, (ii) August 5, 2005 (the "Stated Termination Date"), (iii) the date specified in a Notice of Termination delivered by us and (iv) the date specified in the Notice of Default Reduction to be delivered by you to us upon receipt of a Notice of Default from us. The date of termination of this Letter of Credit as provided in this paragraph is herein referred to as the "Termination Date" upon which date this Letter of Credit shall automatically terminate.

Communications with respect to this Letter of Credit (other than a drawing hereunder, the procedure for which is specified above) shall be in writing and shall be addressed to us at 200 Park Avenue, 11th Floor, New York, NY 10166 Attention: Thomas Janson, with a copy to us at 222 Broadway, 11th Floor, New York, NY 10038, Attention: Client Services Unit, Letter of Credit Department, or such other address which we may designate by written notice to you, specifically referring to this Letter of Credit by number.

You may transfer your rights to demand payment and request transfer under this Letter of Credit only to a successor Depositary and by presentation to us at our office on a Business Day of a request in the form of Annex H hereto, completed and signed by you, your transferee and the Administrative Agent. Upon acceptance by us of such request (as evidenced by our execution thereof), your transferee shall be deemed to be the addressee of this Letter of Credit and the sole permitted signatory of any further demands under this Letter of Credit for payment and transfer.

As used herein, "Business Day" shall mean a day other than a Saturday or Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by the First Amended and Restated Reimbursement and Credit Agreement dated as of August 8, 2003 (as from time to time amended, supplemented or otherwise modified, the "Reimbursement Agreement"), among the Issuer, CEMEX Mexico, S.A. de C.V., as a Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as a Guarantor, us, as Issuing Bank and Administration Agent, the several Lenders party thereto, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Arranger and Banc of America Securities LLC, as a Joint Arranger and Syndication Agent, or by reference to any document, instrument or agreement referred to herein (including the Reimbursement Agreement, the Depositary Agreement or and the Commercial Paper Notes), except only the Drawing Certificates and notices in the form attached hereto and the Drafts referred to herein, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such Drawing Certificates, such notices and such Drafts.

This Letter of Credit shall be governed and construed in accordance with the laws of the State of New York (including, without limitation, Article 5 of the Uniform Commercial Code of the State of New York) except that with respect to presentations of drafts and certificates by telecopy transmission, the Uniform Customs and Practice for Documentary Credits (1993 Revision), Publication No. 500 of the International Chamber of

Commerce, shall govern, to the extent not inconsistent with the laws of the State of New York.

Very truly yours,

BARCLAYS BANK PLC, NEW YORK BRANCH

By: _____

Name:

Title:

Annex A
to the Letter of Credit

FORM OF SIGHT DRAFT

[Date]

Barclays Bank PLC, New York Branch,
as Administrative Agent
222 Broadway
New York, New York 10038
Attention: Letter of Credit Department

Barclays Bank PLC, New York Branch
as Issuing Bank
200 Park Avenue
New York, New York 10166
Attention: Thomas Janson

Pay to the order of U.S. Bank Trust National Association*, as Depository, for deposit in account number _____ (the "Letter of Credit Account") maintained at its office in _____ and entitled "CEMEX Letter of Credit Account," U.S.\$[amount], drawn under your First Amended and Restated Irrevocable Direct-Pay Letter of Credit No. SB00197.

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Depository

By: _____
Title: _____

* If the Letter of Credit has been transferred in accordance with its terms, all references to "U.S. Bank Trust National Association" in this and the other annexes to the Letter of Credit shall be replaced with the name of the then current Depository.

Annex B
to the Letter Of Credit

FORM OF CERTIFICATE FOR DRAWING

Barclays Bank PLC, New York Branch,
as Administrative Agent
222 Broadway
New York, New York 10038
Attention: Letter of Credit Department

Barclays Bank PLC, New York Branch
as Issuing Bank
200 Park Avenue
New York, New York 10166
Attention: Thomas Janson

Re: First Amended and Restated Irrevocable Direct-Pay Letter of
Credit No. SB00197 (the "Letter of Credit")

The undersigned, a duly authorized officer of U.S. Bank Trust
National Association (the "Depositary"), hereby certifies to you as follows.
Terms defined in the Letter of Credit and not defined herein shall have the
meanings given to them in the Letter of Credit.

1. The undersigned, acting as the Depositary under the
Depositary Agreement on behalf of the holders of the Commercial Paper
Notes, is making demand for payment under the Letter of Credit in the
amount of U.S.\$_____ to pay maturing Commercial Paper
Notes.

2. The aggregate amount due, the date of issuance and the
maturity date of each Commercial Paper Note in respect of which this
demand for payment is being made are listed in the attached Schedule
A. No previous drawing under the Letter of Credit with respect to any
such Commercial Paper Note has been honored by you.

3. Each Commercial Paper Note in respect of which this
demand for payment is being made was authenticated and delivered by
us pursuant to our authority under and in accordance with the terms
of the Depositary Agreement.

4. Demand for payment is hereby made upon you under the
Letter of Credit for the amount specified in Paragraph 1. The amount
of the Draft accompanying this Drawing Certificate does not exceed
the Stated Amount on the date hereof and is equal to the aggregate
Face Amount of the Commercial Paper Notes which will become due and
payable on the Business Day next succeeding the date hereof.

5. (a) Upon our receipt of the amount demanded pursuant
hereto, we will deposit the same directly into the Letter of Credit
Account (as defined in the Depositary Agreement) maintained by us
pursuant to the Depositary Agreement and apply the same to the
payment of the Commercial Paper Notes in respect of which this demand
for payment is being made upon presentment thereof on or after their
maturity and (b) no portion of said amount shall be deposited by us
in any other account maintained by or for the account of the Issuer
or applied by us for any purpose other than to pay the Commercial
Paper Notes in respect of which this demand for payment is being made
on or after their maturity.

IN WITNESS WHEREOF, the undersigned has executed and delivered this
certificate on the ____ day of _____, 200__.

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Depositary

By: _____
Title: _____

Schedule A To Annex B
to the Letter Of Credit

COMMERCIAL PAPER NOTES ISSUED BY
CEMEX, S.A. de C.V.

Date of Issuance	Amount	Maturity Date
-----	-----	-----

Annex C
to the Letter of Credit

FORM OF CERTIFICATE FOR DRAWING
(AFTER RECEIPT OF NOTICE OF ACCELERATION)

Barclays Bank PLC, New York Branch,
as Administrative Agent
222 Broadway
New York, New York 10038
Attention: Letter of Credit Department

Barclays Bank PLC, New York Branch
As Issuing Bank
200 Park Avenue
New York, New York 10038
Attention: Thomas Janson

Re: First Amended and Restated Irrevocable Direct-Pay Letter of
Credit No SB00197 (the "Letter of Credit")

The undersigned, a duly authorized officer of U.S. Bank Trust
National Association (the "Depository"), hereby certifies to you as follows.
Terms defined in the Letter of Credit and not defined herein shall have the
meanings given to them in the Letter of Credit.

1. The undersigned, acting as the Depository under the
Depository Agreement on behalf of the holders of the Commercial Paper
Notes, is making demand for payment under the Letter of Credit in the
amount of U.S.\$_____ to pay all outstanding Commercial
Paper Notes.

2. The undersigned has received from the Administrative
Agent a "Notice of Acceleration" pursuant to Section 12.02(b) of the
Reimbursement Agreement.

3. The aggregate amount due, the date of issuance and the
maturity date of the Commercial Paper Notes in respect of which this
demand for payment is being made are listed in the attached Schedule
A. No previous drawing under the Letter of Credit with respect to any
such Commercial Paper Note has been honored by you.

4. Each Commercial Paper Note in respect of which this
demand for payment is being made was authenticated and delivered by
us pursuant to our authority under and in accordance with the terms
of the Depository Agreement.

5. Demand for payment is hereby made upon you under the

Letter of Credit for the amount specified in Paragraph 1.

6. (a) Upon our receipt of the amount demanded under the Letter of Credit in respect of the Commercial Paper Notes, we will deposit the same directly into the Letter of Credit Account (as defined in the Depositary Agreement) maintained by us pursuant to the Depositary Agreement and apply the same to the payment of the Commercial Paper Notes in respect of which this demand for payment is being made upon presentment thereof on or after their maturity and (b) no portion of said amount shall be deposited by us in any other account maintained by or for the account of the Issuer or applied by us for any purpose other than to pay the Commercial Paper Notes in respect of which this demand for payment is being made on or after their maturity.

7. Upon receipt of payment as provided herein, we shall return to you the original Letter of Credit (and any amendments thereto) for cancellation.

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate on the ____ day of _____, 200__.

U.S. BANK TRUST NATIONAL ASSOCIATION, as Depositary

By: _____
Title: _____

Schedule A To Annex C
to the Letter Of Credit

COMMERCIAL PAPER NOTES ISSUED BY
CEMEX, S.A. de C.V.

Date of Issuance	Amount	Maturity Date
-----	-----	-----

Annex D
to the Letter of Credit

FORM OF NOTICE OF TERMINATION

[Date]

CEMEX, S.A. de C.V.
Ave. Constitucion 444 Pte
Monterey, N.L.
Mexico 64000

U.S. Bank Trust National Association,
as Depositary
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Commercial Paper Department

Re: First Amended and Restated Irrevocable Direct-Pay Letter

of Credit No. SB00197

Ladies and Gentlemen:

We refer to our First Amended and Restated Irrevocable Direct-Pay Letter of Credit No. SB00197 (the "Letter of Credit") dated August 8, 2003. Capitalized terms used herein that are not defined herein shall have the meanings specified in the Letter of Credit.

We hereby notify you pursuant to Section 12.02(a)(i) of the Reimbursement Agreement that the Letter of Credit will terminate at 5:00 p.m. (New York City time) on _____. Please deliver to us for cancellation the original of the Letter of Credit (and all amendments thereto) immediately following such expiration date.

If U.S. Bank Trust National Association, as Depository, advises us in writing (which may be by fax) on the date hereof that there are Commercial Paper Notes outstanding on the date hereof, this Notice of Termination shall be deemed to be a Notice of Default in the form of Annex E-1 to the Letter of Credit.

Very truly yours,

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank

By: _____
Title: _____

cc: Each Dealer
Barclays Bank PLC, New York Branch,
as Administrative Agent

Annex E-1
to the Letter of Credit

FORM OF NOTICE OF DEFAULT

[Date]

CEMEX, S.A. de C.V.
Ave. Constitucion 444 Pte
Monterey, N.L.
Mexico 64000

U.S. Bank Trust National Association,
as Depository
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Commercial Paper Department

Re: First Amended and Restated Irrevocable Direct-Pay Letter
of Credit No. SB00197

Ladies and Gentlemen:

We refer to our First Amended and Restated Irrevocable Direct-Pay Letter of Credit No. SB00197 (the "Letter of Credit") dated August 8, 2003. Capitalized terms used herein that are not defined herein have the meaning specified in the Letter of Credit.

This is a Notice of Default as referred to in the Letter of Credit. Effective immediately (a) the Stated Amount is reduced to the amount which is (i) the amount which U.S. Bank Trust National Association shall advise us is equal to the aggregate Face Amount of Commercial Paper Notes outstanding on the date hereof plus (ii) the aggregate amount of all Standby L/C's

outstanding on the date hereof (as the Administrative Agent shall have advised to U.S. Bank Trust National Association pursuant to Section 4(j) of the Depositary Agreement), and (b) no amount shall hereafter be reinstated to the Stated Amount.

The Letter of Credit will terminate two Business Days following the later of (i) the date which U.S. Bank Trust National Association, as Depositary, shall advise us is the latest maturity date of any Commercial Paper Note outstanding on the date of this Notice of Default and (ii) _____, being the latest expiration date of any Standby L/C outstanding on the date hereof. Please deliver to us for cancellation the original of the Letter of Credit (and all amendments thereto) following such termination.

In accordance with the Depositary Agreement, you shall no longer issue or deliver additional Commercial Paper Notes.

Very truly yours,

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank

By: _____
Title: _____

cc: Each Dealer
Barclays Bank PLC, New York Branch,
as Administrative Agent

Annex E-2
to the Letter of Credit

FORM OF NOTICE OF DEFAULT REDUCTION
(AFTER RECEIPT OF NOTICE OF DEFAULT)

[Date]

Barclays Bank PLC, New York Branch
as Administrative Agent
222 Broadway
New York, New York 10038
Attention: Letter of Credit Department

Barclays Bank PLC, New York Branch
as Issuing Bank
200 Park Avenue
New York, New York 10166
Attention: Thomas Janson

Re: First Amended and Restated Irrevocable Direct-Pay Letter of
Credit No. SB00197 (the "Letter of Credit")

The undersigned, a duly authorized officer of U.S. Bank Trust National Association (the "Depositary"), hereby certifies to you as follows. Terms defined in the Letter of Credit and not defined herein shall have the meanings given to them in the Letter of Credit and in the Notice of Default referred to below.

1. The undersigned, acting as the Depositary under the Depositary Agreement on behalf of the holders of the Commercial Paper Notes has received from you a Notice of Default dated _____.

2. The aggregate Face Amount of the Commercial Paper Notes outstanding on the date of the Notice of Default is U.S.\$_____. We acknowledge that the Stated Amount shall be

reduced to an amount equal to such amount, plus U.S.\$_____ (the aggregate amount of Standby L/C's outstanding, as the Administrative Agent has notified to us pursuant to Section 4(j) of the Depositary Agreement).

3. The latest maturity date of any Commercial Paper Note outstanding on the date of the Notice of Default is _____.

4. You have notified us in the Notice of Default that the latest date of expiration of any outstanding Standby L/C is _____.

5. We acknowledge that the Letter of Credit shall terminate on _____ which is two Business Days following the later of the dates specified in paragraphs 3 and 4 above.

6. We confirm that we shall not issue or deliver any additional Commercial Paper Notes.

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Depositary

By: _____
Title: _____

cc: CEMEX, S.A. de C.V.
Barclays Bank PLC, New York Branch
as Administrative Agent

Annex F
to the Letter of Credit

FORM OF NOTICE OF ACCELERATION

[Date]

CEMEX, S.A. de C.V.
Ave. Constitucion 444 Pte
Monterey, N.L.
Mexico 64000

U.S. Bank Trust National Association,
as Depositary
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Commercial Paper Department

Re: First Amended and Restated Irrevocable Direct-Pay Letter of
Credit No. SB00197

Ladies and Gentlemen:

We refer to the First Amended and Restated Irrevocable Direct-Pay Letter of Credit No. SB00197 (the "Letter of Credit") dated August 8, 2003 issued by us in favor of the Depositary pursuant to the First Amended and Restated Reimbursement and Credit Agreement (as from time to time, amended, supplemented or otherwise modified, the "Reimbursement Agreement") dated as of August 8, 2003 among CEMEX, S.A. de C.V., the Issuing Bank, CEMEX Mexico, S.A. de C.V., as a Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as a Guarantor, the Lenders party thereto, us, as Issuing Bank, as Administrative Agent, and Documentation Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Arranger and Banc of America Securities LLC, as a Joint Arranger and Syndication Agent. Capitalized terms used therein that are not defined herein have the meaning specified in the Reimbursement Agreement.

This is a Notice of Acceleration as referred to in Section 12.02(b)

of the First Amended and Restated Reimbursement Agreement and in the Letter of Credit. We herewith direct U.S. Bank Trust National Association, as Depository, to make a Drawing under the Letter of Credit in the aggregate Face Amount of all Commercial Paper Notes Outstanding on the date of this Notice of Acceleration.

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent

By: _____
Title: _____

cc: Each Dealer
Barclays Bank PLC, New York Branch,
as Issuing Bank

Annex G
to the Letter of Credit

NOTICE OF REDUCTION OF STATED AMOUNT
OF LETTER OF CREDIT

[Date]

U.S. Bank Trust National Association,
as Depository
100 Wall Street, Suite 1600
New York, NY 10005
Attention: Commercial Paper Department

Re: First Amended and Restated Irrevocable Direct-Pay Letter of
Credit No. SB00197 (the "Letter of Credit")

The undersigned hereby notifies you in accordance with [Section 2.06(d)] [Section 5.01(c)] [Section 5.11] of the First Amended and Restated Reimbursement Agreement that the Stated Amount of the Letter of Credit (terms defined therein and not defined herein shall have the meanings given to them therein) shall be reduced as provided therein by an amount (the "Reduction Amount") equal to U.S.\$_____.

As of this date, the total amount of the Aggregate Outstandings is U.S.\$_____, (1)

(2) [which is less than the reduced Stated Amount; therefore, the reduction takes effect immediately;]

- OR -

(3) [which is greater than the reduced Stated Amount; therefore the reduction will take effect in part on each (i) maturity date of Commercial Paper Notes, (ii) expiration date of a Standby L/Cs, (iii) repayment date of any Loans, or (iv) reimbursement date of any unreimbursed Drawings or Standby L/C Drawings (as such dates are notified to you by us), as the case may be, in an amount equal to the Commercial Paper Notes then maturing, or the amount of the Standby L/Cs than expiring, or the amount of such Loans repaid, or the amount of such Drawings or Standby L/C Drawings reimbursed (as such amount is notified to you by us) until the Stated Amount shall have been reduced by the Reduction Amount;]

1 Insert as appropriate.

2 Choose appropriate language.

3 Choose appropriate language.

provided, however, that the Aggregate Outstandings on the date of each reduction, after giving effect to such reduction, shall not exceed the Stated Amount.

After giving effect to such reduction, the Stated Amount shall be U.S.\$_____.

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate on the ____ day of _____, 200__.

Very truly yours,

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank

By: _____
Title: _____

cc: CEMEX, S.A. de C.V.
Barclays Bank PLC, New York Branch
as Administrative Agent
Each Dealer

Annex H
to the Letter of Credit

FORM OF REQUEST FOR TRANSFER

[Date]

Barclays Bank PLC, New York Branch
as Administrative Agent
222 Broadway
New York, New York 10038
Attention: Letter of Credit Department

Barclays Bank PLC, New York Branch
as Issuing Bank
200 Park Avenue
New York, New York 10166
Attention: Thomas Janson

Re: First Amended and Restated Irrevocable Direct-Pay Letter of Credit No. SB00197 (the "Letter of Credit")

We request transfer, to be effective as of _____, __, _____,* of our rights under the Letter of Credit to the following successor Depositary:

[Name of successor depositary]

[Address] _____

We certify that the above successor depositary is (or will be upon your acceptance of our transfer request) our successor depositary pursuant to the Depositary Agreement dated as of _____, 2003 among CEMEX, S.A. de C.V., and you, as Issuing Bank, and Administrative Agent.

* Fill in date of request or applicable future date not more that one week from date of request.

IN WITNESS WHEREOF, the undersigned has executed and delivered this request on the ____ day of _____, 200__.

Very truly yours,

[Name of transferring depositary]

By: _____
Title: _____

Acknowledged:

[Name of successor depositary]

By: _____
Title: _____

Consented and agreed:

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent

By: _____
Title: _____

Accepted:

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank

By: _____
Title: _____

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

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT B

FORM OF NOTE

U.S.\$ _____

Date August 8, 2003
New York, New York,

FOR VALUE RECEIVED, the undersigned, CEMEX, S.A. de C.V., a sociedad anonima de capital variable organized and existing under the laws of the United Mexican States and located at Avenida Constitucion 444 Pte., Monterrey, Nuevo Leon, 64000, Mexico (the "Issuer"), promises to pay, without setoff or counterclaim, to the order of _____ (the "Lender") on the

Maturity Date, as defined in the Reimbursement Agreement (as defined below), at the office of Barclays Bank PLC, 200 Park Avenue, New York, New York 10166, in lawful money of the United States of America and in immediately available funds, the principal amount of _____ Dollars (U.S.\$ _____) or, if less, the aggregate unpaid principal amount of all Loans made by the Lender to the undersigned pursuant to the Reimbursement Agreement which are then due and payable to the Lender pursuant thereto. The undersigned further agrees to pay, without setoff or counterclaim, interest in like money at such office from the date hereof until paid in full on the unpaid principal amount hereof from time to time outstanding at the applicable interest rate per annum determined as provided in, and payable as specified in, the Reimbursement Agreement. The Lender is authorized to record the date, type and amount of each Loan made by the Lender pursuant to the Reimbursement Agreement, the date and amount of each repayment of principal hereof, the date of each interest rate conversion and each continuation pursuant to Section 3.05 of the Reimbursement Agreement and the principal amount subject thereto, and, in the case of Eurodollar Loans, the interest rate with respect thereto on the schedules 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 Issuer hereunder or under the Reimbursement Agreement.

This Note is one of the Notes referred to in the First Amended and Restated Reimbursement and Credit Agreement dated as of August 8 2003, among the Issuer, the Guarantors, the Lender and certain other lenders party thereto, Barclays Bank PLC, New York Branch, as Issuing Bank, Administrative Agent and Documentation Agent, Barclays Capital, the Investments Banking Division of Barclays Bank PLC, as a Joint Arranger and Banc of America Securities LLC, as Joint Arranger and Syndication Agent (as the same may from time to time be amended, supplemented or otherwise modified, the "Reimbursement Agreement"; terms defined therein being used herein as so defined), and is entitled to the benefits thereof and is subject to optional and mandatory prepayment in whole or in part as provided therein.

Upon the occurrence of any one or more of the Events of Default specified in the Reimbursement Agreement, all amounts remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided therein.

The Issuer agrees to pay all reasonable costs and expenses, including all reasonable fees and disbursements of counsel (including the allocated cost of internal counsel), incurred by the Lender in connection with the enforcement of the Lender's rights and remedies under the Reimbursement Agreement and this Note.

The Issuer hereby irrevocably and unconditionally submits for itself and its property in any legal suit, action or proceeding relating to this Note or for recognition and enforcement of any judgment in respect thereof, to the 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, to the jurisdiction of any competent court in the place of its corporate domicile and any appellate courts thereof, and consents that any such suit, action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same. The Issuer hereby irrevocably agrees that service of all writs, process and summonses in any such suit, action or proceeding brought in the State of New York may be made upon CT Corporation System having offices on the date hereof at 111 Eighth Avenue, New York, New York 10011 (the "Process Agent"), and the Issuer hereby irrevocably appoints the Process Agent as its authorized agent to accept such service of any and all such writs, process and summonses and agrees that the failure of the Process Agent to give any notice of any such service of process to the Issuer shall not impair or affect the validity of such service or of any judgment based thereon.

The obligations of the Issuer hereunder to make payments in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency except to the extent that such tender or recovery results in the effective receipt by the Lender of the full amount of Dollars payable hereunder and the Issuer shall be obligated to indemnify the Lender (and the Lender shall have an additional legal claim) for any difference between such full amount and the amount

letter of credit delivered to you pursuant to Section 2 hereof, the "Letter of Credit"), (b) as issuing agent on behalf of the Issuer in connection with the issuance of the Commercial Paper Notes, which may be issued and sold in the United States commercial paper market, (c) as paying agent to undertake certain duties described in and limited to Sections 1 and 2(d) hereof on behalf of the holders of the Commercial Paper Notes and (d) as depositary to hold certain funds for the benefit of the Issuing Bank as provided in Section 1 hereof.

The Commercial Paper Notes to be issued, if any, will be issued on the terms and subject to the conditions set forth herein and in the First Amended and Restated Reimbursement and Credit Agreement dated as of August _____, 2003 (as from time to time amended, supplemented or otherwise modified, the "Reimbursement Agreement") among the Issuer, CEMEX Mexico, S.A. de C.V., as a Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as a Guarantor, the Lenders party thereto, Barclays Bank PLC, New York Branch, as Issuing Bank and Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Arranger and Banc of America Securities LLC, as a Joint Arranger and Syndication Agent. A fully executed counterpart of the Reimbursement Agreement, which will become effective simultaneously herewith, is being delivered to you herewith; provided, however, that the parties hereto acknowledge that you, in your capacity as Depositary, are not a party to the Reimbursement Agreement and shall have no responsibility to determine the contents thereof and that all references herein to the Reimbursement Agreement are for reference purposes only. In your capacity as depositary, issuing agent and paying agent hereunder, however, except as expressly provided herein, you shall have no liability to the Issuer, the Issuing Bank or the holders of the Commercial Paper Notes for the performance of any of the terms of the Reimbursement Agreement.

This letter agreement (as from time to time amended, supplemented or otherwise modified, this "Depositary Agreement") will govern your rights, powers and duties as depositary, issuing agent and paying agent for the Commercial Paper Notes, as beneficiary of the Letter of Credit and as depositary for the Issuing Bank, and no implied covenants and obligations shall be read into this Depositary Agreement or any other agreement against you. Nothing contained herein will modify, vary or amend the Issuing Bank's obligations under the Letter of Credit.

Unless otherwise defined herein, capitalized terms used herein have the meanings assigned to such terms in the Reimbursement Agreement.

SECTION 1. ESTABLISHMENT OF ACCOUNTS; PROCEEDS OF COMMERCIAL PAPER NOTES.

(a) Prior to or contemporaneously with the execution and delivery by the Issuer of this Depositary Agreement, and for the purposes of this Depositary Agreement and the Reimbursement Agreement, you shall establish in your corporate trust office a special purpose non-interest bearing deposit account for the benefit of the Issuing Bank (said account being referred to herein and in the Reimbursement Agreement as the "Commercial Paper Account" and being identified in your books as the CEMEX Commercial Paper Account - U.S. Bank, as Depositary for the benefit of Barclays Bank PLC, New York Branch over which the Issuing Bank shall have exclusive dominion and control and the sole right to issue withdrawal instructions. The Commercial Paper Account shall be in your name, as Depositary for the benefit of the Issuing Bank. Except for the Issuing Bank and you, as Depositary therefor, and as specifically provided in clauses (iii) and (vi) of paragraph (b) below, no Person (including the Issuer) shall have any legal or beneficial interest in the Commercial Paper Account.

(b) (i) All proceeds received from the sale of Commercial Paper Notes issued by you, on behalf of or for the account of the Issuer, shall initially be deposited by you in the Commercial Paper Account.

(ii) Unless the Issuer has received notice from you that a Drawing under the Letter of Credit has not been honored by the Issuing Bank and without limiting its obligations under the Reimbursement Agreement, the Issuer agrees that it will, prior to 1:00 p.m. (New York City time) (but not before payment is made by the Issuing Bank under the Letter of Credit) on any date that the Issuing Bank makes a payment in respect of a Drawing under the Letter of Credit, deposit or cause to be deposited in the Commercial Paper

Account an aggregate amount (the "Issuer Deposit Amount" for such date) equal to the amount, if any, by which the amount of such payment under the Letter of Credit exceeds the sum of (x) the Aggregate Reported Proceeds of Commercial Paper Notes issued or to be issued on such date and (y) the aggregate principal amount of all Loans borrowed by the Issuer on such date in accordance with the Reimbursement Agreement to reimburse the Issuing Bank for Drawings under the Letter of Credit. As used in this Depositary Agreement, "Aggregate Reported Proceeds" of Commercial Paper Notes issued or to be issued on any date means the aggregate net sales price of such Commercial Paper Notes (principal amount less discount for interest and fees) as specified in the issuance instructions for such Commercial Paper Notes transmitted to the Depositary pursuant to Section 4(b) hereof.

(iii) Withdrawals or other applications of funds on deposit in, or otherwise to the credit of, the Commercial Paper Account may only be made as set forth below. Promptly after 1:30 p.m. (New York City time) on the day of any Drawing under the Letter of Credit, you shall (to the extent that the funds then on deposit in the Commercial Paper Account are sufficient to do so), debit the Commercial Paper Account in an amount equal to the amount of such Drawing and wire transfer such amount to the Issuing Bank. In addition, the Issuing Bank may, and at the direction of the Administrative Agent shall, advise you if (A) Drawings under the Letter of Credit and interest thereon remain unreimbursed, (B) any Loans and/or interest thereon remain unpaid and/or (C) Standby L/C Drawings under any Standby L/C and interest thereon remain unpaid and/or any other amounts remain unpaid under the Reimbursement Agreement specifying the aggregate amount thereof and instruct you to debit the Commercial Paper Account for such amount. To the extent that funds then on deposit in the Commercial Paper Account are sufficient to do so, you shall promptly wire transfer such amount to the Issuing Bank or, if so directed by the Issuing Bank, to the Administrative Agent to be applied first to the payment of accrued and unpaid interest on any unreimbursed Drawings as provided in Section 2.02 of the Reimbursement Agreement, second to reimburse the Issuing Bank for all unreimbursed Drawings as provided in Section 2.02 of the Reimbursement Agreement, third to the payment of accrued and unpaid interest on any unreimbursed Standby L/C Drawing as provided in Section 4.02, fourth to the payment to the Administrative Agent, for the benefit of the Lenders, of accrued and unpaid interest on Loans outstanding under the Reimbursement Agreement as provided in Section 3.07 thereof, fifth to reimburse the Issuing Bank for all unreimbursed Standby L/C Drawings as provided in Section 4.02, sixth to the payment to the Administrative Agent for the benefit of the Lenders, of the unpaid principal amount of Loans outstanding under the Reimbursement Agreement, and seventh to the payment to the Administrative Agent, for the benefit of the Issuing Bank, the Lenders or the Depositary, of fees and other amounts under the Reimbursement Agreement or hereunder that are due and payable to the Issuing Bank and the Lenders or to the Depositary as of such date. To the extent any funds remain in the Commercial Paper Account, the Issuing Bank shall instruct you to transfer such funds to such account as the Issuer shall direct for use by the Issuer in a manner consistent with the Reimbursement Agreement.

(iv) Notwithstanding any provision contained herein, you agree that you will in no event permit funds in the Commercial Paper Account to be withdrawn or transferred to the Issuing Bank (A) prior to 1:30 p.m. (New York City time) on the day of payment of any Drawing under the Letter of Credit and (B) unless payment of such Drawing has been made. The Issuing Bank hereby agrees that it will not accept any reimbursement to which it is not entitled.

(v) You shall have no responsibility for determining the purpose of, or the intended use of any proceeds of, any withdrawal from the Commercial Paper Account. You hereby

acknowledge that in your capacity as Depositary you do not have and shall not at any time in the future have or exercise any banker's lien or right of set-off with respect to (i) any proceeds from the issuance and delivery of Commercial Paper Notes, the Commercial Paper Account or the funds from time to time on deposit in the Commercial Paper Account or (ii) the Letter of Credit Account or the funds from time to time in the Letter of Credit Account. You agree to give the Issuer, the Issuing Bank and the Administrative Agent (with a copy to each Dealer (as defined below)) notice as soon as practicable if the Commercial Paper Account or any funds on deposit in the Commercial Paper Account shall become subject to any writ, judgment, warrant of attachment, execution or similar process or to any stay or other similar legal restraint of which you become aware.

(vi) It is understood that, as a matter of bookkeeping convenience, the Depositary may credit the Commercial Paper Account with the proceeds received from the sale of the Commercial Paper Notes prior to its actual receipt of final payment therefor and that such bookkeeping credits may be reflected on the Depositary's books, and otherwise, as "immediately available funds" or "same day funds" or by some other similar characterization. Notwithstanding any such credit or characterization, all such credits shall be conditional upon the Depositary's receipt of final payment and may be reversed by the Depositary to the extent that such final payment is not received. The Issuer agrees to indemnify and hold the Depositary harmless from any loss which the Depositary may suffer and any expense which the Depositary may incur as a result of the failure of any purchaser to remit payment in full for any Commercial Paper Notes, and, without limiting the generality of the foregoing, the Issuer agrees that, immediately upon notification from the Depositary of any such failure, the Issuer shall reimburse the Depositary in immediately available funds any amount credited and paid to the Issuer in anticipation of receipt of such payment plus any applicable overdraft fees and interest thereon for each day such proceeds remain unreimbursed. The overdraft charges and rate of interest payable by the Issuer to the Depositary shall be that provided for either (A) under arrangements with respect to overdraft advances in effect at the time between the Issuer and the Depositary or (B) if no such arrangements are then in effect, in the Depositary's standard fee schedule for overdrafts.

(c) Contemporaneously with the execution and delivery by you of this Depositary Agreement, you shall establish in your corporate trust office in New York, New York a special purpose non-interest bearing trust account (said account being referred to herein and in the Reimbursement Agreement as the "Letter of Credit Account" and being identified as the "CEMEX Letter of Credit Account"). The Letter of Credit Account shall be in your name, as paying agent for the holders of the Commercial Paper Notes issued by or on behalf of the Issuer, and under your exclusive dominion and control as agent for such holders. Except for the holders of the Commercial Paper Notes issued by or on behalf of the Issuer and you, as paying agent therefor, no Person shall have any legal or beneficial interest or claim in the Letter of Credit Account.

(d) (i) The funds in the Letter of Credit Account shall be subject to withdrawal solely by you, as paying agent for the holders of the Commercial Paper Notes, and solely for the purpose of paying matured Commercial Paper Notes in respect of which you have presented a draft demanding payment under the Letter of Credit. All sums held by you in the Letter of Credit Account will be held uninvested for the payment of the Face Amount of the Commercial Paper Notes to the Persons entitled thereto until such sums shall be paid to such Persons or the Administrative Agent pursuant to Section 2(e) hereof or otherwise disposed of in accordance with applicable law. All payments by the Issuing Bank under the Letter of Credit in respect of a Drawing shall be credited directly to the Letter of Credit Account, and no funds in the Letter of Credit Account shall be commingled with monies from any other source.

(ii) Prior to 4:00 p.m. (New York City time) on the Business Day preceding each day on which Commercial Paper Notes mature, you shall present a draft in the form of Annex A to the Letter of Credit accompanied by a certificate in the form set forth in Annex B to the Letter of Credit in an amount equal to the aggregate Face Amount of such maturing Commercial Paper Notes. Upon receipt from the Administrative Agent of a Notice of Acceleration in the form of Annex F to the Letter of Credit directing you to make a Drawing under the Letter of Credit in the aggregate amount required to pay in full the Face Amount of all Outstanding Commercial Paper Notes, you shall make such Drawing as promptly as possible by presenting a certificate in the form set forth in Annex C to the Letter of Credit, together with a draft in the amount of the Drawing in the form of Annex A to the Letter of Credit. Upon receipt of the proceeds of the Drawing made pursuant to the preceding sentence, you will promptly surrender the Letter of Credit (and any amendments thereto) to the Issuing Bank for cancellation. If any draft is presented to the Issuing Bank by means of facsimile, you will promptly confirm receipt by the Issuing Bank by telephone; provided, however, that nothing in this paragraph (d) shall impair the obligation of the Issuing Bank to honor such Drawing in accordance with the terms and conditions of the Letter of Credit.

(e) The Issuing Bank has agreed to honor any draft in the form of Annex A to the Letter of Credit and otherwise conforming to the requirements of the Letter of Credit prior to 11:00 a.m. (New York City time) on the Business Day next following the Business Day such draft is presented to the Issuing Bank (provided such draft is presented by 4:00 p.m. (New York City time) on such day), otherwise not later than 1:00 p.m. (New York City time) on the next following Business Day by making a wire transfer to the Depositary for deposit in the Letter of Credit Account of an amount in immediately available funds equal to the amount so demanded. You shall record the date and time of receipt of each wire transfer by the Issuing Bank that is deposited in the Letter of Credit Account and keep accurate records of each disbursement therefrom. All action taken by you relative to the Letter of Credit Account and the making of payments with respect to Commercial Paper Notes shall be taken by you, as paying agent, on behalf and for the benefit of the holders of the Commercial Paper Notes issued by the Issuer.

(f) If by 10:00 a.m. (New York City time) on the Business Day following the date any Drawing is made under the Letter of Credit, a Designated Officer (as defined in Section 3(d) below) should receive notice from an Issuing Bank Officer (as defined in Section 3(c) below) that an attempted Drawing does not materially conform to the requirements of the Letter of Credit, you shall make a new Drawing in accordance with the terms of the Letter of Credit in respect of the Commercial Paper Notes referred to in such attempted Drawing. You shall give the Issuer prompt notice of any failure of the Issuing Bank to honor any Drawing made under the Letter of Credit.

SECTION 2. The Letter Of Credit.

(a) Concurrently with the execution of this Depositary Agreement, the Issuing Bank shall deliver to you the Letter of Credit. You shall make Drawings under the Letter of Credit on behalf of the holders of Commercial Paper Notes pursuant to Section 1 hereof. All such Drawings shall be made in accordance with the terms hereof and of the Letter of Credit.

(b) The Stated Amount of the Letter of Credit shall be reduced by the amount of each Drawing thereunder and shall be reinstated in accordance with the terms of the Letter of Credit.

(c) The Stated Amount of the Letter of Credit may also be reduced and the Letter of Credit may be cancelled in full in accordance with the terms thereof; provided, however, that the Aggregate Outstandings (as such amount has been notified to you by the Administrative Agent pursuant to Section 4(k) hereof) on the effective date of such reduction shall not exceed such reduced amount. Upon any

such reduction in the amount of the Letter of Credit or other change in the terms of the Letter of Credit, the Issuing Bank shall deliver to you either a new Letter of Credit in exchange for the Letter of Credit in effect prior to such change or an amendment to the Letter of Credit. Upon the expiration of the Letter of Credit, you will promptly deliver the expired Letter of Credit (and any amendments thereto) to the Issuing Bank.

(d) It is understood and agreed by the parties hereto that the provisions of this Depository Agreement relating to the Letter of Credit are intended to provide for payment of the Commercial Paper Notes at their maturity. Accordingly, the parties hereto specifically acknowledge that in actions taken by you as beneficiary of the Letter of Credit you shall not be acting as an agent of the Issuer but shall be acting on behalf of the holders of the Commercial Paper Notes. You have no obligation to the holders of the Commercial Paper Notes other than to hold the Letter of Credit for the benefit of such holders, to make Drawings under the Letter of Credit as required hereunder, to receive and hold uninvested funds payable under the Letter of Credit for the benefit of such holders and to pay the holders of the Commercial Paper Notes pursuant to the terms hereof and thereof.

(e) If any Commercial Paper Note shall not be presented to you for payment on the maturity date thereof and sufficient collected funds are then on deposit in the Letter of Credit Account for payment thereof, you shall hold such funds until the earlier of (i) presentation of such Commercial Paper Note and (ii) 3:00 p.m. (New York City time) on the second Business Day after the maturity date thereof (the "Presentment Deadline"). If a Commercial Paper Note shall not have been presented for payment on at or prior to the Presentment Deadline with respect thereto, an amount equal to the funds paid by the Issuing Bank under the Letter of Credit for the payment thereof shall be transferred from the Letter of Credit Account to the Administrative Agent for the account of the Issuing Bank or the Lenders, as the case may be, free and clear of any liens. If the Issuing Bank has been reimbursed in full by the Issuer for the payment of such Commercial Paper Note, if all Standby L/C Drawings have been reimbursed in full by the issuer, if all Loans and all interest thereon and all other sums due and payable by the Issuer under the Transaction Documents have been paid in full and if no Default or Event of Default under the Reimbursement Agreement has occurred and is continuing, the Administrative Agent shall pay the Issuer an amount equal to the amount so transferred to the Administrative Agent as soon thereafter as possible; provided, however, that during the continuance of a Default or Event of Default such amount shall be deposited in the Commercial Paper Account or, if so directed by the Administrative Agent acting on the instructions of the Required Lenders, in an account pursuant to Section 12.02(c) of the Reimbursement Agreement. After such transfer the Depository shall be released from any further responsibility or liability with respect to the payment of such Commercial Paper Note and the holder thereof shall look solely to the Issuer for such payment.

SECTION 3. DTC Book-Entry System; Commercial Paper Notes
Delivered For Safekeeping; Authorized Agents
And Officers.

(a) The Commercial Paper Notes shall not be issued in physical form, but their aggregate Face Amount shall be represented by a master note (the "Master Note") substantially in the form of Annex A to this Depository Agreement, executed by the Issuer pursuant to the book-entry commercial paper program of The Depository Trust Company ("DTC"). You shall maintain the Master Note in safekeeping, in accordance with your customary practices, on behalf of Cede & Co., the registered owner thereof and nominee of DTC. As long as Cede & Co. is the registered owner of the Master Note, the beneficial ownership interest therein shall be shown on, and the transfer of ownership thereof shall be effected through, entries on the books maintained by DTC and the books of its direct and indirect participants. The Master Note and the Commercial Paper Notes shall be subject to DTC's rules and procedures, as amended from time to time. You shall not be liable or responsible for sending transaction statements of any kind to DTC's participants or the beneficial owners of the Commercial Paper Notes, or for maintaining, supervising or reviewing the records of DTC or its participants with respect to such Commercial Paper Notes. In

connection with DTC's program, the Issuer understands that as one of the conditions of its participation therein, it shall be necessary for the Issuer and you to enter into a Letter of Representations (the "Letter of Representations") substantially in the form of Annex B to this Depositary Agreement and a certificate agreement made between DTC and the Depositary in which the procedures to be followed by you in connection with the issuance and custody of the Commercial Paper Notes in book-entry form shall be detailed (the "Certificate Agreement" and, together with the Master Note and the Letter of Representations, the "DTC Documents"), and for DTC to receive and accept such Letter of Representations. In accordance with DTC's program, you shall obtain from the CUSIP Service Bureau a written list of CUSIP numbers for the Issuer's Commercial Paper Notes, and you shall deliver such list to DTC. The CUSIP Service Bureau shall bill the Issuer directly for the fee or fees payable for the list of CUSIP numbers for the Issuer's Commercial Paper Notes. Notwithstanding the foregoing, if for any reason DTC shall cease to operate a book-entry commercial paper program through which ownership interest in the Commercial Paper Notes may be uncertificated and transferred, or shall cease to perform in a timely fashion the functions customarily performed by DTC in connection with such book-entry commercial paper program, the Depositary and the Issuer will make appropriate arrangements to either (i) appoint a successor entity to DTC to perform the functions customarily performed by DTC in respect of the Commercial Paper Notes or (ii) provide for the Commercial Paper Notes to be issued in physical form.

(b) With the delivery of this Depositary Agreement, the Issuer is furnishing to you, and from time to time thereafter may furnish to you, and shall furnish to you upon your request, certificates ("Incumbency Certificates") of an authorized officer of the Issuer, certifying the incumbency and specimen signatures of officers and attorneys-in-fact of the Issuer ("Representatives") authorized to execute Commercial Paper Notes on behalf of the Issuer and/or to give instructions and notices on behalf of the Issuer hereunder, such Incumbency Certificates shall also specify the names of the employees (each, a "Dealer Representative" and, collectively, the "Dealer Representatives") of Barclays Capital Inc., Banc of America Securities LLC and any other dealer or placement agent of the Commercial Paper Notes approved by the Issuer and approved by the Arrangers and the Issuing Bank (each, a "Dealer" and, collectively, the "Dealers") who are authorized to give notices and/or issuance instructions to the Depositary pursuant to Section 4 hereof. Until you receive subsequent Incumbency Certificates, or unless an officer of your Global Finance Unit (Global Change) shall have received written notice from an authorized officer of the Issuer of the lack of authority of any individual, you shall be entitled to rely on the last Incumbency Certificates delivered to you for purposes of determining the authorized signers of Commercial Paper Notes and authorized Representatives and Dealer Representatives.

(c) For purposes of this Depositary Agreement, any specifically designated officer of the Issuing Bank (an "Issuing Bank Officer") or the Administrative Agent (an "Agency Officer") shall be authorized to act, and to give instructions and notices on behalf of the Issuing Bank or the Administrative Agent hereunder, and you shall be entitled conclusively to rely on any writing, paper or notice purporting to be signed, sent or given by any Issuing Bank Officer or Agency Officer, unless an officer of your Commercial Paper Department shall have received written notice from an authorized officer of the Issuing Bank or the Administrative Agent that a particular writing, paper or notice was not signed, sent or given by such Issuing Bank Officer or Agency Officer.

(d) Upon your receipt of this Depositary Agreement, and from time to time thereafter as you choose, you shall deliver a certificate (a "Certificate of Designation") certifying the incumbency and specimen signatures of your designated signatories ("Designated Officers") who are authorized to acknowledge receipt of and authenticate the Master Note. Until the Issuer shall receive a subsequent Certificate of Designation, or unless a Representative shall have received written notice of the lack of authority of any individual, the Issuer may rely on the last such Certificate of Designation delivered to it.

SECTION 4. Issuance Of Commercial Paper Notes.

(a) From time to time during the term of this Depositary Agreement and subject to the terms and conditions hereof, and upon your timely receipt of written or telecopy instructions specifying the information required by Section 4(b) hereof transmitted to you by means of the electronic time-sharing facility known as U.S. Bank Trust National Association New York CP System (the "CP System") or in such other manner as you then employ as your normal business practice, not later than 1:00 p.m. (New York City time) on a Business Day, from a Representative or a Dealer Representative, on the date of issuance of any Commercial Paper Notes (in the case of instructions from a Representative, a copy of such instructions shall be sent by said Representative to the Dealer through which such Commercial Paper Notes are being sold), you shall cause the issuance of such Commercial Paper Notes in accordance with the instructions so received and in the manner set forth in, and take such other actions as are required by, the Letter of Representations and the Certificate Agreement against payment of the net sales price set forth in the issuance instructions as provided in Section 5 hereof. Instructions given via the CP System shall be entered as prescribed in the user documentation provided by you and all instructions, whether via the CP System, by telephone or in writing, must be entered into the CP System or received by you as the case may be, not later than 12:30 p.m. (New York City time) for, same-day delivery.

(b) Issuance instructions with respect to any Commercial Paper Note transmitted to you by a Representative or a Dealer Representative must specify:

(i) the date of issuance thereof (which shall be a Business Day);

(ii) the maturity date thereof; provided that the Issuer will cause the Representative or Dealer Representative transmitting such instructions to ensure, and you will ensure, that such date is a Business Day which shall not be later than the earlier to occur of (A) the 360th day next succeeding the date of issuance thereof and (B) the Stated Termination Date;

(iii) the Face Amount thereof; provided that the Issuer will cause the Representative or Dealer Representative to ensure, and you will ensure, that such Face Amount is U.S.\$100,000 or an integral multiple of U.S.\$1,000 in excess thereof;

(iv) the net sales price thereof; and

(v) a delivery order to debit the relevant Dealer's account with DTC for such net sales price against credit of such amount to your account with DTC in trust for the benefit of the beneficiaries of the Commercial Paper Account.

(c) You shall send a report (by facsimile or other means permitted hereunder) to the Issuer, the Issuing Bank and the Administrative Agent on a monthly basis of your issuance of Commercial Paper Notes under this Section 4, including the series, maturity date and Face Amount of each Commercial Paper Note issued.

(d) The Issuer shall not permit any Representative or Dealer Representative to request you to (and you will not) issue or deliver any Commercial Paper Note for the account of the Issuer if the Face Amount of such Commercial Paper Note, when added to the aggregate Face Amount of all other Commercial Paper Notes then Outstanding having the same stated maturity date, would exceed the product of (i) 50% and (ii) the Stated Amount (the "Settlement Limits"). Notwithstanding the foregoing settlement limits, in connection with an extension of the Stated Termination Date or a renewal of the Letter of Credit Facility, the aggregate Face Amount of all Commercial Paper Notes then Outstanding may mature on one Business Day that is on or prior to the Stated Termination Date. These Settlement Limits are for the benefit of the Issuing Bank, which may in its sole discretion waive these requirements in writing without the prior consent of any party to any Transaction Document. All Commercial Paper Notes will be issued on a

discount basis.

(e) The Issuing Bank shall deliver to you on the date hereof, a notice substantially in the form of Annex F (an "Issuance Limit Notice") setting forth the Issuance Limit (as such term is defined below) and you shall permit (until such notice is amended or terminated by the Issuing Bank), the issuance and delivery of any Commercial Paper Note if the Face Amount of such Commercial Paper Note, when added to the aggregate Face Amount of all other Commercial Paper Notes then Outstanding, would not exceed the Issuance Limit (the "Issuance Limit," being (i) initially, the amount that is the difference between the Stated Amount and the Standby L/C Sublimit as notified to you in the Issuance Limit Notice, or (ii) any such other amount as you may be notified of pursuant to a Revised Issuance Limit Notice (as such term is defined herein) in accordance with the terms of this Section 4(e)). During the term, the Issuer may request that the Issuing Bank provide you with notice that the Issuance Limit has been increased, provided, however, that after such increase, the Aggregate Outstandings may not exceed the aggregate amount of Commitments then in effect. Upon such request, the Issuing Bank shall send you a notice, substantially in the form of Annex G (a "Revised Issuance Limit Notice"), increasing the Issuance Limit, and upon receipt thereof, you shall permit the issuance and delivery of any Commercial Paper Note if the Face Amount of such Commercial Paper Note, when added to the aggregate Face Amount of all other Commercial Paper Notes then Outstanding would not exceed the then-applicable Issuance Limit. A Revised Issuance Limit Notice shall be transmitted to you not later than 1:00 p.m. (New York City time) on a Business Day and shall be effective upon receipt. You will be liable to the Issuing Bank for any action taken or omitted to be taken or any cost, expense, loss or injury resulting from your actions or your performance or lack of performance of your duties under or in connection with this Section 4(e) or any Issuance Limit Notice that is due to negligence or willful misconduct.

(f) You shall be entitled conclusively to assume that the Stated Termination Date is as set forth in the Letter of Credit.

(g) You shall be entitled to rely and shall be fully and completely protected in relying on instructions given to you by any Representative or Dealer Representative unless, as herein provided, you receive timely contrary instructions from the Issuing Bank or the Administrative Agent. Each delivery of Commercial Paper Notes shall be subject to the rules of the New York Clearing House in effect at the time of delivery.

(h) No Commercial Paper Note shall be issued or delivered by you unless you shall have received complete instructions from a Representative or a Dealer Representative as to the matters specified in paragraph (b) above. Any instructions given to you by a Representative or a Dealer Representative to issue and deliver any Commercial Paper Note hereunder shall constitute a representation and warranty on the part of the Issuer that the issuance of such Commercial Paper Note will not in any material respect violate or contravene any Requirement of Law or Contractual Obligation binding upon the Issuer (including any securities law or any order of any court or other Governmental Authority) and will be in conformity with the terms of the Reimbursement Agreement and this Depositary Agreement. The Issuer acknowledges that the Issuing Bank is relying on the representations and warranties on the part of the Issuer contained in the preceding sentence.

(i) Notwithstanding any instructions received by you from a Representative or a Dealer Representative, if you shall receive a Notice of Termination or a Notice of Default from the Issuing Bank or a Notice of Acceleration from the Administrative Agent, or instructions from the Issuer, the Issuing Bank or the Administrative Agent in accordance with Section 2.07 or Section 12.02(e) of the Reimbursement Agreement not to issue or deliver any additional Commercial Paper Notes, unless such notice or instructions are revoked in writing or superseded by further instructions from the party who sent such notice or instructions in accordance with the Reimbursement Agreement, you shall not issue or deliver any additional Commercial Paper Notes.

(j) Upon receipt from the Issuing Bank of a Notice of Default, you shall promptly deliver to the Issuing Bank a Notice of Default Reduction in the form of Annex E-2 to the Letter of Credit (A) specifying the aggregate Face Amount of Commercial Paper Notes then Outstanding (B) acknowledging the amount by which the Stated Amount shall be reduced, (C) specifying the date which is the latest maturity date of any Commercial Paper Note then Outstanding, (D) confirming the latest expiration date of any outstanding Standby L/C and (E) acknowledging the date on which the Letter of Credit shall terminate. If you receive a Notice of Termination from the Issuing Bank and there are Commercial Paper Notes then Outstanding, you will immediately advise the Issuing Bank thereof as specified in the Notice of Termination.

(k) Notwithstanding any instructions received by you from a Representative or a Dealer Representative, you shall not issue or deliver any Commercial Paper Note for the account of the Issuer on any date unless:

(i) you have received from the Issuer the Issuer Deposit Amount to be deposited for such date with the Depositary;

(ii) immediately after giving effect to such issuance, the Aggregate Outstandings, shall not be greater than the Stated Amount (as defined in and determined in accordance with the Letter of Credit);

(iii) immediately after giving effect to such issuance, the Total Outstandings of each Lender shall not be greater than the Commitment of such Lender;

(iv) the Administrative Agent, the Issuing Bank or the Issuer shall not have given a notice to you pursuant to paragraph (i) of this Section 4 which has not been revoked in writing or superseded by further written instructions from the Administrative Agent, the Issuing Bank or the Issuer, as the case may be; and

(v) the Commercial Paper Notes shall at the time of issuance thereof be rated at least P-2 or its then equivalent by Moody's and at least A-2 or its then equivalent by S&P;

provided, however, that you shall not be required to make a determination with respect to clauses (ii) and (iii) above unless the Administrative Agent has provided you with the information described below in sufficient time to allow you to analyze the information and issue such Commercial Paper Notes and, provided, further, that you shall be entitled to assume that there has been no change in the rating of the Commercial Paper Notes unless so advised by the Administrative Agent. The Issuing Bank shall (A) promptly advise you in writing of the issuance of any Standby L/Cs, (B) advise you in writing from time to time upon your request in writing of the amount of Aggregate Outstandings and (C) advise you from time to time upon your request in writing of the amount of and of each change in the Commitments of the Lenders, the current outstanding principal amount of each Lender's Loans, its Participation Percentage of the aggregate outstanding Letter of Credit Exposure and its Participation Percentage of the aggregate Standby L/C Exposure, which notice shall be in substantially the form of Annex D to this Depositary Agreement. For purposes of the foregoing calculations, you may rely upon the written notices given or delivered to you by the Administrative Agent pursuant to the preceding sentence, and you shall have no obligation to make any other or further investigation. You shall be entitled to assume that the amounts specified in any notice given to you pursuant to the second preceding sentence shall continue unchanged until you have received subsequent notice.

SECTION 5. Delivery And Payment Of Commercial Paper Notes.

(a) No Commercial Paper Note shall be issued or delivered by you except against payment therefor in accordance with current industry practice. A Commercial Paper Note shall be deemed issued and delivered against payment for purposes of this Section 5 if, at the time you deliver such Commercial Paper Note to a Dealer (or its designated consignee), you receive its receipt for the delivery in current industry practice form, or if the net sales price of such Commercial Paper Note is received by you in immediately available

collected funds in consideration of your delivery of such Commercial Paper Note to such Dealer (or to its designated consignee). The Issuer acknowledges that although you have been instructed to deliver Commercial Paper Notes against payment, delivery of Commercial Paper Notes will, in accordance with market practice prevailing in the commercial paper market, be made before receipt of payment in immediately available funds. Therefore, once you have delivered a Commercial Paper Note or Commercial Paper Notes to a Dealer (or its consignee) as provided herein, the Issuer shall bear the risk if such Dealer (or its consignee) fails to remit payment for the Commercial Paper Note or Commercial Paper Notes to you. You shall have no responsibility or liability for credit risks involved in or arising from your issuance of Commercial Paper Notes in accordance with the provisions of this Depositary Agreement, for delay by or the failure of any Dealer to effectuate payment therefor in whole or in part, for delay by or the failure of any DTC participant purchasing a Commercial Paper Note in settling its balance with DTC or for failure by DTC to perform in any respect as herein contemplated. Nothing in this Depositary Agreement shall require you to purchase any Commercial Paper Note or expend your own funds for the purchase price of a Commercial Paper Note or Commercial Paper Notes.

(b) It is understood that you are not under any obligation to assess or review the financial condition or creditworthiness of any Person to or for whose account you deliver a Commercial Paper Note pursuant to instructions from a Representative or Dealer Representative or to advise the Issuer, the Issuing Bank or the Administrative Agent as to the results of any such appraisal or investigation you may have conducted on your own or of any adverse information concerning any such Person that may in any way have come to your attention.

(c) Each Commercial Paper Note presented to you for payment at, on or prior to 3:00 p.m. (New York City time) on any Business Day at or after the maturity date of such Commercial Paper Note shall be paid by you on the date of such presentation; provided, however, that you shall not be required to make such payment prior to 1:00 p.m. (or if presented after 3:00 p.m. (New York City time) on any such Business Day, then on the next succeeding Business Day) in immediately available funds from funds on deposit in the Letter of Credit Account by your debiting the Letter of Credit Account in the amount of such payment. After payment of any matured Commercial Paper Note, you shall annotate your records to reflect the Face Amount of Commercial Paper Notes Outstanding in accordance with the DTC Documents.

(d) At the close of business in New York on any Business Day, the Issuing Bank may determine the aggregate Face Amount of Commercial Paper Notes issued, including the maturity date and Face Amount of each Commercial Paper Note, by requesting such information or by accessing such information through its computer link with you, upon which information the Issuing Bank shall be entitled to rely absent manifest error in determining the Face Amount of Commercial Paper Notes Outstanding.

(e) Except as otherwise provided in Section 5.05 of the Reimbursement Agreement, a copy of which has been acknowledged and received by the Depositary, all payments in respect of the Commercial Paper Notes shall be made without set-off, counterclaim, fees, liabilities or other similar deductions, and free and clear of, and without deduction for or on account of, any present or future income, stamp, sales or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, imposed, levied, collected, withheld or assessed by any Governmental Authority of Mexico or any other jurisdiction from which payment is made or is deemed to be made, other than with respect to Excluded Taxes, if any, with respect to the holders of the Commercial Paper Notes (such taxes other than Excluded Taxes, the "Taxes"). If the Issuer or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of Taxes, the Issuer shall pay such additional amounts as shall be necessary in order that the net amounts received by the holder of the Commercial Paper Notes after such deduction or withholding shall equal the amount which would have been receivable in the absence of any such deduction or withholding. As used in this paragraph (e), "Excluded Taxes" shall mean (i) such taxes (including income taxes or franchise taxes) as are (A) imposed on or measured by

the net income of a holder of Commercial Paper Notes by the jurisdiction (or any political subdivision thereof) of its principal office or residence or under the laws of which such holder of Commercial Paper Notes is organized or in which such holder of Commercial Paper Notes maintains the office through which the loans evidenced by such Commercial Paper Notes are made or maintained or (B) imposed on a holder of Commercial Paper Notes as a result of a present or former connection between such holder 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 such holder having received a payment under, or enforced, the Commercial Paper Notes), (ii) any taxes, levies, imposts, deductions, charges or withholdings imposed by the failure of any such holder of Commercial Paper Notes to (x) register as a Foreign Financial Institution with the Ministry of Finance and (y) be a resident (or have a principal office which is a resident, if such holder of Commercial Paper Notes 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 holder of Commercial Paper Notes complied with those conditions) and (iii) United States backup withholding taxes imposed because of payee underreporting.

(f) The Issuer agrees to furnish you with a certified copy by a Responsible Officer of the Issuer of a stamped filed receipt showing payment thereof or other documentary evidence of payment of, all Taxes withheld by it in respect of any payment remitted to the holders of the Commercial Paper Notes. Such receipts shall be furnished to you within 45 days of the due date for remitting such Taxes to the appropriate Mexican tax authorities accompanied by a letter in the form of Annex E to this Depositary Agreement together with the accompanying Schedule thereto.

(g) You will furnish the stamped filed receipts or other documentary evidence delivered by the Issuer pursuant to clause (f) above, together with a copy of the letter sent to you pursuant to clause (f) above, in the name of and at the expense of the Issuer to any holder of Commercial Paper Notes requesting such receipts or other documentary evidence as evidence of the amount of Taxes paid in respect of all Commercial Paper Notes issued on the same date and maturing on the same date.

SECTION 6. Inspection Of Documents By Holders Of Commercial Paper Notes.

You shall keep a fully executed or conformed copy of the Reimbursement Agreement and this Depositary Agreement (together with all amendments, modifications, supplements, waivers, and consents made or given with respect thereto and hereto) on file at your office specified in the Commercial Paper Notes issued by you pursuant hereto, and you shall permit, during normal business hours, reasonable inspection (and limited copying) to be made of such documents by the holder of any Commercial Paper Note or by any officer, employee or agent of such holder, provided the Person purporting to be such holder establishes to your satisfaction that he such Person is in fact such holder of such Commercial Paper Note and, in cases where inspection is sought to be made by a Person purporting to be an officer, employee or agent of such holder, that such Person submits evidence satisfactory to you of his such Person's authority to make an inspection on behalf of the holder of such Commercial Paper Note. The Issuer shall make payment to you of all of your expenses associated with any such inspection. The Administrative Agent shall promptly advise you of any amendment, modification, waiver or consent to the Reimbursement Agreement made after the effectiveness thereof and shall furnish you and each Dealer with a fully executed or conformed copy of such amendment, modification, waiver or consent; provided, however, that no such amendment, modification, waiver or consent which adversely affects your rights and obligations under this Depositary Agreement shall be effective against you without your written consent.

SECTION 7. Indemnity.

(a) The Issuer hereby agrees to indemnify and hold you, your employees and any of your directors, officers and agents harmless, from and against, and you shall not be liable for, any and all losses, liabilities (including liabilities for penalties), actions, suits,

judgments, demands, damages, costs and expenses of any nature (excluding income taxes, but including reasonable attorneys' fees and expenses, including the allocated cost of in-house legal services and including the costs and expenses of enforcing this right to indemnification) which may be imposed on, incurred by or asserted against you or them in connection with any investigative, administrative or judicial proceeding (whether or not you or they are designated as a party thereto) brought or threatened against you arising out of or resulting from the acceptance of your appointment, the exercise of your rights and/or the performance of your duties (or those of your agents and employees) hereunder; provided, however, that the Issuer shall not be liable to indemnify or pay you or any of them with respect to any loss, liability, action, suit, judgment, demand, damage, cost or expense that results from or is attributable to your negligence or willful misconduct or that of your directors, officers, agents or employees. The foregoing indemnity includes any action taken or omitted to be taken by you or them upon telephonic, facsimile, or other electronically transmitted instructions (authorized herein) received by you from, or believed by you in good faith to have been given by, the proper Person or Persons. The provisions of this Section 7 shall survive (i) your resignation or removal as Depositary hereunder and (ii) the termination of this Depositary Agreement.

(b) The duties and obligations of you, your directors, officers, employees and agents shall be determined by the express provisions of this Depositary Agreement and you and they shall not be liable except for the performance of such duties and obligations as are specifically set forth herein and no implied covenants shall be read into this Depositary Agreement against you or them.

(c) Except as provided herein, neither you nor your directors, officers, employees or agents shall be required to ascertain whether any issuance or sale of Commercial Paper Notes (or any amendment or termination of this Depositary Agreement) has been duly authorized or is in compliance with any other agreement to which the Issuer is a party (whether or not you are also a party to such other agreement) other than the DTC Documents. You shall incur no liability to the Issuer in acting hereunder upon telephonic or other instructions contemplated hereby which the recipient thereof reasonably believed in good faith to have been given by a Representative, a Dealer Representative, an Issuing Bank Officer or an Agency Officer, as the case may be. All telephonic instructions may be recorded by you, and the Issuer, the Issuing Bank and the Administrative Agent hereby consent to such recording. In the event a discrepancy exists, the telephonic or other instructions as recorded and understood by you will be deemed the controlling and proper instructions.

(d) In no event shall you be liable to the Issuer for consequential, indirect or special damages, even if you have been advised of the possibility of such damages (except in the case of Section 4(e) hereof). You shall also not be liable to the Issuer for any action taken, or any failure to take any action in connection with this Depositary Agreement or the services provided hereunder or otherwise to fulfill your obligations in connection with this Depositary Agreement, in the event and to the extent that the taking of such action or such failure arises out of or is caused by mechanical breakdown, computer or system failure or other failure of equipment, failure or malfunctioning of any communications media for whatever reason, or any other cause outside of your control, provided you undertake to use reasonable efforts to cure and prevent any such failure or breakdown of your equipment.

SECTION 8. Representations, Warranties And Covenants Of The Issuing Bank.

The Issuing Bank hereby represents and warrants to you as follows:

(a) The Issuing Bank's entry into this Depositary Agreement has been duly authorized by all necessary corporate action on the part of the Issuing Bank and will not violate, breach or contravene any Requirement of Law or Contractual Obligation binding upon the Issuing Bank and will not violate, breach or contravene the charter or by-laws of the Issuing Bank.

(b) The Letter of Credit is issued pursuant to the Reimbursement Agreement, and the Letter of Credit has been duly authorized, executed and delivered by the Issuing Bank, and is enforceable against the Issuing Bank in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency (including all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

SECTION 9. Representations And Warranties Of The Issuer.

The Issuer hereby warrants and represents to you, the Administrative Agent and the Issuing Bank, and, each request to issue Commercial Paper Notes shall constitute the Issuer's warranty and representation, as follows:

(a) This Depositary Agreement is, and all Commercial Paper Notes delivered to you as Depositary pursuant to this Depositary Agreement will be, duly authorized, executed and delivered by the Issuer.

(b) The issuance and delivery of the Commercial Paper Notes will not violate any United States state or Federal law or Mexican law, and the Commercial Paper Notes are exempt from registration under the United States Securities Act of 1933, as amended.

(c) This Depositary Agreement constitutes and the Commercial Paper Notes, when issued pursuant to the DTC Documents, will constitute, the Issuer's legal, valid and binding obligations enforceable against the Issuer in accordance with their terms, except as such enforceability may be limited by corporate debt restructuring (concurso mercantil) procedures, bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws affecting the creditors' rights of creditors generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(d) The Issuer is a sociedad anonima de capital variable duly organized and validly existing under the laws of Mexico, and no liquidation, dissolution, corporate debt restructuring (concurso mercantil) procedures, bankruptcy, winding-up or similar proceedings have been instituted with respect to the Issuer.

(e) The Issuer has, and at all relevant times during the term of this Depositary Agreement will have, all necessary corporate power and authority (i) to execute, deliver and perform this Depositary Agreement, (ii) to issue the Commercial Paper Notes and (iii) to receive credit as contemplated in the Reimbursement Agreement.

(f) All action on the part of the Issuer which is required (i) for the authorization of the issuance of the Commercial Paper Notes, (ii) for the authorization, execution, delivery and performance of this Depositary Agreement and (iii) to receive credit as contemplated in the Reimbursement Agreement has been taken and such issuance, authorization, execution, delivery and performance do not require the approval or consent of any holder or trustee of any indebtedness or obligations of the Issuer.

(g) The execution, delivery and performance of the Reimbursement Agreement and the issuance of Commercial Paper Notes by the Issuer in accordance with the Reimbursement Agreement and this Depositary Agreement (i) do not and will not contravene any provision of any provision of the estatutos sociales (or any equivalent organizational documents) of the Issuer effective as of the date hereof or any Requirement of Law applicable to the Issuer and (ii) do not and will not conflict with, breach or contravene the provisions of any Contractual Obligation binding upon the Issuer.

SECTION 10. Termination.

(a) The term of this Depositary Agreement (except for the provisions of Sections 7, 15, 16, 17 and 21, which shall survive indefinitely) shall extend from the date hereof and shall end at 5:00

p.m. (New York City time) on the Stated Termination Date, as it may be extended pursuant to the terms of the Reimbursement Agreement.

(b) You may resign or terminate this Depositary Agreement upon 60 days' prior notice to the Issuer, the Administrative Agent and the Issuing Bank, and the Issuer may remove the Depositary at any time upon 60 days' prior notice to the Depositary, the Issuing Bank and the Administrative Agent; provided, however, that no such resignation, termination or removal shall be effective until the appointment of a successor Depositary satisfactory to, and the execution of a successor Depositary Agreement with the successor Depositary by, the Issuer, the Issuing Bank and the Administrative Agent. Except as provided in Sections 7 and 21 hereof, upon the termination of this Depositary Agreement (or your resignation or removal), the respective rights and duties of the Issuer, the Issuing Bank, the Administrative Agent and you shall cease; provided, however, that any Commercial Paper Notes issued and sold in accordance with the terms of this Depositary Agreement and Outstanding on the date of termination of this Depositary Agreement shall nevertheless remain valid obligations of the Issuer, and each of such Commercial Paper Notes and you shall be entitled to the benefits of the Letter of Credit to the extent provided therein and the benefits of the arrangements provided for in this Depositary Agreement and the provisions of this Depositary Agreement shall continue to be applicable with respect to such Commercial Paper Notes and any funds then held in the Letter of Credit Account to the same extent as if this Depositary Agreement had not terminated. In the event this Depositary Agreement is terminated pursuant to this Section 10, all fees paid but not accrued pursuant to Section 21 of this Depositary Agreement, after deduction of the expenses associated with the termination of the obligations of the resigning Depositary, shall be transferred to such successor Depositary.

(c) On the Business Day following the later of (i) the date of termination of this Depositary Agreement or (ii) the date no Commercial Paper Notes are Outstanding, you shall return the Master Note to the Issuer and deliver the Letter of Credit (and any amendments thereto) then held by you hereunder for safekeeping to the Issuing Bank and shall transfer to the Issuing Bank for subsequent transfer to the Issuer, to the extent it is entitled thereto, all funds, if any, then on deposit in the Commercial Paper Account. You shall promptly notify the Issuer, the Issuing Bank and the Administrative Agent of the destruction of the Master Note.

(d) If the Depositary shall resign or be removed, or a vacancy in the office of Depositary shall occur for any cause, the Issuer, the Administrative Agent and the Issuing Bank shall promptly agree upon and jointly appoint a successor Depositary; provided, however, that the provisions contained in the proviso to paragraph (b) of this Section 10 shall apply to any Commercial Paper Notes issued and Outstanding prior to the date of resignation or removal of the Depositary. Each successor Depositary appointed hereunder shall be a banking corporation organized under the laws of the United States, any State thereof or the District of Columbia authorized under such laws to accept deposits, shall be a member bank of the Federal Reserve System, shall have its principal office in the Borough of Manhattan, City and State of New York, and shall have a combined capital and surplus, as shown by its most recent Report of Condition published pursuant to the requirement of the Board of Governors of the Federal Reserve System, of at least U.S.\$400,000,000.

(e) It is understood that if a successor Depositary is not appointed, or has not accepted such appointment, by the date indicated in the notice given by the Depositary referred to in Section 10(b) hereof, then the resigning Depositary may petition a court of competent jurisdiction for the appointment of a successor Depositary, and such court may thereupon appoint a successor Depositary.

SECTION 11. Amendments And Modifications.

(a) No amendment, modification or waiver of any provision of this Depositary Agreement, nor any consent to any departure by any party from any provision hereof binding upon such party, other than the delivery of a Revised Issuance Limit Notice pursuant to Section 4(e), shall be effective unless the same shall be in writing and

signed by all the parties hereto, including by the Administrative Agent acting at the direction of, or the consent of, the Required Lenders. No such amendment, modification, waiver or consent shall adversely affect the rights of the holder of any Commercial Paper Note issued in accordance with the terms of the Reimbursement Agreement and this Depositary Agreement and Outstanding at the time of such amendment, modification, waiver or consent.

(b) In addition, no amendment, waiver or consent to or under this Depositary Agreement which could reasonably be expected to affect adversely the rights of the holders of Commercial Paper Notes will become effective unless Moody's and S&P have confirmed in writing that such amendment, waiver or consent will not cause their rating of the Commercial Paper Notes to be lowered or withdrawn. In no event shall the Depositary agree to any replacement of the Letter of Credit with a new letter of credit having an issuing bank other than the Issuing Bank at a time when any Commercial Paper Notes issued in reliance on the Letter of Credit are Outstanding.

SECTION 12. Notices, Etc.

(a) Except when telephone communications are expressly authorized in this Depositary Agreement, all notices, requests, demands or other communications pursuant to this Depositary Agreement shall be in English and in writing (including facsimile transmission or other electronic communication transmitted directly to the relevant computers) and shall be sent by overnight courier service or by facsimile or other electronic communication (and, if in the form of facsimile or other electronic communication, other than Commercial Paper Note issuance instructions given by a Representative or Dealer Representative, shall be confirmed by return facsimile) or delivered to:

If to the Depositary:

U.S. Bank Trust National Association, as
Depositary 100 Wall Street, Suite 1600 New
York, NY 10005 Attention: Ignazio
Tamburello Telephone: (212) 361-2535
Facsimile: (212) 509-3384

If to the Issuer:

CEMEX, S.A. de C.V.
Ave. Constitucion 444 Pte
Monterey, N.L.
Mexico 64000
Attention: Hector Vela
Telephone: (528) 328-3000
Facsimile: (528) 328-3886

If to the Administrative Agent:

Barclay Bank PLC, New York Branch
as Administrative Agent
222 Broadway, 11th Floor
New York, New York 10038
Attention: Client Services Unit
Telephone (212) 412-3708
Facsimile: (212) 412-5306/5307

If to the Issuing Bank:

Barclays Bank PLC, New York Branch
200 Park Avenue
New York, New York 10166
Attention: Thomas Janson
Telephone: (212) 412-6888
Facsimile: (212) 412-1615

or to such other address as the party to which the communication is addressed shall have previously communicated to the other parties hereto. Communications shall be given on behalf of (i) the Issuer by a Representative, (ii) the Depositary by a Designated Officer, (iii) a Dealer by a Dealer Representative, (iv) the Issuing Bank by an Issuing Bank Officer or (v) the Administrative

Agent by an Agency Officer. Communications shall be effective when received at the proper address.

(b) In any case where it is provided in this Depositary Agreement that a copy of any instruction, demand or other notice is to be delivered to a Dealer, such copy shall be delivered to such Dealer at the address set forth below by the same means as the original thereof shall have been delivered, provided that the failure of such copy to be given to such Dealer shall not invalidate or adversely affect the original thereof:

If to Barclays Capital Inc.:

Barclays Capital Inc.
200 Park Avenue
New York, NY 10066
Attention: Commercial Paper Trading
Telephone: (212) 412-2112
Facsimile: (212) 412-1615

If to Banc of America Securities LLC:

Banc of America Securities LLC
CA5-701-13-03
1455 Market Street, 13th Floor
San Francisco, CA 94103
Attention: Money Market Finance
Telephone: (415) 953-1433
Facsimile: (415) 622-6332

If to Banc One Capital Markets, Inc.:

Banc One Capital Markets, Inc.
1 Bank One Plaza, Mail Code IL1-0595
Chicago, IL 60670
Attention: IGS Execution & Structuring
Telephone: (312) 732-1690
Facsimile: (312) 732-4773

SECTION 13. Binding Effect; Assignment.

This Depositary Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, including successors by merger, and assigns and the holders of Commercial Paper Notes issued hereunder; provided, however, that no party hereto may assign any of its rights or obligations hereunder except with the prior written consent of all the other parties hereto.

SECTION 14. GOVERNING LAW.

THIS DEPOSITARY AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 15. 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 the New York Supreme Court, New York County, and of any New York State court located in the Borough of Manhattan in New York City, and, with respect to the Issuer, to the jurisdiction of any competent court in the place of its corporate domicile, and any appellate court of any thereof for purposes of any legal suit, action or proceeding arising out of or relating to this Depositary Agreement 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 courts.

(b) 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.

(c) The Issuer and each of the other parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so,

any objection it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such court described in paragraph (a) above and the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding.

(d) The Issuer and each of the other 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 WAIVES 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 DEPOSITARY AGREEMENT.

SECTION 16. Appointment Of Agent For Service Of Process.

(a) The Issuer hereby irrevocably designates, appoints and empowers CT Corporation System with offices currently located at 111 Eighth Avenue, New York, New York 10011 (the "Process Agent"), as its 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 any New York State or federal court sitting in New York County. Such service may be made by mailing or delivering a copy of such process to the Issuer in care of the Process Agent at its address specified above, and the Issuer 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 Issuer further agrees to promptly appoint a successor Process Agent in New York City (which shall accept such appointment in form and substance satisfactory to the Administrative Agent) prior to the termination for any reason of the appointment of the initial Process Agent.

(b) Nothing in Section 15 hereof or in this Section 16 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 bring proceedings against any other party hereto in the courts of any jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

SECTION 17. Waiver Of Sovereign Immunity.

To the extent that the Issuer 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 or assets, the Issuer hereby irrevocably waives such immunity in respect of its obligations hereunder to the fullest extent permitted by applicable law and without limiting the generality of the foregoing, agrees that the waivers set forth in this Section 17 shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States of America and are intended to be irrevocable for purposes of such Act.

SECTION 18. Judgment Currency.

All payments made under this Depositary Agreement shall be made in Dollars. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Issuer in Dollars into another currency, the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent could purchase Dollars with such currency at or about 11:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given. The obligations in respect of any sum due hereunder shall, to the extent permitted by applicable law, notwithstanding any judgment expressed in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt of any sum adjudged to be so due in such other currency the Administrative Agent may in accordance with normal banking procedures purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally

due hereunder, the Issuer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Depository against such resulting loss.

SECTION 19. Execution In Counterparts.

This Depository Agreement may be executed in any number of counterparts; each counterpart, when so executed and delivered, shall be deemed to be an original; and all of which such counterparts, taken together, shall constitute one and the same agreement.

SECTION 20. Headings.

Section headings used in this Depository Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Depository Agreement.

SECTION 21. Compensation And Expenses.

The Issuer shall pay you promptly from time to time following the execution of this Depository Agreement reasonable fees, compensation for all services rendered by you hereunder as agreed between you and the Issuer. The Issuer shall reimburse you upon your request for all reasonable expenses, disbursements and advances incurred or made to you in accordance with any provision of this Depository Agreement (including the reasonable compensation and the expenses and disbursements of your agents and counsel and the allocated cost of in-house counsel) and all fees and charges assessed by DTC against the Depository except any expense or disbursement attributable to your gross negligence or willful misconduct. The provisions of this Section 21 shall survive (a) your resignation or removal as Depository hereunder and (b) the termination of this Depository Agreement.

SECTION 22. Miscellaneous.

(a) No provision of this Depository Agreement shall require you to risk or expend your own funds or otherwise incur any financial liability in the performance of any of your duties hereunder or in the exercise of any of your rights and powers hereunder.

(b) You may consult with counsel of your selection (which may be counsel to the Issuer), and any advice or written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by you, in the absence of bad faith, gross negligence or willful misconduct on your part, in reliance on such advice or opinion.

(c) Except as set forth in paragraph (e) below, you make no representation as to, and shall have no responsibility for, the correctness of any statement contained in, or the validity or sufficiency of, this Depository Agreement or any documents or instruments referred to in this Depository Agreement or as to or for the validity or collectibility of any obligation contemplated by this Depository Agreement.

(d) You may rely and shall be protected in acting upon any document or writing presented to you hereunder and reasonably believed by you to be genuine and to have been signed and presented by an authorized Person or Persons.

(e) You undertake to perform such duties and only such duties as are specifically set forth in this Depository Agreement and no implied covenants or obligations shall be read into this Depository Agreement against you except that you represent and warrant to the other parties hereto that this Depository Agreement constitutes your legal, valid and binding agreement and that the execution, performance and delivery of this Depository Agreement by you do not violate, breach or contravene any law, rule, regulation, order, contract or agreement binding upon you.

(f) Except as otherwise provided herein, you may execute any of the powers hereunder or perform any duties hereunder either directly or by or through your affiliates, agents, attorneys and independent contractors, provided that you shall not be responsible for the actions of such affiliates, agents, attorneys and independent contractors selected by you with due care and with the prior approval of the Issuer, which approval shall not be unreasonably withheld.

(g) Any bank association or banking corporation into which you may be merged, converted or with which you may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which you shall be a party, shall succeed to all your rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(h) Your countersignature of the Master Note shall be for authentication purposes only. You shall have no liability on any Commercial Paper Note. You shall not be liable for the authorization, validity or legality of any Commercial Paper Notes issued by you in accordance with such issuance instructions.

(i) In no event shall you be liable for any action taken or omitted to be taken or any loss or injury resulting from your actions or your performance or lack of performance of your duties hereunder in the absence of negligence or willful misconduct on your part.

(j) This Depositary Agreement shall become effective on the Effective Date as provided in Section 5.01 of the Reimbursement Agreement.

If the foregoing is acceptable to you, please indicate your agreement therewith by signing one or more counterparts of this Depositary Agreement in the space provided below, and returning such signed counterpart(s) to each of the other parties hereto, whereupon this letter will become a binding agreement among us.

Very truly yours,

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

By: _____
Title: _____

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Issuing Bank

By: _____
Title: _____

By: _____
Title: _____

BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent

By: _____
Title: _____

Agreed:

U.S. BANK TRUST NATIONAL ASSOCIATION,
as Depositary, Issuing Agent and Paying Agent

By: _____
Title: _____

Annex A

[Master Note]

Annex B

[Letter of Representations]

Annex C

[Letter of Credit]

Annex D

FORM OF ADMINISTRATIVE INFORMATION

Pursuant to Section 4 of the Depositary Agreement dated as of _____, 2003 among U.S. Bank, as Depositary, CEMEX, S.A. de C.V., as Issuer, Barclays Bank PLC, New York Branch, as Issuing Bank and Administrative Agent (the "Administrative Agent"), the Administrative Agent hereby advises you that the information provided in the following table is true as of the date hereof until you shall have received a subsequent notice from the Administrative Agent of any changes therein.

Lender	Commitment	Participation Percentage	Amount of Share of Letter of Credit Exposure	Amount of Loans Outstanding	Amount of undivided interest in Standby L/Cs Outstanding
--------	------------	-----------------------------	--	-----------------------------------	--

(List Lenders and provide information for each Lender in columns to the right of Lender name)

Total

Dated: BARCLAYS BANK PLC, NEW YORK BRANCH,
as Administrative Agent

By: _____
Title: _____

Annex E

FORM OF
TAX PAYMENT CERTIFICATE

[Letterhead of CEMEX, S.A. de C.V.]

[Date]

U.S. Bank Trust National Association, as Depositary
100 Wall Street, Suite 1600
New York, N.Y. 10005
Attention:

Re: First Amended and Restated Irrevocable
Letter of Credit No. SB00197

Ladies and Gentlemen:

We refer to Section 5(f) of the Depositary Agreement dated as of _____, 2003 among you as Depositary, Barclays Bank, PLC, New York Branch as Issuing Bank, and us, as Issuer (the "Depositary Agreement"). Capitalized terms used herein not defined herein shall have the meanings assigned to such terms in the Depositary Agreement.

We enclose herewith (stamped filed receipts certified as true and correct by our chief financial officer) [documentary evidence] with respect to our payment of Taxes in respect of discount paid with respect to Commercial Paper Notes issued by us, accompanied by a Schedule setting forth the amount of Taxes allocable to Commercial Paper Notes issued on the same date and maturing on the same date.

Very truly yours,

Cemex, S.A. de C.V.

By: _____
Title: _____

By: _____
Title: _____

Annex F

[Barclays Bank PLC, New York Branch letterhead]

August ____, 2003

U.S. Bank Trust National Association,
As Depositary
100 Wall Street, Suite 1600
New York, N.Y. 10005
Attention:

Re: ISSUANCE LIMIT NOTICE regarding issuance of commercial
paper by CEMEX, S.A. de C.V.

Ladies and Gentlemen:

We refer to Section 4(e) of the Depositary Agreement dated as of the date hereof among you as Depositary, Barclays Bank PLC, New York Branch as Issuing Bank and CEMEX, S.A. de C.V. as Issuer (the "Depositary Agreement"). Capitalized terms used herein without definition shall have the meanings assigned to them in the Depositary Agreement.

By this notice (this "Issuance Limit Notice") we instruct you to permit (and you shall permit until this notice is amended or terminated in accordance with the terms of the Depositary Agreement), the issuance and delivery of any Commercial Paper Note if the Face Amount of such Commercial Paper Note, when added to the aggregate Face Amount of all other Commercial Paper Notes outstanding, would not exceed US\$_____ (1). As set forth in the Depositary Agreement, the "Issuance Limit" shall initially be equal to the amount that is the difference between the Stated Amount and the Standby L/C Sublimit.

Very truly yours,

Barclays Bank PLC, New York Branch,
as Issuing Bank

By: _____
Title: _____

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

(1) Insert amount equal to the difference between the Stated Amount minus the Standby L/C Sublimit of \$150,000,000.

Annex G

[Barclays Bank PLC, New York Branch letterhead]

August ____, 2003

U.S. Bank Trust National Association,
As Depositary
100 Wall Street, Suite 1600
New York, N.Y. 10005
Attention:

Re: REVISED ISSUANCE LIMIT NOTICE regarding issuance
of commercial paper by CEMEX, S.A. de C.V.

Ladies and Gentlemen:

We refer to Section 4(e) of the Depositary Agreement dated as of the date hereof among you as Depositary, Barclays Bank PLC, New York Branch as Issuing Bank and CEMEX, S.A. de C.V. as Issuer (the "Depositary Agreement"). Capitalized terms used herein without definition shall have the meanings assigned to them in the Depositary Agreement.

By this notice (this "Revised Issuance Limit Notice") we instruct you to permit (and you shall permit until this notice is amended or terminated in accordance with the terms of the Depositary Agreement), the issuance and delivery of any Commercial Paper Note if the Face Amount of such Commercial Paper Note, when added to the aggregate Face Amount of all other Commercial Paper Notes outstanding, would not exceed [US\$_____2/the Stated Amount.] As set forth in the Depositary Agreement, the "Issuance Limit Amount" [shall be equal to _____].

Very truly yours,

Barclays Bank PLC, New York Branch,
as Issuing Bank

By: _____
Title: _____

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

(2) Insert the amount from the preceding sentence.

EXHIBIT D

FORM OF NOTICE OF BORROWING

Date: _____

To: Barclays Bank PLC, New York Branch, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent"), and as Issuing Bank (in such capacity, the "Issuing Bank") party to the First Amended and Restated Reimbursement and Credit Agreement, dated as of August 8, 2003 (as amended, supplemented or otherwise modified from time to time, the "Reimbursement Agreement"), among CEMEX, S.A. de C.V., as Issuer, CEMEX Mexico, S.A. de C.V., as a Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as a Guarantor, the Issuing Bank, the Lenders party thereto, the Administrative Agent, and Barclays Bank PLC, New York Branch and Chase Securities Inc., as Joint Arrangers and Bank of America Securities LLC, as Joint Arranger and Syndication Agent.

Ladies and Gentlemen:

The undersigned, CEMEX, S.A. de C.V. (the "Issuer"), refers to the Reimbursement Agreement, the terms defined therein being used in this Notice of Borrowing as therein defined, and hereby gives you notice irrevocably, pursuant to Section 3.02 of the Reimbursement Agreement, of the Borrowing specified herein:

1. The amount of the Borrowing is U.S.\$ _____. The undersigned certifies that such amount does not exceed the amount of the Drawing honored by the Issuing Bank on _____ and that the purpose of the Borrowing requested hereunder is to reimburse the amount of such Drawing.

[2. The Loans included in the Borrowing requested hereunder shall initially be Base Rate Loans]

[2. The Loans included in the Borrowing requested hereunder shall initially be Base Rate Loans and shall be converted to Eurodollar Loans on _____ [specify date no sooner than [three]* [four]** Business Days after date of this Notice of Borrowing]. The duration of the Interest Period applicable to such Loans upon such conversion shall be month[s]. The last day of such Interest Period is not later than the last day of the Loan Period which commenced on _____].

* if notice is given to the Administrative Agent prior to 11:00 a.m. (New York City time) on a Business Day.

** if notice is given to the Administrative Agent after 11:00 a.m. (New York City time) on a Business Day.

3. The undersigned certifies that the following statements are true on the date hereof, and will be true on the date of the Borrowing requested hereunder, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) no Default or Event of Default has occurred and is continuing or will result from the Borrowing requested hereunder;

(b) the representations and warranties contained in the Reimbursement Agreement are true in all material respects on and as of the date hereof; and

(c) a Non-Default Disruption Event has occurred and is continuing.

CEMEX, S.A. de C.V.

By: _____
Title: _____

EXHIBIT E

FORM OF NOTICE OF CONTINUATION/CONVERSION

Date:

To: Barclays Bank PLC, New York Branch, as Administrative Agent for the Lenders (in such capacity, the "Administrative Agent") and as Issuing Bank (in such capacity, the "Issuing Bank") party to the First Amended and Restated Reimbursement and Credit Agreement, dated as of August 8, 2003 (as amended, supplemented or otherwise modified from time to time, the "Reimbursement Agreement"), among CEMEX, S.A. de C.V., as Issuer, CEMEX Mexico, S.A. de C.V., as a Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as a Guarantor, the Issuing Bank, the Lenders party thereto, the Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Arranger and Banc of America Securities LLC, as a Joint Arranger and Syndication Agent.

Ladies and Gentlemen:

The undersigned, CEMEX, S.A. de C.V. (the "Issuer"), refers to the Reimbursement Agreement, the terms defined therein being used in this Notice of Continuation/Conversion as therein defined, and hereby gives you notice irrevocably, pursuant to Section 3.05(b) of the Reimbursement Agreement, of the [continuation] [conversion] of the Loans specified herein:

1. The aggregate amount of the Loans to be [continued] [converted] pursuant to this Notice of Continuation/Conversion is U.S.\$_____.

[2. The Eurodollar Loans referred to in this Notice of Continuation/Conversion are to be continued as Eurodollar Loans for an Interest Period of _____ month[s]. The last day of such Interest Period is not later than the last day of the Loan Period which commenced on _____.]

[2. The Eurodollar Loans referred to in this Notice of Continuation/Conversion are to be converted to Base Rate Loans.]

[2. The Base Rate Loans referred to in this Notice of Continuation/Conversion are to be converted to Eurodollar Loans. The duration of the Interest Period applicable to such Loans upon such conversion shall be _____ month[s]. The last day of such Interest Period is not later than the last day of the Loan Period which commenced on _____.]

3. The undersigned certifies that the following statements are true on the date hereof:

(a) no Default or Event of Default has occurred and is continuing or will result from the [continuation] [conversion] of the Loans requested hereunder;

(b) the representation and warranties contained in the Reimbursement Agreement are true in all material respects on and as of the date hereof; and

(c) the Non-Default Disruption Event existing on the Non-Default Disruption Date is continuing.

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

By: _____
Title: _____

EXHIBIT F

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT dated as of _____, _____ among [ASSIGNOR] (the "Assignor"), [ASSIGNEE] (the "Assignee"), CEMEX, S.A. de C.V. (the "Issuer"), CEMEX MEXICO, S.A. de C.V. (a "Guarantor"), EMPRESAS TOLTECA DE MEXICO, S.A. de C.V. (a "Guarantor"), BARCLAYS BANK PLC, NEW YORK BRANCH, as Issuing Bank (in such capacity, the "Issuing Bank") and as Administrative Agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H:

WHEREAS, this Assignment and Assumption Agreement (this "Agreement") relates to the First Amended and Restated Reimbursement and Credit Agreement dated as of August 8, 2003 among the Issuer, the Guarantors, the Assignor and the other Lenders party thereto, the Issuing Bank, the Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Arranger and Banc of America Securities LLC, as a Joint Arranger and Syndication Agent (as from time to time further amended, supplemented or otherwise modified, the "Reimbursement Agreement");

WHEREAS, as provided in the Reimbursement Agreement, the Assignor has purchased a participation in the Letter of Credit has purchased and/or agreed to purchase a participation in Standby L/Cs and has a Commitment to make Loans to the Issuer in an aggregate principal amount at any time outstanding not to exceed U.S.\$_____ (the "Assignor's Commitment");

[WHEREAS, [the Assignor has purchased participations in unreimbursed Drawings and/or Standby L/C Drawings in an aggregate principal amount of U.S.\$_____ outstanding on the date hereof] [Loans made to the Issuer by the Assignor under the Reimbursement Agreement in the aggregate principal amount of U.S.\$_____ are outstanding on the date hereof];

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Reimbursement Agreement in respect of [a portion of] its Commitment thereunder in an amount equal to U.S.\$_____ (the "Assigned Amount"), together with a corresponding portion of its participation in the Letter of Credit [and] [of its participations in unreimbursed Drawings], [of its participation in the Standby L/Cs [and] [of its participations in unreimbursed Standby L/C Drawings] [and] [of its outstanding Loans] and the Assignee proposes to accept assignment of such rights and assume the corresponding obligations from the Assignor on the

terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

SECTION 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Reimbursement Agreement.

SECTION 2. Assignment. The Assignor hereby irrevocably assigns and sells to the Assignee all of the rights of the Assignor under the Reimbursement Agreement [to the extent of the Assigned Amount], and the Assignee hereby irrevocably accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Reimbursement Agreement [to the extent of the Assigned Amount][, including the purchase from the Assignor of the corresponding portion of the principal amount of the [participations by the Assignor in unreimbursed Drawings outstanding on the date hereof] [participations by the Assignor in unreimbursed Standby L/C Drawings outstanding on the date hereof [and] [principal amount of the Loans made by the Assignor]. Upon the execution and delivery hereof by the Assignor, the Assignee, [the Issuer,] the Issuing Bank [and the Administrative Agent] and the payment of the amounts specified in Section 3 hereof required to be paid on the date hereof (a) the Assignee shall, as of the date hereof, succeed to the rights and be obligated to perform the obligations of a Lender under the Reimbursement Agreement with a Commitment in an amount equal to the Assigned Amount [in addition to its existing Commitment], and (b) the Commitment of the Assignor shall, as of the date hereof, be reduced by a like amount and the Assignor released from its obligations under the Reimbursement Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. Payments. As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them.* It is understood that any Participation Fees accrued to the date hereof are for the account of the Assignor and such fees accruing from and including the date hereof with respect to the Assigned Amount are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if either party receives any amount under the Reimbursement Agreement which is for the account of the other party, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

* Amount should combine principal together with accrued interest and breakage compensation, if any, to be paid by the Assignee, net of any portion of any upfront fee to be paid by the Assignor to the Assignee. It may be preferable in an appropriate case to specify these amounts generically or by formula rather than as a fixed sum.

SECTION 4. Consent Of [The Issuer,] The Issuing Bank [And The Administrative Agent]. This Agreement is conditioned upon the consent of [the Issuer,] the Issuing Bank [and the Administrative Agent] pursuant to Section 16.06(b) of the Reimbursement Agreement and the payment of a processing fee of U.S.\$3,500 to the Administrative Agent and a fee of U.S.\$1,500 to the Issuing Bank. The execution of this Agreement by [the Issuer,] the Issuing Bank [and the Administrative Agent] is evidence of this consent. Pursuant to Section 16.06(b) of the Reimbursement Agreement, the Issuer agrees to execute and deliver a new Note to the Assignee.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

(a) The Assignor (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Reimbursement Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Reimbursement Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (iii) makes no

representation or warranty and assumes no responsibility with respect to the financial condition of the Issuer, the Guarantors, any of their Affiliates or any other obligor or the performance or observance by the Issuer, the Guarantors, any of their Affiliates or any other obligor of any of their respective obligations under the Reimbursement Agreement or any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto.

(b) The Assignee (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) confirms that it has received a copy of the Reimbursement Agreement, together with copies of the financial statements delivered pursuant to Section 9.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (iii) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent, the Issuing Bank or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Reimbursement Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Reimbursement Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (v) agrees that it will be bound by the provisions of the Reimbursement Agreement and will perform in accordance with its terms all the obligations which by the terms of the Reimbursement Agreement are required to be performed by it as a Lender.

SECTION 6. NON-RELIANCE ON ASSIGNOR. The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition or statements of the Issuer and the Guarantors, or the validity and enforceability of the obligations of the Issuer in respect of the Reimbursement Agreement, the Letter of Credit, the Standby L/Cs or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Issuer.

SECTION 7. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successor and assigns.

SECTION 8. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the law of the State of New York.

SECTION 9. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____
Title: _____

[ASSIGNEE]

By: _____
Title: _____

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

By: _____
Title: _____

CEMEX MEXICO, S.A. de C.V.,
as Guarantor

By: _____
Title: _____

EMPRESAS TOLTECA DE MEXICO, S.A.
de C.V.,
as Guarantor

By: _____
Title: _____

BARCLAYS BANK PLC, NEW YORK
BRANCH,
as Issuing Bank

By: _____
Title: _____

By: _____
Title: _____

BARCLAYS BANK PLC, NEW YORK
BRANCH,
as Administrative Agent

By: _____
Title: _____

EXHIBIT G

COUNSEL TO THE ISSUER AND GUARANTORS

August 8, 2003

To the Administrative Agent, the
Issuing Bank and the persons listed on Schedule I hereto

Re: CEMEX, S.A. de C.V. U.S. \$400,000,000 Commercial
Paper Program

Ladies and Gentlemen:

We have acted as special New York counsel to CEMEX, S.A. de C.V. ("CEMEX" or the "Company"), a corporation organized under the laws of the United Mexican States ("Mexico"), CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico"), a corporation organized under the laws of Mexico and a subsidiary of CEMEX, and Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca"), a corporation organized under the laws of Mexico and a subsidiary of CEMEX, in connection with the preparation, execution and delivery of the First Amended and Restated Reimbursement and Credit Agreement, dated as of the date hereof (the "Reimbursement Agreement"), among CEMEX, as Issuer, CEMEX Mexico, as Guarantor, Empresas Tolteca, as Guarantor, Barclays Bank PLC, New York Branch (the "Issuing Bank"), as Issuing Bank, Documentation Agent and Administrative Agent and the several lenders party thereto, and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Arranger and Banc of America Securities LLC, as Joint Arranger and Syndication Agent, and the Depositary Agreement, dated as of the date hereof (the "Depositary Agreement"), among CEMEX, the Issuing Bank and U.S. Bank Trust National Association, as Depositary, Issuing Agent and Paying Agent, and certain other agreements, instruments and documents related to the Reimbursement Agreement. This opinion is furnished to you pursuant to Section 6.01(d) of the Reimbursement Agreement. For purposes of this opinion, (i) CEMEX Mexico and Empresas Tolteca are collectively referred to as the "Guarantors" and (ii) CEMEX, CEMEX Mexico and Empresas Tolteca are collectively referred to herein as the "Obligors."

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures including endorsements, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified or photostatic copies and the authenticity of the originals of such copies. As to any facts material to the opinions expressed herein which we did not independently establish or verify, we have relied upon statements and representations of CEMEX, the Guarantors and their officers and other representatives and of public officials, including the facts and conclusions set forth therein.

In rendering the opinions set forth herein, we have examined and relied on originals or copies of the following:

- (a) the Reimbursement Agreement;
- (b) the Dealer Agreements;
- (c) the Depositary Agreement;
- (d) the forms of the Notes attached as Exhibit B to the Reimbursement Agreement;
- (e) the Commercial Paper Notes;
- (f) the certificates of Rodrigo Trevino, Chief Financial Officer of the Company and principal financial officer of each of the Guarantors, attached as Annex C hereto and Lic. Ramiro Villarreal, General Counsel of each of the Obligors, attached as Annex D hereto; and
- (g) such other documents as we have deemed necessary or appropriate as a basis for the opinions set forth herein.

We do not express any opinion as to the laws of any jurisdiction other than the Applicable Laws of the State of New York and the Applicable Laws of the United States of America. Insofar as the opinions expressed herein relate to matters governed by laws other than those set forth in the preceding sentence, we do not express any opinion as to the effect of such laws or as to the effect thereof on the opinions herein stated. Capitalized terms used and not otherwise defined herein shall have the same meanings herein ascribed thereto in the Reimbursement Agreement. "Applicable Laws" shall mean those laws, rules and regulations which, in our experience, are normally applicable to transactions of the type contemplated by the Transaction Documents, without our having made any special investigation as to the applicability of any specific law, rule or regulation, and which are not the subject of a specific opinion herein referring expressly to a particular law or laws. "Governmental Approval" means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any governmental authority pursuant to the Applicable Laws of the State of New York. "Applicable Orders" means those orders or decrees of governmental authorities identified on Annex A hereto. "Applicable Contracts" mean the agreements or instruments listed on Annex B hereto.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that:

1. The execution and delivery by each Obligor of the Transaction Documents to which it is a party and the performance by the Obligors of their respective obligations thereunder, each in accordance with the terms thereof, do not (i) constitute a violation of, or a default under, any Applicable Contracts or (ii) cause the creation of any security interest upon any of the property of the Obligors pursuant to the Applicable Contracts. We do not express any opinion, however, as to whether the execution, delivery or performance by the Obligors of the Transaction Documents will constitute a violation of or a default under any covenants, restrictions or provisions with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the respective Obligors. We call to your attention that certain of the Applicable Contracts are governed by laws other than those as to which we express our opinion. We do not express any opinion as to the effect of such other laws on the opinions stated herein.

2. Neither the execution, delivery or performance by each Obligor of the Transaction Documents to which it is a party nor the compliance by the Obligors with the terms and provisions thereof will contravene any provision of Applicable Law of the State of New York or any Applicable Law of the United States of America.

3. Neither the execution, delivery or performance by each Obligor of its respective obligations under the Transaction Documents to which it is a party nor compliance by such Obligor with the terms thereof will contravene any Applicable Order against the Obligors.

4. No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required in connection with, the execution or delivery of any of the Transaction Documents to which each Obligor is a party by such Obligor or the enforceability of any Transaction Document to which each Obligor is a party against such Obligor.

5. Each of the Reimbursement Agreement, the Depositary Agreement and the Dealer Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms under the laws of the State of New York.

6. The Reimbursement Agreement constitutes the valid and binding obligation of the Guarantors, enforceable against the Guarantors in accordance with its terms under the laws of the State of New York.

7. The Notes, when duly executed, issued and delivered pursuant to the terms of the Reimbursement Agreement, will constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms under the laws of the State of New York.

8. The Commercial Paper Notes, assuming the due authentication thereof by the Depositary, when duly executed, issued and delivered pursuant to the terms of the Reimbursement Agreement and the Depositary Agreement, will constitute valid and binding obligations of the Company enforceable against

the Company in accordance with their terms under the laws of the State of New York.

Our opinions are subject to the following assumptions and qualifications:

(i) enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in equity or at law);

(ii) we have assumed that each of the Transaction Documents constitutes the valid and binding obligation of each party to such Transaction Document (other than the Obligors) enforceable against such other party in accordance with its terms;

(iii) we do not express any opinion as to the effect on the opinions expressed herein of (x) the compliance or non-compliance of any party (other than the Obligors) to the Transaction Documents with any state, federal or other laws or regulations applicable to it or (y) the legal or regulatory status or the nature of the business of any party (other than the Obligors);

(iv) our opinion is subject to possible judicial action giving effect to governmental actions or foreign laws affecting creditors' rights;

(v) we do not express any opinion as to the enforceability of any rights to indemnification or contribution under each of the Transaction Documents which are violative of the public policy underlying any law, rule or regulation (including any federal or state securities law, rule or regulation);

(vi) we do not express any opinion with respect to any provision of the Reimbursement Agreement to the extent it authorizes or permits any purchaser of a participation interest to set-off or apply any deposit, property or indebtedness with respect to any participation interest;

(vii) we do not express any opinion on the enforceability of any provision in a Transaction Document purporting to prohibit, restrict or condition the assignment of rights under such Transaction Document to the extent such restriction on assignability is governed by the Uniform Commercial Code;

(viii) in the case of the guarantee contained in Article XI of the Reimbursement Agreement (the "Guarantee"), certain of the remedial provisions, including waivers, with respect to the Guarantee are or may be unenforceable in whole or in part, but the inclusion of such provisions does not affect the validity of the Guarantee, taken as a whole;

(ix) we do not express any opinion with respect to any provision of the Reimbursement Agreement to the extent it excuses the issuer of a letter of credit from liability to the extent such provision is unenforceable pursuant to Section 5-103 of the Uniform Commercial Code;

(x) we do not express any opinion as to the applicability or effect of any fraudulent transfer or similar law on any of the Transaction Documents or any transactions contemplated thereby;

(xi) we do not express any opinion as to the enforceability of the provisions of each of the Transaction Documents providing for indemnity by any party thereto against any loss in obtaining the currency due to such party under each of the Transaction Documents from a court judgment in another currency; and

(xii) our opinion with respect to the enforceability of the choice of New York law and choice of New York forum provisions of the Transaction Documents is rendered in reliance upon the Act of July 19, 1984, ch. 421, 1984 McKinney's Sess. Laws of N.Y. 1406 (codified at N.Y. Gen. Oblig. Law ss.ss. 5-1401, 5-1402 (McKinney 2001) and N.Y. CPLR 327(b) (McKinney 2001)) and is subject to the qualifications that such enforceability may be limited by public policy considerations of any jurisdiction, other than the courts of the State of New York, in which enforcement of such provisions, or of a judgment upon an agreement containing such provisions, is sought.

In rendering the foregoing opinions, we have assumed, with your consent, that:

(i) each Obligor is validly existing and in good standing under the laws of Mexico;

(ii) each Obligor has the power and authority to execute, deliver and perform all of its obligations under Transaction Documents to which it is a party; that execution and delivery of such Transaction Documents and the consummation by each Obligor of the transactions contemplated thereby have been duly authorized by all requisite action on the part of such Obligor; each of the Transaction Documents to which an Obligor is a party has been duly authorized, executed and delivered by such Obligor;

(iii) the execution, delivery and performance by each Obligor of any of its obligations under the Transaction Documents to which it is a party does not and will not conflict with, contravene, violate or constitute a default under (a) the organizational documents of such Obligor, (b) any lease, indenture, instrument or other agreement to which such Obligor or its property is subject (other than the Applicable Contracts as to which we express our opinion in paragraph 1 herein), (c) any rule, law or regulation to which such Obligor is subject (other than Applicable Laws of the State of New York as to which we express our opinion in paragraph 2 herein) or (d) any judicial or administrative order or decree of any governmental authority (other than Applicable Orders as to which we express our opinion in paragraph 3 herein); and

(iv) no authorization, consent or other approval of, notice to or filing with any court, governmental authority or regulatory body (other than Governmental Approvals as to which we express our opinion in paragraph 4 herein) is required to authorize or is required in connection with the execution, delivery or performance by each Obligor of any Transaction Document to which it is a party or the transactions contemplated thereby.

We understand that you are separately receiving an opinion with respect to the foregoing assumptions from Lic. Ramiro G. Villarreal and we are advised that such opinion contains qualifications. Our opinions herein stated are based on the assumptions specified above and we do not express any opinion as to the effect on the opinions herein stated of the qualifications contained in such other opinion.

This letter is furnished only to you in connection with the closing under the Reimbursement Agreement and is solely for your benefit. Without our prior written consent, this letter may not be used or relied upon by any other person for any purpose (including any other person that seeks to assert your rights in respect of this letter), except that Lic. Ramiro G. Villarreal may rely upon this opinion as to matters of the laws of the United States of America and the State of New York in rendering his opinion in connection with the Reimbursement Agreement. This letter is not to be circulated, quoted or otherwise referred to for any other purpose without our prior written consent, except to the extent that the ability to circulate, quote or refer to this letter is necessary so that the transactions contemplated by the Transaction Documents are not treated as a "confidential transaction" within the meaning of Treasury Regulations section 1.6011-4(b)(3).

Very truly yours,

Schedule I

Cemex, S.A. de C.V., as Issuer

Cemex Mexico, S.A. de C.V., as a Guarantor
Empresas Tolteca de Mexico, S.A. de C.V., as a Guarantor

Barclays Bank PLC, New York Branch, as Issuing Bank,
Administrative Agent and Documentation Agent

Barclays Capital, the Investment Banking Division of
Barclays Bank PLC, as a Joint Arranger
Banc of America Securities LLC, as a Joint Arranger
and Syndication Agent

The following Banks:

ABN Amro Bank, N.V., as a Bank
Banco Bilbao Vizcaya Argentaria S.A., as a Bank
Banco Santander Central, S.A., New York Branch, as a Bank
Bank Boston, N.A., as a Bank
Bank of America, NA, as a Bank
Bank of Nova Scotia, as a Bank
Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as a Bank
Bank One National Association, as a Bank
Barclays Bank PLC, New York Branch, as a Bank
Bayerische Hypo- und Vereinsbank AG, New York Branch, as a Bank
Credit Lyonnais New York Branch, as a Bank
Dresdner Bank AG, New York and Grand Cayman Branches, as a Bank
Landesbank Rheinland-Pfalz - Girozentrale, as a Bank
Mizuho Corporate Bank, Ltd., as a Bank
SANPAOLO IMI S.p.A., as a Bank
Wachovia Bank, National Association, as a Bank

U.S. Bank Trust National Association, as Depositary

Barclays Capital Inc., as a Dealer
Banc of America Securities LLC, as a Dealer
Banc One Capital Markets, Inc., as a Dealer

Moody's Investors Service, Inc., as Rating Agency
Standard & Poor's Ratings Services, a Division of
The McGraw-Hill Companies, Inc., as Rating Agency

Annex A

The anti-dumping order imposed by the United States Department of Commerce on August 30, 1990, pursuant to which subsidiaries of CEMEX that import cement from the United Mexican States must make cash deposits with the United States Customs Service to guarantee the eventual payment of anti-dumping duties, and the related reviews.

Annex B

Applicable Contracts

1. Indenture, dated as of July 22, 1996, among CEMEX, as issuer, TOLMEX, S.A. de C.V. ("TOLMEX"), Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca de Mexico"), Cemento Portland Nacional, S.A. de C.V. ("CPN"), Cementos Monterrey, S.A. de C.V. ("Monterrey"), Cementos Mexicanos, S.A. de C.V. ("Mexicanos"), Grupo Empresarial Maya, S.A. de C.V. ("GEMSA") and Cementos Maya, S.A. ("Maya"), as guarantors, and First Trust of New York, National Association, as trustee, relating to the issuance of U.S. \$300 million aggregate principal amount of 123/4% Notes due July 15, 2006 of CEMEX (the "123/4 % Notes"), as supplemented by the First Supplemental Indenture to such Indenture, dated as of December 31, 1998 among CEMEX, as issuer, TOLMEX and Mexicanos, as continuing guarantors, CPN (as continuing guarantor and successor to Maya), CEMEX Control, S.A. de C.V. ("CEMEX Control") (as successor guarantor to GEMSA and Monterrey), Serto Construcciones, S.A. de C.V. ("Serto") (as successor guarantor to Empresas Tolteca de Mexico), and U.S. Bank Trust National Association ("U.S. Bank") (formerly First Trust of New York, National Association), as trustee (the "123/4% Notes Trustee"), and as supplemented by the Second Supplemental Indenture to such Indenture, dated as of April 3, 2002, among CEMEX, as issuer, CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") (formerly, Serto and successor by merger to TOLMEX, Empresas Tolteca de Mexico, CPN, Cementos Mexicanos and Maya) and Empresas Tolteca de Mexico S.A. de C.V. ("Empresas Tolteca") (formerly CEMEX Control and successor by merger to Monterrey and GEMSA), as guarantors, and the 123/4% Notes Trustee.

2. Purchase and Guarantee Indenture, dated as of May 14, 1998, among CEMEX International Capital LLC ("LLC"), as capital securities issuer, CEMEX, as capital securities purchaser, Compania Valenciana de Cementos Portland, S.A. ("Valenciana"), as capital securities guarantor and TOLMEX, Empresas Tolteca de Mexico, CPN, Monterrey, Mexicanos, GEMSA and Maya, as purchase guarantors, to The Bank of New York, as capital trustee (the "Capital Trustee"), relating to U.S. \$250 million principal amount of LLC's 9.66% Putable Capital Securities (the "9.66% Putable Capital Securities") issued by LLC, as supplemented by the First Supplemental Indenture to such Indenture, dated as of April 3, 2002, among LLC, as capital securities issuer, CEMEX, as capital securities purchaser, Valenciana, as capital securities guarantor and CEMEX Mexico (formerly Serto and successor by merger to TOLMEX, Empresas Tolteca de Mexico, CPN, Mexicanos and Maya) and Empresas Tolteca (formerly CEMEX Control and successor by merger to Monterrey and GEMSA), as purchase guarantors, and the Capital Trustee.
3. Indenture, dated as of October 1, 1999, among CEMEX, as issuer, TOLMEX, Serto, CPN, Cemex Control and Mexicanos, as guarantors, and U.S. Bank Trust National Association, as trustee (the "9.625% Notes Trustee"), relating to the issuance of U.S. \$200 million aggregate principal amount of 9.625% Notes due October 1, 2009 of CEMEX (the "9.625% Notes"), as supplemented by the First Supplemental Indenture to such Indenture, dated April 17, 2002, among CEMEX, as issuer, CEMEX Mexico (formerly Serto, and successor by merger to TOLMEX, CPN and Mexicanos) and Empresas Tolteca (formerly CEMEX Control), as guarantors, and the 9.625% Notes Trustee.
4. Credit Agreement, dated as of June 11, 2001, by and among, CEMEX, as borrower, Bank of America, N.A., as administrative agent, J.P. Morgan Securities Inc., as documentation agent, Bank of America Securities LLC and J.P. Morgan Securities Inc., as co-syndication agents, joint lead arrangers and joint bookrunners, and the several banks and other financial institutions named therein, as lenders, for an aggregate principal amount of U.S.\$600,000,000.

The guarantee referred to in Item 1 is governed by Mexican law and the purchase guarantee referred to in Item 2 is governed by Mexican law.

Annex C

CEMEX, S.A. DE C.V.
Officer's Certificate
August 8, 2003

I, Rodrigo Trevino, am the duly elected, qualified and acting Chief Financial Officer of CEMEX, S.A. de C.V. ("CEMEX"), a corporation organized under the laws of the United Mexican States ("Mexico"), and the principal financial officer (referred to herein as the "Chief Financial Officer") of its subsidiaries CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico"), a corporation organized under the laws of Mexico, and Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca"), a corporation organized under the laws of Mexico. I understand that pursuant to Section 6.01(d) of the First Amended and Restated Reimbursement and Credit Agreement (the "Reimbursement Agreement"), dated as of the date hereof, among CEMEX, as Issuer, CEMEX Mexico, as Guarantor, Empresas Tolteca, as Guarantor, Barclays Bank PLC, New York Branch, as Issuing Bank, Documentation Agent and Administrative Agent and the several lenders party thereto, and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Arranger and Banc of America Securities LLC as Joint Arranger and Syndication Agent, Skadden, Arps, Slate, Meagher & Flom LLP ("SASM&F") is rendering an opinion (the "Opinion") to the Administrative Agent, the Issuing Bank and the persons listed on Schedule I to the Opinion. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to those terms in the Opinion. I further understand that SASM&F is relying on this officer's certificate and the statements made herein in rendering such Opinion.

With regard to the foregoing, on behalf of the Obligors, I hereby certify that:

1. I am familiar with the business of the Obligors and their

subsidiaries and due inquiry has been made of all persons deemed necessary or appropriate to verify or confirm the statements contained herein.

2. SASM&F may rely on the respective representations and warranties that the Obligor has made in the Reimbursement Agreement, each of the other Transaction Documents and each of the certificates delivered pursuant thereto. I have made a careful review of each of such representations and warranties and hereby confirm, to the best of my knowledge and belief, that such representations and warranties are true, correct and complete on and as of the date of this certificate.

3. The execution and delivery by each Obligor of the Transaction Documents to which it is a party and the performance by the Obligor of their respective obligations thereunder, each in accordance with its terms, do not (i) constitute a violation of, or a default under, any agreement or instrument to which any of the Obligor is a party or by which any of the Obligor is bound or (ii) cause the creation of any security interest upon any of the property of the Obligor pursuant to any agreement or instrument to which any of the Obligor is a party or by which any of the Obligor is bound.

4. Less than twenty-five percent (25%) of the assets of each Obligor and its subsidiaries on a consolidated basis and on an unconsolidated basis consist of Margin Stock.

5. Each Obligor is primarily engaged directly, or indirectly through Majority-Owned Subsidiaries, in the business of producing, distributing, marketing and selling cement, ready-mix concrete and clinker; and each Obligor (i) is not and does not hold itself out as being engaged primarily, nor does it propose to engage primarily, in the business of investing, reinvesting or trading in Securities, (ii) has not and is not engaged in, and does not propose to engage in, the business of issuing Face-Amount Certificates of the Installment Type and has no such certificate outstanding and (iii) does not own or propose to acquire Investment Securities having a Value exceeding forty percent (40%) of the Value of the total assets of each Obligor (exclusive of Government Securities and cash items) on an unconsolidated basis.

6. Each Obligor does not own or operate facilities used for the generation, transmission, or distribution of electric energy for sale ("Electric Utility Facilities").

7. Each Obligor does not own or operate facilities used for the distribution of natural or manufactured gas for heat, light, or power ("Gas Utility Facilities").

8. None of the Obligor or any of their subsidiaries, directly or indirectly, or through one or more intermediary Companies, owns, controls, or holds with power to vote (a) ten percent (10%) or more of the outstanding Voting Securities of any Company that owns or operates any Electric Utility Facilities or Gas Utility Facilities, or (b) any other interest, directly or indirectly, or through one or more intermediary entities, in (i) any Company that owns or operates any Electric Utility Facilities or Gas Utility Facilities, or (ii) any of the foregoing types of entities that have received notice of the sort described in paragraph 9 below.

9. None of the Obligor or any of their subsidiaries has received notice that the Securities and Exchange Commission has determined, or may determine, that any Obligor or any of its subsidiaries exercises a controlling influence over the management or direction of the policies of a gas utility company or an electric utility company as to make it subject to the obligations, duties and liabilities imposed on holding companies by the Public Utility Holding Company Act of 1935, as amended ("PUHCA").

10. To the best of my knowledge, no Company that has registered with the Securities and Exchange Commission as a public utility holding company under PUHCA owns, directly or indirectly, through one or more intermediary entities, ten percent (10%) or more of the outstanding Voting Securities (as defined below) of any Obligor.

11. As used in paragraph 4 of this certificate, the following term shall have the following meaning:

"Margin Stock" means: (i) any equity security registered or having unlisted trading privileges on a national securities exchange; (ii) any OTC security designated as qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission;

(iii) any debt security convertible into a margin stock or carrying a warrant or right to subscribe to or purchase a margin stock; (iv) any warrant or right to subscribe to or purchase a margin stock; or (v) any security issued by an investment company registered under Section 8 of the Investment Company Act of 1940.

12. As used in paragraphs 5 and 12 of this certificate, the following terms shall have the following meanings:

"Exempt Fund" means a company that is excluded from treatment as an investment company solely by section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940 (applicable to certain privately offered investment funds).

"Face-Amount Certificate of the Installment Type" means any certificate, investment contract, or other Security that represents an obligation on the part of its issuer to pay a stated or determinable sum or sums at a fixed or determinable date or dates more than 24 months after the date of issuance, in consideration of the payment of periodic installments of a stated or determinable amount.

"Government Securities" means all Securities issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

"Investment Securities" includes all Securities except (A) Government Securities, (B) Securities issued by companies the only shareholders in which are employees and former employees of a company and its subsidiaries, members of the families of such persons and the company and its subsidiaries and (C) Securities issued by Majority-Owned Subsidiaries of the Borrower which are not engaged and do not propose to be engaged in activities within the scope of clause (i), (ii) or (iii) of paragraph 6 of this Certificate or which are exempted or excepted from treatment as an investment company by statute, rule or governmental order (other than Exempt Funds).

"Majority-Owned Subsidiary" of a person means a company fifty percent (50%) or more of the outstanding Voting Securities of which are owned by such person, or by a company which, within the meaning of this paragraph, is a Majority-Owned Subsidiary of such person.

"Security" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

"Value" means (i) with respect to Securities owned at the end of the last preceding fiscal quarter for which market quotations are readily available, the market value at the end of such quarter; (ii) with respect to other Securities and assets owned at the end of the last preceding fiscal quarter, fair value at the end of such quarter, as determined in good faith by or under the direction of the board of directors; and (iii) with respect to securities and other assets acquired after the end of the last preceding fiscal quarter, the cost thereof.

"Voting Security" means any security presently entitling the owner or holder thereof to vote for the election of directors of a company (or its equivalent, e.g., general partner or manager of a limited liability company).

13. As used in paragraphs 8, 10 and 13 of this certificate, the following terms shall have the following meanings:

"Company" means a corporation, limited liability company, partnership, association, joint-stock company, joint venture, trust, or any

receiver, trustee, or other liquidating agent of any of the foregoing in its capacity as such.

"Security" or "Securities" means any note, draft, stock, treasury stock, bond, debenture, limited liability company interest, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, other mineral royalty or lease, any collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, receiver's or trustee's certificate, or, in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, assumption of liability on, or warrant or right to subscribe to or purchase, any of the foregoing.

"Voting Security" or "Voting Securities" means any Security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a Company, or any Security issued under or pursuant to any trust, agreement, or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such Security are presently entitled to vote in the direction or management of the affairs of a Company; and a specified per centum of the outstanding Voting Securities of a Company means such amount of the outstanding Voting Securities of such Company as entitles the holder or holders thereof to cast said specified per centum of the aggregate votes which the holders of all the outstanding Voting Securities of such Company are entitled to cast in the direction or management of the affairs of such Company.

14. No Obligor is organized and existing under the laws of the United States of America.

IN WITNESS THEREOF, I have executed this certificate on the date first mentioned above.

Name: Rodrigo Trevino
Title: Chief Financial Officer

Annex D

CEMEX, S.A. DE C.V.
Officer's Certificate
August 8, 2003

I, Ramiro Villarreal, am the duly elected, qualified and acting General Counsel of CEMEX, S.A. de C.V. ("CEMEX" or the "Company"), a corporation organized under the laws of the United Mexican States a corporation organized under the laws of the United Mexican States ("Mexico"), and its subsidiaries CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico"), a corporation organized under the laws of Mexico, and Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca"), a corporation organized under the laws of Mexico. I understand that pursuant to Section 6.01(d) of the First Amended and Restated Reimbursement and Credit Agreement (the "Reimbursement Agreement"), dated as of the date hereof, among CEMEX, as Issuer, CEMEX Mexico, as Guarantor, Empresas Tolteca, as Guarantor, Barclays Bank PLC, New York Branch, as Issuing Bank, Documentation Agent and Administrative Agent and the several lenders party thereto, and Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Arranger and Banc of America Securities LLC as Joint Arranger and Syndication Agent, Skadden, Arps, Slate, Meagher & Flom LLP ("SASM&F") is rendering an opinion (the "Opinion") to the Administrative Agent, the Issuing Bank and the persons listed on Schedule I to the Opinion. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to those terms in the Opinion. I further understand that SASM&F is relying on this officer's certificate and the statements made herein in rendering such Opinion.

With regard to the foregoing, on behalf of the Obligors, I hereby

certify that the following is a complete and accurate list of those orders and decrees of any governmental authority of the State of New York and the United States of America by which the Obligor are bound that are material to the business or financial condition of the Obligor, taken as a whole:

The anti-dumping order imposed by the United States Department of Commerce on August 30, 1990, pursuant to which subsidiaries of CEMEX that import cement from the United Mexican States must make cash deposits with the United States Customs Service to guarantee the eventual payment of anti-dumping duties, and the related reviews.

IN WITNESS THEREOF, I have executed this certificate on the date first mentioned above.

Name: Ramiro Villarreal
Title: General Counsel

EXHIBIT H

FORM OF OPINION OF MEXICAN COUNSEL
TO THE ISSUER AND THE GUARANTORS

August 8, 2003

To the persons listed to Schedule I hereto

Re: CEMEX, S.A. de C.V. - US\$400,000,000
Commercial Paper Program

Ladies and Gentlemen:

I am general counsel for CEMEX, S.A. de C.V. (the "Issuer") and have responsibility for the legal affairs of the Issuer in connection with the First Amended and Restated Reimbursement and Credit Agreement (the "Reimbursement Agreement") dated as of the date hereof among the Issuer, Barclays Bank PLC, New York Branch, as Issuing Bank, Documentation Agent and Administrative Agent, the Lenders listed on the signature pages thereof, Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Arranger, Banc of America Securities LLC, as Joint Arranger and Syndication Agent, and CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") and Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca") as Guarantors, and the Depositary Agreement dated as of the date hereof among the Issuer, the Issuing Bank, U.S. Bank Trust National Association, as Depositary, and the Administrative Agent (the "Depositary Agreement"). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed thereto in the Reimbursement Agreement. This opinion is being rendered to you pursuant to Section 6.01(d) of the Reimbursement Agreement. For purposes of this opinion, CEMEX Mexico and Empresas Tolteca are collectively referred to as the "Guarantors."

In rendering the opinions set forth herein, I have examined and relied on originals or copies of the following:

- (a) the Reimbursement Agreement;
- (b) the Dealer Agreements;
- (c) the Depositary Agreement;
- (d) the forms of the Notes attached as Exhibit B to the Reimbursement Agreement; and
- (e) the Commercial Paper Notes.

In addition, I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

The opinions set forth below relate only to the laws of the United Mexican States ("Mexico") as in force as of the date hereof. Insofar as the opinions expressed below relate to matters that are governed by laws other than the laws of Mexico, I have assumed the correctness of, and have not made independent examination of matters covered by, and my opinion is in all respect subject to, the opinions of Skadden, Arps, Slate, Meagher & Flom LLP, special U.S. counsel to the Issuer and the Guarantors, and my opinions are subject to the assumptions, qualifications and limitations set forth therein.

Upon the basis of, and subject to, the foregoing qualifications and the limitations set forth herein, I am of the opinion that:

1. The Issuer and the Guarantors are corporations, sociedades anonimas de capital variable, duly organized and validly existing under the laws of Mexico; the Issuer and the Guarantors have all powers and all material governmental licenses, authorizations, consents and approvals required to conduct their respective business as now conducted; the Issuer and the Guarantors have full power, authority and legal right to execute and deliver the Transaction Documents to which each of them is a party, and to perform and observe the terms and provisions thereof; and the Reimbursement Agreement, the Depositary Agreement and the Dealer Agreements have been duly executed and delivered by the Issuer and the Guarantors, as applicable, and constitute, and the Notes, when completed, executed and delivered pursuant to the Reimbursement Agreement, and the Commercial Paper Notes, when completed, executed and delivered pursuant to the Reimbursement Agreement and each Dealer Agreement, will constitute, valid and binding obligations of the Issuer and of the Guarantors, as applicable, enforceable in accordance with their respective terms, except to the extent that enforcement may be limited by (i) concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

2. The execution, delivery and performance by the Issuer and the Guarantors of the Transaction Documents to which each of them is a party have been duly authorized by all necessary action for the Issuer and for the Guarantors, as applicable, and do not and will not violate the provisions of any applicable law, decree or regulation of Mexico (or of any political subdivision thereof) or any order of any court, regulatory body or arbitral tribunal or of their respective estatutos sociales or other governing documents of the Issuer and of the Guarantors and do not and will not result in the breach of, or constitute a default under, or require any consent under, or result in or require the imposition of any Lien on any of their respective present or future revenues or properties under, any agreement, instrument or other document to which the Issuer and each Guarantor is a party or by which the Issuer and the Guarantors or any of their respective assets may be bound or affected, except for any breach or default the occurrence of which, or any consent the failure of which to be obtained, or any Lien the imposition of which, would not have a Material Adverse Effect.

3. Except for the authorization for the registration of the Commercial Paper Notes with the Special Section of the Registro Nacional de Valores of the Comision Nacional Bancaria y de Valores which has been obtained, no consents, approvals, licenses or authorizations of, or filings or registrations with, any governmental body or regulatory or supervisory authority or agency (including without limitation any foreign exchange approvals or licenses relating to the repayment, purchase, sales or transfer out of Mexico of United States dollars immediately available at the place of payment) are required under applicable law, decree or regulations for the execution, delivery or performance by the Issuer and the Guarantors of the Transaction Documents to which the Issuer and each Guarantor is a party (including without limitation payment of the Notes upon acceleration of the due date thereof).

4. The Transaction Documents to which the Issuer and each Guarantor is a party are in proper legal form under the laws of Mexico for the enforcement thereof against the Issuer and each Guarantor, as applicable, in Mexico, and there are no fees that should be paid, and no registration, notarization or other formalities required to be accomplished, for the validity and enforceability of such Transaction Documents, provided that, in the event any legal proceedings are brought in any court of Mexico, a Spanish translation of any of such Transaction Documents prepared by a court-approved translator would have to be approved by such court after the defendant has been given an opportunity for a hearing as to the accuracy of the translation, and proceedings thereafter would be based upon such translation. The Notes in the form provided for in the Reimbursement Agreement would be construed as a "credit instrument" in Mexico and executory action (summary proceedings) would be available for the enforcement thereof except to the extent that enforcement may be limited by (i) concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

5. Any suit, action or proceeding with respect to any of the Transaction Documents to which the Issuer and/or each Guarantor is a party may be brought against, the Issuer and/or each Guarantor, as applicable, in any court of Mexico specified in such documents.

6. The Issuer and each Guarantor is subject to commercial law with respect to their respective obligations under the Transaction Documents to which each of them is a party, and the execution, delivery and performance by the Issuer and the Guarantors of such Transaction Documents constitute private and commercial acts rather than public or governmental acts; and neither the Issuer nor the Guarantors nor any of their respective properties is entitled to any right of immunity from suit, court jurisdiction, judgment, attachment (whether before or after judgment), set-off or execution with respect to the Issuer's and the Guarantors' respective obligations under any of such Transaction Documents.

7. The Issuer's and the Guarantors' submission to the jurisdiction of the United States District Court for the Southern District of New York and any New York State court located in the Borough of Manhattan in New York City (collectively, the "New York Courts") provided for in Section 16.11 of the Reimbursement Agreement is valid and enforceable under the laws of Mexico.

8. The appointment of the Process Agent as the Issuer's and the Guarantors' agent for service of process in New York has been duly authorized, executed and delivered, and acceptance by the Process Agent pursuant thereto would constitute personal service upon the Issuer and the Guarantors under Mexican law.

9. The Issuer is permitted to make all payments of principal, interest and fees under the Reimbursement Agreement and under the Notes free and clear of and without deduction or withholding for or on account of any taxes, except that under current Mexican laws and regulations, payments of interest and fees in respect of the Reimbursement Agreement and the Notes are subject to withholding of Mexican tax at a rate of 4.9%; the Reimbursement Agreement and the Notes are not subject to any stamp or documentary tax or other similar charge imposed by any governmental agency having jurisdiction over the Issuer, including but not limited to any registration or stamp tax of Mexico or any political subdivision or taxing authority thereof or therein, in connection with the execution issuance, delivery, performance, enforcement or introduction into evidence in a court of Mexico of the Transaction Documents.

10. The choice of New York law to govern the Transaction Documents (except in connection with any legal action or proceeding (other than an action to enforce a judgment obtained in another jurisdiction) brought by any holder of a Note in the Courts in the Federal District of Mexico or Monterrey, Nuevo Leon, in which event the Notes would be governed by the laws of Mexico) is, under the laws

of Mexico, a valid and effective choice of law. The Notes when executed and delivered pursuant to the Reimbursement Agreement, and the Commercial Paper Notes, when executed and delivered pursuant to the Reimbursement Agreement and each Dealer Agreement, will constitute valid and binding obligations of the Issuer, under Mexican law, and none of the terms thereof violates Mexican law or public policy or international treaties binding in Mexico.

11. To the best of my knowledge, except for those matters previously disclosed to you in the Material Litigation Schedule to the Reimbursement Agreement, there is no action, suit or proceeding at law, or in equity or by or before any court, governmental agency or authority or arbitral tribunal now pending or threatened against or affecting the Issuer or any assets of the Issuer, which, if adversely determined, would materially and adversely affect the business, consolidated results of operations or consolidated financial condition of the Issuer, or would impair its ability to perform, or affect the validity or enforceability of, its respective obligations under the Transaction Documents to which it is a party.

12. The Obligations of the Issuer and each Guarantor under the Transaction Documents to which each of them is a party do rank and, under current law, will rank at least *pari passu* in priority of payment and in all other respects with all other unsecured and unsubordinated Debt of the Issuer and of the Guarantors, respectively.

13. It is not necessary under the laws of Mexico: (i) to enable any of the Administrative Agent, the Depositary, the Joint Arrangers, the Joint Book-runners, the Issuing Bank or any Lender, or the Dealers to enforce its respective rights or (ii) by reason of their enforcement, that any of them should be licensed, qualified or entitled to carry on business in Mexico. None of the Administrative Agent, the Depositary, the Joint Arrangers, the Joint Book-runners, the Issuing Bank or any Lender or the Dealers will be deemed resident, domiciled, carrying on a business or subject to taxation in Mexico solely by reason of its respective enforcement of the Reimbursement Agreement or any other Transaction Document.

14. Each of the Issuer's corporate Subsidiaries is a corporation validly existing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

15. A final judgment obtained against the Issuer and/or each Guarantor, as applicable and their respective assets situated in Mexico in a New York Court would be recognized and enforced by the courts of Mexico, and execution against such assets to satisfy a judgment could be obtained in Mexico, without re-examination of the issues pursuant to Articles 569 and 571 of the Mexican Federal Code of Civil Procedure and Article 1347A of the Mexican Commerce Code, which provide, *inter alia*, that any judgment rendered outside of Mexico may be enforced by Mexican Courts, provided that:

- (i) such judgment is obtained in compliance with (a) all legal requirements of the jurisdiction of the court rendering such judgment, (b) all legal requirements of each of the Transaction Documents, as the case may be, and (c) formalities established pursuant to applicable international treaties;
- (ii) such judgment is final, non-appealable and authenticated by the appropriate governmental authorities, and is strictly for the payment of a certain sum of money, provided that, under Mexican Monetary Law, payments that should be made in Mexico in foreign currency, whether by agreement or upon a judgment of a Mexican Court, may be discharged in Mexican currency at a rate of exchange for such currency prevailing at the time of payment;
- (iii) the court rendering such judgment is competent to render such judgment in accordance with applicable rules under international law, and such rules are compatible with the rules adopted under the Mexican Code of Commerce;

- (iv) service of process was made personally on the Issuer, or on each Guarantor, as applicable, or on an appropriate process agent of the Issuer or of the Guarantors, as applicable;
- (v) such judgment does not contravene Mexican public policy or laws;
- (vi) the applicable procedure under the laws of Mexico with respect to the enforcement for foreign judgments (including the issuance of a letter rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) is complied with;
- (vii) the courts of such jurisdiction recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction; and
- (viii) the cause of action in connection with which such judgment is rendered is not the same cause of action that is pending before a Mexican court in a proceeding in which (a) process has been duly served in accordance with Mexican law or (b) a letter rogatory has been delivered to the competent authorities in accordance with Mexican law.

I express no opinion in connection with Section 16.14 (Judgment Currency) of the Reimbursement Agreement. It should be noted that a judgment rendered by the courts of Mexico may be expressed and enforced in a foreign currency; however, payment obligations of the Issuer arising out of an action to enforce such a judgment may be discharged in Mexico in Mexican pesos at a rate of exchange in effect at the date and place where payment is made.

The opinions set forth herein as regards the binding nature and enforceability of the obligations of the Issuer and of the Guarantors, as applicable, under the Transaction Documents are subject to all limitations arising from concurso mercantil, bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally. I express no opinion as to any provision in the Transaction Documents which would result in modifications that would aggravate the terms and conditions of the obligations of the Issuer and of the Guarantors in the event of the filing of a petition or suit for bankruptcy (concurso mercantil), or in the event of declaration thereof, as provided by article 87 of the Mexican bankruptcy law (Ley Federal De Concursos Mercantiles).

This letter is furnished only to you in connection with the closing under the Reimbursement Agreement and is solely for your benefit. Without my prior written consent, this letter may not be used or relied upon by, or assigned to, any other person for any purpose, except that Skadden, Arps, Slate, Meagher & Flom LLP may rely upon this opinion as to matters of the laws of Mexico in rendering their opinion in connection with the Reimbursement Agreement. This letter is not to be circulated, quoted or otherwise referred to for any other purpose without my prior written consent, except to the extent that the ability to circulate, quote or refer to this letter is necessary so that the transactions contemplated by the Transaction Documents are not treated as a "confidential transaction" within the meaning of Treasury Regulations section 1.6011-4(b)(3)d.

Very truly yours,

Ramiro Villarreal

FORM OF STAND-BY LETTER OF CREDIT

[THIS IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ IS ONE OF THE STANDBY LETTERS OF CREDIT REFERRED TO IN THE TERMS OF THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED August 8, 2003 AMONG CEMEX, S.A. DE C.V., CEMEX MEXICO S.A. DE C.V., EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., BARCLAYS BANK PLC NEW YORK BRANCH, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, BANC OF AMERICA SECURITIES LLC, AND THE SEVERAL LENDERS PARTY THERETO.]*

Date: [_____]

To:
[name and address of Beneficiary] (the "Beneficiary")
Attn. _____
[Telex No./ Swift No./ Facsimile No.]

Ladies and Gentlemen:

We hereby establish our irrevocable standby letter of credit No. _____ by order of our client CEMEX, S.A. de C.V. (the "Company") in your favor for an aggregate amount not in excess of U.S.\$[_____]** (as reduced from time to time in accordance with the terms of this letter of credit, the "Stated Amount") expiring on [_____]***(the "Letter of Credit").

Drawings under this Letter of Credit are unconditionally available to you against presentation of the certificate in the form attached hereto as Annex I (each, a "Drawing Certificate") appropriately completed and purportedly signed by you. Each Drawing Certificate presented hereunder shall be dated the date of presentation and may be presented to us either in writing delivered to us at [address (in New York)] or in writing transmitted to us by facsimile telecopy at [fax number (in New York)] accompanied by the Beneficiary's letter containing (i) instructions relative to the remitting of funds to their account, and a name and (ii) a phone number of a call back party, such party being someone other than the sender of such facsimile, for verification purposes only, and (iii) a statement that the original of such Drawing Certificate and the instructions referred in (i) above are to subsequently follow by overnight delivery service to us in the address indicated herein (the "Drawing Documents").

* Optional

** must have a minimum stated amount equal to U.S.\$3,000,000.

*** must expire on the earlier of 360 days after the date of issuance or [insert date that is five business days prior to stated termination date].

We hereby agree with you that if any Drawing Documents are presented under this Letter of Credit at or prior to 11:00 am (New York time), on a business day, and provided that such documents presented conform with the terms and conditions of this Letter of Credit, payment shall be effected by us in immediately available funds by the close of business on such business day. If any Drawing Documents are presented under this Letter of Credit after 11:00 am (New York time), on a business day, and provided that such documents conform with the terms and conditions of this Letter of Credit, payment shall be effected by us in immediately available funds on the following business day. The Beneficiary must notify such presentation of documents to the Issuing Bank upon dispatch, by calling the telephone number [_____] or [_____]. As used in this Letter of Credit, "Business Day" shall mean any day other than a Saturday or Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to close.

Partial and multiple drawings are permitted, provided however that the Stated Amount available under this Letter of Credit shall be reduced immediately following our payment of any drawing hereunder in the amount equal to the amount to such drawing. No payment hereunder shall exceed the Stated Amount.

Upon the payment to you or to your account of the amount in respect of a drawing hereunder, we shall be fully discharged of our obligation under this Letter of Credit with respect to such drawing, and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such drawing to you or any other person. By paying to you an amount demanded in accordance herewith, we make no representation as to the correctness of the amount demanded, and we shall not be liable to you or to any other person for or in respect of any amount so paid or disbursed for any reason whatsoever, including any non-application or misapplication by you of the proceeds of such payment or disbursement.

This letter of credit may not be assigned, except that you may by written letter of assignment to us in the form of Annex II, assign all of your rights and obligations under this Letter of Credit to any assignee identified in such certification. [This letter of credit may be transferred.]/[This Letter of Credit may not be transferred]*

All bank charges and commissions incurred by the issuer of this Letter of Credit in connection with the issuance or administration of this Letter of Credit (including any drawing hereunder) shall be for the account of the Company.

All payments under this Letter of Credit shall be in United States dollars, regardless of the currency in which the obligations to the Beneficiary referred to in the Drawing Certificate are denominated, in the account indicated by the Beneficiary in the Drawing Documents.

This Letter of Credit is subject to the international standby practice, International Chamber of Commerce (ICC) publication No. 590 ("ISP98") and as to matters not addressed by the ISP98 shall be governed by and construed in accordance with the laws of the state of New York (including without limitation, Article 5 of the Uniform Commercial Code of the State of New York).

All communication regarding this Letter of Credit should be addressed to: [Issuing bank address], attention _____, department _____. The number and the date of this letter of credit and the name of our bank must be quoted in all communications.

Very truly yours,

[Full name of L/C Issuing Bank]

By: [authorized signatory]
Name:
Title:

* Insert Appropriate Language

Annex I

ATTACHMENT TO FORM OF STAND-BY LETTER OF CREDIT
ISSUED BY (NAME OF ISSUING BANK)

FORM OF DRAWING CERTIFICATE

Date: _____

Ref. _____

To:
[Name of L/C Issuing Bank]
[address]
Attn. _____
[Telex No./ Swift No./ Facsimile No.]

Ladies and Gentlemen:

Reference is made to irrevocable standby letter of credit No. _____ dated _____ (the "Letter of Credit") issued by order and for account of _____ (the "Company")

The undersigned, a duly authorized representative of _____ (the "Beneficiary"), hereby certifies that:

1. The Beneficiary is the Beneficiary of the Letter of Credit.
2. We are hereby drawing in the amount of _____ because _____ has failed to fulfill its payment obligations to _____ in accordance with the terms of the _____ agreement between _____ and _____ dated as of _____. The amount being drawn does not exceed that amount which the Beneficiary is entitled to draw under the Letter of Credit.

In witness whereof, the undersigned has executed this certificate on _____.

Very truly yours,

[Full name of the Beneficiary]

By: [authorized signatory]

Name:

Title:

Annex II

LETTER OF ASSIGNMENT

Date: _____

Ref. [The Letter of Credit]

To:

[Name of L/C Issuing Bank]

[address]

Attn. _____

[Telex No./ Swift No./ Facsimile No.]

Letter of Credit No. _____ (the "Letter of Credit")

Issued by:

With reference to the Letter of Credit which you have issued to us, "out of the proceeds due under the Letter of Credit (or from any payment of proceeds you at any time may make under or in relation to the Letter of Credit), we hereby irrevocably authorize and direct you to pay the sum of:

Words _____ Figures _____

To: Name: _____

Address: _____

pursuant to an assignment agreement which we have entered into with them.

In the event of part payments becoming due, please give effect to these instructions by paying the Assignees named above:

- o The full amount of all drawings until the sum mentioned above has been fully discharged.
- o Per cent of any drawing (but all payments when added together must not exceed the amount of this assignment).

** Please delete and initial the instruction which does not apply.

You are hereby authorized also to communicate such information to the Assignee relating to the Letter of Credit or our performance of the conditions thereof as you may in your absolute discretion determine.

Please send to the Assignee a copy of this Notice of Assignment which is given pursuant to International chamber of Commerce (ICC) Publication No. 590

("ISP98"), to which the above Credit is subject.

For and on behalf of

Authorized Signature

=====
To be completed by Beneficiary's bankers:

We hereby confirm the authenticity of who is/are authorized to commit the Company to this Assignment.

(Bankers)

EXHIBIT I-2

FORM OF STAND-BY LETTER OF CREDIT

[THIS IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ IS ONE OF THE STANDBY LETTERS OF CREDIT REFERRED TO IN THE FIRST AMENDED AND RESTATED REIMBURSEMENT AND CREDIT AGREEMENT, DATED AUGUST 8, 2003 AMONG CEMEX, S.A. DE C.V., CEMEX MEXICO S.A. DE C.V., EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., BARCLAYS BANK PLC NEW YORK BRANCH, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, BANC OF AMERICA SECURITIES LLC, AND THE SEVERAL LENDERS PARTY THERETO.]*

Date: [_____]

To:
[name and address of Beneficiary]
Attn. _____
[Telex No./ Swift No./ Facsimile No.]

Ladies and Gentlemen:

We hereby establish our irrevocable standby letter of credit No. _____ [in support of obligations of _____]** by order of our client CEMEX, S.A. de C.V. (the "Company") in favor of you, [name of beneficiary] (the "Beneficiary") for an aggregate amount not in excess of U.S.\$[_____]*** (as reduced from time to time in accordance with the terms of this letter of credit, the "Stated Amount") expiring on [_____]**** (the "The Letter of Credit").

Drawings under this Letter of Credit are unconditionally available to the Beneficiary against presentation of the certificate in the form attached hereto as Annex I (each, a "Drawing Certificate") appropriately completed and purportedly signed by the Beneficiary. Each Drawing Certificate presented hereunder shall be dated the date of presentation and may be presented to us either in writing delivered to us at [address (in New York)] or in writing transmitted to us by facsimile telecopy at [fax number (in New York)].

We hereby agree with you that if any Drawing Certificate is presented under this Letter of Credit at or prior to 11:00 am (New York time), on a Business Day, and provided that such Drawing Certificate presented conforms with the terms and conditions of this Letter of Credit, payment shall be effected by us in same day funds by the close of business on such Business Day. If any Drawing Certificate is presented under this Letter of Credit after 11:00 am (New York time), on a Business Day, and provided that such documents conform with the terms and conditions of this Letter of Credit, payment shall be effected by us in immediately available funds on the following Business

Day. The Beneficiary must notify the Issuing Bank of the presentation of the Drawing Certificate by calling the telephone number [_____] or [_____]. As used in this Letter of Credit, "Business Day" shall mean any day other than a Saturday or Sunday or a day on which banking institutions in the State of New York are authorized or required by law to close.

-
- * Optional.
 - ** Optional.
 - *** must have a minimum stated amount equal to U.S.\$3,000,000.
 - **** must expire on the earlier of 360 days after the date of issuance or [insert date that is five business days prior to stated termination date].

Partial and multiple drawings are permitted, provided however that the Stated Amount available under this Letter of Credit shall be reduced immediately following our payment of any drawing hereunder in the amount equal to the amount to such drawing. No payment hereunder shall exceed the Stated Amount.

Upon the payment to you or to your account of the amount in respect of a drawing hereunder, we shall be fully discharged of our obligation under this Letter of Credit with respect to the amount of such drawing, and we shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such drawing to you or any other person. By paying to you the amount demanded in accordance herewith, we make no representation as to the correctness of the amount demanded, and we shall not be liable to you or to any other person for, or in respect of any amount so paid or disbursed for any reason whatsoever, including any non-application or misapplication by you of the proceeds of such payment or disbursement.

This Letter of Credit may not be assigned, except that you may by written assignment of proceeds to us in the form of Annex II, assign your rights and obligations under this Letter of Credit to any assignee identified in such certification. [This Letter of Credit may be transferred]/ [This Letter of Credit may not be transferred]*

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any other document, instrument or agreement, except only the Drawing Certificate; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

All bank charges and commissions incurred by the issuer of this Letter of Credit in connection with the issuance or administration of this Letter of Credit (including any drawing hereunder) shall be the responsibility of the Company.

All payments under this Letter of Credit shall be in United States dollars, regardless of the currency in which the obligations to the Beneficiary referred to in the Drawing Certificate are denominated, in the account indicated by the Beneficiary in the Drawing Certificate.

This Letter of Credit is subject to the international standby practice, International Chamber of Commerce (ICC) publication No. 590 ("ISP98") and as to matters not addressed by the ISP98 shall be governed by and construed in accordance with the laws of the state of New York (including without limitation, Article 5 of the Uniform Commercial Code of the State of New York).

All communication regarding this Letter of Credit should be addressed to: [Issuing bank address], attention_____, department_____. The number and the date of this Letter of Credit and the name of our bank must be quoted in all communications.

Very truly yours,

[Full name of L/C Issuing Bank]

By: [authorized signatory]
Name:
Title:

* Insert Appropriate Language

Annex I

ATTACHMENT TO FORM OF STAND-BY LETTER OF CREDIT
ISSUED BY (NAME OF ISSUING BANK)

FORM OF DRAWING CERTIFICATE

Date: _____

Ref. _____

To:
[Name of L/C Issuing Bank]
[address]
Attn. _____
[Swift No./ Facsimile No.]

Ladies and Gentlemen:

Reference is made to irrevocable standby letter of credit No. _____
dated _____ (the "Letter of Credit") issued by order and for account
of _____ (the "Company")

The undersigned, a duly authorized representative of _____ (the
"Beneficiary"), hereby certifies that:

1. The Beneficiary is the Beneficiary of the Letter of Credit.
2. We are hereby drawing in the amount of _____ because
_____ has failed to fulfill its [payment obligations] /
[obligations]* to _____ in accordance with the terms of the
_____ agreement between _____ and _____ dated
as of _____. The amount being drawn does not exceed that
amount which the Beneficiary is entitled to draw under the Letter of
Credit.
3. The amount noted in paragraph 2 above should be remitted to the
following location in accordance with the Letter of Credit:

Name of Beneficiary: [_____]
 Department: [_____]
 Address: [_____]
 Attention: [_____]
 Telephone: [_____]
 Facsimile: [_____]
 Wiring Instructions: [_____]

* Insert Appropriate Language

4. If this Drawing Certificate shall be sent by facsimile, the original
copy of this Drawing Certificate shall be sent immediately to the
Issuing Bank via overnight mail to the following address: [address in
New York]
5. For verification purposes, the Issuing Bank may contact: [contact
person of Beneficiary, such person being someone other than the
sender of this Drawing Certificate via facsimile or via overnight
mail].

In witness whereof, the undersigned has executed this certificate on

Very truly yours,

[Full name of the Beneficiary]

By: [authorized signatory]

Name:

Title:

Annex II

ATTACHMENT TO FORM OF STAND-BY LETTER OF CREDIT
ISSUED BY (NAME OF ISSUING BANK)

FORM OF ASSIGNMENT OF PROCEEDS

Date: _____

Ref. _____

To:

[Name of L/C Issuing Bank]

[address]

Attn. _____

[Telex No./ Swift No./ Facsimile No.]

Letter of Credit No. _____ (the "Letter of Credit")

Issued by:

With reference to the Letter of Credit which you have issued to us, out of the proceeds due under the Letter of Credit (or from any payment of proceeds you at any time may make under or in relation to the Letter of Credit), we hereby irrevocably authorize and direct you to pay the sum of:

Words _____ Figures _____

To: Name: _____

Address: _____

Pursuant to an assignment agreement which we have entered into with them.

In the event of part payments becoming due, please give effect to these instructions by paying the Assignees named above:

- The full amount of all drawings until the sum mentioned above has been fully discharged.
- Per cent of any drawing (but all payments when added together must not exceed the amount of this assignment).

** Please delete and initial the instruction which does not apply.

You are hereby authorized also to communicate such information to the Assignee relating to the Letter of Credit or our performance of the conditions thereof as you may in your absolute discretion determine.

Please send to the Assignee a copy of this Notice of Assignment which is give pursuant to International Chamber of Commerce (ICC) Publication No. 590 ("ISP98"), to which the above Letter of Credit is subject.

For and on behalf of

Authorized Signature

To be completed by Beneficiary's bankers:

We hereby confirm the authenticity of _____ who is/are
authorized to commit the Company to this Assignment.

_____ (Bankers)

=====

U.S. \$1,150,000,000

TERM LOAN AGREEMENT

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

The Several Lenders from Time to Time Party Hereto,

CITIBANK, N.A.,
as Administrative Agent,

ABN AMRO BANK N.V., BNP PARIBAS, CITIGROUP GLOBAL MARKETS INC., CREDIT
AGRICOLE INDOSUEZ/CREDIT LYONNAIS, J.P. MORGAN SECURITIES INC.,
and SANTANDER CENTRAL HISPANO,
as Mandated Lead Arrangers,

ING BANK N.V., MIZUHO CORPORATE BANK, LTD., and
THE ROYAL BANK OF SCOTLAND PLC.,
as Arrangers,

BANK OF AMERICA, N.A., THE BANK OF TOKYO-MITSUBISHI, LTD.,
BBVA BANCOMER S.A., and SCOTIABANK,
as Co-Arrangers,

CREDIT AGRICOLE INDOSUEZ/CREDIT LYONNAIS,
as Syndication Agent,

and

CITIGROUP GLOBAL MARKETS INC., and
J.P. MORGAN SECURITIES INC.,
as Joint Bookrunners

Dated as of October 15, 2003

=====

TABLE OF CONTENTS

	Page
SECTION 1.	DEFINITIONS
1.1.	Defined Terms.....1
1.2.	Other Definitional Provisions.....17
SECTION 2.	AMOUNT AND TERMS OF COMMITMENTS
2.1.	Commitments.....18
2.2.	Procedure for Borrowing.....19
2.3.	Fees.....19
2.4.	Optional Prepayments.....20
2.5.	Extension of Maturity Dates.....20
2.7.	Interest Rates and Payment Dates.....21

2.8.	Computation of Interest and Fees.....	22
2.9.	Inability to Determine	
Interest Rate.....22		
2.10.	Pro Rata Treatment and Payments.....	23
2.11.	Requirements of Law.....	24
2.12.	Taxes.....	25
2.13.	Indemnity.....	26
2.14.	Change of Lending Office.....	27
2.15.	Replacement of Lenders.....	27
SECTION 3. REPRESENTATIONS AND WARRANTIES		
3.1.	Financial Condition.....	28
3.2.	No Change.....	28
3.3.	Existence; Compliance with Law.....	28
3.4.	Power; Authorization; Enforceable Obligations.....	28
3.5.	Governmental Approvals.....	29
3.6.	Compliance with Law and Other Instruments.....	29
3.7.	Litigation.....	29
3.8.	No Default.....	29
3.9.	Ownership of Property; Liens.....	29
3.10.	Intellectual Property.....	29
3.11.	Taxes.....	30
3.12.	Federal Reserve Regulations.....	30
3.13.	Labor Matters.....	30
3.14.	Investment Company Act; Other Regulations.....	31
3.15.	Use of Proceeds.....	31
3.16.	Subsidiaries; Capital Stock.....	31
3.17.	Environmental Matters.....	31
3.18.	Accuracy of Information, etc.....	32
3.19.	No Immunity.....	32
3.20.	Direct Obligations; Pari Passu.....	33
3.21.	No Recordation Necessary.....	33
3.22.	Choice of Law; Submission to Jurisdiction and Waiver of Immunity.....	33
3.23.	Clauses Restricting Subsidiary Distributions.....	33
3.24.	Solvency.....	34
SECTION 4. CONDITIONS PRECEDENT		
4.1.	Loan Documents.....	34
4.2.	Financial Statements.....	34
4.3.	Governmental Approvals.....	34
4.4.	Organizational Documents of the Loan Parties.....	34
4.5.	Fees.....	35
4.6.	Legal Opinions.....	35
4.7.	No Material Adverse Change.....	35
4.8.	Financial Markets.....	36
4.9.	Agent for Service of Process.....	36
4.10.	Representations and Warranties.....	36
4.11.	No Default.....	36
4.12.	Notice of Borrowing.....	36
4.13.	Notice of Prepayment of Revolving Credit Facility.....	36
4.14.	Other Documents.....	36
SECTION 5. AFFIRMATIVE COVENANTS		
5.1.	Financial Statements.....	37
5.2.	Certificates; Other Information.....	38
5.3.	Compliance with Laws and Contractual Obligations, Etc.....	38
5.4.	Payment of Obligations.....	39
5.5.	Maintenance of Insurance.....	39
5.6.	Conduct of Business and Preservation of Corporate Existence.....	39
5.7.	Inspection of Property.....	39
5.8.	Books and Records.....	40
5.9.	Maintenance of Properties, Etc.....	40
5.10.	Notices.....	40
5.11.	Environmental Laws.....	41
5.12.	Maintenance of Governmental Approvals.....	41
5.13.	Use of Proceeds.....	41
5.14.	Pari Passu Ranking.....	41
5.15.	Further Assurances.....	41
SECTION 6. NEGATIVE COVENANTS		
6.1.	Financial Condition Covenants.....	42
6.2.	Liens.....	42
6.3.	Consolidations and Mergers.....	44
6.4.	Sales of Assets, Etc.....	45
6.5.	Restricted Payments.....	45

6.6.	Transactions with Affiliates.....	45
6.7.	Accounting Changes.....	45
6.8.	Clauses Restricting Subsidiary Distributions.....	46
6.9.	Change in Nature of Business.....	46
6.10.	Margin Regulations.....	46
6.11.	Ownership of Cemex Espana.....	46
6.12.	Ownership of the Borrower.....	46
6.13.	Ownership of Trademark Companies.....	46
6.14.	Incurrence of Debt by Trademark Companies.....	47
SECTION 7. EVENTS OF DEFAULT		
SECTION 8. THE AGENTS		
8.1.	Appointment.....	50
8.2.	Delegation of Duties.....	50
8.3.	Exculpatory Provisions.....	50
8.4.	Reliance by Agents.....	51
8.5.	Notice of Default.....	51
8.6.	Non-Reliance on Agents and Other Lenders.....	51
8.7.	Indemnification.....	52
8.8.	Agent in Its Individual Capacity.....	52
8.9.	Successor Administrative Agent.....	53
SECTION 9. GUARANTEES		
9.1.	The Guarantees.....	53
9.2.	Nature of Liability.....	53
9.3.	Unconditional Obligations.....	54
9.4.	Independent Obligation.....	54
9.5.	Waiver of Notices.....	55
9.6.	Waiver of Defenses.....	55
9.7.	Bankruptcy and Related Matters.....	56
9.8.	No Subrogation.....	57
9.9.	Right of Contribution.....	57
9.10.	General Limitation on Guarantees.....	57
SECTION 10. MISCELLANEOUS		
10.1.	Amendments and Waivers.....	58
10.2.	Notices.....	59
10.3.	No Waiver; Cumulative Remedies.....	60
10.4.	Survival of Representations and Warranties.....	60
10.5.	Payment of Expenses and Taxes.....	61
10.6.	Successors and Assigns; Participations and Assignments.....	62
10.7.	Adjustments; Set-off.....	64
10.8.	Counterparts.....	65
10.9.	Severability.....	65
10.10.	Integration.....	65
10.12.	Submission To Jurisdiction; Waivers.....	65
10.13.	Appointment of Agent for Service of Process.....	66
10.14.	Waiver of Sovereign Immunity.....	66
10.15.	Judgment Currency.....	67
10.16.	Acknowledgements of Loan Parties.....	67
10.17.	Professional Market Party Status of Lenders.....	67
10.18.	Confidentiality.....	68
10.20.	Use of English Language.....	68
10.21.	Conflict With Notes.....	68

SCHEDULES

1.1	Commitments
3.7	Material Litigation
3.16	Subsidiaries
3.23	Restrictions on Distributions
6.2	Liens

EXHIBITS:

A-1	Form of Tranche A Note
A-2	Form of Tranche B Note
A-3	Form of Tranche C Note
B	Form of Compliance Certificate
C	Form of Assignment and Acceptance
D	Form of Notice of Borrowing

E-1	Form of Legal Opinion of Mayer, Brown, Rowe & Maw LLP
E-2	Form of Legal Opinion of Warendorf
E-3	Form of Legal Opinion of Lic. Ramiro G. Villareal Morales
F	Form of Process Agent Acceptance
G	Form of Non-Extension Notice
H	Form of Termination Notice

TERM LOAN AGREEMENT (this "Agreement"), dated as of October 15, 2003, among NEW SUNWARD HOLDING B.V., a besloten vennootschap met beperkte aansprakelijkheid organized and existing under the laws of The Netherlands (the "Borrower"), CEMEX, S.A. DE C.V., CEMEX MEXICO, S.A. DE C.V. and EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., each a sociedad anonima de capital variable organized and existing under the laws of the United Mexican States (each a "Guarantor," and collectively, the "Guarantors"), the several banks and other financial institutions or entities from time to time parties to this Agreement as lenders (the "Lenders"), CITIBANK, N.A., as administrative agent (in such capacity, the "Administrative Agent"), ABN AMRO BANK N.V., BNP PARIBAS, CITIGROUP GLOBAL MARKETS INC., CREDIT AGRICOLE INDOSUEZ/CREDIT LYONNAIS, J.P. MORGAN SECURITIES INC. and SANTANDER CENTRAL HISPANO as mandated lead arrangers (in such capacities, the "Lead Arrangers"), ING BANK N.V., MIZUHO CORPORATE BANK, LTD., and THE ROYAL BANK OF SCOTLAND PLC., as Arrangers, BANK OF AMERICA, N.A., THE BANK OF TOKYO-MITSUBISHI, LTD., BBVA BANCOMER S.A., Institucion de Banca Multiple, Grupo Financiero BBVA Bancomer, and SCOTIABANK, as Co-Arrangers, CREDIT AGRICOLE INDOSUEZ/ CREDIT LYONNAIS, as Syndication Agent, and CITIGROUP GLOBAL MARKETS INC. and J.P. MORGAN SECURITIES INC., as joint bookrunners (in such capacities, the "Joint Bookrunners").

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1. Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"Acquired Subsidiary": any Subsidiary acquired by any Loan Party or by any Subsidiary of any Loan Party after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary": any Subsidiary formed by any Loan Party or by a Subsidiary of any Loan Party 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": 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 Loan Party 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": 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 Applicable GAAP (other than with respect to items referred to in clause (ii) below), minus (i) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licenses, concessions, patents, un-amortized debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Applicable GAAP.

"Administrative Agent": as defined in the preamble hereto.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agent": any of the Administrative Agent, the Lead Arrangers and the Joint Bookrunners; collectively, the "Agents."

"Agent Rate": for any date, with respect to amounts (i) in U.S. Dollars, the Federal Funds Effective Rate, (ii) in Euro or Yen, an interest rate calculated by the Administrative Agent to reflect its cost of funds.

"Agent-Related Persons": the Agents and any successor agent to an Agent, pursuant to Section 8.9, together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

"Agent's Dollar Payment Office": the office of the Administrative Agent specified as such in Section 10.2, or such other office as may be specified from time to time by the Administrative Agent by written notice to the Borrower, the Guarantors and the Lenders.

"Agent's Euro Payment Office": the office of the Administrative Agent specified as such in Section 10.2, or such other office as may be specified from time to time by the Administrative Agent by written notice to the Borrower, the Guarantors and the Lenders.

"Agent's Yen Payment Office": the office of the Administrative Agent specified as such in Section 10.2, or such other office as may be specified from time to time by the Administrative Agent by written notice to the Borrower, the Guarantors and the Lenders.

"Aggregate Exposure": with respect to any Lender under any Tranche at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time with respect to such Tranche and (b) thereafter, the aggregate unpaid principal amount of such Lender's Loans then outstanding under such Tranche.

"Aggregate Exposure Percentage": with respect to any Lender under any Tranche at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure with respect to such Tranche at such time to the Aggregate Exposure of all Lenders with respect to such Tranche at such time.

"Agreement": as defined in the preamble hereto.

"Agreement Currency": as defined in Section 10.15(b).

"Alternate Rate Loans": as defined in Section 2.9.

"Applicable GAAP": 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 organization and used in preparing such Person's financial statements.

"Applicable Margin": for Loans under each Tranche, the rate per annum for Loans under such Tranche set forth below:

Tranche	Applicable Margin
Tranche A.....	0.625%
Tranche B.....	0.925%
Tranche C.....	0.862%

"Assignee": as defined in Section 10.6(c).

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit C.

"Assignor": as defined in Section 10.6(c).

"Benefitted Lender": as defined in Section 10.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower": as defined in the preamble hereto.

"Business": as defined in Section 3.17(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or other governmental action to close; provided that when such term is used in connection with a Loan of any Tranche, such term shall also exclude any day on which banks are not open for dealings in the currency of such Tranche in the London interbank market; provided further that when such term is used in connection with a Yen Loan, such term shall also exclude any day on which banks are not open for dealings in Yen in the Tokyo interbank market.

"Capital Lease Obligations": 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 capitalized amount thereof at such time determined in accordance with Applicable GAAP.

"Capital Stock": 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": Cemex, S.A. de C.V., a sociedad anonima de capital variable, organized and existing under the laws of the United Mexican States.

"Cemex Espana": Cemex Espana, S.A., a Spanish corporation, organized and existing under the laws of the Kingdom of Spain.

"Closing Date": the date on which each of the conditions precedent set forth in Section 4 shall have been satisfied by or on behalf of the Borrower and each Guarantor or waived by the Lenders, but in no event later than the 5th Business Day after the date hereof.

"Commitment": as to any Lender, the sum of its Tranche A, Tranche B and Tranche C Commitments; collectively, as to all the Lenders, the "Commitments."

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Confidential Information Memorandum": the Confidential Information Memorandum relating to the Borrower, dated September 2003, and furnished to the Lead Arrangers in connection with this Agreement.

"Consolidated EBITDA": for any period, the sum for Cemex 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 (to the extent deducted from operating income), in each case determined in accordance with Mexican GAAP consistently applied for such period. For the purposes of calculating Consolidated EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") in connection with any determination of Consolidated Leverage Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if at any time during such Reference Period Cemex or any of its Subsidiaries shall have made any Material Disposition, Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period and (ii) if at any time during such Reference Period Cemex or any of its Subsidiaries shall have made any Material Acquisition, Consolidated 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 became a Subsidiary of Cemex or was merged or consolidated with Cemex 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 Cemex or any of its Subsidiaries during such Reference Period, Consolidated 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.

"Consolidated Fixed Charge Coverage Ratio": for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Fixed Charges

for such period.

"Consolidated Fixed Charges": for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period, (b) mandatory dividend payments during such period in respect of preferred Capital Stock of Cemex or any of its Subsidiaries, and (c) 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 Interest Expense": for any period, the total gross interest expense of Cemex and its consolidated Subsidiaries allocable to such period in accordance with Mexican GAAP.

"Consolidated Leverage Ratio": at any time during any fiscal quarter, the ratio of (a) Consolidated Net Debt at such time to (b) Consolidated EBITDA for the four consecutive fiscal quarters immediately preceding such fiscal quarter.

"Consolidated Net Debt": at any date, the sum (without duplication) of (a) the aggregate amount of all Debt of Cemex 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, plus (c) to the extent not included in Debt, all payment obligations of Cemex or any of its Subsidiaries under the 9.66% Puttable Capital Securities issued by CEMEX International Capital LLC on May 14, 1998 or under any similar instrument, minus (d) all Temporary Investments of Cemex and its Subsidiaries at such date.

"Contractual Obligation": 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 or instrument to which such Person is a party or by which it or any of its property is bound.

"CTW": Cemex Trademarks Worldwide, Ltd., a commercial company organized and existing under the laws of Switzerland.

"Debt": as to any Person at any time, 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 for the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capital Lease Obligations of such Person, (v) 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, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing, (vii) all obligations of such Person under repurchase agreements for stock issued by such Person or another Person and (viii) all obligations, contingent or otherwise, of such Person directly or indirectly guaranteeing obligations of any other Person of the kind referred to in clauses (i) through (vii).

"Default": any condition, event or circumstance, which with the giving of notice or lapse of time or both, would become an Event of Default.

"Derivatives Obligations": as to any Person, all obligations of such Person in respect of any financial derivatives, including without limitation any rate swap transaction, basis swap, forward rate transaction, equity or equity index swap, equity or equity index option, equity or equity index forward purchase transaction, equity option, bond option, interest rate option, foreign exchange transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions, and all obligations, contingent or otherwise, of such Person directly or indirectly guaranteeing obligations of any other Person of the kind referred to above.

"Disposition": 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": at any date with respect to any, Commitments or Loans (i) denominated in Dollars, the amount of such Commitment or the outstanding principal amount of such Loans, as the case may be on such date and (ii) denominated in Euro or Yen, the amount of Dollars that would be required to purchase Euro or Yen in the amount of such Commitment or the then

outstanding principal amount of such Euro Loans or Yen Loans, as the case may be, at an exchange rate equal to the relevant Exchange Rate.

"Dollar Borrowing": a borrowing of Dollar Loans hereunder.

"Dollar Loan": a Loan denominated in Dollars.

"Dollars", "U.S.\$" and "\$": the lawful currency of the United States.

"Dutch Banking Act": the Dutch Act of the Supervision of Credit System of 1992 (Wet toezicht kredietwezen 1992), as amended from time to time.

"Dutch Central Bank": the central bank of The Netherlands (De Nederlandsche Bank).

"Dutch Exemption Regulation": the Exemption Regulation of the Dutch Minister of Finance of June 26, 2002 (Vrijstellingsregeling Wtk 1992), as amended from time to time.

"Dutch Policy Guidelines": the Dutch Central Bank's policy guidelines of July 10, 2002 issued in relation to the Dutch Exemption Regulation (beleidsregel kernbegrippen markttoetreding en handhaving Wtk 1992), as amended from time to time.

"Environmental Laws" any and all foreign, federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, technical standards (norma tecnica), codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Euro" and "(euro)": the lawful currency of the participating member states of the European Monetary Union.

"Euro Borrowing": a borrowing of Euro Loans hereunder.

"Eurocurrency Base Rate": with respect to each day during each Interest Period pertaining to the Loans under any Tranche, the rate per annum (rounded upwards, if necessary, to the next 1/100th of 1%) determined on the basis of the London inter-bank offered rate for deposits in the currency in which such Loans are denominated for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on the Telerate screen, the "Eurocurrency Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent in consultation with the Borrower or, in the absence of such availability, by reference to the rate (rounded upwards, if necessary, to the next 1/100th of 1%) at which deposits in the relevant currency for a period equal to or closest to (but greater than) such Interest Period are offered by the principal London office of the Administrative Agent in the relevant interbank market at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period.

"Eurocurrency Rate": with respect to each day during each Interest Period pertaining to the Loans under any Tranche, a rate per annum determined for such day in accordance with the following formula (rounded upwards, if necessary, to the nearest 1/100th of 1%):

Eurocurrency Base Rate

1.00 - Eurocurrency Reserve Requirements

"Eurocurrency Reserve Requirements": for any day as applied to the Loans under any Tranche, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction over any Lender dealing with reserve requirements prescribed for funding in eurodollars, Euro or Yen, as the case may be (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board).

"Euro Loan": a Loan denominated in Euro.

"Event of Default": any of the events specified in Section 7; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange Act": the U.S. Securities Exchange Act of 1934, as amended.

"Exchange Rate": (a) with respect to Euro, \$/(euro) 0.85455 and (b) with respect to Yen, \$/(Y) 108.9600.

"FAS 140": 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.

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by Citibank, N.A., from three federal funds brokers of recognized standing selected by it.

"Governmental Authority": any foreign or domestic branch of power or government or any state, department or other political subdivision thereof, or any foreign or domestic governmental body, agency, authority (including any central bank or taxing authority), any entity or instrumentality (including any court or tribunal) exercising, or asserting jurisdiction to exercise, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Group Members": the collective reference to the Borrower, each Guarantor and all of their respective Subsidiaries.

"Guarantee": the guarantee of the Borrower's Obligations by each Guarantor hereunder.

"Guarantors": as defined in the preamble hereto.

"Hedge Agreements": all interest rate swaps, caps or collar agreements or similar arrangements dealing with interest rates or currency exchange rates or the exchange of nominal interest obligations (including any option with respect to any of the foregoing transactions), either generally or under specific contingencies.

"Indemnitee" and "Indemnified Liabilities": as defined in Section 10.5.

"Intellectual Property": 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 licenses, patents, patent licenses, trademarks, trademark licenses, 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 Payment Date": the last day of any Interest Period.

"Interest Period": as to the Loans of any Tranche, (a) initially, the period commencing on the Closing Date and ending (i) in the case of Tranche C Loans, six months thereafter and (ii) in the case of Tranche A or Tranche B Loans, one, three or six months thereafter, as selected by the Borrower in its Notice of Borrowing given with respect thereto; and (b) thereafter, each period commencing on the last day of the immediately preceding Interest Period applicable to the Loans of such Tranche and ending one, three or six months thereafter, as determined pursuant to Section 2.6; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless 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 be selected with respect to any Tranche that would extend beyond any Maturity Date with respect to such Tranche; 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.

"Joint Bookrunners": as defined in the preamble hereto.

"Judgment Currency": as defined in Section 10.15(b).

"Lead Arrangers": as defined in the preamble hereto.

"Lender Affiliate": (a) any Affiliate of any Lender, (b) any Person that is administered or managed by any Lender and that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and (c) with respect to any Lender which is a fund that invests in commercial loans and similar extensions of credit, any other fund that invests in commercial loans and similar extensions of credit and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such Lender or investment advisor.

"Lenders": as defined in the preamble hereto.

"Lien": with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind, or any other type of preferential arrangement of any kind whatsoever that has the practical effect of creating a Lien, in respect of such asset. Any Group Member 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.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement and each of the Notes.

"Loan Party": the Borrower and each Guarantor, collectively, the "Loan Parties."

"Majority Lenders": with respect to any Tranche at any time, the holders at such time of more than 50% of the aggregate unpaid principal amount of the Loans outstanding under such Tranche at such time.

"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 of Cemex or any Person which becomes a Subsidiary of Cemex or is merged or consolidated with any Group Member, in each case which involves the payment of aggregate consideration by any one or more Group Members in excess of U.S.\$25,000,000 (or the equivalent thereof in other currencies).

"Material Adverse Effect": 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, or of any Guarantor and its Subsidiaries taken as a whole, (b) the rights and remedies of the Administrative Agent or any Lender under this Agreement or any other Loan Document or (c) the ability of the Borrower or any other Loan Party to perform its obligations under this Agreement or any other Loan Document.

"Material Disposition": any Disposition of property or series of related Dispositions of property that yields aggregate gross proceeds to any one or more Group Members in excess of U.S.\$25,000,000 (or the equivalent thereof in other currencies).

"Material Subsidiary": at any date, (a) Cemex Espana, each Trademark Company and each Loan Party that is a Subsidiary of Cemex and (b) each other Subsidiary of any Loan Party (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 Cemex 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 5% or more of the consolidated operating profit of Cemex and its Subsidiaries for the then most recently ended fiscal quarter.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date": with respect to any Loan, any date on which the outstanding principal amount of such Loan is payable by the Borrower pursuant to the provisions of Section 2.1(d), (e) or (f).

"Mexican Bank": any bank incorporated under the laws of Mexico and duly authorized by the Ministry of Finance and Public Credit (Secretaria de Hacienda y Credito Publico) to carry out the business of banking in Mexico under the Credit Institutions Law (Ley de Instituciones de Credito).

"Mexican GAAP": generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Section 6.1, 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 and its consolidated Subsidiaries as of and for the year ended December 31, 2002. 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 financial condition of Cemex and its consolidated Subsidiaries 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": the United Mexican States.

"Non-Excluded Taxes": as defined in Section 2.12(a).

"Non-Extension Notice": as defined in Section 2.5(a).

"Notes": the collective reference to each Tranche A Note, each Tranche B Note and each Tranche C Note.

"Notice of Borrowing": as defined in Section 2.2(a).

"Obligations": (a) as to the Borrower, all of the Debt, obligations and liabilities of the Borrower to the Lenders and the Agents now or in the future existing under or in connection with the Loan Documents, whether direct or indirect, absolute or contingent, due or to become due and (b) as to each Guarantor, all the Debt, obligations and liabilities of such Guarantor to the Lenders and the Agents now or in the future existing under or in connection with this Agreement, whether direct or indirect, absolute or contingent, due or to become due.

"Off-Balance-Sheet Transactions": 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.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Participant": as defined in Section 10.6 (b).

"Permitted Liens": as defined in Section 6.2.

"Person": 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": as defined in Section 10.13.

"Professional Market Party": 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-centralized government bodies, international treaty organizations and supranational organizations; (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 (a) above, provided 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 recognized for such purposes by the Dutch Central Bank.

"Properties": as defined in Section 3.17(a).

"Qualified Receivables Transaction": any transaction or series of transactions that may be entered into by any Group Member pursuant to which such Group Member may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by Cemex 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 Debt or any other obligations (contingent or otherwise) of a Special Purpose Vehicle (i) is guaranteed by Cemex or any other Seller or (ii) is recourse to or obligates Cemex or any other Group Member in any way such that the requirements for off balance sheet treatment under FAS 140 are not satisfied; and

(b) Cemex and the other Sellers do not have any obligation to maintain or preserve the financial condition of a Special Purpose Vehicle or cause such entity to achieve certain levels of operating results.

"Receivables": all rights of Cemex 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 or such Seller as accounts receivable.

"Receivables Documents": (a) a receivables purchase agreement, pooling and servicing agreement, credit agreement, agreement 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, another Seller and/or a Special Purpose Vehicle, and (b) each other instrument, agreement and other document entered into by Cemex, 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": (a) all Receivables which are described as being transferred by Cemex, 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": (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, a Subsidiary of Cemex 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": 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 and (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.

"Register": as defined in Section 10.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Required Lenders": at any time, the holders of more than 50% of (a) until the Closing Date, the aggregate Dollar Amount of the Commitments then in effect and (b) thereafter, the aggregate unpaid principal Dollar Amount of the Loans then outstanding.

"Requirement of Law": as to any Person, the charter, statuten, and estatutos sociales or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other 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 (or, if there is no officer with such title, an officer equivalent to any of the foregoing) of such Person; provided, that for purposes of delivery of any Compliance Certificate pursuant to Section 5.2(b) hereof, the Chief Financial Officer of Cemex may be the Responsible Officer executing such Compliance Certificate with respect to any Person.

"Restricted Payments": as defined in Section 6.5.

"Restricted Subsidiary": 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 that, as of the date hereof, (i) is incorporated or organized 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 (e) any Subsidiary of Cemex 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).

"SEC": the U.S. Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Seller": Cemex or any Subsidiary of Cemex or other Affiliate of Cemex (other than a Subsidiary of Cemex or Affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

"S&P": Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc. and any successor thereto.

"Special Purpose Vehicle": a trust, partnership or other special purpose Person established by any Group Member to implement a Qualified Receivables Transaction.

"Subsidiary": 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 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 this definition, "control" by a Person means the power directly or indirectly to direct (x) the exercise of voting power of, or (y) the disposition of, any interest of the kind set forth in clauses (a) through (c) above. For purposes of determining whether a trust formed in connection with a Qualified Receivables Transactions 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.

"Successor": as defined Section 6.3(a).

"Taxes": as defined in Section 2.12.

"Temporary Investments": 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 a consolidated balance sheet of Cemex at such date.

"Termination Amount": at any date and with respect to any Derivatives Obligation, the aggregate of all settlement and other amounts (without giving effect to any set-off, counterclaim or other reduction) which in the good faith determination of the Required Lenders would be payable if any default, event of default, termination event, illegality, or other event giving rise to an early termination or liquidation of the relevant derivative transaction were to occur in respect of such Derivatives Obligation on such date.

"Termination Notice": as defined in Section 4.13.

"Total Borrowings": 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 Espana": at any date, the shareholders' equity of Cemex Espana and its Subsidiaries (including minority interests) at such date, in accordance with Spanish GAAP.

"Trademark Companies": collectively, CTW and any other Person at any time conducting business or serving 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 Section 6.3.

"Tranche": when used with respect to Loans or Commitments, refers to whether such Loans or Commitments are Tranche A Loans, Tranche B Loans or Tranche C Loans, or Tranche A Commitments, Tranche B Commitments or Tranche C Commitments, as applicable.

"Tranche A Commitment": as to any Lender, the obligation of such Lender, if any, to make Loans in an aggregate principal amount not to exceed the amount set forth under the heading "Tranche A Commitment" opposite such Lender's name on Schedule 1.1.

"Tranche A Lender": a Lender making a Tranche A Loan.

"Tranche A Loan": a Loan made pursuant to Section 2.1(a).

"Tranche A Maturity Date": the second anniversary of the Closing Date; provided that if such day is not a Business Day, the Tranche A Maturity 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 Tranche A Maturity Date shall be the immediately preceding Business Day.

"Tranche A Note": a promissory note of the Borrower substantially in the form of Exhibit A-1.

"Tranche B Commitment": as to any Lender, the obligation of such Lender, if any, to make Loans in an aggregate principal amount not to exceed the amount set forth under the heading "Tranche B Commitment" opposite such Lender's name on Schedule 1.1.

"Tranche B Extended Maturity Date": the date that is 180 days after the Tranche B Maturity Date; provided that if such day is not a Business Day, the Tranche B Extended Maturity 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 Tranche B Extended Maturity Date shall be the immediately preceding Business Day.

"Tranche B Lender": a Lender making a Tranche B Loan.

"Tranche B Loan": a loan made pursuant to Section 2.1(b).

"Tranche B Maturity Date": the third anniversary of the Closing Date; provided that if such day is a Business Day, the Tranche B Maturity Date shall be the next succeeding Business Day unless such next succeeding day would fall in the next calendar month, in which case the Tranche B Maturity Date shall be the immediately preceding Business Day.

"Tranche B Note": a promissory note of the Borrower substantially in the form of Exhibit A-2.

"Tranche C Commitment": as to any Lender, the obligation of such Lender, if any, to make Loans in an aggregate principal amount not to exceed the amount set forth under the heading "Tranche C Commitment" opposite such Lender's name on Schedule 1.1.

"Tranche C Extended Maturity Date": the date that is 180 days after the Tranche C Maturity Date; provided that if such day is not a Business Day, the Tranche C Extended Maturity 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 Tranche C Extended Maturity Date shall be the immediately preceding Business Day.

"Tranche C Lender": a Lender making a Tranche C Loan.

"Tranche C Loan": a Loan made pursuant to Section 2.1(c).

"Tranche C Maturity Date": the third anniversary of the Closing Date; provided that if such day is not a Business Day, the Tranche C Maturity Date shall be the next succeeding Business Day, unless such next succeeding day would fall in the next calendar month, in which case the Tranche C Maturity Date shall be the immediately preceding Business Day.

"Tranche C Note": a promissory note of the Borrower substantially in the form of Exhibit A-3.

"Transferee": any Assignee or Participant.

"U.S." or "United States": the United States of America.

"Verifiable Professional Market Party": 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 recognized 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 regulator (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.

"Yen" and "(Y)": the lawful currency of Japan.

"Yen Borrowing": a borrowing of Yen Loans hereunder.

"Yen Loan": a Loan denominated in Yen.

1.2. Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under 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 contract rights, and (v) references 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 from time to time.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) In this Agreement, whenever pro forma effect is to be given to any Material Acquisition or Material Disposition by any Group Member 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 Consolidated EBITDA, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of Cemex; 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.

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1. Commitments. (a) Subject to the terms and conditions hereof, each Tranche A Lender severally agrees to make a Tranche A Loan denominated in Euro to the Borrower on the Closing Date, in a principal amount not to exceed the amount of such Lender's Tranche A Commitment. The maximum aggregate principal amount of all Tranche A Loans shall not exceed (euro)256,365,000.

(b) Subject to the terms and conditions hereof, each Tranche B Lender severally agrees to make a Tranche B Loan denominated in Dollars to the Borrower on the Closing Date, in a principal amount not to exceed the amount of such Lender's Tranche B Commitment. The maximum aggregate principal amount of all Tranche B Loans shall not exceed U.S.\$550,000,000.

(c) Subject to the terms and conditions hereof, each Tranche C Lender severally agrees to make a Tranche C Loan denominated in Yen to the Borrower on the Closing Date, in a principal amount not to exceed the amount of such Lender's Tranche C Commitment. The maximum aggregate principal amount of all Tranche C Loans shall not exceed (Y)32,688,000,000.

(d) The Borrower shall repay to the Administrative Agent on the Tranche A Maturity Date for the ratable account of the Tranche A Lenders the aggregate principal amount outstanding under the Tranche A Loans.

(e) The Borrower shall repay to the Administrative Agent (i) on the Tranche B Maturity Date, for the ratable account of the Tranche B Lenders holding Tranche B Loans the Maturity Date of which was not extended pursuant to Section 2.5, the aggregate principal amount outstanding under such Tranche B Loans and (ii) on the Tranche B Extended Maturity Date, for the ratable account of the Tranche B Lenders holding Tranche B Loans the Maturity Date of which was extended pursuant to Section 2.5, the aggregate principal amount

outstanding under such Tranche B Loans.

(f) The Borrower shall repay to the Administrative Agent (i) on the Tranche C Maturity Date, for the ratable account of the Tranche C Lenders holding Tranche C Loans the Maturity Date of which was not extended pursuant to Section 2.5, the aggregate principal amount outstanding under such Tranche C Loans and (ii) on the Tranche C Extended Maturity Date, for the ratable account of the Tranche C Lenders holding Tranche C Loans the Maturity Date of which was extended pursuant to Section 2.5, the aggregate principal amount outstanding under such Tranche C Loans.

(g) Each Loan made by each Lender shall be evidenced by a Tranche A Note, Tranche B Note or Tranche C 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 Section 2.7. Each Note shall qualify as a *pagare* under Mexican law. 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 Loan 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 Tranche pursuant to Section 2.6 or (ii) the Maturity Date of any Tranche shall be extended for any reason, the Borrower and each Guarantor shall, at its expense, execute and deliver to each Lender under such Tranche 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.

2.2. Procedure for Borrowing. (a) The Borrower shall deliver to the Administrative Agent irrevocable written notice, in the form of Exhibit D (the "Notice of Borrowing") (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, at least three Business Days prior to the requested Closing Date) requesting that the Lenders make the Loans on the Closing Date and specifying (i) the aggregate principal amount of the Loans to be made in respect of each Tranche on the Closing Date, which shall not exceed the maximum principal amounts with respect to each Tranche as set forth in Section 2.1 and which shall (x) in the case of Tranche A, be a whole multiple of (euro)5,000, (y) in the case of Tranche B, be a whole multiple of U.S.\$1,000,000 and (z) in the case of Tranche C, be a whole multiple of (Y)1,000,000, and (ii) the initial Interest Period with respect to each of Tranche A and Tranche B. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender thereof. Not later than 12:00 Noon, New York City time, on the Closing Date, each Lender shall make available to the Administrative Agent (i) at the Agent's Dollar Payment Office an amount in immediately available funds equal to its pro rata share of each Dollar Borrowing (if any), (ii) at the Agent's Euro Payment Office an amount in immediately available funds equal to its pro rata share of each Euro Borrowing (if any), and (iii) at the Agent's Yen Payment Office an amount in immediately available funds equal to its pro rata share of each Yen Borrowing (if any). The Administrative Agent shall pay to the Borrower in accordance with the payment instructions set forth in the Notice of Borrowing the aggregate of the amounts made available to the Administrative Agent by the Lenders on the Closing Date in immediately available funds.

(b) Each Lender at its option may make any Euro Loan or Yen Loan by causing any domestic or foreign branch or Lender Affiliate of such Lender to make such Loan in accordance with Section 2.2(a); provided that any exercise of such option shall not result in any Loan being made by a Person that is not a Professional Market Party and shall not affect the obligation of the Borrower to repay such Loan in accordance with this Agreement.

2.3. Fees. On the Closing Date, the Borrower shall pay:

(a) to the Administrative Agent for the account of each Lender, the participation fees previously agreed in writing by the Borrower and each Lender;

(b) to the Administrative Agent, the fees in the amounts previously agreed to in writing by the Borrower and the Administrative Agent;

(c) to each Joint Bookrunner, the fees in the amounts previously agreed in writing by the Borrower and the Joint Bookrunners; and

(d) to each Lead Arranger, the fees in the amounts previously agreed by the Borrower and the Lead Arrangers.

2.4. Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans of any Tranche, in whole or ratably in part, without premium or penalty, upon irrevocable written notice delivered to the Administrative Agent at least four Business Days prior thereto, which notice shall specify the date and amount of prepayment; provided that if a Loan is prepaid in whole or ratably in part on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.13. Upon receipt of any such notice, the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Each partial prepayment of Loans shall be (x) in the case of Dollar Loans, in an aggregate principal amount equal to at least \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, (y) in the case of Euro Loans, in an aggregate principal amount equal to at least (euro)5,000,000 or a whole multiple of (euro)1,000,000 in excess thereof or (z) in the case of Yen Loans, in an aggregate principal amount equal to at least (Y)500,000,000 or a whole multiple of (Y)100,000,000 in excess thereof.

2.5. Extension of Maturity Dates. (a) On the Tranche B Maturity Date, the principal amount then outstanding under each Tranche B Loan that would otherwise be due and payable on such Maturity Date shall become due and payable as of the Tranche B Extended Maturity Date automatically and without further notice, unless (i) the Lender with respect to such Loan shall, at its sole discretion, have provided written notice substantially in the form of Exhibit G (each such notice, a "Non-Extension Notice") to the Borrower and the Administrative Agent, not less than 90 days prior to the Tranche B Maturity Date, that such Lender will not extend the maturity of such Loan to the Tranche B Extended Maturity Date or (ii) Lenders representing more than fifty percent of the total aggregate principal Dollar Amount of the Loans outstanding under Tranche B and Tranche C shall have provided Non-Extension Notices to the Borrower and the Administrative Agent not less than 90 days prior to the Tranche B Maturity Date. In the case of (i) above, the principal amount outstanding under each such Tranche B Loan shall be due and payable on the Tranche B Maturity Date. In the case of (ii) above, the principal amount outstanding under all Tranche B Loans shall be due and payable on the Tranche B Maturity Date. The Administrative Agent shall provide to each Tranche B Lender, not later than 30 days prior to the Tranche B Maturity Date, a notice specifying the Maturity Date applicable to the Tranche B Loans of such Lender.

(b) On the Tranche C Maturity Date, the principal amount then outstanding under each Tranche C Loan that would otherwise be due and payable on such Maturity Date shall become due and payable as of the Tranche C Extended Maturity Date automatically and without further notice unless (i) the Lender with respect to such Loan shall, at its sole discretion, have provided a Non-Extension Notice to the Borrower and the Administrative Agent, not less than 90 days prior to the Tranche C Maturity Date, that such Lender will not extend the maturity of such Loan to the Tranche C Extended Maturity Date or (ii) Lenders representing more than fifty percent of the total aggregate principal Dollar Amount of the Loans outstanding under Tranche B and Tranche C shall have provided Non-Extension Notices to the Borrower and the Administrative Agent not less than 90 days prior to the Tranche C Maturity Date. In the case of (i) above, the principal amount then outstanding under each such Tranche C Loan shall be due and payable on the Tranche C Maturity Date. In the case of (ii) above, the principal amount outstanding under all Tranche C Loans shall be due and payable on the Tranche C Maturity Date. The Administrative Agent shall provide to each Tranche C Lender, not later than 30 days prior to the Tranche C Maturity Date, a notice specifying the Maturity Date applicable to the Tranche C Loans of such Lender.

2.6. Interest Periods. (a) Upon the expiration of the then current Interest Period with respect to any Tranche, if no Default or Event of Default shall have occurred and be continuing, (i) in the case of Tranche A or Tranche B Loans, the Borrower shall select a new Interest Period, by irrevocable written notice to the Administrative Agent given not later than 11:00 am New York City time on the third Business Day prior to the last day of the then current Interest Period with respect thereto and (ii) in the case of Tranche C Loans, a new six month Interest Period shall begin. Upon receipt of any such notice, the Administrative Agent shall promptly notify each relevant Lender

thereof.

(b) If, upon the expiration of any Interest Period, the Borrower shall have failed to select, or is not permitted to select, a new Interest Period as provided in clause (a) above, or if a Default or Event of Default shall have occurred and be continuing, the Administrative Agent shall select a new Interest Period in accordance with the criteria set forth in the definition of "Interest Period;" provided that such Interest Period may, at the discretion of the Administrative Agent, have a duration of one day or one week with respect to any overdue amounts bearing interest as determined pursuant to Section 2.7(b) hereof.

2.7. Interest Rates and Payment Dates. (a) Loans under each Tranche shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate with respect to such Tranche determined for such day, plus the Applicable Margin.

(b) Any principal amount and (to the extent permitted by applicable law) any interest or other amount not paid when due under this Agreement shall bear interest for each day until paid in full, at a rate equal to the Applicable Margin plus the Eurocurrency Rate that would otherwise be applicable to the relevant Tranche, plus, in the case of principal and interest, 2% per annum.

(c) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to paragraph (b) of this Section shall be payable from time to time on demand.

2.8. Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders under each Tranche of each determination of a Eurocurrency Rate for such Tranche. Any change in the interest rate on a Loan under any Tranche resulting from a change in the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the Lenders under each Tranche of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.7.

2.9. Inability to Determine Interest Rate. If prior to the first day of any Interest Period with respect to any Tranche:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate means do not exist for ascertaining the Eurocurrency Rate with respect to such Tranche for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Majority Lenders with respect to such Tranche (excluding for such purposes any Mexican Bank that has not received the approval of Banco de Mexico as provided below) that the Eurocurrency Rate determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders, which certification shall be conclusive absent manifest error) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telephonic or facsimile notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given, all Loans outstanding under such Tranche shall be converted, on the last day of the then-current Interest Period, to Loans ("Alternate Rate Loans") bearing interest according to an interest rate convention determined in good faith by the Administrative Agent, after consultation with the relevant Lenders, to compensate the relevant Lenders for their cost of obtaining, as of the commencement of the then current Interest Period, funds for such Interest Period, plus the Applicable Margin. Until such notice has been withdrawn by the Administrative Agent, such Loans shall be continued as Alternate Rate Loans. The parties hereto hereby agree that the provisions of this Section 2.9 shall not apply to any Loan held by any Lender that is a Mexican Bank, unless such Lender

has received the approval of Banco de Mexico.

2.10. Pro Rata Treatment and Payments. (a) Each borrowing of Loans under any Tranche hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments of the Lenders under any Tranche shall be made pro rata according to the respective Aggregate Exposure Percentages of such Lenders with respect to such Tranche.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Loans under any Tranche shall be made pro rata according to the respective outstanding principal amounts of the Loans then held by the Lenders of such Tranche. Amounts prepaid on account of the Loans may not be reborrowed.

(c) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without set-off or counterclaim and shall be made prior to 11:00 A.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Agent's Dollar Payment Office, in Dollars and in immediately available funds; provided that (i) all payments of principal and interest on the Euro Loans shall be made in Euro at the Agent's Euro Payment Office prior to 10:00 A.M., London time, on such date and (ii) all payments of principal and interest on the Yen Loans shall be made in Yen at the Agent's Yen Payment Office prior to 10:00 A.M., Tokyo time, on such date. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment on a Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be due and payable on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding sentence, interest thereon shall be payable at the then applicable rate during such extension.

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to the Closing Date that such Lender will not make the amount that would constitute its share of the Loans under any Tranche available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent and, in reliance upon such assumption, the Administrative Agent may (but shall not be required to) make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Closing Date, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Agent Rate with respect to such Tranche for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the Closing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum otherwise applicable to such Loans, on demand, from the Borrower.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Agent Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower or any Guarantor.

2.11. Requirements of Law. (a) If any Lender shall have determined that the adoption of or any change in any Requirement of Law or in the interpretation or application thereof 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 made subsequent to the date hereof:

(i) shall subject such Lender to any tax of any kind whatsoever with respect to this Agreement or any Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Taxes in respect of which additional amounts are payable pursuant to Section 2.12, or would be so payable but for an exception set forth in Section 2.12, and changes in the rate of tax on the overall net income of such Lender);

(ii) 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 any Eurocurrency Rate applicable to such Lender's Loans; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender deems to be material, of making, converting into, continuing or maintaining Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section 2.11 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section 2.11 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d) If any Requirement of Law or any change therein or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Loans as contemplated by this Agreement, (a) the obligation of such Lender hereunder to make Loans shall forthwith be cancelled to the extent required by law and (b) all outstanding Loans, if any, shall (i) if so required by law be repaid or (ii) if so permitted by law, at the option of the Borrower either (A) be repaid or (B) be converted to Alternate Rate Loans, in each case, on the last day of the Interest Period therefor. If any such repayment or conversion is made on a day which is not the last day of the Interest Period therefor, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.13.

2.12. Taxes. (a) All payments made and to be made by the Borrower or any Guarantor under this Agreement 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 ("Taxes"), excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender by the jurisdiction under the laws of which the Administrative Agent or such Lender is organized or in which its principal place of business or applicable lending office is located or any political subdivision or taxing authority thereof or therein. If any such non-excluded

taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("Non-Excluded Taxes") or Other Taxes are required to be withheld from any amounts payable to the Administrative Agent or any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative Agent or such Lender (after payment of all Non-Excluded Taxes and Other Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement; provided that the Borrower shall not be required to increase any such amounts payable to any Lender with respect to any Non-Excluded Taxes (that are not Other Taxes) that are in excess of those that would have been payable had such Lender complied with the requirements of paragraph (e) of this Section.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable hereunder, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an original official receipt, a duplicate original or a duly certified or authenticated copy showing payment thereof. If the Borrower fails to pay any Non-Excluded Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest, additions, fines or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(d) The Borrower shall indemnify each Lender and the Administrative Agent for and hold it harmless against the full amount of Non-Excluded Taxes and Other Taxes imposed on or paid by such Lender or the Administrative Agent (as the case may be), together with interest thereon from and including the date on which such Lender or Administrative Agent (as the case may be) provides notice to the Borrower that indemnification is due pursuant to this Section 2.12(d) to but excluding the date of reimbursement at a rate per annum equal to the interest rate from time to time applicable to the Loans to which such amounts relate, and any other liability arising therefrom or with respect thereto.

(e) 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 Administrative 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 judgment such completion, execution or submission would not cause such Lender or its lending office(s) to suffer any economic, legal or regulatory disadvantage.

(f) The agreements in this Section 2.12 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.13. Indemnity. The Borrower agrees to indemnify each Lender within 15 days after demand for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of Loans after the Borrower has given a notice to the Administrative Agent requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of Loans after the Borrower has given a notice thereof to the Administrative Agent in accordance with the provisions of this Agreement or (c) the making of a prepayment of Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification shall include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, for the period from the date of such prepayment or of such failure to borrow to the last day of such Interest Period (or, in the case of a failure to borrow, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein) over (ii) the amount of interest (as determined in good faith by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. A

certificate as to any amounts payable pursuant to this Section 2.13 submitted to the Borrower by any Lender shall be conclusive 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.

2.14. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.11 or 2.12(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event if such designation would avoid the consequences of such event; provided that such designation (i) is made on terms that, in the judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage and (ii) does not (if at such time it is a requirement of Dutch law that each Lender be a Professional Market Party) result in any Loan being made by a Person that is not a Professional Market Party), and provided further that nothing in this Section 2.14 shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.11 or 2.12(a).

2.15. Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.11 or 2.12(a), other than withholding taxes generally payable on the date hereof, or (b) defaults in its obligation to make Loans hereunder, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Default or Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement such Lender shall have taken no action under Section 2.14 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.11 or 2.12(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.13 if any Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be a Professional Market Party (if at such time it is a requirement of Dutch law that each Lender be a Professional Market Party) and shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.11 or 2.12(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, each of the Loan Parties, except as otherwise indicated, hereby represents and warrants to the Administrative Agent and each Lender, as of the date hereof and as of the Closing Date that:

3.1. Financial Condition. (a) The financial statements delivered pursuant to Section 4.2 are complete and correct in all material respects and present fairly (i) the consolidated financial condition of each of Cemex and its Subsidiaries and Cemex Espana 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 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 Group Member 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 clause (a) above.

3.2. No Change. Since December 31, 2002, (a) there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect and (b) there has been no Disposition by any Group Member which has had or would reasonably be expected to have a Material Adverse Effect.

3.3. Existence; Compliance with Law. (a) Each Group Member (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has the power and authority and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (iii) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (iv) is in compliance with all Requirements of Law, except, in the case of clauses (ii), (iii) and (iv) only, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) 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.

3.4. Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform each of the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. This Agreement has been and as of the Closing Date each Loan Document to which any Loan Party is a party will have been duly executed and delivered on behalf of such Loan Party. This Agreement constitutes, and each Loan Document upon execution by such Loan Party will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable *concurso mercantil*, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

3.5. Governmental Approvals. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents.

3.6. Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and each of the other Loan Documents to which each Loan Party 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 any Group Member pursuant to, any material Contractual Obligation (including, for the avoidance of doubt and without limitation, any Contractual Obligation involving payment obligations in excess of U.S.\$5,000,000) or (b) result in any violation of the *statuten*, *estatutos sociales* or other organizational or governing documents of any Group Member or any provision of any Requirement of Law applicable to any such Group Member.

3.7. Litigation. No action, suit, investigation, litigation or proceeding before any arbitrator or Governmental Authority is pending or, to the knowledge of any Group Member, threatened by or against any Group Member or against any Group Member's properties or revenues that (a) if adversely determined would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Loan Document or the consummation of any transaction contemplated thereby, except, in the case of clause (a), as described in Schedule 3.7. There has been no

material adverse change in the status, or financial effect on any Group Member, of any litigation described in Schedule 3.7.

3.8. No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

3.9. Ownership of Property; Liens. Each Group Member 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, with such exceptions as could not reasonably be expected to have a Material Adverse Effect, and none of its material property is subject to any Lien except as permitted by Section 6.2.

3.10. Intellectual Property. Each Group Member 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 Group Member, nor does any Loan Party know of any valid basis for any such claim. The use of Intellectual Property by each Group Member does not infringe on the rights of any Person in any material respect.

3.11. Taxes. (a) Each Group Member has filed or caused to be filed all material tax returns that are required to be filed and has paid all taxes due and payable pursuant to such returns or pursuant to any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority except where the same may be contested in good faith by appropriate proceedings and with respect to which reserves to the extent required by law or pursuant to Applicable GAAP have been provided on the books of such Group Member. No material tax Lien has been filed, and, to the knowledge of any Loan Party, no material claim is being asserted, with respect to any such tax, fee or other charge.

(b) There is no tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by or in the jurisdiction in which such Loan Party is domiciled or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution, delivery, performance, enforcement, or admissibility into evidence of this Agreement or any of the other Loan Documents or (ii) on any payment to be made by such Loan Party pursuant to this Agreement or any of the other Loan Documents, other than, with respect to each Guarantor, withholding taxes imposed pursuant to the Mexican Income Tax Law (Ley del Impuesto sobre la Renta) on payments of interest, fees and other amounts deemed to constitute interest to any Lender that is not a resident of Mexico for tax purposes. Each Loan Party is permitted to pay any amounts payable pursuant to Section 2.12.

3.12. Federal Reserve Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the regulations of the Board or any Governmental Authority.

3.13. Labor Matters. There are no strikes pending or threatened against any Group Member, and the hours worked and payments made to employees of each Group Member have not been in violation of any applicable Requirement of Law where any of the foregoing would reasonably be expected to have a Material Adverse Effect. All material payments due from any Group Member, or for which any claim may be made against any Group Member, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of each Group Member. The execution, delivery and performance of the Loan Documents by any of the Loan Parties will not give rise to a right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Group Member (or any predecessor) is a party or by which any Group Member (or any predecessor) is bound.

3.14. Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the U.S. Investment Company Act of 1940, as amended. No

Loan Party is subject to, or has not fully complied with, any Requirement of Law that limits its ability to enter into this Agreement and incur any Debt or make any Guarantee hereunder.

3.15. Use of Proceeds. The net proceeds of the Loans will be used (i) first, to repay all amounts outstanding under, and terminate, the Amended and Restated Facility Agreement for up to U.S.\$1,200,000,000 credit facilities provided to Rey Holding (Jersey) Limited dated February 15, 2002 and the U.S.\$600,000,000 Cemex Syndicated Credit Facility dated June 11, 2001 (the "Revolving Credit Facility") (or, to the extent the foregoing facilities are repaid in full and terminated, any other Debt incurred to repay such facilities) and (ii) second, to repay any other senior Debt of any Loan Party. All amounts outstanding under the Revolving Credit Facility shall be repaid in full no later than the Closing Date, no further amounts shall be borrowed thereunder and all commitments thereunder shall be terminated not later than six Business Days after the Closing Date.

3.16. Subsidiaries; Capital Stock. Part A of Schedule 3.16 sets forth the name and jurisdiction of incorporation of each Material Subsidiary and each Restricted Subsidiary as of the date hereof and the Closing Date and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party as of the date hereof and the Closing Date. Part B of Schedule 3.16 sets forth the name and jurisdiction of incorporation of each Subsidiary of Cemex as of the Closing Date other than those referred to in the preceding sentence. All of the outstanding Capital Stock of Cemex and each Material Subsidiary has been validly issued and is fully paid and non-assessable.

3.17. Environmental Matters. Except as, in the aggregate, would not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any Group Member (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "Business"), nor does any Loan Party have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of any Loan Party, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, 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 the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

3.18. Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document, the Confidential Information Memorandum or in any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents contained, as of the date such statement, information, document or certificate was so furnished (or, in the case of this Agreement (including all schedules and exhibits hereto) and the Confidential Information Memorandum, as of the date of this Agreement and as of the Closing Date) any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The projections contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower and the Guarantors to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Confidential Information Memorandum or in any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent and the Lenders pursuant to the Loan Documents.

3.19. No Immunity. Each Loan Party is subject to civil and commercial law with respect to its obligations under each Loan Document to which it is a party, and the execution, delivery and performance of the Loan Documents by each Loan Party constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico and The Netherlands none of the Loan Parties nor any of their respective properties 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).

3.20. Direct Obligations; Pari Passu. (a) The Borrower's and each Guarantor's obligations under this Agreement and under the Notes constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Borrower or such Guarantor, as the case may be.

(b) The Borrower's and each Guarantor's obligations under this Agreement and under the Notes rank and will at all times rank at least pari passu in all respects with all other present and future senior unsecured and unsubordinated Debt of the Borrower or such Guarantor, as the case may be.

3.21. No Recordation Necessary. (a) This Agreement and each of the other Loan Documents are in proper legal form under the law of Mexico and of The Netherlands for the enforcement thereof against the Loan Parties under such law. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and the other Loan Documents in Mexico or The Netherlands, it is not necessary that this Agreement or any other Loan Document be filed or recorded with any Governmental Authority in Mexico or 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; provided that in the event any legal proceedings with respect to any Loan Document are brought in the courts of Mexico, a Spanish translation of the documents required in such proceedings, including such Loan Document, 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 any Agent or any Lender to enforce any rights or remedies under any of the Loan Documents or (ii) solely by reason of the execution, delivery or performance of this Agreement by any Agent or any Lender, that such Agent or such Lender be licensed or qualified with any Mexican or Dutch Governmental Authority or be entitled to carry on business in Mexico or The Netherlands.

3.22. Choice of Law; Submission to Jurisdiction and Waiver of Immunity. In any action or proceeding involving any Loan Party arising out of or relating to any Loan Document in any Mexican or Dutch court or tribunal, the Lenders and each 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 10.11, 10.12 and 10.14.

3.23. Clauses Restricting Subsidiary Distributions. There is no

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 Loan Party or any other such Restricted Subsidiary, (b) make loans or advances to, or other investments in, any Loan Party or any other such Restricted Subsidiary or (c) transfer any of its assets to any Loan Party or any other such Restricted Subsidiary, other than, in the case of any such Restricted Subsidiary that is not a Trademark Company, such encumbrances or restrictions existing as of the date hereof and described in Schedule 3.23 hereof.

3.24. Solvency. As of the date hereof and as of the Closing Date, after giving effect to the application of the proceeds of the Loans and the making of the Guarantees hereunder, (a) the fair value of the assets of each Loan Party will exceed its Debts and all other liabilities, whether subordinated, contingent or otherwise, and (b) each Loan Party will be able to pay its Debts and all other liabilities, whether subordinated, contingent or otherwise, as such Debts and liabilities become due and payable.

SECTION 4. CONDITIONS PRECEDENT

The agreement of each Lender to make the Loans requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such Loans on the Closing Date, of the following conditions precedent:

4.1. Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by each of the Agents, the Borrower, the Guarantors and each Person listed on Schedule 1.1, and (ii) the Notes evidencing the Loans made on the Closing Date, executed and delivered by the Borrower and each Guarantor, in favor of each Lender.

4.2. Financial Statements. The Lenders shall have received true and current copies of (i) audited consolidated financial statements of each of Cemex and its Subsidiaries and Cemex Espana and its Subsidiaries for the 2002 fiscal year; (ii) audited unconsolidated financial statements of the Borrower and each Guarantor other than Cemex for the 2002 fiscal year; (iii) unaudited interim consolidated financial statements of each of Cemex and its Subsidiaries and Cemex Espana and its Subsidiaries for the quarter ended June 30, 2003 or, if available, for the quarter ended September 30, 2003, and such financial statements shall not, in the judgment of the Lenders, reflect any material adverse change in the consolidated financial condition of Cemex and its Subsidiaries or Cemex Espana and its Subsidiaries, in each case taken as a whole, from that reflected in the financial statements delivered pursuant to clause (i) of this paragraph; and (iv) unaudited unconsolidated interim financial statements of the Borrower and each Guarantor other than Cemex for the quarter ended June 30, 2003 or, if available, for the quarter ended September 30, 2003, and such financial statements shall not, in the judgment of the Lenders, reflect any material adverse change in the financial condition of the Borrower or such Guarantor, as the case may be, from that reflected in the financial statements delivered pursuant to clause (ii) of this paragraph.

4.3. Governmental Approvals. The Administrative Agent shall have received certified copies of all necessary approvals, authorizations, certifications, licenses, or consents of, or notices to, or registrations with, any Governmental Authority required for each of the Loan Parties to enter into, or perform their respective obligations under, the Loan Documents or, if no such approvals, authorizations, consents, notices or registrations are required, a certificate of a Responsible Officer of each such Loan Party so stating.

4.4. Organizational Documents of the Loan Parties. The Administrative Agent shall have received certified copies of (a) 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, in each case as in effect as of the Closing Date, (b) the acta constitutiva and estatutos sociales in effect on the Closing Date of each Guarantor, (c) the notarized power-of-attorney of each Person executing any Loan Document on behalf of any Loan Party, together with specimen signatures of such Person and (d) all documents evidencing other necessary corporate action by any Loan Party, if any, with respect to the authorization for the execution, delivery and performance of each such Loan Document and the transactions contemplated hereby and thereby. All certificates shall state that the resolutions and other information referred to in such certificates have not been amended, modified, revoked or rescinded as of the Closing Date.

4.5. Fees. The Lenders and the Agents shall have received all fees

required to be paid, and all expenses for which invoices have been presented before the Closing Date to the Borrower (including the reasonable fees and expenses of legal counsel). Except to the extent previously paid by the Borrower, all such amounts shall be paid with the proceeds of the Loans on the Closing Date and shall be reflected in the funding instructions given by the Borrower to the Administrative Agent on or before the Closing Date.

4.6. Legal Opinions. The Administrative Agent shall have received the following executed legal opinions, each in form and substance satisfactory to the Administrative Agent and the Lenders and dated as of the Closing Date:

(i) the legal opinion of Mayer, Brown, Rowe & Maw LLP, special New York counsel to the Borrower and each of the Guarantors, substantially in the form of Exhibit E-1;

(ii) the legal opinion of Warendorf, Dutch counsel to the Borrower, substantially in the form of Exhibit E-2;

(iii) the legal opinion of Lic. Ramiro G. Villareal Morales, internal Mexican counsel to the Borrower and each of the Guarantors, substantially in the form of Exhibit E-3;

(iv) the legal opinion of Cleary, Gottlieb, Steen & Hamilton, special New York counsel to the Lenders and the Administrative Agent, in form and substance satisfactory to them;

(v) the legal opinion of Ritch, Heather y Mueller, S.C., special Mexican counsel to the Lenders and the Administrative Agent, in form and substance satisfactory to them; and

(vi) the legal opinion of Cleary, Gottlieb, Steen & Hamilton, special Dutch counsel to the Lenders and the Administrative Agent, in form and substance satisfactory to them.

Each such legal opinion shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

4.7. No Material Adverse Change. As of the Closing Date, since December 31, 2002, no change, occurrence, circumstance or development shall have occurred that, in the opinion of the Administrative Agent, has had or could reasonably be expected to have, a Material Adverse Effect.

4.8. Financial Markets. As of the Closing Date, no disruption or adverse change in the financial, banking, loan syndication or capital markets generally or in the market for loans to or debt securities issued by companies in Mexico or The Netherlands shall have occurred since August 8, 2003, which disruption or adverse change is deemed material, in the judgment of the Administrative Agent or the Required Lenders, in connection with the syndication of the Loans.

4.9. Agent for Service of Process. The Administrative Agent shall have received powers of attorney, notarized under Mexican law, in the case of each Guarantor and under Dutch law, in the case of the Borrower, granted by each Loan Party to the Process Agent in respect of the Loan Documents appointing such Process Agent as agent for service of process thereunder, together with a letter from each Loan Party appointing such Process Agent and a letter from the Process Agent to each Loan Party, in each case substantially in the form of Exhibit F, evidencing that the Process Agent has accepted its appointments pursuant to Section 10.13 hereof.

4.10. Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct on and as of the date made and on and as of the Closing Date as if made on and as of such date, and the Borrower and each Guarantor shall have provided to the Administrative Agent (a) a certificate from a Responsible Officer of each such Loan Party to such effect and (b) all related schedules which shall be accurate and complete in all material respects.

4.11. No Default. No Default or Event of Default shall have occurred and be continuing as of the Closing Date or after giving effect to the Loans requested to be made on such date and each Loan Party shall have provided a certificate from a Responsible Officer of such Loan Party to such effect to the Administrative Agent.

4.12. Notice of Borrowing. The Administrative Agent shall have received a duly executed Notice of Borrowing, substantially in the form of Exhibit D, in accordance with the terms of Section 2.2.

4.13. Notice of Prepayment of Revolving Credit Facility. Cemex shall have timely delivered to the administrative agent under the Revolving Credit Facility a duly executed notice pursuant to Section 2.7 of the Revolving Credit Facility, irrevocably providing for the payment on the Closing Date of all amounts due to the lenders under the Revolving Credit Facility, and the Administrative Agent shall have received a copy thereof.

4.14. Other Documents. The Administrative Agent shall have received such other certificates, powers of attorney, approvals, opinions or documents as any Lender through the Administrative Agent shall reasonably request.

SECTION 5. AFFIRMATIVE COVENANTS

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 Administrative Agent hereunder, the Borrower and the Guarantors shall, and shall cause each of their Subsidiaries to:

5.1. Financial Statements. In the case of each Loan Party, furnish or cause to be furnished to the Administrative Agent and each Lender:

(a) as soon as available, but in any event (i) within 120 days after the end of each fiscal year of Cemex, a copy of the audited consolidated balance sheet of Cemex and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year and accompanied by an opinion acceptable to the Required Lenders by KPMG Cardenas Dosal, S.C., or other independent certified public accountants of internationally recognized standing and (ii) within 183 days after the end of each fiscal year of the Borrower and Cemex Espana, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries and Cemex Espana and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and, to the extent prepared, of cash flows for such year, setting forth in each case in comparative form the figures for the previous year and accompanied by an opinion acceptable to the Required Lenders by KPMG Auditores S.L., or other independent certified public accountants of internationally recognized standing;

(b) as soon as available, but in any event (i) not later than 60 days after the end of each of the first three quarterly periods of each fiscal year of Cemex, the unaudited consolidated balance sheet of Cemex and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments) and (ii) not later than 90 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower and Cemex Espana, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries and of Cemex Espana and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and, to the extent prepared, of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified in each case by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments), and

(c) at the request of any Lender, as soon as available and to the extent prepared, a copy of the audited unconsolidated balance sheet of any Guarantor (other than Cemex) as at the end of the most recently completed fiscal year of such Guarantor and the related audited unconsolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year and accompanied by an opinion acceptable to the Required Lenders by KPMG Cardenas Dosal, S.C., or other independent certified public accountants of internationally recognized standing.

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with

Applicable GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein); provided that in the event of any change in the Applicable GAAP used in the preparation of such financial statements, the Borrower and the Guarantors shall also provide, for purposes of determining compliance with Section 6.1, a statement of reconciliation conforming such financial statements to such Applicable GAAP as in effect on the date hereof and consistent with those applied in the preparation of the financial statements referred to in Section 4.2.

5.2. Certificates; Other Information. In the case of each Loan Party, furnish or cause to be furnished to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Section 5.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in the course of the regular audit of the business of the Person to whom such financial statements relate and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Applicable GAAP, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing a statement as to the nature thereof;

(b) concurrently with the delivery of any financial statements pursuant to Section 5.1, (i) a Compliance Certificate of a Responsible Officer with respect to each Person to whom such financial statements relate stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it; and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such Compliance Certificate and (ii) a certificate containing all information and calculations necessary for determining compliance by each Loan Party with the provisions of this Agreement as of the last day of the most recently ended fiscal quarter to which such financial statements relate (including without limitation calculations setting forth in reasonable detail any pro forma adjustments as may have been made to Consolidated EBITDA) and, in the case of the Borrower, setting forth a calculation of the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Espana as of the last day of the period covered by such Compliance Certificate;

(c) within five days after the same are sent, copies of all financial statements and reports that any Loan Party sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that any Loan Party may make to, or file with, the SEC or any other securities exchange or securities regulator; and

(d) promptly, such additional financial and other information as any Lender may from time to time reasonably request through the Administrative Agent.

5.3. Compliance with Laws and Contractual Obligations, Etc.

(a) Comply 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 Contractual Obligations, except where the failure to so comply would 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 Assignee becomes a Lender hereunder, that the Borrower has verified that on such date such Assignee 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.

5.4. 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 would not reasonably be expected to have a Material Adverse Effect; provided that no Group Member 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.

5.5. Maintenance of Insurance. Maintain insurance with reputable insurance companies or associations in such amounts and covering such risks as is customary for companies of established reputation engaged in similar businesses and owning similar properties in the same general areas in which such Group Member operates.

5.6. Conduct of Business and Preservation of Corporate Existence. Continue to engage in business of the same general type as now conducted by the Group Members, and preserve and maintain its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that no Group Member shall be required to maintain its corporate existence in connection with a merger or consolidation permitted by Section 6.3, and provided further that no Subsidiary of Cemex, other than any Loan Party, shall be required to preserve any right or franchise if the Loan Parties shall determine in good faith that the preservation thereof is no longer in the best interests of the Borrower or the Guarantors and the loss thereof could not reasonably be expected to have a Material Adverse Effect.

5.7. 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, such Group Member, and to discuss the affairs, finances and accounts of such Group Member 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 Borrower.

5.8. 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 Group Member in accordance with Applicable GAAP, consistently applied.

5.9. 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, licenses and permits; provided that none of the foregoing shall prevent any Group Member from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits the discontinuance of which is desirable in the conduct of its business and which discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10. Notices. Give notice to the Administrative Agent and each Lender as soon as practicable (but in any event, in the case of any event described in clause (a), no later than five Business Days) after the occurrence of:

(a) any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding

that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) which, if adversely determined, would reasonably be expected to have a Material Adverse Effect, or (ii) which relates to any Loan Document;

(d) any development or event that has had or could reasonably be expected to have a Material Adverse Effect;

(e) any increase of the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Espana above 0.35 to 1.00, or any event or change resulting in any senior unsecured long-term foreign currency denominated Debt of Cemex Espana being rated less than BBB- by S&P or not being rated by S&P.

Each notice pursuant to this Section 5.10 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

5.11. Environmental Laws. (a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect.

5.12. Maintenance of Governmental Approvals. Maintain in full force and effect at all times all approvals of and filings with any Governmental Authority required under applicable law for (a) the conduct of its business (including, without limitation, antitrust laws or Environmental Laws), except where failure to maintain any such approvals or filings would not reasonably be expected to have a Material Adverse Effect and (b) the execution, delivery and performance by each Loan Party of its obligations hereunder and under the other Loan Documents and for the validity or enforceability hereof and thereof.

5.13. Use of Proceeds. (a) Use the net proceeds of the Loans (i) first, to repay all the amounts outstanding under, and terminate, the existing Amended and Restated Facility Agreement for up to U.S.\$1,200,000,000 credit facilities provided to Rey Holding (Jersey) Limited dated February 15, 2002 and the Revolving Credit Facility (or, to the extent the foregoing facilities are repaid in full and terminated, any other Debt incurred to repay such facilities) and (ii) second, to repay any other senior Debt of any Loan Party. All amounts outstanding under the Revolving Credit Facility shall be repaid in full no later than the Closing Date.

(b) (i) Deliver to the administrative agent under the Revolving Credit Facility, not later than one Business Day after the Closing Date, a duly executed notice pursuant to Section 2.6 of the Revolving Credit Facility, in the form of Exhibit H hereto (the "Termination Notice"), irrevocably providing for the termination of all commitments by the lenders under the Revolving Credit Facility effective as of a date no later than six Business Days after the Closing Date, (ii) neither borrow nor attempt to borrow any further amounts under the Revolving Credit Facility at any time on or after the Closing Date and (iii) cause all commitments under the Revolving Credit Facility to be terminated no later than six Business Days after the Closing Date.

5.14. Pari Passu Ranking. Take all actions to ensure that at all times the Obligations of each Loan Party under the Loan Documents constitute unconditional general obligations of such Loan Party ranking at least pari passu in all respects with all other present and future senior unsecured, unsubordinated Debt of such Loan Party.

5.15. 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 in any of the Notes or under any of the Loan Documents.

SECTION 6. NEGATIVE COVENANTS

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 Administrative Agent hereunder, the Borrower and the Guarantors shall not, and shall not permit any of their Subsidiaries to, directly or indirectly:

6.1. Financial Condition Covenants.

(a) Permit the Consolidated Leverage Ratio of Cemex at any time to exceed 3.5 to 1.

(b) Permit the Consolidated Fixed Charge Coverage Ratio of Cemex for any period of four consecutive fiscal quarters of Cemex to be less than 2.5 to 1.

(c) Incur any Debt or other obligation constituting a portion of Total Borrowings of the Borrower, if at the time of such incurrence, and after giving effect thereto, (i) the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Espana exceeds 0.35 to 1.0 or (ii) any senior unsecured long-term foreign currency denominated Debt of Cemex Espana is rated less than BBB- by S&P or is not rated by S&P.

6.2. Liens. Create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any Group Member, whether now owned or held or hereafter acquired, other than the following ("Permitted Liens"):

(a) Liens existing on the date of this Agreement described in Schedule 6.2; provided that no such Lien is extended to cover any additional property after the date hereof, and that the amount of Debt secured thereby is not increased;

(b) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by law or by Applicable GAAP shall have been made;

(c) 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 diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by Applicable GAAP shall have been made;

(d) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security;

(e) 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;

(f) (i) 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 (ii) 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 Guarantor or any of their Subsidiaries after the date hereof, provided that (x) 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 that is an improvement to, or is acquired for specific use with, such acquired property and (y) 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 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 or special purpose vehicle could be sold by Cemex in compliance with the provisions of this Agreement; and (ii) proceeds from the deposit or transfer of such shares into such trust or special purpose vehicle and from any transfer of or distributions in respect of the Group Member's interest in such trust or special purpose vehicle are applied as provided under Section 6.4; and provided further, that such Liens may not secure Debt of Cemex or any of its Subsidiaries (unless permitted under another clause of this Section 6.2);

(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, arising as a result of such Qualified Receivables Transaction and in connection therewith; and

(k) in addition to the Liens permitted by the foregoing paragraphs (b) through (j), Liens (including any existing Liens described under clause (a) above) securing Debt of Cemex and its Subsidiaries (taken as a whole) not exceeding at any time an amount equal to 5% of the Adjusted Consolidated Net Tangible Assets of Cemex as of the date of the most recent consolidated balance sheet of Cemex as of the date of determination;

unless, in each case, the Borrower and the Guarantors have 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.

6.3. Consolidations and Mergers. In one or more related transactions, (i) consolidate with or merge into any other Person or permit any other Person to merge into it, or (ii) 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 such transaction:

(a) immediately after giving effect to such transaction, the Person formed by or surviving any such consolidation or merger, if it was not a Group Member prior to such consolidation or merger, or the Person that acquires by transfer, conveyance, sale, lease or other disposition all or substantially all of the properties or assets of such Loan Party or such Subsidiary (any such Person, a "Successor") shall be a company organized and validly existing under the laws of its place of incorporation or organization, which in the case of a Successor to the Borrower or any Guarantor, shall be any of Mexico, the United States, Canada, Denmark, France, Belgium, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom or any political subdivision thereof, and shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, all of the obligations of the Borrower, such Guarantor or such Subsidiary, as the case may be, under each of the Loan Documents to which it is a 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 Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding, deduction or otherwise thereafter imposed on such Lender or the Administrative Agent solely as a consequence of such transaction with respect to any payments to such Lender or the Administrative Agent under the Loan Documents;

(c) immediately after giving effect to such transaction, including

for purposes of this clause (c), the substitution of any Successor to any Loan Party for such Loan Party or the substitution of any Successor to a Subsidiary for such Subsidiary (treating any Debt or Lien incurred by any Loan Party or any Successor to such Loan Party, or by a Subsidiary of any Loan Party or any Successor to such Subsidiary, 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;

(d) in the case of any such transaction involving the Borrower or any Guarantor, no Requirement of Law (whether applicable prior to, in connection with or upon giving effect to such transaction) shall be reasonably likely to have a Material Adverse Effect; and

(e) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower and, in the case of a Guarantor, such Guarantor, shall have delivered to the Administrative Agent a certificate of a Responsible Officer and an opinion of reputable counsel acceptable to the Administrative Agent and the Required Lenders, each in form and substance satisfactory to the Administrative Agent and the Required Lenders and stating that such consolidation, merger, conveyance, transfer or lease and such written agreement comply with the relevant provisions of this Agreement, and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

6.4. Sales of Assets, Etc. Sell, lease or otherwise Dispose of any assets (including the Capital Stock of any Subsidiary), other than (a) inventory, trade receivables and assets surplus to the needs of the business of any Group Member 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 or property are retained by such Loan Party 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 such Loan Party or any of its Subsidiaries, whether secured or unsecured or (iii) investments in companies engaged in the cement industry or related industries.

6.5. Restricted Payments. In the case of Cemex only, declare or pay any dividend (other than dividends payable solely in common stock of Cemex) 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 (other than any cash payment in respect of pre-existing scheduled obligations under repurchase agreements for stock of Cemex entered into by Cemex 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") (i) while any Event of Default described in clause (a) or (b) of Section 7 or any Default or Event of Default described in clause (d) of Section 7 (but only with respect to Section 6.1) shall have occurred and be continuing or (ii) if any Default or Event of Default would exist after giving effect to such Restricted Payment.

6.6. Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Guarantor) unless such transaction is (a) not prohibited by this Agreement, and (b) upon commercially fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

6.7. 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 Loan Party to end on a day other than December 31 or change any Loan Party's method of determining fiscal quarters, unless, in the case of clause (b), the Borrower shall have entered into negotiations with the Administrative 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 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 had not occurred).

6.8. 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 Loan Party or any other such Restricted Subsidiary, (b) make loans or advances to, or other investments in, any Loan Party or any other such Restricted Subsidiary or (c) transfer any of its assets to any Loan Party 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.

6.9. Change in Nature of Business. With respect to the Borrower, any Guarantor and any Material Subsidiary of Cemex, make any material change in the nature of its business as carried on at the date hereof.

6.10. 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 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, 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).

6.11. Ownership of Cemex Espana. Permit the Borrower at any time to own less than an 80% direct voting and equity ownership interest in Cemex Espana, or its successors or transferees in the event of the merger or consolidation of Cemex Espana or the transfer, conveyance, sale, lease or other disposition of all or substantially all its properties and assets in accordance with Section 6.3.

6.12. Ownership of the Borrower. Permit Cemex at any time to cease to control, or to own less than a 90.0% 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 Section 6.3

6.13. Ownership of Trademark Companies. (a) Permit the Borrower, at any time after December 31, 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 at any time to own less than a 99.9% direct or indirect voting and equity ownership interest in each Trademark Company.

6.14. 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 Group Member, except, in the case of any monetary liability not constituting Debt, in the ordinary course pursuant to its day to day business activities.

SECTION 7. 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, or any fee or other amount payable hereunder or under any other Loan Document, is not paid within three Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(c) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been materially incorrect on or as of the date

made or deemed made and, if remediable, such failure shall remain unremedied for five days after the earlier of the date on which (i) a Responsible Officer of any Loan Party becomes aware of such incorrectness and (ii) written notice thereof shall have been given to the Borrower or any other Loan Party by the Administrative Agent; or

(d) any Loan Party shall default in the observance or performance of any agreement contained in Section 5.1, Section 5.6 (with respect to the Borrower's or any Guarantor's existence only), Section 5.7, Section 5.10(a), Section 5.13, Section 5.14 or Section 6 of this Agreement; or

(e) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (d) of this Section), and such default shall continue unremedied for a period of 30 days after the earlier of (i) notice to the Borrower or any other Loan Party from the Administrative Agent or the Required Lenders and (ii) a Responsible Officer of any Loan Party becoming aware of such failure; or

(f) (i) one or more Group Members shall fail to pay any principal amount of Debt (excluding the Loans) and/or shall fail to meet any payment or collateralization obligation in respect of any Derivatives Obligations that, in one or more related or unrelated transactions is outstanding in a principal amount and/or (in the case of Derivatives Obligations) has a then-current Termination Amount, exceeding in the aggregate U.S.\$50,000,000 (or the equivalent thereof in other currencies), in each case when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and which failure, in the case of Derivatives Obligations, continues for a period of five Business Days; or (ii) any default, event of default or other event or condition shall occur under any indenture, agreement or other instrument relating to any Debt and/or Derivative Obligations that, in one or more related or unrelated transactions is outstanding in a principal amount and/or (in the case of Derivatives Obligations) has a then-current Termination Amount, exceeding in the aggregate U.S.\$50,000,000 (or the equivalent thereof in other currencies), and the effect of such event or condition is to cause (automatically or by action of any Person, provided that such action shall have been taken) any principal amount of such Debt to become due and payable prior to the date on which it would otherwise become due and payable and/or any Termination Amount in respect of any such Derivatives Obligations to become due and payable; or

(g) the Borrower, any Guarantor 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, or shall be unable to pay, or shall admit in writing its inability to pay its debts as they become due, or shall take any corporate action indicating its consent to, approval of, or acquiescence in any of the foregoing or the equivalent thereof under Mexican law (including the Ley de Concursos Mercantiles) or Dutch law; or

(h) an involuntary case or other proceeding shall be commenced against the Borrower, any Guarantor 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 any Group Member under any bankruptcy, insolvency, concurso mercantil or other similar law as now or hereafter in effect or shall take any corporate action indicating its consent to, approval of or acquiescence in any of the foregoing or the equivalent thereof under Mexican law (including the Ley de Concursos Mercantiles) or Dutch law; or

(i) a final judgment or judgments or order or orders not subject to further appeal shall be rendered against one or more Group Members for the payment of money in excess of U.S.\$50,000,000 (or the equivalent thereof in

other currencies or currency units) in the aggregate and either (i) enforcement proceedings shall have been commenced by any creditor upon any such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order shall not be in effect; or

(j) any non-monetary judgment or order shall be rendered against any Group Member that could be reasonably expected to have a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order shall not be in effect; or

(k) the obligations of the Borrower or of any Guarantor under this Agreement or any other Loan Document, shall for any reason fail to rank at least pari passu in all respects with all other senior unsecured, unsubordinated Debt of the Borrower or such Guarantor, as the case may be; or

(l) any Loan Document shall at any time be suspended or revoked or terminated or for any reason cease to be valid and binding or in full force and effect (other than upon expiration in accordance with the terms thereof) or performance of any obligation thereunder shall become unlawful or the validity or enforceability thereof shall be contested by any Loan Party; or

(m) 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, any Loan Party of any Loan Document to which it is a party or to make such Loan 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

(n) any Governmental Authority shall (i) condemn, nationalize, seize or otherwise expropriate all or any substantial portion of the property of, or Capital Stock issued or owned by, any Loan Party or (ii) take any action that would adversely affect the ability of any Loan Party to perform its obligations under the Loan Documents; or

(o) a moratorium shall be agreed or declared in respect of any Debt of any Loan Party 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 any Loan Party for the purpose of performing any payment obligation under any Loan Document to which it is a party; or

(p) there shall occur any circumstance, event or condition of a financial or other nature which the Required Lenders determine in good faith is reasonably likely to have a material adverse effect on the ability of any Loan Party to perform its obligations under this Agreement or any of the other Loan Documents; or

(q) the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more in voting power of the outstanding voting stock of any Guarantor shall be acquired by any Person or group (within the meaning of Section 13(d) or 14(d) of the Exchange Act); provided that the acquisition of beneficial ownership of capital stock (i) of Cemex by Marcelo Zambrano, Lorenzo H. Zambrano or any of their parents, spouses, progeny (including adopted children) or siblings, or any progeny (including adopted children) of any of their siblings, or (ii) of any Guarantor other than Cemex by any Group Member (provided that beneficial ownership by Cemex of such Guarantor shall not change as a result of any such acquisition) shall not constitute an Event of Default;

then, and in any such event, (A) if such event is an Event of Default specified in clause (d) (but only with respect to a failure to comply with Section 5.13(b) hereof), (h) or (i) above with respect to the Borrower or any Guarantor, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the

request of the Required Lenders, the Administrative 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 Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 8. THE AGENTS

8.1. Appointment. Each Lender hereby irrevocably designates and appoints each Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes each Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to such Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Agent shall have any duties or responsibilities, except those expressly set forth herein, or 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 Loan Document or otherwise exist against any Agent. Without limiting the foregoing, the use of the term "agent" with respect to any Agent is used as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

8.2. Delegation of Duties. Each Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Agent shall be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

8.3. Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except for its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Borrower or any other Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of the Borrower or any other Loan Party to perform its obligations hereunder or thereunder. No Agent-Related Person shall 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 Loan Document, or to inspect the properties, books or records of the Borrower or any other Loan Party.

8.4. Reliance by Agents. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, facsimile, email, telex or teletype message, statement, order or other document or conversation believed by it 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 (including, without limitation, counsel to the Borrower or any other Loan Party), independent accountants and other experts selected by such Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. Each Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the relevant Lenders as it deems appropriate or 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 taking or continuing to take any such action. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the relevant Lenders entitled to so act, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders

of the Loans.

8.5. Notice of Default. No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder (except, in the case of the Administrative Agent, with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders) unless such Agent has received notice from a Lender or the Borrower or any Guarantor referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice, the Administrative Agent promptly shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Lenders entitled to so act, provided that unless and until the Administrative Agent shall have received such directions, 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 in the best interests of the Lenders (except to the extent that this Agreement expressly requires that such actions be taken or not be taken only with the consent or upon the authorization of the Required Lenders or all Lenders if so required hereunder).

8.6. Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that neither any Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by such Agent or any such other Person hereinafter taken, including any review of the affairs of the Borrower or any other Loan Party, shall be deemed to constitute any representation or warranty by such Agent or any such other Person to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent-Related Person 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, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties and made its own decision to make its extensions of credit hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person 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 Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by an Agent hereunder, no Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower or any other Loan Party which may come into the possession of such Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

8.7. Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify each Agent-Related Person (to the extent not reimbursed by any Loan Party and without limiting the obligation of any Loan Party to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against such Agent-Related Person in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent-Related Person under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting from the relevant Agent-Related Person's gross negligence or willful misconduct. The agreements in this subsection shall survive the payment of the Loans and all other amounts payable hereunder.

8.8. Agent in Its Individual Capacity. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of

business with the Borrower and the other Loan Parties as though such Agent were not an Agent hereunder or under any Loan Document and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, each Agent and its Affiliates may receive information regarding the Borrower or the other Loan Parties or their respective Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrower or the other Loan Parties or their respective Affiliates) and acknowledge that no Agent nor any of their respective Affiliates shall be under an obligation to provide such information to them. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender" and "Lenders" shall include each Agent in its individual capacity.

8.9. Successor Administrative Agent. The Administrative Agent may or, at the request of the Required Lenders, shall resign as Administrative Agent upon ten days' notice to the Lenders. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders, with the consent of the Borrower, not to be unreasonably withheld, so long as no Default or Event of Default has occurred and is continuing, shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall succeed to the rights, powers and duties of the Administrative Agent hereunder. 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. Effective upon such appointment by the Required Lenders and, if applicable, the Borrower or by the Administrative Agent, the term "Administrative Agent" shall mean such successor agent, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 8 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 and the other Loan Documents. If no successor agent has accepted appointment as Administrative Agent by the date which is ten days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above.

SECTION 9. GUARANTEES

9.1. The Guarantees. Each of the Guarantors hereby jointly and severally 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, the Joint Bookrunners and the Lead Arrangers under this Agreement and the other Loan Documents, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise) and at the place and in the manner specified in this Agreement and the Notes, including with respect to Taxes or Other Taxes, and other matters as described in Section 2.12 hereof, which shall apply to each Guarantor fully as though it were the "Borrower" in making payments hereunder. Each of the Guarantors represents and acknowledges that, based on its business, corporate, legal and financial relations with the Borrower, it is in its best interests (i) to enter into this Agreement as joint and several Guarantor of the Borrower's Obligations and (ii) to subscribe as avalista each Note issued hereunder.

9.2. Nature of Liability. The obligations of the Guarantors hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full, and shall not be affected in any way by the absence of any action to obtain such amounts from the Borrower or by any variation, extension, waiver, compromise or release of any or all Obligations from time to time therefor. Each Guarantor waives all requirements as to promptness, diligence, presentment, demand for payment, protest and notice of any kind with respect to this Agreement and the other Loan Documents.

9.3. Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction, 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 any Guarantor 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 any provision of this Agreement or of any other Loan Document relating to or against the Borrower or any Guarantor for any reason;

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the Borrower under this Agreement or any of the other Loan Documents or the payment, observance, fulfillment or performance of any other Obligation;

(d) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of the Borrower or any Guarantor;

(e) any extension, renewal, settlement, compromise, waiver or release in respect of any Obligation of the Borrower or any other Guarantor under any Loan Document, whether by operation of law or otherwise;

(f) any modification of or amendment of or supplement to this Agreement or any other Loan Document (except to the extent expressly modifying, amending or supplementing the obligations of such Guarantor under this Section 9); or

(g) any other act or omission to act or delay of any kind by the Borrower, any Guarantor, 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 any Guarantor's obligations hereunder.

9.4. Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Borrower's obligations under the Loan Documents and of any guarantee 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 Loan Document or under any guarantee or security, without in any way affecting or impairing the liability of each Guarantor hereunder. Neither the Administrative Agent nor any Lender shall be obligated to exhaust recourse or take any other action against the Borrower hereunder 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 any Guarantor. Without limiting the generality of the foregoing, the Administrative Agent and the Lenders shall have the right to bring suit directly against any of the Guarantors, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower and/or any other Guarantor.

9.5. Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this Section 9 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.

9.6. Waiver of Defenses. 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 Section 9, 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 Section 9 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, 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 Loan 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 Loan 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 Loan Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Loan 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 Section 9, 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 of 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.

9.7. Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, no Guarantor shall, without the prior written consent of the Administrative Agent, 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 any Guarantor 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 Section 9 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 any Guarantor or similar proceedings or actions or by any defense which the Borrower or any Guarantor 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 or any other Guarantor 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 paragraph (c) above (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 paid by the Guarantors pursuant to this Section 9 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 conveyance or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this Section 9, to the extent permitted by applicable law.

9.8. 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.

9.9. Right of Contribution. Subject to Section 9.8, 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 9.9 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Lead Arrangers and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Lead Arrangers and the Lenders for the full amount guaranteed by such Guarantor hereunder.

9.10. General Limitation on Guarantees. 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 9.1 would otherwise, taking into account the provisions of Section 9.9, 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 9.1, then, notwithstanding any other provision hereof to the contrary, the amount of such liability (without prejudice to the obligation of any other Guarantor hereunder) 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.

SECTION 10. MISCELLANEOUS

10.1. Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and the Borrower may, or, with the prior written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time, (a) enter into written amendments, supplements or modifications

hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided that no such waiver and no such amendment, supplement or modification shall (i) forgive any payment Obligation, reduce the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (ii) increase or decrease the amount of any Lender's Commitment (except for a ratable decrease in the commitment of all Lenders), subject any Lender to any additional obligation, or eliminate or reduce the voting rights of any Lender under this Section 10.1, in each case without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower or any Guarantor of any of its rights and obligations under any Loan Document, release any Loan Party from all of its obligations under the Loan Documents, or release any Guarantor from its guarantee obligations under the Guarantee in Section 9 hereof, or modify such obligations under Section 9 in a manner materially adverse to the Lenders, in each case without the written consent of all Lenders; (iv) amend, modify or waive any condition precedent to the Loans set forth in Section 4 without the written consent of the Majority Lenders with respect to each Tranche; (v) amend, modify or waive any provision of Section 2.10 without the written consent of all Lenders in respect of each Tranche adversely affected thereby; (vi) reduce the percentage specified in the definition of Majority Lenders with respect to any Tranche without the written consent of all Lenders under such Tranche; (vii) amend or modify Section 9 hereof in a manner materially adverse to any Guarantor, without the written consent of such Guarantor; (viii) amend or modify any direct right or covenant of any Guarantor under Section 5, Section 6 or Section 10 hereof (excluding, for the avoidance of doubt, any amendment or modification thereunder of the rights or obligations of the Borrower) in a manner materially adverse to any such rights or obligations of such Guarantor thereunder, without the written consent of such Guarantor or (ix) amend, modify or waive any provision of Section 8 without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

10.2. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being sent via a major international courier service, or, in the case of facsimile notice, when received, addressed as follows in the case of the Borrower, the Guarantors and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Borrower:	Amsteldijk 166, 1079 LH Amsterdam, The Netherlands Tel.: (31) 20 642-2048 Fax: (31) 20 644-4095 Attn: Managing Director(s)
With a copy to:	Mayer, Brown, Rowe & Maw LLP 1675 Broadway New York, N.Y. 10019-5820 Tel.: (212) 506-2500 Fax: (212) 262-1910 Attn: Peter V. Darrow
Guarantors:	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

With a copy to: Mayer, Brown, Rowe & Maw LLP
1675 Broadway
New York, N.Y. 10019-5820
Tel.: (212) 506-2500
Fax: (212) 262-1910
Attn: Peter V. Darrow

Administrative Agent: Citibank, N.A.
2 Penn's Way
Suite 100
New Castle, DE 19720
Tel.: (302) 894-6054
Fax: (212) 994-0961
Attn: Cristian Garcia

With a copy to: Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, N.Y. 10006
Tel.: (212) 225-2829
Fax: (212) 225-3999
Attn: Andres de la Cruz

Agent's Dollar Payment Office: Citibank, N.A.
ABA No.: 021000089
A/C: Medium Term Finance
A/C #: 36852248
Ref.: CEMEX
Attn: Loan Administration Department

Agent's Euro Payment Office: Citibank, N.A.
London, England
SWIFT Code: CITIGB2L
A/C: Citi NA New York Loans Agency
A/C #: 8840261
Ref.: CEMEX
Attn: Loan Administration Department

Agent's Yen Payment Office: Citibank, N.A.
Tokyo, Japan
A/C: CIG Western Hemisphere Agency
A/C #: 0221659414
Ref.: CEMEX
Attn: Loan Administration Department

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

10.3. 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 the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4. Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans.

10.5. Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent, the Joint Bookrunners and the Lead Arrangers for all their reasonable and duly documented out-of-pocket costs and expenses incurred in connection with the development, preparation, execution, delivery, negotiation, and syndication of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation

and administration of the transactions contemplated hereby and thereby, including the reasonable and duly documented fees and disbursements of New York, Mexican and Dutch counsel to the Administrative Agent, the Joint Bookrunners and the Lead Arrangers (provided that such counsel fees for the preparation and execution of this Agreement through the Closing Date shall not exceed U.S.\$115,000) and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Closing Date (in case of amounts to be paid on such date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent, (c) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying stamp, excise and other taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective officers, directors, employees, affiliates, agents and controlling persons (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, punitive, indirect and consequential damages) with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any of the foregoing, relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Group Member or any of the Properties and the reasonable fees and expenses of legal counsel in connection with claims, actions or proceedings by any Indemnitee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the "Indemnified Liabilities"), provided that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnitee. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 10 days after written demand therefor. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Fernando Herrera, at the address of Cemex set forth in Section 10.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 10.5 shall survive repayment of the Loans and all other amounts payable hereunder.

10.6. Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Guarantors, the Lenders, the Administrative Agent, all future holders of the Loans and their respective successors and assigns, except that neither the Borrower nor any Guarantor may assign or transfer any of its rights or obligations under any Loan Document without the prior written consent of each Lender.

(b) Any Lender may, without the consent of the Borrower, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (each, a "Participant") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of the entire amount of any such Loan for all purposes under

this Agreement except as specified in the following three sentences and the other Loan Documents, and the Borrower, the Guarantors 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 and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the amount of, or postpone the payment of, the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement; provided that in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 10.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.11, 2.12 and 2.13 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it was a Lender; provided that in the case of Section 2.12, such Participant shall have complied with the requirements of said Section and provided further that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender (an "Assignor") may, in accordance with applicable law and subject to the provisions of Section 10.6(d), at any time and from time to time assign to any Lender or any Lender Affiliate or, with the consent of the Administrative Agent and (so long as no Default or Event of Default shall have occurred and be continuing) the Borrower (which, in each case, shall not be unreasonably withheld or delayed, and which, in the case of the Borrower, shall be deemed to have been given if the Borrower fails to respond to a written request within 5 Business Days of delivery of such request), to an additional bank, financial institution or other entity (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents pursuant to an Assignment and Acceptance, executed by such Assignee, such Assignor and any other Person whose consent is required pursuant to this paragraph, and delivered to the Administrative Agent for its acceptance and recording in the Register; provided that unless otherwise agreed by the Borrower (to the extent the Borrower's consent to such Assignment is then required) and the Administrative Agent, each such assignment to an Assignee (other than any Lender or any Lender Affiliate) shall be in an aggregate principal amount (i) in the case of Dollar Loans, equal to at least \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, (ii) in the case of Euro Loans, equal to at least (euro)5,000,000 or a whole multiple of (euro)1,000,000 in excess thereof or (iii) in the case of Yen Loans, equal to at least (Y)500,000,000 or a whole multiple of (Y)100,000,000 in excess thereof, in each case except in the case of an assignment of all of a Lender's interests under any Tranche. For purposes of the proviso contained in the preceding sentence, the amount described therein shall be aggregated in respect of each Lender and its Lender Affiliates, if any. Any such assignment need not be ratable as between the Tranches. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto) but shall retain such rights to indemnification and expense reimbursement to which it was entitled at such time.

(d) Notwithstanding any provision of Section 10.6(c) to the contrary, for so long as it is a requirement of Dutch law that each Lender be a Professional Market Party, (i) any Assignor shall, at least 5 Business Days prior to the date of any proposed assignment, provide to the Borrower and the Administrative Agent information in respect of the prospective Assignee

sufficient to enable the Borrower to verify the Professional Market Party status of such Assignee and (ii) no such assignment shall be permitted unless the Assignee is a Verifiable Professional Market Party or unless the Borrower determines that such Assignee 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 Assignor has provided the information described in clause (i) above, the Borrower has not made a good faith determination, based on an opinion of reputable Dutch counsel, and notified the Administrative Agent and the Assignor 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 Assignee qualifies as a Professional Market Party.

(e) The Administrative Agent shall, on behalf of the Borrower, maintain at its address referred to in Section 10.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment of each Lender, as well as the interest rate, the currency and the principal amount of the Loans owing to each Lender, in each case, from time to time, giving effect to any reductions of Commitments and any prepayments of Loans made in accordance with the terms hereof. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, each other Loan Party, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and the Notes evidencing the Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan shall be effective only upon appropriate entries with respect thereto being made in the Register. Any assignment or transfer of all or part of a Loan shall be registered on the Register only upon surrender for registration of assignment or transfer, by way of an endorsement (endoso) and delivery of the Note evidencing such Loan, accompanied by a duly executed Assignment and Acceptance, and thereupon one or more new Notes shall be issued to the designated Assignee.

(f) Upon its receipt of an Assignment and Acceptance executed by an Assignor, an Assignee and any other Person whose consent is required by Section 10.6(c), together with payment to the Administrative Agent of a registration and processing fee of \$3,500, the Administrative Agent shall (i) promptly accept such Assignment and Acceptance and (ii) record the information contained therein in the Register on the effective date determined pursuant thereto.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 10.6 concerning assignments relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including any pledge or assignment by a Lender to any Federal Reserve Bank in accordance with applicable law.

(h) The Borrower and each Guarantor agrees, upon receipt of written notice from the relevant Lender and return of any Notes to be replaced, to execute and deliver Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (f) above.

10.7. Adjustments; Set-off. (a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the Obligation owing to it in respect of its Loans under any Tranche, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 7(g) or (h), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender under such Tranche, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders under such Tranche a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders under such Tranche; provided that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower or any Guarantor, any such notice being expressly waived by the Borrower and each

Guarantor to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower 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, Debt 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 any Guarantor. Each Lender agrees promptly to notify the Borrower, the relevant Guarantor 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.

10.8. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower, each Guarantor and the Administrative Agent.

10.9. 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 not invalidate or render unenforceable such provision in any other jurisdiction.

10.10. Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Guarantors, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12. Submission To Jurisdiction; Waivers. Each of the parties hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive jurisdiction of the courts of the United States for the Southern District of New York and any appellate court with respect thereto; in the event that the courts of the United States for the Southern District of New York and any appellate court with respect thereto are not available, then the parties submit to the courts of the State of New York located in the Borough of Manhattan, City of New York, and any appellate court with respect thereto;

(b) consents that any such action or proceeding may be brought in such courts and waives to the fullest extent permitted by law any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same and further waives any rights to which it may be entitled, on account of place of residence or domicile; and

(c) waives, to the fullest extent permitted by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages (other than any such damages as to which a Party is entitled to indemnification by any other Party pursuant to Section 10.5).

10.13. 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 (or any future address of the Process Agent), and the Borrower and each Guarantor 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 10.12 or in this Section 10.13 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.

10.14. Waiver of Sovereign Immunity. To the extent that the Borrower or any 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 and each Guarantor 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 10.14 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.

10.15. Judgment Currency. (a) All payments made under this Agreement and the other Loan Documents shall be made in Dollars, except that payments of principal of or interest on Euro Loans and Yen Loans shall be made in Euro or Yen, as applicable. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower or any Guarantor in one currency into another currency, the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent or each Lender, as the case may be, could purchase the first currency with such other currency at or about 11:00 am. (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 any Agent hereunder or under any other Loan Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency (the "Judgment Currency") other than that in which the sum is denominated in accordance with the terms of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by such Lender or Agent of any sum adjudged to be so due in the Judgment Currency such Lender or Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to such Lender or Agent in the Agreement Currency, the Borrower and each Guarantor agrees, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or Agent against such resulting loss.

10.16. Acknowledgements of Loan Parties. The Borrower and each Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) no Agent nor any Lender has any fiduciary relationship with or duty to the Borrower or any Guarantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agents and Lenders, on one hand, and the Borrower and each Guarantor, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby between or among any of the Lenders or between or among the Borrower and the Guarantors and any of the Lenders.

10.17. Professional Market Party Status of Lenders. Each initial

Lender hereunder hereby confirms that, as of the date hereof, 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 (besloten kring), within the meaning of the Dutch Exemption Regulation, with the Borrower.

10.18. Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any Lender Affiliate, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective transferee or any direct or indirect counterparty to any Hedge Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates on a need-to know basis, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document; and provided further that the Administrative Agent and each Lender (and each employee, representative, or other agent of the Administrative Agent or any Lender) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such Person relating to such tax treatment and tax structure.

10.19. WAIVERS OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.20. 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 Sections 4.4(i), (ii) and (iii), which shall be in the English, Dutch or Spanish language accompanied by an English translation or summary). Except in the case of the laws or official communications of Mexico or The Netherlands, the English language version of any such document shall control the meaning of the matters set forth therein.

10.21. Conflict With Notes. In the case of any conflict between the terms of this Agreement and the terms of any Note, the terms of this Agreement shall govern in all respects (including, without limitation, with respect to the principal amount payable in respect of outstanding Loans and the currency in which such Loans are payable), except that if any action or proceeding in connection with any Note is brought by the holder thereof in any court in Mexico (any such proceeding, a "Mexican Proceeding"), the terms of such Note shall govern to the extent required by Mexican law. Notwithstanding the foregoing, no Lender shall claim in a Mexican Proceeding any amount in excess of the aggregate amounts to which it is entitled under this Agreement, and if any Lender shall recover as a result of any Mexican Proceeding amounts under any Note in excess of the aggregate amounts to which such Lender is entitled under this Agreement, such Lender agrees, as a separate obligation and notwithstanding any such judgment, to remit such excess to the Loan Party by whom such excess amount was paid to such Lender.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

[Signature Pages Follow]

Address: as Borrower
Rivierstaete Building,
Amsteldijk 166
1079 LH Amsterdam,
The Netherlands

Attention:
Hans S, Leijdesdorff
Juan M. Portal

By:/s/ H.S. Leijdesdorff /s/ J.M. Portal Celhay

Telephone: (31-20) 642 4288
Facsimile: (31 20) 643 0053

Name:
Title:

Name:
Title:

H.S. Leijdesdorff
managing director

J.M. Portal Celhay
managing director

Ave Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia N.L., Mexico
66250
Attention: Humberto Lozano
Telephone: (00 52 81) 888 4115
Facsimile: (00 52 81) 888 4415

CEMEX, S.A.D DE C.V.
as Guarantor

By:/s/ Humberto Lozano

Name: Humberto Lozano
Title: Attorney-in-Fact

Ave Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia N.L., Mexico
66250
Attention: Humberto Lozano
Telephone: (00 52 81) 888 4115
Facsimile: (00 52 81) 888 4415

EMPRESAS TOLTECA DE MEXICO,
S.A. DE C.V., as Guarantor

By:/s/ Humberto Lozano

Name: Humberto Lozano
Title: Attorney-in-Fact

Ave Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia N.L., Mexico
66250
Attention: Humberto Lozano
Telephone: (00 52 81) 888 4115
Facsimile: (00 52 81) 888 4415

CEMEX MEXICO, S.A. DE C.V.
as Guarantor

By:/s/ Humberto Lozano

Name: Humberto Lozano

390 Greenwich Street, 1st Floor
New York, NY 10013
Mario Espinosa
(212) 723-6731
(212) 723-8543

CITIBANK, N.A.
as Administrative Agent

By:/s/ Mario Espinosa

Name: Mario Espinosa
Title: Vice President

Address:
Prolongacion Reforma 600-320
Col. Santa Fe Pena Blanca
Mexico D.F. 01210

ABN AMRO BANK N.V.,
as Lender

By: /s/ Ignacio Pineros

Attention:
Manuel Gomez / Rosalia Noble

Name: Ignacio Pineros
Title: Vice President

Telephone:
(52-55) 52-57-78-21 / (52-55) 52-57-78-42

By: /s/ John Pastore

Facsimile:
(52 55) 52 57 78 29

Name: John Pastore
Title: Vice President

Address:
Prolongacion Reforma 600-320
Col. Santa Fe Pena Blanca
Mexico D.F. 01210

ABN AMRO BANK N.V.,
as Lead Arranger

By: /s/ Ignacio Pineros

Name: Ignacio Pineros
Title: Vice President

Attention:
Manuel Gomez / Rosalia Noble

Telephone:
(52-55) 52-57-78-21 / (52-55) 52-57-78-42

By: /s/ John Pastore

Facsimile:
(52 55) 52 57 78 29

Name: John Pastore
Title: Vice President

Ave. Lazaro Cardenas 329-9
Col. Valle Oriente
San Pedro Garza Garcia, N.L. Mexico
C.P. 66220
Attention: Alejandro Xotlanihua
Telephone (011) 52-81-8368-1953
Facsimile (011) 52-81-8319-0481

BANK OF AMERICAN, N.A.,
as Lender

By: /s/ Mauricio Rebolledo

Name: Mauricio Rebolledo
Title: Managing Director

Ave. Lazaro Cardenas 329-9
Col. Valle Oriente
San Pedro Garza Garcia, N.L. Mexico
C.P. 66220
Attention: Alejandro Xotlanihua
Telephone (011) 52-81-8368-1953
Facsimile (011) 52-81-8319-0481

BANK OF AMERICAN, N.A.,
as Co-Arranger

By: /s/ Mauricio Rebolledo

Name: Mauricio Rebolledo
Title: Managing Director

GRAN VIA DE HORTALEZA 3,
28033 MADRID
SPAIN

BANCO ESPANOL DE CREDITO S.A.

as LENDER

ATT. ANTONIO SANCHEZ
TEL + 34 91 338 16 48
FAX + 34 31 338 28 88

By: /s/ Jose Antonio Villanueva

/s/ Jose Ignacio Aguirre

Name: Jose Antonio Villanueva

Jose Ignacio Aguirre

560 Lexington Ave
New York, NY 10022
Attn: Gina Hoey-Sandella
Tel: (212) 310-9990
Fax: (212) 230-9117

BAYERISCHE LANDESBANK,
as Lender

By: /s/ Oliver Hildenbrand

Name: Oliver Hildenbrand
Title: Vice President

By: /s/ James H. Boyle

Name: Jame H. Boyle
Title: Vice President

[Address]:
Vasconcelos 101 Ote. Piso 1
Col. Residencial San Agustin
Garza Garcia, N.L. Meixic
[Attention]: Sergio del Rio
[Telephone]: 52-81-8368-6917
[Facsimile]: 52-18-83686980

BBVA BANCOMER S.A., Institucion de Banca
Multiple, Grupo Financiero BBVA
Bancommer, as Co-Arranger

By: /s/ Carlos Velazquez Thierry

Name: Carlos Velazquez Thierry
Title: Managing Director

By: /s/ Sergio Antonio del Rio Herrera

Name: Sergio Antonio del Rio Herrera
Title: Director

[Address]:
Vasconcelos 101 Ote. Piso 1
Col. Residencial San Agustin
Garza Garcia, N.L. Meixic
[Attention]: Sergio del Rio
[Telephone]: 52-81-8368-6917
[Facsimile]: 52-18-83686980

BBVA BANCOMER S.A., Institucion de Banca
Multiple, Grupo Financiero BBVA
Bancommer, as Lender

By: /s/ Carlos Velazquez Thierry

Name: Carlos Velazquez Thierry
Title: Managing Director

By: /s/ Sergio Antonio del Rio Herrera

Name: Sergio Antonio del Rio Herrera
Title: Director

SIGNATURE PAGE FOR:

BORROWER: "NEW SUNWARD HOLDING B.V." (CEMEX GROUP)
FACILITY: USD 1,15 BILLION MULTICURRENCY SINDICATED TERM LOAN
DATE: 15 OCTOBER, 2003

Address:
BNP Paribas, Sucursal en Espana
c/ Ribera del Loira 28,
28042 Madrid
Spain

BNP PARIBAS,
as Lender

For Facility Admin and Operations,
please contact:

By: /s/ Jose Gefaell

Alberto Snachez
Elena Garcia Juarez

Telephone:
34.91.388 81 15
34.91.388 81 19

Facsimile:
34.91 388 80 99

Name: JOSE GEFAELL
DNI: 36045004-W
Title within BNP Paribas Madrid:
Director

By:/s/ Genoveva Ramon Borja

Name: GENOVEVA RAMON BORJA
DNI: 21513054-G
Title: within BNP Paribas Madrid:
Director

SIGNATURE PAGE FOR:

BORROWER: "NEW SUNWARD HOLDING B.V." (CEMEX GROUP)
FACILITY: USD 1,15 BILLION MULTICURRENCY SINDICATED TERM LOAN
DATE: 15 OCTOBER, 2003

Address:
BNP Paribas, Sucursal en Espana
c/ Ribera del Loira 28,
28042 Madrid
Spain

BNP PARIBAS,
as Lead Arranger

For Facility Admin and Operations,
please contact:
Alberto Snachez
Elena Garcia Juarez

By:/s/ Jose Gefaell

Name: JOSE GEFAELL
DNI: 36045004-W
Title within BNP Paribas Madrid:
Director

Telephone:
34.91.388 81 15
34.91.388 81 19

Facsimile:
34.91 388 80 99

By:/s/ Genoveva Ramon Borja

Name: GENOVEVA RAMON BORJA
DNI: 21513054-G
Title: within BNP Paribas Madrid:
Director

Address: 701 Brickell Av, Suite 2000
Miami, FL, 33131'

CAJA MADRID MIAMI AGENCY
as Lender

Attention: Javier Guzman
Ricardo Benede

By:

Telephone: 305 371 3833

/s/ Pedro Olabarria

Facsimile: 305 371 0402

Name: Pedro Olabarria
Title: Deputy General Manager,

By: /s/ Javier Guzman

Name Javier Guzman
Title: Head of Capital Markets

2029 Century Park East
Los Angeles, CA 90067
Attention: Jeff Healy
Telephone: 310-203-3431
Facsimile: 310-203-3590

CALIFORNIA COMMERCE BANK,
as Lender

By: /s/ Jeff Healy

Name: Jeff Healy
Title: Vice President

By: /s/ Jorge A. Figueroa

Name: Jorge A. Figueroa
Title: Senior Vice President

Citibank Building, 4th Floor
110 Thompson Boulevard
Nassau, Bahamas
Attention: Leslie Munroe
Phone: (242) 302-8651
Facsimile: (242) 302-8655

CITIBANK N.A. NASSAU, BAHAMAS BRANCH,
as Lender

By: /s/ Leslie Munroe

Name: Leslie Munroe
Title: Attorney-In-Fact

390 Greenwich Street, 1st Floor
New York, NY 10013
Mario Espinosa
(212) 723 6731
(212) 723 8543

CITIGROUP GLOBAL MAKRETS INC.,
as Lead Arranger

By: /s/ Mario Espinosa

Name: Mario Espinosa
Title: Managing Director

390 Greenwich Street, 1st Floor
New York, NY 10013
Mario Espinosa
(212) 723 6731
(212) 723 8543

CITIGROUP GLOBAL MAKRETS INC.,
as Joint Bookrunner

By: /s/ Mario Espinosa

Name: Mario Espinosa
Title: Managing Director

Paseo de la Castellana, 1
28046 Madrid (SPAIN)
Rafael PARDO
Tel: 00 34 91 432 74 88
Fax: 00 34 91 432 74 13

CREDIT AGRICOLE INDOSUEZ,
Branch in Spain as Lead Arranger,
Syndication Agent & Lender

By: /s/ Carlos Aranguren Gutierrez

Name: Carlos ARANGUREN GUTIERREZ
Title: Director de Creditos y Asesoria Juridica

By: /s/ Rafael Pardo Bragado

Name: Rafael PARDO BRAGADO
Title: Director Generael Adjunto

Juan Bravo, 3B
28.006 Madrid (SPAIN)
Maria REAL DE ASUA
+ (34) 91 319 19 73
+ (34) 91 34 19 92

REDIT LYONNAIS, S.A. Branch in Spain
as Lead Arranger, Syndication Agent
& Lender

By: /s/ Angel Benguigui

Name: Angel BENGUIGUI
Title: General Manager

Zeelandia Office Park, Kaya W.F.G.
Mensing 14 P.O. Box 3985, Curacao,
Netherlands Antilles

ING BANK, N.V.
as Arranger and Lender

A.B. Rosaria

By: /s/ A.B. Rosaria

Name: A.B. Rosaria
Title: Risk Manager

Telephone: -599 9 432 70 00
Facsimile: -599 9 432 7511 / 5 12

Zeelandia Office Park, Kaya W.F.G.
Mensin 14 P.O. Box 3895, Curacao,
Netherlands Antilles

ING BANK, N.V.
as Arranger and Lender

H.F.J. ten Holt

By: /s/ H.F.J. ten Holt

Name: H.F.J. ten Holt
Title: Director Chief
Financial Officer

Telephone: -599 9 432 70 00
Facsimile: -599 9 432 7511 / 5 12

277 Park Avenue
New York, NY (10172)

JPMORGAN CHASE BANK,
as Lender

Nicolas M. Ferro
Tel: (212) 622-7484
Fax: (212) 534-0358

By: /s/ Nicolas M. Ferro

Name: Nicolas M. Ferro
Title: Vice-president

J.P. MORGAN SECURITIES INC.,

J.P. Morgan Securities Inc.
New York, NY 10017
Tel. 212-834-4377
Fax. 212-834-6618

as Lead Arranger

By: /s/ Therese Rabieh

Name: Therese Rabieh
Title: Managing Director

J.P. Morgan Securities Inc.
New York, NY 10017
Tel. 212-834-4377
Fax. 212-834-6618

J.P. MORGAN SECURITIES INC.,
as Joint Bookrunner

By: /s/ Therese Rabieh

Name: Therese Rabieh
Title: Managing Director

Address: 1251 Ave. of The Americas
New York, NY 10020
Attention: David Costa
Vice President
Project & International
Finance Group
Telephone: 212-282-4964
Facsimile: 212-282-4385

MIZUHO CORPORATE BANK, LTD.,
Arranger

By: s/ Tsukasa Takasawa

Name: Tsukasa Takasawa
Title: Senior Vice President

Address: 1251 Ave. of The Americas
New York, NY 10020
Attention: David Costa
Vice President
Project & International
Finance Group
Telephone: 212-282-4964
Facsimile: 212-282-4385

MIZUHO CORPORATE BANK, LTD.,
as Lender

By: s/ Tsukasa Takasawa

Name: Tsukasa Takasawa
Title: Senior Vice President

Address: Paseo de Recoletos, 7-9
28004 Madrid - SPAIN
Attention: Jose Luis SANCHEZ
Telephone: 34 91 837 47 06
Facsimile: 34 91 837 47 80

NATEXIS BANQUES POPULAIRES, SUCURSAL
EN ESPANA

By: /s/ Jose Maria Iceta

Name: Jose Maria ICETA
Title: General Manager

By: /s/ Frederic Marechaux

Name: Frederic MARECHAUX
Title: Corporate Banking

[Address]: SCH Overseas Bank, Inc.
Ponce do Leon Ave., 221 - 11th floor
Hato Rey
Puerto Rico
[Attention]: Awilda Rosado Lugo
[Telephone]: 1-787-274-7200

SCH OVERSEAS BANK, INC.,
as Lender

By: /s/ Jose Luis Munoz Cintron

Name: Jose Luis Munoz Cintron

[Facsimile]: 1-787-250-3394

Title: Vicepresident

By: /s/ Simon Ergas Testa

Name: Simon Ergas Testa
Title: Director

[Address]: SCH Overseas Bank, Inc.
Ponce do Leon Ave., 221 - 11th floor
Hato Rey
Puerto Rico
[Attention]: Awilda Rosado Lugo
[Telephone]: 1-787-274-7200
[Facsimile]: 1-787-250-3394

SCH OVERSEAS BANK, INC.,
as Lead Arranger

By: /s/ Jose Luis Munoz Cintron

Name: Jose Luis Munoz Cintron
Title: Vicepresident

By: /s/ Simon Ergas Testa

Name: Simon Ergas Testa
Title: Director

1251 Avenue of the Americas
New York , NY 10020-1104
Attention: Hiroshi Azuma, VP
Telephone: 212-782-4184
Facsimile: 212-782-6400

THE BANK OF TOKYO-MITSUBISHI, LTD.
as Co-Arranger and Lender

By: /s/ Hiroshi Azuma

Name: Hiroshi Azuma
Title: VP & Head of EMD

Oficina de Representacion en Mexico
Blvd. M. Avila Camacho No. 1, P.8
Col. Lamas do Chapultepec
11009 Mexico, D.F.
Tel: (52) (55) 5520 7799
Fax: (52) (55) 5395 9050
(52) (55) 5395 9051

THE BANK OF NOVA SCOTIA
as Co-Arranger

By: /s/ Robert D. Hirsh

Name: Robet D. Hirsh
Title: Representative

Oficina de Representacion en Mexico
Blvd. M. Avila Camacho No. 1, P.8
Col. Lamas do Chapultepec
11009 Mexico, D.F.
Tel: (52) (55) 5520 7799
Fax: (52) (55) 5395 9050
(52) (55) 5395 9051

THE BANK OF NOVA SCOTIA
as Lender

By: /s/ Robert D. Hirsh

Name: Robet D. Hirsh
Title: Representative

[Address]:
Marques de Cubas 4
Madrid 28014
Spain

THE ROYAL BANK OF SCOTLAND PLC.,
Arranger and Lender

[Attention]: Javier Figar

By /s/ Juan Carlos Garcia Centeno

Name: Juan Carlos Garcia Centeno
Title: Country Head: Spain and
Portugal

[Telephone]: 00.34.91.701.51.26

[Facsimile]: 00.34.91.701.53.07

[Address]: 191 Peachtree St., NE
[Attention]: Kay Reedy
[Telephone]: (404) 332-5262
[Facsimile]: (404) 332-5905

Wachovia Bank, National Association,
as Lender

By: /s/ Kathleen Reedy

Name: Kathleen Reedy
Title: Director

12116th Avenue, 25th Floor
New York, NY 10036

WESTLB AG, NEW YORK BRANCH
as Lender

Attn: Elisabeth Wilds
Tel: 212-852-6322
Fax: 212-852-6148

By: /s/ Salvatore Battinelli

Name: Salvatore Battinelli,
Managing Director

By: /s/ Daniel Hitchcock

Name: Daniel Hitchcock, Director

Schedule 1.1

Commitments

Lender	Tranche A Commitment (euro)	Tranche B Commitment (\$)	Tranche C Commitment ((Y))
ABN Amro	(euro) 29,909,250	\$35,000,000	(Y) 3,268,800,000
BNP Paribas	(euro) 29,909,250	\$35,000,000	(Y) 3,268,800,000
Citibank N.A. Nassau, Bahamas Branch	(euro) 29,909,250	\$5,000,000	(Y) 3,268,800,000
California Commerce Bank	- -	\$30,000,000	- -
Credit Agricole Indosuez/ Credit Lyonnais	(euro) 29,909,250	\$61,000,000	(Y) 435,840,000
JPMorgan	(euro) 29,909,250	\$35,000,000	(Y) 3,268,800,000
Santander	(euro) 29,909,250	\$35,000,000	(Y) 3,268,800,000
ING Bank	(euro) 8,545,500	\$75,000,000	- -
Mizuho	(euro) 13,886,438	\$26,250,000	(Y) 2,451,600,000
Royal Bank of Scotland	(euro) 13,886,438	\$26,250,000	(Y) 2,451,600,000
Bank of Tokyo-M.	- -	- -	(Y) 5,448,000,000
BBVA	(euro) 9,827,325	\$23,500,000	(Y) 1,634,400,000
Bank of America	(euro) 9,827,325	\$23,500,000	(Y) 1,634,400,000
ScotiaBank	- -	\$50,000,000	- -
Banesto	(euro) 7,477,313	\$8,750,000	(Y) 817,200,000
Bayerische Landesbank	- -	\$15,000,000	- -
Caja Madrid	- -	\$25,000,000	- -
Natexis	(euro) 7,477,313	\$8,750,000	(Y) 817,200,000
Wachovia	(euro) 5,981,850	\$7,000,000	(Y) 653,760,000
West LB AG, NY Branch	- -	\$25,000,000	- -
TOTAL	(euro) 256,365,000	\$550,000,000	(Y) 32,688,000,000

Schedule 3.7

Litigation

1. The anti-dumping order imposed by the United States Department of

Commerce on August 30, 1990, pursuant to which subsidiaries of CEMEX, S.A. de C.V. that import cement from the United Mexican States must make cash deposits with the United States Customs Service to guarantee the eventual payment of anti-dumping duties, and the related reviews.

2. CEMEX, S.A. de C.V. and some of its subsidiaries in Mexico have been notified of several tax assessments determined by the tax authorities in Mexico related to different tax periods, for approximately 4,806,400,000 Mexican Pesos. The tax assessments result primarily from: (i) recalculation 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 deduction of business asset taxes by the controlling entity because the tax authorities maintain that such deductions should be considered proportional to the equity interest that the controlling entity has in the controlled entities. The affected companies are pursuing all available legal actions in order to resolve these disputed tax assessments in CEMEX's favor.

Schedule 3.16

Subsidiaries

Part A - Material Subsidiaries; Restricted Subsidiaries

Name	Jurisdiction of Incorporation	Percentage of common stock owned directly or indirectly by CEMEX, S.A. de C.V.
1. Cemex Mexico, S.A. de C.V.	MEXICO	100%
2. Empresas Tolteca de Mexico, S.A. de C.V.	MEXICO	100%
3. Cemex Concretos, S.A. de C.V.	MEXICO	100%
4. Cemex Trademarks Worldwide, Ltd.	SWITZERLAND	100%
5. Sunward Acquisitions N.V.	NETHERLANDS	100%
6. Cemex Espana, S.A.	SPAIN	99.5%
7. Cemex, Inc.	LOUISIANA	100%
8. Cemex Cement of Texas, L.P.	TEXAS	100%

Part B - All Other Subsidiaries of Cemex

1. AGROPECUARIA ROSARITO, C.A.	VENEZUELA
2. ALTAIR (INDIA) PRIVATE LIMITED	INDIA
3. ALTERBRAIN N.V.	NETHERLANDS
4. AMTEC NET, S. DE R.L.	MEXICO
5. ANACORP INC.	CAYMAN ISLANDS
6. APO CEMENT CORPORATION	PHILIPPINES
7. APO LAND & QUARRY CORPORATION	PHILIPPINES
8. ARICEMEX, S.A.	SPAIN
9. ARIDOS SILICIOS, S.A.	SPAIN
10. ARKIO DE MEXICO, S.A. DE C.V.	MEXICO
11. ARKIO DO BRASIL, S.A.	BRAZIL
12. ARKIO HOLDINGS N.V.	NETHERLANDS
13. ARKIO, INC.	TEXAS
14. ARRENDAMIX DE VENEZUELA, S.A.	VENEZUELA
15. ARVORE - TECNOLOGIAS DE INFORMACAO, S.A.	PORTUGAL
16. ASESORIAS Y GESTIONES LIMITADA	COLOMBIA
17. ASSIUT CEMENT COMPANY	EGYPT
18. AUTOTRANSPORTES DE HUICHAPAN, S.A. DE C.V.	MEXICO
19. AVIACION COMERCIAL DE AMERICA, S.A. DE C.V.	MEXICO
20. AYFER TEKSTIL LTD. STI.	TURKEY
21. BEDROCK HOLDINGS, INC.	PHILIPPINES
22. BRINDES N.V.	NETHERLANDS

23.	C.A. VENCEMOS	VENEZUELA
24.	CAL GUADALAJARA, S.A. DE C.V.	MEXICO
25.	CALES Y MORTEROS PORTER Y PORTER, S.A. DE C.V.	MEXICO
26.	CALIKO LIMITED	CAYMAN ISLANDS
27.	CANADIAN MEDUSA CEMENT LIMITED	ONTARIO
28.	CARBONIFERA DE SAN PATRICIO, S.A. DE C.V.	MEXICO
29.	CARIBBEAN FUNDING LLC	DELAWARE
30.	CECAR INC.	CAYMAN ISLANDS
31.	CEDICE CARIBE, S.A. DE C.V.	MEXICO
32.	CEMAR INC.	CAYMAN ISLANDS
33.	CEMCOKE INTERNATIONAL LIMITED CO.	TEXAS
34.	CEMENT TRANSIT COMPANY	DELAWARE
35.	CEMENTIFICIO DI MONTALTO SPA	ITALY
36.	CEMENTILCE SRL	ITALY
37.	CEMENTO BAYANO, S.A.	PANAMA
38.	CEMENTOS ANAHUAC, S.A.	MEXICO
39.	CEMENTOS DE CENTROAMERICA, S.A.	GUATEMALA
40.	CEMENTOS GUADALAJARA, S.A. DE C.V.	MEXICO
41.	CEMENTOS MEXICANOS, S.A. DE C.V.	MEXICO
42.	CEMENTOS MONTERREY, S.A. DE C.V.	MEXICO
43.	CEMENTOS NACIONALES, S.A.	DOMINICAN REPUBLIC
44.	CEMENTOS TOLTECA, S.A. DE C.V.	MEXICO
45.	CEMEX (CAMBODIA) CO. LTD.	CAMBODIA
46.	CEMEX (COSTA RICA), S.A.	COSTA RICA
47.	CEMEX (THAILAND) CO. LTD.	THAILAND
48.	CEMEX ACQUISITION LLC	DELAWARE
49.	CEMEX ADMINISTRACIONES LTDA.	COLOMBIA
50.	CEMEX ASIA HOLDINGS LTD.	SINGAPORE
51.	CEMEX ASIA PACIFIC INVESTMENTS B.V.	NETHERLANDS
52.	CEMEX ASIA PTE. LTD.	SINGAPORE
53.	CEMEX ASIA VENTURES INC.	PHILIPPINES
54.	CEMEX ASIAN INVESTMENTS N.V.	NETHERLAND ANTILLES
55.	CEMEX BAHAMAS LIMITED	BAHAMAS
56.	CEMEX BETON, S.A.S.	FRANCE
57.	CEMEX CALIFORNIA CEMENT LLC	DELAWARE
58.	CEMEX CAPE VERDIAN INVESTMENTS B.V.	NETHERLANDS
59.	CEMEX CAPITAL DE COLOMBIA, S.A.	COLOMBIA
60.	CEMEX CAPITAL, S.A. DE C.V.	MEXICO
61.	CEMEX CARACAS II INVESTMENTS B.V.	NETHERLANDS
62.	CEMEX CARACAS INVESTMENTS B.V.	NETHERLANDS
63.	CEMEX CARIBE II INVESTMENTS B.V.	NETHERLANDS
64.	CEMEX CEMENT (BANGLADESH) LIMITED	BANGLADESH
65.	CEMEX CEMENT, INC.	DELAWARE
66.	CEMEX CENTRAL PLAINS CEMENT LLC	DELAWARE
67.	CEMEX CENTRAL, S.A. DE C.V.	MEXICO
68.	CEMEX COLOMBIA, S.A.	COLOMBIA
69.	CEMEX CONCRETE HOLDINGS, LLC	DELAWARE
70.	CEMEX CONCRETOS DE COLOMBIA, S.A.	COLOMBIA
71.	CEMEX CONCRETOS, S.A.	PANAMA
72.	CEMEX CONSTRUCTION MATERIALS, L.P.	TEXAS
73.	CEMEX CORP.	DELAWARE
74.	CEMEX CHILE INVESTMENTS B.V.	NETHERLANDS
75.	CEMEX DANISH INVESTMENTS B.V.	NETHERLANDS
76.	CEMEX DENMARK ApS	DENMARK
77.	CEMEX EGYPT FOR DISTRIBUTION COMPANY	EGYPT
78.	CEMEX EGYPT FOR SERVICES	EGYPT
79.	CEMEX EGYPTIAN INVESTMENTS B.V.	NETHERLANDS
80.	CEMEX EIGHT INVESTMENTS B.V.	NETHERLANDS
81.	CEMEX EL SALVADOR, S.A.	EL SALVADOR
82.	CEMEX ELEVEN INVESTMENTS B.V.	NETHERLANDS
83.	CEMEX ENVIRONMENTAL LLC	DELAWARE
84.	CEMEX ESPANA FINANCE LLC	DELAWARE
85.	CEMEX ESPANA INTERNATIONAL CAPITAL LLC	DELAWARE
86.	CEMEX FINANCE EUROPE B.V.	NETHERLANDS
87.	CEMEX FINANCE, INC.	DELAWARE
88.	CEMEX FOUNDATION	OHIO
89.	CEMEX FOURTEEN INVESTMENTS B.V.	NETHERLANDS
90.	CEMEX GENERACION Y COMERCIALIZACION DE ENERGIA, S.A. E.S.P.	COLOMBIA
91.	CEMEX GLOBAL INVESTMENTS B.V.	NETHERLANDS
92.	CEMEX GRANULATS, SAS	FRANCE
93.	CEMEX HOLDINGS INC.	DELAWARE
94.	CEMEX HUNGARY KFT	HUNGARY
95.	CEMEX INDONESIA INVESTMENTS B.V.	NETHERLANDS
96.	CEMEX INTERNACIONAL, S.A. DE C.V.	MEXICO
97.	CEMEX INTERNATIONAL CAPITAL LLC	DELAWARE
98.	CEMEX INTERNATIONAL FINANCE CO.	IRELAND
99.	CEMEX INVESTMENTS AKTIENGESELLSCHAFT	LIECHTENSTEIN
100.	CEMEX INVESTMENTS, INC.	DELAWARE
101.	CEMEX LAND COMPANY	DELAWARE
102.	CEMEX LEASING, INC.	ARIZONA
103.	CEMEX MANAGEMENT, INC.	DELAWARE

104.	CEMEX MANILA INVESTMENTS B.V.	NETHERLANDS
105.	CEMEX NETHERLANDS, B.V.	NETHERLANDS
106.	CEMEX NICARAGUA, S.A.	NICARAGUA
107.	CEMEX NY CORPORATION	DELAWARE
108.	CEMEX PACIFIC COAST CEMENT CORPORATION	DELAWARE
109.	CEMEX PUERTO RICO, INC.	PUERTO RICO
110.	CEMEX READY MIX LLKHARASANAH EL-JHAZAA	EGYPT
111.	CEMEX SIERRA INVESTMENTS B.V.	NETHERLANDS
112.	CEMEX SIX INVESTMENTS B.V.	NETHERLANDS
113.	CEMEX SMI HOLDINGS LLC	DELAWARE
114.	CEMEX STRATEGIC PHILIPPINES INC.	PHILIPPINES
115.	CEMEX TEN INVESTMENTS B.V.	NETHERLANDS
116.	CEMEX THIRTEEN INVESTMENTS B.V.	NETHERLANDS
117.	CEMEX TRADEMARKS HOLDING LTD.	SWITZERLAND
118.	CEMEX TRADING CARIBE LTD.	ST. LUCIA
119.	CEMEX TRADING EUROPE, S.A.	SPAIN
120.	CEMEX TRADING, LLC	DELAWARE
121.	CEMEX TRANSPORTE, S.A. DE C.V.	MEXICO
122.	CEMEX TRANSPORTES DE COLOMBIA, S.A.	COLOMBIA
123.	CEMEX TRUCKING, INC.	CALIFORNIA
124.	CEMEX TWELVE INVESTMENTS B.V.	NETHERLANDS
125.	CEMEX VENEZUELA, S.A.C.A.	VENEZUELA
126.	CEMEX VENTURES, INC.	DELAWARE
127.	CEMEXNET, S.A. DE C.V.	MEXICO
128.	CEMSAL Ltd.	GAHNA
129.	CEMTEC DE EUROPA, S.A.	SPAIN
130.	CENTRAL DE MEZCLAS, S.A.	COLOMBIA
131.	CENTRO DISTRIBUIDOR DE CEMENTO, S.A. DE C.V.	MEXICO
132.	CETACEA INVESTMENTS LIMITED	TRINIDAD & TOBAGO
133.	CETRA INC.	CAYMAN ISLANDS
134.	CIMENT LA PIERRE, S.A.	HAITI
135.	COLOMBIA INTERNATIONAL HOLDINGS INC.	BVI
136.	COMERCIALIZADORA CONSTRURAMA, S.A. DE C.V.	MEXICO
137.	COMERCIALIZADORA FERREX, C.A.	VENEZUELA
138.	COMPANIA DE TRANSPORTES DEL MAR DE CORTES, S.A. DE C.V.	MEXICO
139.	COMPANIA MINERA ATOYAC, S.A. DE C.V.	MEXICO
140.	CONCRETOS MONTERREY, S.A. DE C.V.	MEXICO
141.	CONOMITA, S.A.	VENEZUELA
142.	CONSTRUCCIONES E INVERSIONES DIAMANTE LTDA.	COLOMBIA
143.	CONSTRUCTION FUNDING CORPORATION	IRELAND
144.	CONSTRUFORUM B.V.	NETHERLANDS
145.	CONSTRUMEGA ARGENTINA, S.A.	ARGENTINA
146.	CONSTRUMEXCLA, S.A. DE C.V.	MEXICO
147.	CONSTRUMIX.COM, S.A. DE C.V.	MEXICO
148.	CONSTRUPLAZA DE ARGENTINA, S.A.	ARGENTINA
149.	CONSTRUPLAZA SERVICIOS INFORMATICOS, S.L.	SPAIN
150.	CONSTRUTODO, INC.	DELAWARE
151.	CORBIN INTERNATIONAL INVESTMENTS LTD.	BVI
152.	CORPORACION GOUDA, S.A. DE C.V.	MEXICO
153.	CUBIC VENTURES HOLDINGS LTD	BVI
154.	CX (THAILAND) LIMITED	THAILAND
155.	CX NETWORKS N.V.	NETHERLANDS
156.	CHIQUIOJOS, S.A.	COSTA RICA
157.	DESARROLLOS DIADANILO, C.A.	VENEZUELA
158.	DESARROLLOS MULTIPLES INSULARES, INC.	PUERTO RICO
159.	DIAMANTE TRANSPORTES LIMITADA	COLOMBIA
160.	DISTRIBUIDORA DE CEMENTO, S.A.	PANAMA
161.	DITEC INVERSIONES, S.L.	SPAIN
162.	DUNAV INVESTMENTS LTD.	BVI
163.	EDGEWATER VENTURES CORPORATION	PHILIPPINES
164.	EL FAHD FOR CEMENT CO.	EGYPT
165.	ENTREPRISES PASTORELLO TRAVAUX ROUTIERS, SAS	FRANCE
166.	EQUIPOS INDUSTRIALES DE AGUASCALIENTES, S.A. DE C.V.	MEXICO
167.	EQUIPOS PARA USO DE GUATEMALA, S.A.	GUATEMALA
168.	ESCAZU INVESTMENTS	CAYMAN ISLANDS
169.	ESPARTANA SHIPPING CO.	CAYMAN ISLANDS
170.	EURO-CARIBBEAN INVESTMENTS B.V.	NETHERLAND
171.	FABRICACION DE MAQUINARIA PESADA, S.A. DE C.V.	MEXICO
172.	FLORIDA LIME CORPORATION	PUERTO RICO
173.	FUJUR, S.A. DE C.V.	MEXICO
174.	FUNDACION DIAMANTE SAMPER	COLOMBIA
175.	GANDALF HOLDINGS CORPORATION	PHILIPPINES
176.	GESTION FRANCAZAL ENTREPRISES, SAS	FRANCE
177.	GIBRALTAR RE LIMITED	ST. LUCIA
178.	GLOBAL SOFTWARE FACTORY, S.A. DE C.V.	MEXICO
179.	GOOD ASSETS LIMITED	THAILAND
180.	GRANOS Y TERRENOS, S.A. DE C.V.	MEXICO
181.	GULF COAST PORTLAND CEMENT CO.	DELAWARE
182.	HISPAGOLD INVESTMENTS B.V	NETHERLANDS
183.	HORMICEMEX, S.A.	SPAIN
184.	HORMIGONES AUTOL, S.A.	SPAIN

185.	HOTELERA DEL ATLANTICO, S.A.	DOMINICAN REPUBLIC
186.	IKELA INVESTMENTS LTD.	BVI
187.	IMPRA CAFE, S.A. DE C.V.	MEXICO
188.	INCALPA, S.A. DE C.V.	MEXICO
189.	INDEPENDIENTE SHIPPING CO.	CAYMAN ISLANDS
190.	INDUSTRIAS E INVERSIONES SAMPER, S.A.	COLOMBIA
191.	INFOGLOBAL, SA DE CV	MEXICO
192.	INFOSPHERE LOGISTICA, S DE R.L	MEXICO
193.	INFOSPHERE, SA DE CV	MEXICO
194.	INMOBILIARIA CEMEX COZUMEL, S.A. DE C.V.	MEXICO
195.	INMOBILIARIA CEMEX HUATULCO, S.A. DE.C.V.	MEXICO
196.	INMOBILIARIA RIO LA SILLA, S.A. DE C.V.	MEXICO
197.	INMOBILIARIA RIO SAN FERNANDO, S.A. DE C.V.	MEXICO
198.	INMOBILIARIA RIO SAN MARTIN, S.A. DE C.V.	MEXICO
199.	INMOBILIARIA VALLE DEL CAMPESTRE, S.A. DE C.V.	MEXICO
200.	INMOBILIARIA VALLE DOS C.A.	VENEZUELA
201.	INMOBILIARIA Y ARRENDAMIENTO BAYANO, S.A.	PANAMA
202.	INMOBILIARIA Y SERVICIOS TURCEM, S.A. DE C.V.	MEXICO
203.	INTERAMERICAN INVESTMENTS, INC.	DELAWARE
204.	INTERNATIONAL COMPANY FOR SILOS LTD.	EGYPT
205.	INTERNATIONAL INVESTORS LLC	DELAWARE
206.	INTERSILOS, S.A.	SPAIN
207.	INVERSIONES CALLEGARI, C.A.	VENEZUELA
208.	INVERSIONES VILLAJOSYA, S.A.	SPAIN
209.	ISLAND CEMENT COMPANY LIMITED	BAHAMAS
210.	ISLAND QUARRY AND AGGREGATES CORP.	PHILIPPINES
211.	JAMES H. DREW CORPORATION	INDIANA
212.	KOSMOS CEMENT COMPANY	KENTUCKY
213.	LAI LIMITED	CAYMAN ISLANDS
214.	LATIN NETWORK HOLDINGS B.V.	NETHERLANDS
215.	LATIN NETWORK MEXICO, S.A. DE C.V.	MEXICO
216.	LATINASIAN INVESTMENTS PTE. LTD.	SINGAPORE
217.	LATINET HOLDINGS B.V.	NETHERLANDS
218.	LATINET INVESTMENTS, LLC	DELAWARE
219.	LATINEXUS MEXICO, S.A. DE C.V.	MEXICO
220.	LATINEXUS N.V.	NETHERLANDS
221.	LATINPAGO N.V.	NETHERLANDS
222.	LE CIMENT DU NORD, S.A.	HAITI
223.	LIMESTONE MATERIALS, INC.	PUERTO RICO
224.	LINE, S.A.	GUATEMALA
225.	LOMAS DEL TEMPISQUE, S.R.L.	COSTA RICA
226.	LOMEZ INTERNATIONAL B.V.	NETHERLANDS
227.	LOTHLORIEN HOLDINGS CORPORATION	PHILIPPINES
228.	MACORIS INVESTMENTS	CAYMAN ISLANDS
229.	MACORP INC.	BVI
230.	MADERAS Y GRANOS DE LA LAGUNA, S.A. DE C.V.	MEXICO
231.	MADISA B.V.	NETHERLANDS
232.	MAQUINDUSTRIAS, S.A. DE C.V.	MEXICO
233.	MASTER ACCESORIOS INDUSTRIALES, S.A. DE C.V.	MEXICO
234.	MAYA-BELIZE CEMENT LIMITED	BELIZE
235.	MERCIS, S.A. DE C.V.	MEXICO
236.	MEXAM TRADE, INC.	DELAWARE
237.	MEXCEMENT HOLDINGS, S.A. DE C.V.	MEXICO
238.	MILTON INTERNATIONAL CORP.	CAYMAN ISLANDS
239.	MINERAL RESOURCE TECHNOLOGIES, INC.	DELAWARE
240.	MOJAVE NORTHERN RAILROAD COMPANY	CALIFORNIA
241.	MONTASSER READY MIX	EGYPT
242.	NEORIS ARGENTINA, S.A.	ARGENTINA
243.	NEORIS CHILE, S.A.	CHILE
244.	NEORIS DE MEXICO, S.A. DE C.V.	MEXICO
245.	NEORIS DO BRAZIL, S.A.	BRAZIL
246.	NEORIS ESPANA, S.L.	SPAIN
247.	NEORIS LOGISTICS, INC.	FLORIDA
248.	NEORIS N.V.	NETHERLANDS
249.	NEORIS USA, INC.	FLORIDA
250.	NEORIS VENEZUELA, C.A.	VENEZUELA
251.	NEORISPOR - EDICIOS DIGITAIS, S.A.	PORTUGAL
252.	NEW SUNWARD HOLDING B.V.	NETHERLANDS
253.	NORTH TRANSPORT, INC.	DELAWARE
254.	OCCITAN INVESTMENTS B.V.	NETHERLANDS
255.	PACIFIC ASSETS N.V.	NETHERLANDS
256.	PANAMA PACIFIC INVESTMENTS B.V.	NETHERLANDS
257.	PANTAPOIEM - CRIACOES MULTIMEDIA, LTD.	PORTUGAL
258.	PARMA CEMENTI SPA	ITALY
259.	PCG HOLDINGS, INC.	DELAWARE
260.	PETROCEMEX, S.A. DE C.V.	MEXICO
261.	PETROLEUM COKE GRINDING, INC.	DELAWARE
262.	POLY BAGS AND PACKAGING, INC.	PUERTO RICO
263.	PONCE CAPITAL CORPORATION	PUERTO RICO
264.	PONCE EQUIPMENT AND MAINTENANCE COMPANY	PUERTO RICO
265.	POWERNET INTERNATIONAL, INC.	FLORIDA

266.	PRO AMBIENTE, S.A. DE C.V.	MEXICO
267.	PRODUCTORA DE BOLSAS DE PAPEL, S.A.	MEXICO
268.	PRODUCTOS CALCAREOS, S.A. DE C.V.	MEXICO
269.	PROFESIONALES EN LOGISTICA DE MEXICO, S.A. DE C.V.	MEXICO
270.	PROFESSIONAL SOFTWARE SERVICES, S.A. DE C.V.	MEXICO
271.	PROVEEDORA DE FIBRAS TEXTILES, S.A. DE C.V.	MEXICO
272.	PROVEEDORA MEXICANA DE MATERIALES, S.A. DE C.V.	MEXICO
273.	PT BINTANG POLINA PERKASA	INDONESIA
274.	PT CEMEX INDONESIA	INDONESIA
275.	PUERTO RICAN CEMENT COMPANY, INC.	PUERTO RICO
276.	PUERTO RICO FINANCE LLC	DELAWARE
277.	PUNTOCOM HOLDINGS LTDA. ARGENTINA	ARGENTINA
278.	PUNTOCOM HOLDINGS LTDA. BRASIL	BRASIL
279.	PUNTOCOM HOLDINGS N.V.	NETHERLANDS
280.	PUNTOCOM HOLDINGS USA, INC.	DELAWARE
281.	PUNTOCOM HOLDINGS, S.A. DE C.V.	MEXICO
282.	PUNTOCOM HOSTING N.V.	NETHERLANDS
283.	PUNTOCOM INVESTMENTS, LLC	DELAWARE
284.	READY MIX CONCRETE, INC.	PUERTO RICO
285.	RED ROCK OF MINNESOTA, INC.	MINNESOTA
286.	RIVENDELL HOLDINGS CORPORATION	PHILIPPINES
287.	RODNEY H. GREENWAY, INC.	GEORGIA
288.	SANDSTONE STRATEGIC HOLDINGS, INC.	PHILIPPINES
289.	SANDWORTH PLAZA HOLDING B.V.	NETHERLANDS
290.	SAVAR INVESTMENTS	CAYMAN ISLANDS
291.	SERVICIOS CEMEX CAPITAL, S.A. DE C.V.	MEXICO
292.	SERVICIOS CEMEX MEXICO, S.A. DE C.V.	MEXICO
293.	SERVICIOS MUNDIALES DE CONSULTORIA SEMUCOSA, S.A.	VENEZUELA
294.	SERVICIOS PARA LA AUTOCONSTRUCCION, S.A. DE C.V.	MEXICO
295.	SERVICRETO LTDA.	COLOMBIA
296.	SHIRE HOLDINGS CORPORATION	PHILIPPINES
297.	SIERRA TRADING	CAYMAN ISLANDS
298.	SINERGIA DEPORTIVA, S.A. DE C.V.	MEXICO
299.	SOCIETE DES CIMENTS ANTILLAIS	FRENCH ANTILLES (GUADALUPE)
300.	SOLID CEMENT CORP.	PHILIPPINES
301.	SOUTHINGTON LIMITED	BAHAMAS
302.	SUNBELT CEMENT HOLDINGS, INC.	DELAWARE
303.	SUNBELT INVESTMENTS INC.	DELAWARE
304.	SUNBELT TRADING, S.A.	DOMINICAN REPUBLIC
305.	SUNBELT-RE LIMITED	BERMUDA
306.	SUNBULK SHIPPING N.V.	NETHERLAND ANTILLES
307.	SUNWARD HOLDINGS B.V.	NETHERLANDS
308.	SUNWARD INVESTMENTS B.V.	NETHERLANDS
309.	TECNOLOGIA Y APLICACIONES MEDIOAMBIENTALES DE ALCANAR, S.L.	SPAIN
310.	TECNOLOGIA Y APLICACIONES MEDIOAMBIENTALES DE YEPES, S.L.	SPAIN
311.	TECNOLOGIAS Y APLICACIONES MEDIOAMBIENTALES, S.A.	SPAIN
312.	TELENEXO N.V.	NETHERLANDS
313.	TENNESSEE GUARDRAIL, INC.	TENNESSEE
314.	TERMOCLECTRICA DEL GOLFO, S. DE R.L. DE C.V.	MEXICO
315.	TEXMATRIX N.V.	NETHERLANDS
316.	TOULOUSE MIDI PYRENNEES ENROBES, S.A.	FRANCE
317.	TRANSENERGY, INC.	TEXAS
318.	TRANSPORTES DE CEMENTO, S.A.	SPAIN
319.	TRANSPORTES SAN PEDRO, S.A.	DOMINICAN REPUBLIC
320.	TRICAP INVESTMENTS I-A, LLC	DELAWARE
321.	TRICAP OPTION FUND A, LLC	DELAWARE
322.	TRIPLE DIME HOLDINGS INC.	PHILIPPINES
323.	TUNWOO CO. LTD	TAIWAN
324.	UCIM, A.S.	TURKEY
325.	UNIS INVESTMENTS	CAYMAN ISLANDS
326.	VALCEM INTERNATIONAL B.V.	NETHERLANDS
327.	VALENCIANA DENMARK APS	DENMARK
328.	VENCEMENT INVESTMENTS	CAYMAN ISLANDS
329.	VENMARCA OCCIDENTE, C.A.	VENEZUELA
330.	VILMER INVESTMENTS	CAYMAN ISLANDS
331.	VOGAN INVESTMENTS	CAYMAN ISLANDS
332.	WESTERN RAIL ROAD COMPANY	TEXAS
333.	WIND ACQUISITION CORP I	DELAWARE
334.	WIND ACQUISITION CORP II	DELAWARE
335.	WIND ACQUISITION CORP III	DELAWARE

Schedule 3.23

Restrictions on Distributions

None.

Liens

CONSOLIDATED GROUP
LIEN SCHEDULE
(Figures in millions of US Dollars)

COMPANY	LENDER	LIEN CONCEPT	BALANCE \$
CEMEX Construction Materials, L.P.	Navistar Financial	Equipment related with the Credit	2.25
CEMEX Construction Materials, L.P.	GE Capital 7964, 8069	Equipment related with the Credit	1.24
CEMEX Construction Materials, L.P.	City of Long Beach	Cement Terminal (Capital Lease Obligation)	9.81
CEMEX Construction Materials, L.P.	GE Capital 8050	Equipment related with the Credit.	0.00
CEMEX Construction Materials, L.P.	Hampton	Land related with the Credit	0.34
CEMEX Construction Materials, L.P.	Rodgers	Land related with the Credit	0.56
CEMEX Construction Materials, L.P.	RIO	Land related with the Credit	5.17
CEMEX Espana, S.A.	La Caixa	MAIN OFFICES	0.54
		C/ Hernandez de Tejada, 1 - 3	
		Madrid	
CEMEX, Inc.	Kaser Note	Land related with the Credit	1.42
CEMEX, Inc.	Diamond Sand/Greenway Note	Land related with the Credit	0.00
Cemex, S.A. De C.V.	BNP	Cash Collateral	3.70
Cemex, S.A. De C.V.	Wachovia	Cash Collateral	0.00
Escazu Investments	Citibank	Cash Collateral	9.30
Centro Distribuidor de Cemento, S.A. De C.V.	Goldman Sachs	Cash Collateral	10.88

			45.21

EXHIBIT A-1

FORM OF TRANCHE A NOTE

PROMISSORY NOTE

(euro) _____

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 "Lender"), the principal sum of (euro) _____ (_____ EURO __/100) on _____, 20__, provided that if such day is not a Business Day, the maturity 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 maturity date shall be the immediately preceding Business Day (the "Maturity Date").

The Borrower further promises to pay to the Lender 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 Eurocurrency Rate (as hereinafter defined) for such Interest Period (as hereinafter defined) plus 0.625% (zero point six hundred and twenty five percent). Interest shall be payable in arrears 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 under this Promissory Note, payable on demand, at a rate per annum equal to the Eurocurrency Rate then in effect plus 0.625% (zero point six hundred and twenty five percent) plus 2.00% (two point zero percent).

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 Administrative Agent (as hereinafter defined), in Euros and in immediately available funds.

All payments made and to be made 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 withheld from any amounts payable hereunder, the amounts so payable to the holder hereof shall be increased to the extent necessary to yield to the holder hereof interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Promissory Note.

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:

"Administrative Agent" means Citibank, N.A.

"Business Day" means a day, other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or other governmental action to close, and any day on which banks are not open for trading Euro in the London interbank market.

"Euro" and "(euro)" means the lawful currency of the participating member states of the European Monetary Union. "Interest Payment Date" means the last day of each Interest Period (as hereinafter defined).

"Interest Period" means, the period commencing on the execution date of this Promissory Note and ending [one] [three] [six] months thereafter and thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending [one] [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 Maturity 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.

"Eurocurrency Rate" means with respect to each day during each Interest Period, a rate per annum determined for such day (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the Eurocurrency Base Rate divided by the result of 1.00 minus the Eurocurrency Reserve Requirements.

"Eurocurrency Base Rate" means, with respect to each day during each Interest Period, the rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) determined on the basis of the London inter-bank offered rate for deposits in Euro for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on the Telerate screen, the "Eurocurrency Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent in consultation with the Borrower or, in the absence of such availability, by reference to the rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which deposits in Euro for a period equal to or closest to (but greater than) such Interest Period are offered by the principal London office of the Administrative Agent in the Euro interbank market at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period.

"Eurocurrency Reserve Requirements" means for any day, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board of Governors of the Federal Reserve System of the United States of America (or any successor, the "Board") or other Governmental Authority having jurisdiction over the Lender dealing with reserve requirements prescribed for funding in Euro (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board).

"Governmental Authority" means any foreign or domestic branch of power or government or any state, department or other political subdivision thereof, or any foreign or domestic governmental body, agency, authority (including any central bank or taxing authority), any entity or instrumentality (including

any court or tribunal) exercising, or asserting jurisdiction to exercise, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

This Promissory Note shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, United States of America, provided however, that if any action or proceeding in connection with this Promissory Note shall be brought in any courts in the United Mexican States, this Promissory Note shall be governed by the laws of United Mexican States. Any legal action or proceeding arising out of or relating to this Promissory Note may be brought, in any court of the United States for the Southern District of New York or any courts of the State of New York located in the Borough of Manhattan, City of New York, or in the courts located in the City of Mexico, Federal District, United Mexican States. The Borrower and the Guarantors waive the jurisdiction of any other courts that may correspond for any other reason.

The Borrower and the Guarantors hereby waive diligence, presentment, protest or notice of total or partial non-payment or dishonor with respect to this Promissory Note.

This Promissory Note has been executed in both English and Spanish versions, both of which shall bind the Borrower; provided, however, that the English version shall be controlling, except in any action, suit or proceeding brought in the courts of the United Mexican States, in which case the Spanish version shall be controlling.

This Promissory Note consists of ___ pages, each of which is duly signed.

[PLACE OF EXECUTION] _____, 2003.

NEW SUNWARD HOLDING, B.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

GUARANTORS

POR AVAL

CEMEX, S.A. DE C.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

CEMEX MEXICO, S.A. DE C.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

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

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

EXHIBIT A-2

PROMISSORY NOTE

US\$ _____

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 "Lender"), the principal sum of US\$ _____ (_____ DOLLARS OF THE UNITED STATES OF AMERICA ___/100) on _____, 20___, provided that if such day is not a Business Day, the maturity 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 maturity date shall be the immediately preceding Business Day (the "Maturity Date").

The Borrower further promises to pay to the Lender 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 Eurocurrency Rate (as hereinafter defined) for such Interest Period (as hereinafter defined) plus 0.925% (zero point nine hundred and twenty five percent). Interest shall be payable in arrears 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 under this Promissory Note, payable on demand, at a rate per annum equal to the Eurocurrency Rate then in effect plus 0.925% (zero point nine hundred and twenty five percent) plus 2.00% (two point zero percent).

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 11:00 a.m., New York time, to the account number _____, ABA number _____, Ref.: _____ in _____, maintained by the Administrative Agent (as hereinafter defined), in Dollars and in immediately available funds.

All payments made and to be made 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 withheld from any amounts payable hereunder, the amounts so payable to the holder hereof shall be increased to the extent necessary to yield to the holder hereof interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Promissory Note.

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:

"Administrative Agent" means Citibank, N.A.

"Business Day" means a day, other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or other governmental action to close, and any day on which banks are not open for trading Dollars in the London interbank market.

"Dollars" or "US\$" means the lawful currency of the United States of America. . "Interest Payment Date" means the last day of each Interest Period (as hereinafter defined).

"Interest Period" shall mean, the period commencing on the execution date of this Promissory Note and ending [one] [three] [six] months thereafter and thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending [one] [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 Maturity 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.

"Eurocurrency Rate" means with respect to each day during each Interest

Period, a rate per annum determined for such day (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the Eurocurrency Base Rate divided by the result of 1.00 minus the Eurocurrency Reserve Requirements.

"Eurocurrency Base Rate" means, with respect to each day during each Interest Period, the rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) determined on the basis of the London inter-bank offered rate for deposits in U.S. Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on the Telerate screen, the "Eurocurrency Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent in consultation with the Borrower or, in the absence of such availability, by reference to the rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which deposits in U.S. Dollars for a period equal to or closest to (but greater than) such Interest Period are offered by the principal London office of the Administrative Agent in the U.S. Dollars interbank market at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period.

"Eurocurrency Reserve Requirements" means for any day, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board of Governors of the Federal Reserve System of the United States of America (or any successor, the "Board") or other Governmental Authority having jurisdiction over the Lender dealing with reserve requirements prescribed for funding in Eurodollars (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board).

"Governmental Authority" means any foreign or domestic branch of power or government or any state, department or other political subdivision thereof, or any foreign or domestic governmental body, agency, authority (including any central bank or taxing authority), any entity or instrumentality (including any court or tribunal) exercising, or asserting jurisdiction to exercise, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

This Promissory Note shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, United States of America, provided however, that if any action or proceeding in connection with this Promissory Note shall be brought in any courts in the United Mexican States, this Promissory Note shall be governed by the laws of United Mexican States. Any legal action or proceeding arising out of or relating to this Promissory Note may be brought, in any court of the United States for the Southern District of New York or any courts of the State of New York located in the Borough of Manhattan, City of New York, or in the courts located in the City of Mexico, Federal District, United Mexican States. The Borrower and the Guarantors waive the jurisdiction of any other courts that may correspond for any other reason.

The Borrower and the Guarantors hereby waive diligence, presentment, protest or notice of total or partial non-payment or dishonor with respect to this Promissory Note.

This Promissory Note has been executed in both English and Spanish versions, both of which shall bind the Borrower; provided, however, that the English version shall be controlling, except in any action, suit or proceeding brought in the courts of the United Mexican States, in which case the Spanish version shall be controlling.

This Promissory Note consists of ___ pages, each of which is duly signed.

_____, [PLACE OF EXECUTION]
_____, 2003.

NEW SUNWARD HOLDING, B.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

GUARANTORS

POR AVAL

CEMEX, S.A. DE C.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

CEMEX MEXICO, S.A. DE C.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

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

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

EXHIBIT A-3

PROMISSORY NOTE

(Y) _____

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 "Lender"), the principal sum of (Y) _____ (_____ YEN OF JAPAN __/100) on _____, 20__, provided that if such day is not a Business Day, the maturity 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 maturity date shall be the immediately preceding Business Day (the "Maturity Date").

The Borrower further promises to pay to the Lender 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 Eurocurrency Rate (as hereinafter defined) for such Interest Period (as hereinafter defined) plus 0.862% (zero point eight hundred and sixty two percent). Interest shall be payable in arrears on each Interest Payment Date (as hereinafter defined below).

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 under this Promissory Note, payable on demand, at a rate per annum equal to the Eurocurrency Rate then in effect plus 0.862% (zero point eight hundred and sixty two percent) plus 2.00% (two point zero percent).

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., Tokyo time, to the account number _____, ABA number _____, Ref.: _____ in _____, maintained by the Administrative Agent (as hereinafter defined), in Yen and in immediately available funds.

All payments made and to be made 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 withheld from any amounts payable hereunder, the

amounts so payable to the holder hereof shall be increased to the extent necessary to yield to the holder hereof interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Promissory Note.

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:

"Administrative Agent" means Citibank, N.A.

"Business Day" means a day, other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or other governmental action to close, and any day on which banks are not open for trading in Yen in the London and Tokyo interbank markets.

"Yen" and "(Y)" means the lawful currency of Japan.

"Interest Payment Date" means the last day of each Interest Period (as hereinafter defined).

"Interest Period" means, the period commencing on the execution date of this Promissory Note and ending six months thereafter and thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending 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 Maturity 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.

"Eurocurrency Rate" means with respect to each day during each Interest Period, a rate per annum determined for such day (rounded upwards, if necessary, to the nearest 1/100th of 1%) equal to the Eurocurrency Base Rate divided by the result of 1.00 minus the Eurocurrency Reserve Requirements.

"Eurocurrency Base Rate" means, with respect to each day during each Interest Period, the rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) determined on the basis of the London inter-bank offered rate for deposits in Yen for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on page 3750 of the Telerate screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on the Telerate screen, the "Eurocurrency Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent in consultation with the Borrower or, in the absence of such availability, by reference to the rate (rounded upwards, if necessary, to the next 1/100 of 1%) at which deposits in Yen for a period equal to or closest to (but greater than) such Interest Period are offered by the principal London office of the Administrative Agent in the Yen interbank market at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period.

"Eurocurrency Reserve Requirements" means for any day, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board of Governors of the Federal Reserve System of the United States of America (or any successor, the "Board") or other Governmental Authority having jurisdiction over the Lender dealing with reserve requirements prescribed for funding in Yen (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board).

"Governmental Authority" means any foreign or domestic branch of power or government or any state, department or other political subdivision thereof, or any foreign or domestic governmental body, agency, authority (including any central bank or taxing authority), any entity or instrumentality (including any court or tribunal) exercising, or asserting jurisdiction to exercise, executive, legislative, judicial, regulatory or administrative functions of or

pertaining to government.

This Promissory Note shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, United States of America, provided however, that if any action or proceeding in connection with this Promissory Note shall be brought in any courts in the United Mexican States, this Promissory Note shall be governed by the laws of United Mexican States. Any legal action or proceeding arising out of or relating to this Promissory Note may be brought, in any court of the United States for the Southern District of New York or any courts of the State of New York located in the Borough of Manhattan, City of New York, or in the courts located in the City of Mexico, Federal District, United Mexican States. The Borrower and the Guarantors waive the jurisdiction of any other courts that may correspond for any other reason.

The Borrower and the Guarantors hereby waive diligence, presentment, protest or notice of total or partial non-payment or dishonor with respect to this Promissory Note.

This Promissory Note has been executed in both English and Spanish versions, both of which shall bind the Borrower; provided, however, that the English version shall be controlling, except in any action, suit or proceeding brought in the courts of the United Mexican States, in which case the Spanish version shall be controlling.

This Promissory Note consists of ___ pages, each of which is duly signed.

_____, [PLACE OF EXECUTION] _____
____, 2003.

NEW SUNWARD HOLDING, B.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

GUARANTORS

POR AVAL

CEMEX, S.A. DE C.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

CEMEX MEXICO, S.A. DE C.V.

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

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

By/For: _____
Title/Cargo: Attorney-in-Fact / Apoderado

EXHIBIT B

FORM OF COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered pursuant to Section 5.2(b) of the Term Loan Agreement, dated as of October 15, 2003 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among NEW SUNWARD HOLDING B.V. (the "Borrower"), CEMEX, S.A. DE C.V. ("Cemex"), CEMEX MEXICO, S.A. DE C.V. and EMPRESAS TOLTECA DE MEXICO, S.A. DE

C.V. (collectively, the "Guarantors"), the Lenders party thereto, CITIBANK, N.A., as Administrative Agent and the other Persons party thereto. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

Each of the undersigned (each, a "Responsible Officer") hereby certifies that:

1. Such Responsible Officer is the duly elected, qualified and acting officer, holding the office indicated beneath the signature of such Responsible Officer on the attached signature page, of the Person specified opposite the signature of such Responsible Officer (with respect to such Responsible Officer, the "Company") or, if the Responsible Officer is the Chief Financial Officer of Cemex, of Cemex.

2. Such Responsible Officer has reviewed and is familiar with the contents of this Compliance Certificate.

3. Such Responsible Officer has reviewed the terms of the Loan Agreement and the Loan Documents and has made or caused to be made under such Responsible Officer's supervision, a detailed review of the transactions and condition of the Company during the accounting period covered by the financial statements of the Company attached hereto as Attachment 1 (the "Financial Statements"), and certifies that such Financial Statements are fairly stated in all material respects [quarterly statements: (subject to normal year-end audit adjustments)]. To the best of such Responsible Officer's knowledge, each Loan Party has observed and performed all of its covenants and other agreements, and satisfied every condition contained in the Loan Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it. Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and such Responsible Officer has obtained no knowledge of the existence, as of the date of this Compliance Certificate, of a Default or Event of Default [, except as set forth below].

4. Attached hereto as Attachment 2 is a certificate containing all information and computations necessary for determining compliance by the Loan Parties and each of their Subsidiaries with the provisions of the Loan Documents (including, without limitation, the covenants set forth in Section 6.1 of the Loan Agreement) and setting forth a calculation of the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Espana as of the last day of the period covered by the Financial Statements, all of which data and computations are true, complete and correct.

IN WITNESS WHEREOF, I have executed this Compliance Certificate this ____ day of , 200__.

[_____ NEW SUNWARD HOLDING B.V.]

Name:
Title:

[_____ CEMEX, S.A. DE C.V.]

Name:
Title:

[_____ CEMEX ESPANA, S.A. DE C.V.]

Name:
Title:

[_____ CEMEX MEXICO, S.A. DE C.V.]

Name:
Title:

[_____ EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V.]

Name:
Title:

Attachment 1
to Compliance Certificate

Financial Statements for [Company]

Attachment 2
to Compliance Certificate

[Relevant information and calculations]

EXHIBIT C

FORM OF ASSIGNMENT AND ACCEPTANCE

Reference is made to the Term Loan Agreement, dated as of October 15, 2003 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among NEW SUNWARD HOLDING B.V. (the "Borrower"), CEMEX, S.A. DE C.V., CEMEX MEXICO, S.A. DE C.V. and EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V. (collectively, the "Guarantors"), the Lenders party thereto, CITIBANK, N.A., as administrative agent and the other Persons party thereto. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

The Assignor identified on Schedule 1 hereto (the "Assignor") and the Assignee identified on Schedule 1 hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule I hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to each Loan set forth on Schedule 1 hereto, in a principal amount with respect to each such Loan as set forth on Schedule 1 hereto.
2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse

claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Affiliates or any other Loan Party or the performance or observance by the Borrower, any of its Affiliates or any other Loan Party of any of their respective obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant thereto.

3. The Assignee as of the date hereof and as of the Effective Date (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance and the Loan Agreement and to take assignment of, and hold, the Assigned Loans; (b) represents and warrants that it is [a Professional Market Party] [not required under the Dutch Banking Law 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]; and acknowledges that each other party to the Agreement has relied upon such representation and warranty; (c) confirms that it has received a copy of the Loan Agreement, together with copies of the financial statements delivered pursuant to Section 3.1 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; and (d) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto. As of the Effective Date, the Assignee (a) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Loan Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (b) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.
4. The assignment and acceptance of the Assigned Interests hereunder shall become effective on the date described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Acceptance, it shall be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).
5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to the Effective Date and to the Assignee for amounts which have accrued subsequent to the Effective Date.
6. From and after the Effective Date, (a) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment and Acceptance, shall have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Agreement except that it shall retain such rights to indemnification and expense reimbursement to which it was entitled prior to the Effective Date.
7. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Assignment and Acceptance

Name of Assignor: _____

Name of Assignee: _____

Effective Date of Assignment: _____

Tranche	Principal Amount
A	(euro) []
B	\$ []
C	(Y) []

Assignor

Assignee

By _____
Name:
Title:

By _____
Name:
Title:

Accepted for Recordation in Register:
CITIBANK, N.A., as
Administrative Agent

Consent of
NEW SUNWARD HOLDING B.V.
(if required)

By _____
Name:
Title:

By _____
Name:
Title:

EXHIBIT D

FORM OF NOTICE OF BORROWING

Citibank, N.A., as Administrative Agent
[Insert Address]

Attention: []

Ladies and Gentlemen:

This irrevocable notice shall constitute the "Notice of Borrowing" pursuant to Section 2.2 of the Term Loan Agreement, dated as of October 15, 2003 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among NEW SUNWARD HOLDING B.V., a company organized and existing under the laws of The Netherlands (the "Borrower"), CEMEX, S.A. DE C.V., CEMEX MEXICO, S.A. DE C.V. and EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V. (collectively, the "Guarantors"), the Lenders party thereto, CITIBANK, N.A., as Administrative Agent and the other Persons party thereto. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Loan Agreement.

1. The date of the borrowing will be October __, 2003 (the "Closing Date").

2. The principal amount of the Tranche A Loans will be (euro) []. The initial Interest Period for the Tranche A Loans will commence on the Closing Date and end [one][three][six] month[s] thereafter.

3. The principal amount of the Tranche B Loans will be \$ []. The initial Interest Period for the Tranche B Loans will commence on the Closing Date and end [one][three][six] month[s] thereafter.

4. The principal amount of the Tranche C Loans will be (Y) [].

5. No Default or Event of Default has occurred and is continuing on the date hereof, or would occur after giving effect to the borrowing requested to be made on the Closing Date.

6. Each of the representations and warranties made by each Loan Party in or pursuant to the Loan Documents is true and correct on the date hereof as if made on and as of such date.

7. The Borrower agrees to indemnify each Lender within 15 days after demand for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of default by the Borrower in making the above-described borrowing of Loans on the Closing Date. Such indemnification shall include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount not so borrowed, for the period from the date of such failure to borrow to the last day of the Interest Period that would have commenced on the date of such failure at the applicable rate of interest for such Loans provided for in the Loan Agreement (excluding, however, the margin included therein) over (ii) the amount of interest (as determined in good faith by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurocurrency market. A certificate as to any amounts payable pursuant to this Section 7 submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error.

8. Schedule A to this Notice of Borrowing sets forth payment instructions for the Loans to be made on the Closing Date.

NEW SUNWARD HOLDING B.V.

By: _____
Name:
Title:

Date: October __, 2003

Schedule A to
Notice of Borrowing

Payment Instructions - Tranche A

Bank:

Address:

ABA #:

Account #:

Ref.:

Payment Instructions - Tranche B

Bank:

Address:

ABA #:

Account #:

Ref.:

Payment Instructions - Tranche C

Bank:

Address:

ABA #:

Account #:

Ref.:

EXHIBIT E-1

FORM OF LEGAL OPINION OF MAYER, BROWN, ROWE & MAW LLP

October [], 2003

Citibank, N.A.
2 Penn's Way
Suite 100
New Castle, DE 19720
Attn: Cristian Garcia

And to the Lenders and other Persons
listed on Schedule I hereto

New Sunward Holding B.V.
U.S. \$1,150,000,000 Term Loan Agreement

Ladies and Gentlemen:

We have acted as special New York counsel for New Sunward Holding B.V., a besloten vennootschap met beperkte aansprakelijkheid organized and existing under the laws of The Netherlands ("New Sunward"), CEMEX, S.A. de C.V. ("CEMEX"), CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") and Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca"), each a sociedad anonima de capital variable organized and existing under the laws of the United Mexican States, in connection with the preparation, execution and delivery of the Term Loan Agreement dated as of October 15, 2003 (the "Loan Agreement") among New Sunward, as Borrower, CEMEX, CEMEX Mexico, and Empresas Tolteca, as Guarantors, the several banks and other financial institutions or entities from time to time parties to the Loan Agreement, Citibank, N.A., as administrative agent, ABN-AMRO Bank N.V., BNP Paribas, Citigroup Global Markets Inc., Credit Agricole/Credit Lyonnais, ING Bank N.V., J.P. Morgan Securities Inc., Mizuho Corporate Bank, Ltd., Santander Central Hispano and the Royal Bank of Scotland Plc. as arrangers, Bank of America, N.A., Bank of Tokyo-Mitsubishi, BBVA Bancomer S.A., Institucion de Banca Multiple, Grupo Financiero BBVA Bancomer, and Scotiabank, as co-arrangers, Credit Agricole/Credit Lyonnais, as syndication agent, and Citigroup Global Markets Inc. and J.P. Morgan Securities Inc., as joint bookrunners.

This opinion is furnished to you pursuant to Section 4.6(i) of the Loan Agreement. Terms defined in the Loan Agreement are used herein with their defined meanings.

In rendering the opinions expressed below, we have examined originals or copies certified or otherwise identified to our satisfaction of the following documents:

1. the executed Loan Agreement; and

2. the executed Tranche A, Tranche B and Tranche C Notes; and

3. such other agreements, instruments and other documents, or copies thereof, identified to our satisfaction, as we have deemed necessary, as a basis for the opinions hereinafter expressed.

In our examination of such documents and copies, we have assumed the legal capacity of all natural persons the authenticity and completeness of all such documents submitted to us as originals, the genuineness of all signatures, the due authority of the parties executing such documents and the conformity with the originals of all documents submitted to us as facsimile, electronic, certified or photostatic copies thereof. As to matters of fact material to the opinions expressed herein, we have relied on the documents examined and the accuracy and completeness of the representations and warranties therein contained.

To the extent that our opinions expressed herein involve conclusions as to matters governed or controlled by the laws of The Netherlands and Mexico we have, with your permission, assumed the accuracy of, and relied upon, and our opinion is subject to the limitations, qualifications and assumptions contained in, the opinions of Warendorf, Dutch Counsel to the Borrower, and Lic. Ramiro G. Villareal Morales, Mexican Counsel to the Guarantors, respectively.

In rendering the opinions expressed below, we have assumed, without independent investigation, that:

(a) the Borrower is validly existing and in good standing under the laws of The Netherlands;

(b) each of the Guarantors is validly existing and in good standing under the laws of the United Mexican States;

(c) each Loan Party has the power and authority to execute, deliver and perform all of its obligations under the Loan Documents to which it is a party; that execution and delivery of such Loan Documents and the consummation by each Loan Party of the transactions contemplated thereby have been duly authorized by all requisite action on the part of the Loan Party; each of the Loan Documents has been duly authorized, executed and delivered by each Loan Party;

(d) no authorization, consent or other approval of, notice to or filing with any court, governmental authority or regulatory body is required to authorize or is required in connection with the execution, delivery or performance by each Loan Party of any Loan Documents to which it is a party or the transactions contemplated thereby except that no assumption has been made as to the Loan Parties regarding matters of the law of the State of New York or United States federal law;

(e) the Loan Documents are the legal, valid, and binding obligation of each party thereto (other than Loan Parties under the law of the State of New York or United States federal law), enforceable against such parties in accordance with their respective terms; and

(f) the execution, delivery and performance by each Loan Party of any of its obligations under the Loan Documents to which it is a party does not and will not conflict with, contravene, violate or constitute a default under (a) the organizational documents of such Loan Party, (b) any lease, indenture, instrument or agreement to which such Loan Party or its property is subject (other than the Applicable Contracts as to which we express our opinion in paragraph 1 herein), (c) any rule, law or regulation to which such Loan Party is subject (other than the law of the State of New York and United States federal law as to which we express our opinion in paragraph 2 herein) or (d) any judicial or administrative order or decree of any governmental authority (other than the applicable orders as to which we express our opinion in paragraph 3 herein).

Based upon the foregoing and subject to the assumptions and qualifications set forth herein, we are of the opinion that:

1. The execution and delivery by each Loan Party of the Loan Documents to which it is a party, and the performance by each Loan Party of

its respective obligations under the Loan Documents to which it is a party, do not and will not (i) contravene, violate or create a default under any of the terms or provisions of any agreement or document listed on Schedule II hereto (such agreements and documents, which the Loan Parties have advised us constitute all agreements and instruments which are governed by the law of the State of New York and which relate to the issuance of Debt or Derivative Obligations that are material to Cemex and its Subsidiaries taken as a whole, the "Applicable Contracts"); or (ii) result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Group Member under any Applicable Contract. We do not express an opinion, however, as to whether the execution, delivery or performance by the Loan Parties of the Loan Documents will constitute a violation of or default under any covenants, restrictions or provisions with respect to financial ratios or tests or any aspect of the financial condition or results of operations of the respective Loan Parties.

2. Neither the execution, delivery or performance by any Loan Party of the Loan Documents to which it is a party nor the compliance by any Loan Party with the terms and provisions thereof will contravene or otherwise violate the law of the State of New York or United States federal law.

3. Neither the execution, delivery or performance by any Loan Party of the Loan Documents to which it is a party nor compliance by any Loan Party with the terms thereof will contravene or otherwise violate any order or decree of any Governmental Agency of the State of New York or the United States (each, an "Order") against any of the Loan Parties and listed on Schedule III hereto, which the Loan Parties have advised us includes all Orders against any Loan Party.

4. Each Loan Document to which each Loan Party is a party constitutes the legal, valid and binding obligation of such Loan Party enforceable against it in accordance with its terms.

5. No approval by or authorization of or filing or registration with the State of New York or any United States federal governmental commission, board, agency or other governmental body is necessary in connection with the execution, delivery and performance by the Borrower or the Guarantors of the Loan Documents or for the enforceability thereof against any Loan Party or the consummation of the transactions contemplated thereby.

6. None of the Loan Parties is subject to regulation as in "investment company" within the meaning of, or is registered or otherwise required to be registered under, the United States Investment Company Act of 1940, as amended.

7. Neither the execution, delivery or performance by the Loan Parties of the Loan Documents nor the compliance by the Loan Parties with the terms and provisions thereof will violate any provision of the United States Public Utility Holding Company Act of 1935, as amended.

8. The choice of New York law provisions set forth in the Loan Agreement and the Notes will be recognized as a valid choice of law in the courts of the State of New York and the United States federal courts sitting in the State of New York in any action to enforce such documents.

9. Under the laws of the State of New York relating to submission to jurisdiction, (i) each of the Loan Parties has validly and irrevocably submitted to the personal jurisdiction of the courts of the State of New York and the United States of America for the Southern District of New York (collectively, the "New York Courts") in any action arising out of or related to the Loan Agreement or the Notes, and (ii) each of the Loan Parties has validly and irrevocably appointed CT Corporation System as its authorized agent for the purpose described in Section 10.13 of the Loan Agreement and service of process effected in the manner set forth in Section 10.13 of the Loan Agreement will be effective to confer valid personal jurisdiction over each of the Loan Parties.

10. Neither the execution and delivery by any of the Loan Parties of the Loan Documents nor the performance thereof (including the making of any payments thereunder or pursuant thereto) are or will be subject to any tax, duty, fee, withholding or other charge, including any registration or transfer tax, stamp duty or similar levy imposed by the law of the State of New York or United States federal law.

Our opinions above are also subject to the following qualifications

and limitations:

(a) Our opinions in paragraph 4 are subject to the following qualifications:

(i) the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally, and of general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and

(ii) the effect of foreign laws, judicial determinations or governmental actions affecting creditors' rights or the Borrowers' or the Guarantors' ability to perform their obligations under Loan Documents.

(b) Our opinions expressed above are limited to the law of the State of New York and United States federal law, and we do not express any opinion herein concerning any other law.

(c) We express no opinion as to:

(i) the effect of the compliance or non-compliance of any party (other than the Loan Parties) to the Loan Documents with any state or federal laws or regulations applicable to such party because of its legal or regulatory status, the nature of its business, or its authority to conduct business in any jurisdiction;

(ii) the enforceability of the Loan Agreement to the extent it provides for interest in violation of the usury laws or for any waivers with respect to such laws;

(iii) the applicability or effect of any fraudulent transfer or similar law on any of the Loan Documents or any transactions contemplated thereby; or

(iv) the enforceability of the provisions of each of the Loan Documents providing for indemnity by any party thereto against any loss in obtaining the currency due to such party under each of the Loan Documents from a court judgment in another currency.

We understand that you are separately receiving an opinion with respect to the foregoing assumptions from Warendorf, Dutch Counsel to the Borrower and Lic. Ramiro G. Villareal Morales, Mexican Counsel to the Guarantors, and we are advised that such opinions contain qualifications. Our opinions herein stated are based on the assumptions specified above and we do not express any opinion as to the effect on the opinions herein stated of the qualifications contained in such other opinions.

This opinion is furnished to you in connection with the closing under the Loan Agreement and is solely for your benefit. Without our prior written consent, this letter may not be used or relied upon by, or assigned to, any other person for any purpose (including any other person that seeks to assert your rights in respect of this letter), except that Warendorf, Dutch Counsel to the Borrower and Lic. Ramiro G. Villareal Morales, Mexican Counsel to the Loan Parties, may rely upon this opinion as to matters of the law of the State of New York and United States federal law in rendering their opinions in connection with the Loan Agreement, and any Person becoming a Lender after the date hereof may rely on this opinion as if addressed to such Person as of the date hereof.

Very truly yours,

PVD/WAC

Attachments

Schedule II

Applicable Contracts

1. Indenture, dated as of July 22, 1996, among CEMEX, as issuer, TOLMEX, S.A. de C.V. ("TOLMEX"), Empresas Tolteca de Mexico, S.A. do C.V. ("Empresas Tolteca de Mexico"), Cemento Portland National, S.A. de C.V. ("CPN"), Cementos Monterrey, S.A. de C.V. ("Monterrey"), Cementos Mexicanos, S.A. de C.V. ("Mexicanos"), Grupo Empresarial Maya, S.A. de C.V. ("GEMSA") and Cementos Maya, S.A. ("Maya"), as guarantors, and First Trust of New York, National Association, as trustee, relating to the issuance of U.S. \$300 million aggregate principal amount of 12-3/4% Notes due July 15, 2006 of CEMEX (the "12 3/4 % Notes"), as supplemented by the First Supplemental Indenture to such Indenture, dated as of December 31, 1998 among CEMEX, as issuer, TOLMEX and Mexicanos, as continuing guarantors, CPN (as continuing guarantor and successor to Maya), CEMEX Control, S.A. de C.V. ("CEMEX Control") (as successor guarantor to GEMSA and Monterrey), Serto Construcciones, S.A. de C.V. ("Serto") (as successor guarantor to Empresas Tolteca de Mexico), and U.S. Bank Trust National Association ("U.S. Bank") (formerly First Trust of New York, National Association), as trustee (the "12 3/4% Notes Trustee"), and as supplemented by the Second Supplemental Indenture to such Indenture, dated as of April 3, 2002, among CEMEX, as issuer, CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") (formerly, Serto and successor by merger to TOLMEX, Empresas Tolteca de Mexico, CPN, Cementos Mexicanos and Maya) and Empresas Tolteca de Mexico S.A. do C.V. ("Empresas Tolteca") (formerly CEMEX Control and successor by merger to Monterrey and GEMSA), as guarantors, and the 12 3/4% Notes Trustee.
2. Purchase and Guarantee Indenture, dated as of May 14, 1998, among CEMEX International Capital LLC ("LLC"), as capital securities issuer, CEMEX, as capital securities purchaser, Compania Valenciana de Cementos Portland, S.A. ("Valenciana"), as capital securities guarantor and TOLMEX, Empresas Tolteca de Mexico, CPN, Monterrey, Mexicanos, GEMSA and Maya, as purchase guarantors, to The Bank of New York, as capital trustee (the "Capital Trustee"), relating to U.S. \$250 million principal amount of LLC's 9.66% Putable Capital Securities (the "9.66% Putable Capital Securities") issued by LLC, as supplemented by the First Supplemental Indenture to such Indenture, dated as of April 3, 2002, among LLC, as capital securities issuer, CEMEX, as capital securities purchaser, Valenciana, as capital securities guarantor and CEMEX Mexico (formerly Serto and successor by merger to TOLMEX, Empresas Tolteca de Mexico, CPN, Mexicanos and Maya) and Empresas Tolteca (formerly CEMEX Control and successor by merger to Monterrey and GEMSA), as purchase guarantors, and the Capital Trustee.
3. Indenture, dated as of October 1, 1999, among CEMEX, as issuer, TOLMEX, Serto, CPN, Cemex Control and Mexicanos, as guarantors, and U.S. Bank Trust National Association, as trustee (the "9.625% Notes Trustee"), relating to the issuance of U.S. \$200 million aggregate principal amount of 9.625% Notes due October 1, 2009 of CEMEX (the "9.625% Notes"), as supplemented by the First Supplemental Indenture to such Indenture, dated April 17, 2002, among CEMEX, as issuer, CEMEX Mexico (formerly Serto, and successor by merger to TOLMEX, CPN and Mexicanos) and Empresas Tolteca de Mexico (formerly CEMEX Control), as guarantors, and the 9.625% Notes Trustee.
4. Credit Agreement, dated as of June 11, 2001, by and among CEMEX, as borrower, Bank of America, N.A., as administrative agent, J.P. Morgan Securities Inc., as documentation agent, Bank of America Securities LLC and J.P. Morgan Securities Inc., as co-syndication agents, joint lead arrangers and joint bookrunners, and the several banks and other financial institutions named therein, as lenders, for an aggregate principal amount of U.S.\$600,000,000.
5. Transaction, dated as of March 4, 2003, by and among JPMorgan Chase Bank and Centro Distribuidor de Cemento, S.A. de C.V., for an interest rate swap with a notional amount of US\$600,000,000.00.

6. First Amended and Restated Reimbursement and Credit Agreement, dated as of August 8, 2003 among CEMEX, as issuer, CEMEX Mexico and Empresas Tolteca de Mexico, as guarantors, Barclays Bank PLC, New York Branch, as issuing bank, documentation agent and administrative agent and the several lenders party thereto, and Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as joint arranger and Banc of America Securities LLC, as Joint Arranger and syndication agent and the Depositary Agreement, dated as of August 8, 2003 among CEMEX, Barclays Bank PLC, New York Branch, as issuing bank, and U.S. Bank Trust National Association, as depositary, issuing agent and paying agent.
7. Note and Guarantee Agreement, dated as of March 15, 2001, among CEMEX, Inc., as the issuer, Cemex Espana, S.A. (formerly Compania Valencia de Cementos Portland, S.A.), as parent guarantor, Sandworth Plaza Holding B.V., Cemex Caracas Investment B.V., Cemex Caribe Investments B.V., Cemex Manila Investments B.V., and Valcem International B.V., as guarantors and the purchasers listed therein, relating to the placement of 7.66% Series A Guaranteed Senior Notes due 2006, 6.89% Series B Guaranteed Senior Notes due 2006, and 7.91% Series C Guaranteed Senior Notes due 2008.
8. Note Purchase Agreement, dated as of June 23, 2003, among Cemex Espana, S.A., Cemex Espana Finance LLC, and the purchasers listed therein, relating 4.77% Senior Notes, Series 2003, Tranche 1, due June 15, 2010, 5.36% Senior Notes, Series 2003, Tranche 2, due June 15, 2013, and 5.51% Senior Notes, Series 2003, Tranche 3, due June 15, 2015. The guarantee referred to in Item 1 is governed by Mexican law and the purchase guarantee referred to in Item 2 is governed by Mexican law.

Schedule III

Orders

The anti-dumping order imposed by the United States Department of Commerce on August 30, 1990 pursuant to which the subsidiaries of CEMEX S.A. de C.V. that import cement from the United Mexican States must make cash deposits with the United States Customs Service to guarantee the eventual payment of anti-dumping duties, and the related reviews.

EXHIBIT E-2

FORM OF LEGAL OPINION OF WARENDORF

Citibank, N.A.
2 Penn's Way, Suite 100
New Castle, DE 19720
U.S.A.
Attn: Mr. Cristian Garcia

And to the Lenders and other Persons listed on Schedule I hereto

Date [] October 2003
Our ref 03A C 101249

Ladies and Gentlemen:

We have acted as special Dutch counsel to New Sunward Holding B.V. (the "Company") in connection with the US\$1,150,000,000 term loan agreement (the "Loan Agreement") dated 15 October 2003 and made between the Company, 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, the Several Lenders from time to time party thereto, Citibank N.A., as Administrative Agent, ABN AMRO Bank N.V., BNP Paribas, Citigroup Global Markets Inc., Credit Agricole Indosuez/Credit Lyonnais, J.P. Morgan Securities Inc., and Santander Central Hispano, as Mandated Lead Arrangers, ING Bank N.V., Mizuho Corporate Bank, Ltd. and the Royal Bank of Scotland Plc., as Arrangers, Bank of America N.A., Bank of

Tokyo-Mitsubishi, BBVA BANCOMER S.A., Institucion de Banca Multiple, Grupo Financiero BBVA Bancomer, and ScotiaBank, as Co-Arrangers, Credit Agricole Indosuez/Credit Lyonnais, as Syndication Agent and Citigroup Global Markets Inc. and J.P. Morgan Securities Inc., as Joint Bookrunners.

For purposes of this opinion, we have examined and relied on the documents listed in Schedule II and Schedule III which shall form part of this opinion and such other documents as we have deemed relevant for the purposes of this opinion. The documents listed in Schedule II are referred to as the "Documents" and the documents listed in Schedule III as the "Certificates."

Unless otherwise defined in this opinion or unless the context otherwise requires, words and expressions defined in the Loan Agreement shall have the same meanings when used in this opinion. We understand that you require this opinion from us pursuant to Section 4.6 of the Loan Agreement.

In connection with such examination and in giving this opinion, we have assumed:

- a) the genuineness of the signatures to the Documents and the Certificates, the authenticity and completeness of the Documents and the Certificates submitted to us as originals, the conformity to the original documents of the Documents and the Certificates submitted to us as copies and the authenticity and completeness of these original documents;
- b) the legal capacity (handelingsbekwaamheid) of the natural persons acting on behalf of the parties, the due incorporation and valid existence of, the power, authority and legal rights of, and the due authorisation and execution of the Documents by, each of the parties thereto (other than the Company) under any applicable law (other than Dutch law);
- c) the due compliance with all matters of, and the validity, binding effect and enforceability of the Documents under any applicable law (other than Dutch law) and in any jurisdiction (other than The Netherlands) in which any obligation under the Documents falls to be performed;
- d) the accuracy, completeness, validity and binding effect of the Certificates and the matters certified or evidenced thereby at the date hereof and any other relevant date;
- e) that neither the Company nor any third party has filed a petition with any court for the bankruptcy (faillissement), dissolution (ontbinding en vereffening), moratorium of payments (surseance van betaling), judicial review of corporate management (enquete) or other similar proceedings of the Company and that no receiver, trustee, administrator or similar officer has been appointed in respect of the Company. We do not opine, and we have assumed, that the Company has not been declared bankrupt (failliet) and has not been granted a moratorium of payments (surseance van betaling) or given similar protection from its creditors in any jurisdiction, that no court order was made for the dissolution (ontbinding en vereffening) of the Company, and that no request for any such orders or judgments was made; inquiries by telephone, however, on the date hereof, with the offices of the Bankruptcy Registrar (faillissementsgriffie) of the District Court (rechtbank) of Amsterdam and the Civil Registrar (civiele griffie) of the District Court (rechtbank) of Amsterdam have not indicated that the Company has been declared bankrupt (failliet) or granted a moratorium of payments (surseance van betaling) in The Netherlands;
- f) that the Extract fully and accurately reflects the corporate status and position of the Company. It is noted, however, that the Extract may not completely and accurately reflect this status and position insofar as there may be a delay between the taking of corporate action and the filing of the necessary documentation at the Commercial Register and a further delay between that filing and an entry appearing on the file of the relevant party at the Commercial Register;
- g) that in each and every respect the terms and conditions of each of the Documents, the performance by the parties thereto of their respective obligations thereunder and the transactions contemplated therein, including without limitation, all payments thereunder, are at arm's length; and
- h) that foreign law which may apply with respect to the Documents or the transactions contemplated thereby would not be such as to affect this opinion.

This opinion is given only with respect to Dutch law as generally interpreted and applied by the Dutch courts at the date of this opinion. As to matters of fact we have relied on the Certificates and the representations and warranties contained in or made pursuant to the Documents. We do not express an opinion on the completeness or accuracy of the representations or warranties made by the parties to the Documents, matters of fact, matters of foreign law, international law, including, without limitation, the law of the European Union, and anti-trust and competition law, except to the extent that those representations and warranties and matters of fact and law are explicitly covered by the opinions below and except to the extent the law of the European Union (other than anti-trust and competition law) has direct force and effect in The Netherlands. No opinion is given on commercial, accounting or non-legal matters or on the ability (except to the extent affected by Dutch law) of the parties to meet their financial or other obligations under the Documents.

Based on and subject to the foregoing, and subject to the qualifications set out below and matters of fact, documents or events not disclosed to us, we express the following opinions:

9. The Company is duly incorporated and is validly existing under Dutch law as a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) and possesses the capacity to sue and to be sued in its own name.
10. The Company has, and had at the date of execution of the Loan Agreement, the corporate power and authority to execute the Documents to which it is a party, to perform its obligations thereunder and to consummate the transactions contemplated therein.
11. The execution of the Documents to which the Company is a party, the performance of its obligations thereunder and the consummation of the transactions contemplated therein have been duly authorized by all necessary corporate action.
12. Each of the Documents has been duly executed under applicable law on behalf of the Company and constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, and would be so treated in the Dutch courts. Each of the Documents is in proper form for its enforcement in those courts.
13. It is not necessary in order to ensure the validity, enforceability or admissibility in evidence of the Documents against the Company in the Dutch courts, that those Documents or any other document in connection therewith be notarized, filed, registered or recorded with, or that any consent, permit or other authorization be issued by, any governmental, judicial or public bodies or authorities in The Netherlands or that any transfer, stamp, registration or similar tax or charge be paid on or in respect thereof, or that any other action be taken in The Netherlands.
14. The execution by the Company of the Documents to which it is a party, the performance of its obligations thereunder and the consummation of the transactions contemplated therein (i) do not conflict with or result in a violation of any provision of the Articles or any existing provision of, or rule or regulation under, the law of The Netherlands, or any political subdivision thereof, applicable to companies generally, (ii) do not result in a breach or violation of, or constitute a default under any agreement, judgment, injunction, order, decree or other instrument to which the Company is a party or which is binding on the Company or its assets, and (iii) do not or will not by their own terms result in the creation or imposition of any lien, pledge, charge or encumbrance of any nature upon or with respect to any of the assets or properties of the Company.
15. The Company is in full compliance with the applicable provisions of the 1992 Act on the Supervision of the Credit System (Wet toezicht kredietwezen 1992), as amended from time to time, and any implementing regulations including, but not limited to, the Exemption Regulation of the Dutch Minister of Finance of June 26, 2002 (Vrijstellingsregeling Wtk 1992), as amended from time to time, and the Dutch Central Bank's (De Nederlandsche Bank) policy guidelines of July 10, 2002 issued in relation to the Dutch Exemption Regulation (beleidsregel kernbegrippen markttoetreding en handhaving Wtk 1992) as amended from time to time.
16. No authorisation, consent, approval, licence or exemption from, or filing

or notification with, any governmental, judicial or public body or authority in The Netherlands is required for the execution of the Documents by the parties thereto, the performance of their respective obligations thereunder and the consummation of the transactions contemplated therein.

17. The obligations of the Company under the Documents to which it is party will rank at least pari passu with all the other present or future unsecured and unsubordinated obligations of the Company, except for those obligations that are preferred (voorrecht of voorrang) by law.
18. Each of the choice of the law of the State of New York to govern the Documents to which it is a party and the choice of the law of the United Mexican States, as the case may be, to govern the Notes is a valid choice of law and the law so chosen would accordingly be applied by the Dutch courts if any of the Documents or any claim thereunder comes under their jurisdiction upon proper proof of the relevant provisions of the law chosen. The submission by the Company in the Documents to which it is a party to the non-exclusive jurisdiction of the courts of United States for the Southern District of New York and the courts of the State of New York and the irrevocable appointment in those Documents by the Company of an agent to accept service of process in respect of the jurisdiction of the courts of the United States of America for the Southern District of New York and the courts of the State of New York is valid and legally binding on the Company.
19. In proceedings taken in The Netherlands, neither the Company nor any of its assets has any immunity from the jurisdiction of any Dutch court or from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, attachment in aid of execution, execution or other legal process).
20. A final judgement rendered by a Court in the United States of America for the Southern District of New York or any courts of the State of New York located in the Borough of Manhattan, City of New York, or, as the case may be, the courts in the City of Mexico, Federal District, United Mexican States, would not automatically be enforceable in The Netherlands. However, a final judgement obtained in any such foreign court and not rendered by default, which is not subject to appeal or other means of contestation and is enforceable in New York or, as the case may be, in Mexico, with respect to the payment obligations of Company under any of the Documents would generally be upheld and be regarded by a Dutch court of competent jurisdiction as conclusive evidence when asked to render a judgement in accordance with that judgement by said New York or Mexican court, without substantive re-examination or re-litigation of the subject matter thereof, if that judgement has been rendered by a court of competent jurisdiction, in accordance with the principles of due process, its content and enforcement do not conflict with Dutch public policy and it has not been rendered in proceedings of a penal or revenue or other public nature.
21. It is not necessary for or by reason of the execution, performance or enforcement in The Netherlands of the Documents, that the Lenders or any Agent should be licensed, registered, qualified or otherwise entitled to carry on business in The Netherlands.
22. There are no exchange control restrictions in The Netherlands, which would restrict the ability of any of the Lenders or any Agent to exercise its rights against the Company under the Documents or to remit the proceeds of enforcement thereof out of The Netherlands. A Dutch resident, however, must notify the Dutch Central Bank (De Nederlandsche Bank N.V.) in writing of all payments in excess of EUR 12,500 (or the equivalent thereof in any other currency or in any currency unit) made by that resident to non-Dutch residents or by those residents to the resident.
23. A judgment rendered by a Dutch court against the Company with respect to its payment obligations under the Documents to which it is a party would, if requested, be expressed and payable in the currency in which such payment obligations are denominated.
24. There is no tax, levy, impost, deduction, charge or withholding imposed by The Netherlands or any political subdivision or taxing authority thereof on or by virtue of the execution and delivery of any of the Documents or on any payment to be made by the Company under any Document;

25. No Agent or Lender is or will be or deemed to be resident, domiciled, carrying on business or subject to taxation in The Netherlands by reason only of the execution, delivery, performance and/or enforcement of the Documents;
26. The rate of rates of interest provided for in the Documents, including all late payment charges and interest at the default rate provided for therein, do not and will not violate or conflict with, or give rise to any defense to payment of any obligation of the Company or to any claim, counterclaim, set-off or recoupment under, any usury or other law or regulation of The Netherlands governing the maximum rate of interest or amount of other charges that may be charged or incurred in transactions of the type contemplated under the Documents;
27. No actions, suits, investigations or proceedings, legal or administrative, are currently pending in The Netherlands, or, so far as we are aware, threatened, (a) to restrain the execution and delivery of, the exercise of any of the rights of the Company and/or performance or enforcement of or compliance with any of its obligations under, any Document or (b) that are reasonably likely to have a Material Adverse Effect.

The opinions expressed above are subject to the following qualifications:

- (A) Our opinions expressed herein are subject to and limited by applicable bankruptcy, suspension of payment, insolvency, reorganisation and other laws relating to or affecting the rights of creditors or secured creditors generally.
- (B) Delivery of documents is not a concept of Dutch law and we have therefore assumed the due delivery of the Documents by the parties thereto under any applicable law in which such concept is relevant.
- (C) Matters of limitation of rights and obligations created by an agreement are governed by the statute of limitation of the law applicable to this agreement.
- (D) The enforcement in The Netherlands of the Documents is subject to the Dutch rules of civil procedure as applied by the Dutch courts.
- (E) The availability in the Dutch courts of remedies, such as injunction and specific performance, is at the discretion of the courts.
- (F) The Dutch courts may stay or refer proceedings if concurrent proceedings are being brought elsewhere.
- (G) The Dutch courts may render judgments for a monetary amount in foreign currencies, but these foreign monetary amounts may be converted into euro for enforcement purposes. Foreign currency amounts claimed in a Dutch (provisional) suspension of payment or bankruptcy proceeding will be converted into euro at the rate prevailing at commencement of that proceeding.
- (H) A power of attorney granted by a Dutch company will automatically, i.e. by operation of law, terminate upon the bankruptcy of the company or become ineffective, when this company has been granted a (provisional) suspension of payment. To the extent that the appointment of a process agent by the Company constitutes the granting of a power of attorney to that process agent, the service of process on that agent, after the Company has been declared bankrupt or it has been granted a (provisional) suspension of payments, would not be valid and effective, except to the extent authorised by the public receiver (curator) or administrator (bewindvoerder), as the case may be.

This opinion, which is strictly limited to the matters stated herein and which is not to be read as extending by implication to the other matters in connection with the Documents or otherwise, is given subject to the General Terms of Warendorf referred to at the bottom of the front page of this opinion letter, which General Terms include a limitation of liability, and on the basis that it is governed by and to be construed in accordance with Dutch law and that any action, arising out of it is to be determined by the competent court in Amsterdam which shall have exclusive jurisdiction in relation thereto. We do not assume any obligation to advise you (or any other person entitled to rely on this opinion) of subsequent changes in, or in the interpretation of, Dutch law.

This opinion is given solely for the benefit of Citibank, N.A. and the other Persons listed on Schedule I hereto in this particular matter and the context specified herein. It may not, without our prior written consent, be transmitted or otherwise disclosed to, or relied upon by, others, referred to in other matters or context whatsoever, or be quoted or made public in any way; provided that any Person becoming a Lender after the date hereof may rely on this opinion as if addressed to such Person as of the date hereof.

Yours faithfully,

Warendorf

SCHEDULE I

[Lenders and Agents]

SCHEDULE II

Documents

- a) A copy of the executed Loan Agreement;
- b) copies of the executed Notes;

SCHEDULE III

Certificates

- a) a copy of the deed of incorporation, incorporating the articles (statuten) of the Company, dated 1 May 2000;
- b) a copy of the deed of amendment of the articles of the Company, dated 15 October 2003 and a copy of the full text of the articles as amended (together with the deed referred to in paragraph (a), the "Articles")
- c) a copy of the register of shareholders of the Company (the "Shareholders Register");
- d) an extract in respect of the Company from the Commercial Register (Handelsregister) in Amsterdam, dated as of the date hereof (the "Extract");
- e) a copy of the resolutions of the Board of Managing Directors (Bestuur) of the Company, dated 15 October 2003;
- f) a copy of the resolutions of the General Meeting of Shareholders of the Company dated 15 October 2003;

FORM OF LEGAL OPINION OF
LIC. RAMIRO G. VILLAREAL MORALES

October [], 2003

Citibank, N.A.

as Administrative Agent under the Loan Agreement, as
hereinafter defined (the "Administrative Agent")

and

The Lenders listed on Schedule 1 hereto which are parties to the Loan
Agreement on the date hereof

Ladies and Gentlemen:

I am General Counsel to CEMEX, S.A. de C.V. ("CEMEX"), Cemex Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V. (collectively, the "Guarantors") and have acted as Mexican counsel to New Sunward Holding B.V. (the "Borrower", and, together with the Guarantors, the "Loan Parties") in connection with the preparation, execution and delivery of (a) the Term Loan Agreement (the "Loan Agreement") dated as of October 15, 2003 among the Loan parties, the several lenders from time to time party thereto (the "Lenders"), Citibank, N.A., as Administrative Agent, ABN AMRO Bank N.V., BNP Paribas, Citigroup Global Markets, Inc., Credit Agricole/Credit Lyonnais, J.P. Morgan Securities, Inc., and Santander Central Hispano, as Mandated Lead Arrangers, ING Bank N.V., Mizuho Corporate Bank, Ltd., and The Royal Bank of Scotland PLC., as Arrangers, Bank of America, N.A., Bank of Tokyo-Mitsubishi, BBVA Bancomer, S.A., and Scotiabank, as Co-Arrangers, Credit Agricole/Credit Lyonnais, as Syndication Agent, and Citigroup Global Markets, Inc. and J.P. Morgan Securities, Inc. as Joint Bookrunners, and (b) the Notes delivered as of the date hereof. Unless otherwise defined herein, terms defined in the Loan Agreement are used herein as therein defined. This opinion is furnished pursuant to Section 4.6(iii) of the Loan Agreement.

In connection with the opinions expressed below, I have examined and relied on originals or copies of the following:

(a) the executed Loan Agreement;

(b) the executed Notes; and

(c) all such other agreements and instruments, and such other corporate and public records and documents as I have deemed relevant or appropriate for purposes of this opinion.

I have assumed, without any independent investigation or verification of any kind, (i) the due authorization, execution and delivery of the Loan Agreement by the Lenders and the Agent; (ii) the validity, binding effect and enforceability of the Loan Documents under the laws of the State of New York and the United States of America; (iii) the genuineness and authenticity of all opinions, documents and papers submitted to me; and (iv) that copies of all opinions, documents and papers submitted to me are complete and conform to the originals thereof.

Based upon the foregoing and subject to the further qualifications set forth below, I am of the opinion that:

(a) Each of the Guarantors is a corporation (sociedad anonima de capital variable) duly organized and validly existing under the laws of Mexico and has full corporate power and authority to own or lease its property or assets, to conduct its business as currently conducted and to enter into, perform and duly comply with its obligations under the Loan Agreement and each of the other Loan Documents.

(b) The execution, delivery and performance by each of the Loan Parties of the Loan Documents and the consummation of the transactions contemplated thereby, (i) in the case of the Guarantors, are within the corporate power and authority of each of the Guarantors, have been duly authorized by all necessary corporate and legal action and do not contravene, or constitute a default under, any provision of applicable law or regulation or of the estatutos sociales or other organizational documents of any of the

Guarantors and (ii) in the case of the Loan parties, do not contravene, or constitute or create a default under, any agreement, judgment, injunction, order, decree or other instrument binding on CEMEX or any of its Subsidiaries, or result in the creation or imposition of any Lien on any asset of CEMEX or any of its Subsidiaries.

(c) No consent, authorization, exemption, license, registration or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body in Mexico is required for the execution, delivery and performance by each of the Guarantors of the Loan Documents, including without limitation any governmental consent, authorization, exemption, license, registration or approval or other action required by exchange control regulations to enable each of the Guarantors to punctually pay its obligations under the Loan Documents.

(d) The Loan Agreement and each of the Notes have been duly executed and delivered by each Guarantor. The Loan Agreement and the Notes constitute legal, valid and binding obligations of each of the Guarantors, enforceable against each of the Guarantors in accordance with their respective terms.

(e) The payment obligations of each Guarantor under the Loan Documents constitute direct and unconditional obligations of each Guarantor and will rank at least pari passu in priority of payment and in all other respects with all other unsecured and unsubordinated obligations of the Guarantor, except for labor claims, claims of tax authorities for unpaid taxes, social security quotas, worker's housing fund quotas and retirement fund quotas ranking senior by operation of law (but not by contract or agreement). If any Guarantor is unable to meet its obligations under the Loan Documents, the Administrative Agent and the Lenders shall have full recourse against such Guarantor in Mexico.

(f) Each of the Guarantors is an entity with legal capacity to sue and be sued and is subject to civil and commercial law with respect to their respective obligations under the Loan Documents to which each of them is a party. Neither the Guarantors nor any of their properties has any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under Mexican law in respect of their obligations under the Loan Documents, as the case may be.

(g) Except as disclosed in the Loan Agreement, there is no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority pending or, to the best of my knowledge after due inquiry, threatened by or against CEMEX, any of its Subsidiaries or against any of their properties or revenues (i) with respect to the Loan Documents or any of the transactions contemplated thereby or (ii) which, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

(h) It is not necessary under the laws of Mexico (i) in order to enable any of the Lenders or the Administrative Agent, to enforce any rights under the Loan Documents or (ii) solely by reason of the execution, delivery or performance of the Loan Documents, that any of the Lenders or the Administrative Agent be licensed or qualified with any Governmental Authority in Mexico or be entitled to carry on business in Mexico.

(i) Neither any Lender nor the Administrative Agent will be deemed resident, domiciled, carrying on business or subject to taxation in Mexico solely by reason of the execution, delivery, performance or enforcement of the Loan Agreement or any other Loan Document.

(j) There is no tax, levy, stamp duty, impost deduction, charge or withholding imposed by Mexico or any political subdivision thereof (i) on or by virtue of the execution, delivery, performance, enforcement or admissibility into evidence of any of the Loan Documents or (ii) on any payment made by any of the Guarantors pursuant to any of the Loan Documents, except that a withholding tax will be imposed by Mexico on payments of interest made by any Guarantor to a non-resident of Mexico for tax purposes. The Guarantors are permitted to pay additional amounts payable under Section 2.12 of the Loan Agreement and under the Notes.

(k) Each of the Loan Documents is in proper legal form under the laws of Mexico for the enforcement thereof against each of the Guarantors under such laws. To ensure the legality, validity, enforceability or admissibility in evidence of the Loan Documents in a court in Mexico, it is not necessary that any of the Loan Documents be filed, registered or recorded with any

Governmental Authority in Mexico, or that any registration charge or stamp or similar tax be paid on or in respect of any of the Loan Documents.

(l) The submission by each Guarantor to the non-exclusive jurisdiction of the courts referred to in Section provided for in Section 10.12 of the Loan Agreement, the appointment of the agent for service of process and the designation of the method of service of process in the Loan Agreement are valid and effective under the laws of Mexico and are irrevocably binding on each Guarantor.

(m) The choice of New York law to govern the Loan Agreement and each of the other Loan Documents is a valid and effective choice of law under the laws of Mexico.

(n) The Notes qualify as pagares for executory proceedings (accion ejecutiva mercantil) under Mexican law.

(o) Any final judgment obtained against any of the Guarantors in any of the courts specified in the Loan Documents, in respect of any sum payable by any Guarantor under the Loan Documents, would be recognized and enforced by the courts of Mexico without any retrial or re-examination of the issues, pursuant to Articles 569 and 571 of the Mexican Federal Code of Civil Procedure and Article 1347A of the Mexican Commerce Code, which provide, inter alia, that any judgment rendered outside of Mexico may be enforced by Mexican courts, provided that:

(i) such judgment is obtained in compliance with the legal requirements of the jurisdiction of the court rendering such judgment and in compliance with all legal requirements of the Loan Agreement or any other Loan Document;

(ii) such judgment is strictly for the payment of a certain sum of money based on an in personam (as opposed to an in rem) action;

(iii) service of process was made personally on a Guarantor, as the case may be, or on its process agent appointed pursuant to Section 10.13 of the Loan Agreement (a court of Mexico would consider the service of process upon the duly appointed agent, by means of a notarial instrument, to be personal service of process meeting procedural requirements of Mexico), provided such service of process is personally made upon the defendant or its duly appointed process agent;

(iv) such judgment does not contravene Mexican law, public policy of Mexico, international treaties or agreements binding upon Mexico or generally accepted principles of international law;

(v) the applicable procedural requirements under the laws of Mexico with respect to the enforcement of foreign judgments (including the issuance of a letter rogatory by the competent authority of such jurisdiction requesting enforcement of such judgment and the certification of such judgment as authentic by the corresponding authorities of such jurisdiction in accordance with the laws thereof) are complied with;

(vi) such judgment is final in the jurisdiction where obtained;

(vii) the action in respect of such judgment is rendered is not the subject matter of a lawsuit among the same parties pending before a Mexican court; and

(viii) the courts of such jurisdiction recognize the principles of reciprocity in connection with the enforcement of Mexican judgments in such jurisdiction.

I have no reason to believe that the enforcement of a non-Mexican judgment relating to the Loan Documents would be contrary to Mexican law, Mexican public policy, international treaties or agreements binding on Mexico or generally accepted principles or international law, provided that Mexican procedural requirements have been complied with.

This opinion is subject to the following qualifications:

1. Enforcement of the Loan Agreement and the other Loan Documents may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally;

2. In the event that proceedings are brought in Mexico seeking performance of the obligations of the Guarantors in Mexico, pursuant to the Mexican Monetary Law, such Guarantors may discharge their obligations by paying any sums due in a currency other than Mexican currency, in Mexican currency at the rate of exchange prevailing in Mexico on the date when payment is made;

3. Covenants which purport to bind any of the Guarantors on matters reserved by law to shareholders, or which purport to bind shareholders to vote or refrain from voting their shares issued by CEMEX, are not enforceable through specific performance, but nevertheless are enforceable against such Guarantors and non-compliance with any such covenants would constitute an Event of Default entitling the Lenders to demand the acceleration of amounts payable under the Loan Agreement;

4. In the event that any legal proceedings are brought in the courts of Mexico, a Spanish translation of the documents required in such proceedings prepared by a court-approved translator would have to be approved by the court after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents;

5. In any bankruptcy proceeding initiated in Mexico pursuant to the laws of Mexico, labor claims, claims of tax authorities for unpaid taxes, social security quotas, worker's housing fund quotas and retirement fund quotas will have priority over claims of the Administrative Agent and the Lenders; and

6. With respect to the provisions contained in the Loan Agreement in connection with service of process, it should be noted that service of process by mail does not constitute personal service of process under Mexican law and, since such service is considered to be a basic procedural requirement, if for purposes of proceedings outside Mexico service of process is made by mail, a final judgment based on such process would not be enforced by the courts of Mexico.

7. In rendering any opinion in paragraph (b), I have assumed that to the extent any document referred to in clause (ii) of such paragraph (b) is governed by the law of a jurisdiction other than those referred to in the following paragraph, such document would be enforced as written.

I express no opinion as to any laws other than the laws of Mexico. Insofar as the opinions set forth above are governed by New York or Dutch law, I have relied, without making any independent investigation with respect thereto, on the opinions of Mayer, Brown, Rowe & Maw LLP and Warendorf dated the date hereof, delivered to you pursuant to the Loan Agreement.

This opinion is furnished only to you in connection with the closing under the Loan Agreement and is solely for your benefit. Without my prior written consent, this opinion may not be used or relied upon by, or assigned to, any other person for any purpose, except that Mayer, Brown, Rowe & Maw LLP and Warendorf may rely upon this opinion as to matters of the laws of Mexico in rendering their opinions in connection with the Loan Agreement, and any Person becoming a Lender after the date hereof may rely on this opinion as if addressed to such Person as of the date hereof. This opinion is not to be circulated, quoted or otherwise referred to for any other purpose without my prior written consent, except to the extent that the ability to circulate, quote or refer to this letter is necessary so that the transactions contemplated by the Loan Documents are not treated as a "confidential transaction" within the meaning of Treasury Regulations section 1.6011-4(b)(3)d.

Very truly yours,

Ramiro Villarreal

FORM OF PROCESS AGENT ACCEPTANCE

To Citibank, N.A., as Administrative Agent
[Insert Address]
Attention: []

Ladies and Gentlemen:

Reference is made to the Term Loan Agreement, dated as of October 15, 2003 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among NEW SUNWARD HOLDING B.V. (the "Borrower"), CEMEX, S.A. DE C.V., CEMEX MEXICO, S.A. DE C.V. and EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V. (collectively, the "Guarantors"), the Lenders party thereto, CITIBANK, N.A., as administrative agent and the other Persons party thereto and the Notes referred to therein. Unless otherwise defined herein, terms defined in the Loan Agreement and used herein shall have the meanings given to them in the Loan Agreement.

Pursuant to Section 10.13 of the Loan Agreement, the Borrower and each Guarantor has irrevocably appointed the undersigned (at the undersigned's office located at 111 Eighth Avenue, 13th Floor, New York, New York 10011) as its agent in its name, place and stead to accept service of any writ, process or summons in respect of any legal actions or proceedings in New York arising out of or in connection with the Loan Agreement or any Note.

The undersigned hereby (a) informs you that it accepts such appointment by the Borrower and each Guarantor as set forth in Section 10.13 of the Loan Agreement and (b) agrees with you that (i) it will not terminate such agency relationship prior to the date one year after the final maturity of the loans made under the Loan Agreement, (ii) it will maintain an office in New York, New York, U.S.A. at all times to and including said date and will give you prompt notice of any change of its address during such period and (iii) it will promptly forward to the Borrower or any Guarantor any summons, complaint or other legal process that the undersigned receives in connection with its appointment as such agent and attorney-in-fact of such person.

Very truly yours,

CT CORPORATION SYSTEM

By: _____
Name:
Title:

EXHIBIT G

FORM OF NON-EXTENSION NOTICE

Citibank, N.A., as Administrative Agent
[Insert Address]
Attention: []

New Sunward Holding B.V.
[Insert Address]
Attention: []

Ladies and Gentlemen:

This notice shall constitute a "Non-Extension Notice" pursuant to Section 2.5 of the Term Loan Agreement, dated as of October 15, 2003 (as the same may be amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), among NEW SUNWARD HOLDING B.V., a company organized and existing under the laws of The Netherlands (the "Borrower"), CEMEX, S.A. DE C.V., CEMEX MEXICO, S.A. DE C.V. and EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V. (collectively, the "Guarantors"), the Lenders party thereto, CITIBANK, N.A.,

as Administrative Agent and the other Persons party thereto. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Loan Agreement.

With respect to our Tranche [B][C] Loan, in a principal amount outstanding of [\$][(Y)][_____], made in connection with the above-referenced Loan Agreement, we hereby give notice to you that the Tranche [B][C] Maturity Date shall not be extended to the Tranche [B][C] Extended Maturity Date.

[NAME OF LENDER]

By:

Name:

Title:

Date: [], 20__

EXHIBIT H

FORM OF TERMINATION NOTICE
UNDER REVOLVING CREDIT FACILITY

Bank of America, N.A., as Administrative Agent
[Insert Address]
Attention: []

Ladies and Gentlemen:

This notice shall constitute an irrevocable notice of termination of Revolving Commitments pursuant to Section 2.6 of the Credit Agreement, dated as of June 11, 2001 (as the same may be amended, supplemented or otherwise modified from time to time, the "Revolving Credit Facility"), among CEMEX, S.A. DE C.V. (the "Borrower"), the several banks and other financial institutions or entities from time to time party thereto, BANK OF AMERICA, N.A., as administrative agent, J.P. MORGAN SECUTIES INC., as documentation agent, BANC OF AMERICA SECURITIES LLC and J.P. MORGAN SECURITIES INC., as co-syndication agents, joint lead arrangers and joint bookrunners and the several Lenders party thereto. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Revolving Credit Facility.

The Revolving Commitments of the Lenders are hereby terminated in their entirety, effective as of the date that is five Business Days from the date hereof.

Notwithstanding any provisions of the Revolving Credit Facility to the contrary, and without purporting to affect any rights or obligations of any party thereto other than as specified herein, the Borrower hereby irrevocably waives and forgoes any and all rights that the Borrower may have under the Revolving Credit Facility to make any further Borrowing thereunder and irrevocably releases each Lender from any obligations it may have under the Revolving Credit Facility to make any further Loans thereunder, in each case effective as of the date hereof.

CEMEX, S.A. DE C.V.

By:

Name:

Title:

Date: October o, 2003

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
ABN AMRO Special Corporate Services, B.V. (Transaction Reference No. [____])

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the CONFIRMATION), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the CALCULATION AGENCY AND INTERBANK AGREEMENT and, together with the Confirmation, the FORWARD TRANSACTION AGREEMENT), (ii) an Escrow Agreement dated as of September 26, 2003 (the ESCROW AGREEMENT) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the ESPANA SHARE PURCHASE AGREEMENT) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, ABN AMRO Rothschild LLC (the UNDERWRITER), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the NET CASH SETTLEMENT TERMINATION DATE). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

- (i) the FINAL PAYMENT AMOUNT shall be an amount equal to (a) the Net Cash Settlement Amount MINUS (b) the sum of all Advance Payments (as defined below) made to Counterparty;
- (ii) the NET CASH SETTLEMENT AMOUNT shall be an amount equal to (a) the

Cemex ADS Total Purchase Price PLUS (b) the Espana Value on the Valuation Date immediately preceding the Net Cash Settlement Termination Date MULTIPLIED BY the Specified Number of Espana Shares MINUS (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date MINUS (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;

- (iii) the CEMEX ADS TOTAL PURCHASE PRICE shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a TRANSFER PAYMENT) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an ADVANCE PAYMENT), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino

Title: Chief Financial Officer

Accepted and Agreed:

ABN AMRO Special Corporate Services, B.V.

By: /s/ R.H.I. de Laus

Name: R.H.I. de Laus
Title: Managing Director

By: /s/ E.J. Holst

Name: E.J. Holst
Title: Proxy Holder

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
Citibank, N.A. (Transaction Reference No. [____])

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the Confirmation), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the Calculation Agency and Interbank Agreement and, together with the Confirmation, the Forward Transaction Agreement), (ii) an Escrow Agreement dated as of September 26, 2003 (the Escrow Agreement) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the Espana Share Purchase Agreement) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, Citigroup Global Markets Inc. (the Underwriter), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the Net Cash Settlement Termination Date). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

- (i) the Final Payment Amount shall be an amount equal to (a) the Net Cash Settlement Amount minus (b) the sum of all Advance Payments (as defined below) made to Counterparty;
- (ii) the Net Cash Settlement Amount shall be an amount equal to (a) the Cemex ADS Total Purchase Price plus (b) the Espana Value on the Valuation Date immediately preceding the Net Cash Settlement Termination Date multiplied by the Specified Number of Espana Shares

minus (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date minus (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;

- (iii) the Cemex ADS Total Purchase Price shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a Transfer Payment) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an Advance Payment), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Chief Financial Officer

Accepted and Agreed:

Citibank, N.A.

By: /s/ Kurt Vogt

Name: Kurt Vogt
Title: Managing Director

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
Credit Suisse First Boston International
(Transaction Reference No. 8118223)

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the CONFIRMATION), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the CALCULATION AGENCY AND INTERBANK AGREEMENT and, together with the Confirmation, the FORWARD TRANSACTION AGREEMENT), (ii) an Escrow Agreement dated as of September 26, 2003 (the ESCROW AGREEMENT) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the ESPANA SHARE PURCHASE AGREEMENT) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, Credit Suisse First Boston LLC (the UNDERWRITER), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the NET CASH SETTLEMENT TERMINATION DATE). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

(i) the FINAL PAYMENT AMOUNT shall be an amount equal to (a) the Net Cash

Settlement Amount MINUS (b) the sum of all Advance Payments (as defined below) made to Counterparty;

- (ii) the NET CASH SETTLEMENT AMOUNT shall be an amount equal to (a) the Cemex ADS Total Purchase Price PLUS (b) the Espana Value on the Valuation Date immediately preceding the Net Cash Settlement Termination Date MULTIPLIED BY the Specified Number of Espana Shares MINUS (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date MINUS (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;
- (iii) the CEMEX ADS TOTAL PURCHASE PRICE shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a TRANSFER PAYMENT) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an ADVANCE PAYMENT), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Chief Financial Officer

Accepted and Agreed:

Credit Suisse First Boston International

By: /s/ Andrew Walton

Name: Andrew Walton
Title: Director

By: /s/ Konstantin Orlov

Name: Konstantin Orlov
Title: Director

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
Deutsche Bank AG London (Transaction Reference No. _____)

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the CONFIRMATION), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the CALCULATION AGENCY AND INTERBANK AGREEMENT and, together with the Confirmation, the FORWARD TRANSACTION AGREEMENT), (ii) an Escrow Agreement dated as of September 26, 2003 (the ESCROW AGREEMENT) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the ESPANA SHARE PURCHASE AGREEMENT) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, DeutscheBank Securities Inc. (the UNDERWRITER), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the NET CASH SETTLEMENT TERMINATION DATE). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

- (i) the FINAL PAYMENT AMOUNT shall be an amount equal to (a) the Net Cash Settlement Amount MINUS (b) the sum of all Advance Payments (as

defined below) made to Counterparty;

- (ii) the NET CASH SETTLEMENT AMOUNT shall be an amount equal to (a) the Cemex ADS Total Purchase Price PLUS (b) the Espana Value on the Valuation Date immediately preceding the Net Cash Settlement Termination Date MULTIPLIED BY the Specified Number of Espana Shares MINUS (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date MINUS (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;
- (iii) the CEMEX ADS TOTAL PURCHASE PRICE shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a TRANSFER PAYMENT) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an ADVANCE PAYMENT), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Chief Financial Officer

Accepted and Agreed:

Deutsche Bank AG London

By: /s/ Illegible

Name: Illegible
Title: Illegible

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
ING Bank, N.V. (Transaction Reference No. FC7114-Emptolmex)

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the CONFIRMATION), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the CALCULATION AGENCY AND INTERBANK AGREEMENT and, together with the Confirmation, the FORWARD TRANSACTION AGREEMENT), (ii) an Escrow Agreement dated as of September 26, 2003 (the ESCROW AGREEMENT) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the ESPANA SHARE PURCHASE AGREEMENT) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, ING Financial Markets LLC (the UNDERWRITER), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the NET CASH SETTLEMENT TERMINATION DATE). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

- (i) the FINAL PAYMENT AMOUNT shall be an amount equal to (a) the Net Cash Settlement Amount MINUS (b) the sum of all Advance Payments (as defined below) made to Counterparty;
- (ii) the NET CASH SETTLEMENT AMOUNT shall be an amount equal to (a) the Cemex ADS Total Purchase Price PLUS (b) the Espana Value on the

Valuation Date immediately preceding the Net Cash Settlement Termination Date MULTIPLIED BY the Specified Number of Espana Shares MINUS (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date MINUS (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;

- (iii) the CEMEX ADS TOTAL PURCHASE PRICE shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a TRANSFER PAYMENT) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an ADVANCE PAYMENT), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Chief Financial Officer

Accepted and Agreed:

ING Bank, N.V.

ING Bank, N.V.

By: /s/ Illegible

By: /s/ A.B. Rosario

Name: Illegible
Title: Director, Chief Financial
Officer

Name: A.B. Rosario
Title: Risk Manager

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
JPMorgan Chase Bank (Transaction Reference No. _____)

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the CONFIRMATION), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the CALCULATION AGENCY AND INTERBANK AGREEMENT and, together with the Confirmation, the FORWARD TRANSACTION AGREEMENT), (ii) an Escrow Agreement dated as of September 26, 2003 (the ESCROW AGREEMENT) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the ESPANA SHARE PURCHASE AGREEMENT) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, J.P. Morgan Securities Inc. (the UNDERWRITER), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the NET CASH SETTLEMENT TERMINATION DATE). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

- (i) the FINAL PAYMENT AMOUNT shall be an amount equal to (a) the Net Cash Settlement Amount MINUS (b) the sum of all Advance Payments (as defined below) made to Counterparty;

- (ii) the NET CASH SETTLEMENT AMOUNT shall be an amount equal to (a) the Cemex ADS Total Purchase Price PLUS (b) the Espana Value on the Valuation Date immediately preceding the Net Cash Settlement Termination Date MULTIPLIED BY the Specified Number of Espana Shares MINUS (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date MINUS (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;
- (iii) the CEMEX ADS TOTAL PURCHASE PRICE shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a TRANSFER PAYMENT) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an ADVANCE PAYMENT), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Chief Financial Officer

Accepted and Agreed:

JPMorgan Chase Bank

By: /s/ Peter Turk

Name: Peter Turk
Title: Managing Director

Empresas Tolteca de Mexico, S.A. de C.V.
Ave. Constitucion 444 Pte.
Monterrey, N.L. 64000
Mexico

Amendment No. 1 to Confirmation
dated December 13, 2002
between Empresas Tolteca
de Mexico, S.A. de C.V. and
Societe Generale (Transaction Reference No. _____)

October 15, 2003

Ladies and Gentlemen:

Reference is hereby made to (i) the ISDA Master Agreement dated as of December 13, 1999 and the Confirmation thereunder dated December 13, 2002 (the CONFIRMATION), each between you and us, and the Calculation Agency and Interbank Agreement between you, us, Citibank, N.A. as Calculation Agent and the other Participants listed therein dated as of December 13, 1999, as amended by Amendment No. 1 thereto dated as of December 13, 2002 (as amended, the CALCULATION AGENCY AND INTERBANK AGREEMENT and, together with the Confirmation, the FORWARD TRANSACTION AGREEMENT), (ii) an Escrow Agreement dated as of September 26, 2003 (the ESCROW AGREEMENT) between you, Cemex, S.A. de C.V., us, Citibank, N.A., as Escrow Agent, Citibank, N.A., acting through its Emerging Markets and Sales Group, as Designated Selling Shareholder, and the other depositors referred to therein and (iii) a Share Purchase Agreement to be entered into (the ESPANA SHARE PURCHASE AGREEMENT) between you and us, pursuant to which you will agree to sell, and we will agree to buy, the Specified Number of Espana Shares. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Confirmation, or if not defined therein, in the Calculation Agency and Interbank Agreement. For purposes of the Confirmation and the Calculation Agency and Interbank Agreement, references herein to "Espana" shall be deemed to be references to "Valenciana".

Notwithstanding the provisions of Paragraphs 5 and 6 of the First Confirmation, you and we agree as follows:

1. In the event that, prior to October 30, 2003, (a) Bank enters into one or more underwriting agreements with Cemex, SG Cowen Securities Corporation (the UNDERWRITER), other underwriters specified therein and the other Participants providing for the sale of Cemex ADS and/or Ordinary Participation Certificates and (b) Underwriter and Cemex deliver the Initial Closing Delivery Instructions (as defined in the Escrow Agreement), the Transaction will terminate with respect to the Specified Number of Cemex ADS and the Specified Number of Espana Shares on October 29, 2003 (such date, for purposes hereof, the NET CASH SETTLEMENT TERMINATION DATE). In the event that less than the Specified Number of Cemex ADS are sold in connection with the initial closing of the Global Offering (as defined in the Escrow Agreement) or in connection with the exercise by the Underwriter of the Over-Allotment Option (as defined in the Escrow Agreement), we agree to purchase, or cause a third-party to purchase, the remaining Specified Number of Cemex ADS for settlement on or prior to the Net Cash Settlement Termination Date.

On the Net Cash Settlement Termination Date, (a) if the Final Payment Amount is a positive number, Bank shall pay to Counterparty the Final Payment Amount and (b) if the Final Payment Amount is a negative number, Counterparty shall pay the absolute value of the Final Payment Amount to Bank.

For purposes of this paragraph 1,

- (i) the FINAL PAYMENT AMOUNT shall be an amount equal to (a) the Net Cash Settlement Amount MINUS (b) the sum of all Advance Payments (as defined below) made to Counterparty;
- (ii) the NET CASH SETTLEMENT AMOUNT shall be an amount equal to (a) the Cemex ADS Total Purchase Price PLUS (b) the Espana Value on the

Valuation Date immediately preceding the Net Cash Settlement Termination Date MULTIPLIED BY the Specified Number of Espana Shares MINUS (c) the Adjusted Forward Payment Amount as of the Net Cash Settlement Termination Date MINUS (d) the sum of all Transfer Payments (as defined below) made to Bank in accordance with the Escrow Agreement;

- (iii) the CEMEX ADS TOTAL PURCHASE PRICE shall be an amount determined by (1) multiplying (A) the number of Cemex ADS sold (or the number of Cemex ADS representing Ordinary Participation Certificates sold) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS (or the underlying Ordinary Participation Certificates) by (B) the price at which such Cemex ADS were sold (or, in the case of a sale of Ordinary Participation Certificates, the price at which Ordinary Participation Certificates represented by one Cemex ADS were sold (converted at the exchange rate at which the proceeds from such sale are converted to USD in accordance with the Escrow Agreement)) and (2) summing the amounts determined pursuant to clause (1); and
- (iv) the amounts transferred to Bank in accordance with the Escrow Agreement (each such transfer, a TRANSFER PAYMENT) in connection with each sale by Bank of a portion of the Specified Number of Cemex ADS on and after the initial closing of the Global Offering shall be deemed to be Advanced Forward Payment Amounts for purposes of determining the Adjusted Forward Payment Amount, except that the FV2 with respect to such amounts shall be determined using a Swap Rate based on USD-LIBOR-BBA for deposits with a maturity closest to the period of time from the date on which such amount is transferred to Bank to the Termination Date.

Upon payment of the Final Payment Amount, (i) Bank shall have no obligation under the Forward Transaction Agreement to deliver the Specified Number of Cemex ADS and the Specified Number of Espana Shares to Counterparty and Counterparty shall have no obligation to pay to Bank the Adjusted Forward Payment Amount and (ii) the Forward Transaction Agreement and any voting agreement entered into by or on behalf of the Bank with respect to the Cemex ADS and/or the Espana Shares shall be terminated.

2. In connection with each sale by Bank of Cemex ADS from and including the initial closing of the Global Offering to but excluding the Net Cash Settlement Termination Date, Bank agrees to advance to Counterparty (each such advance, an ADVANCE PAYMENT), as specified in the Escrow Agreement, an amount equal to the amount by which the aggregate proceeds from such sale and all prior sales of Cemex ADS exceed the Adjusted Forward Payment Amount on the date of such sale.

3. Counterparty hereby agrees to indemnify Bank, upon demand, for losses or expenses incurred by Bank in the event that, in connection with a proposed sale of Cemex ADS, Bank terminates any agreement pursuant to which it has hedged its position under the Forward Transaction Agreement in the Eurodollar market and such sale (whether as the result of a Settlement Disruption Event or otherwise) does not occur.

We are seeking to obtain the same agreements from the other Participants, and this letter shall not become effective until each other Participant has delivered a signed letter in substantially the same form as this letter.

This letter shall be construed in accordance with, and this letter and all matters arising out of or relating in any way whatsoever to this letter (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York. Except as provided herein, the Forward Transaction Agreement remains unchanged.

Please indicate your agreement to the terms of this letter by executing this letter below and returning it to us.

Very truly yours,

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

By: /s/ Rodrigo Trevino

Name: Rodrigo Trevino
Title: Chief Financial Officer

Accepted and Agreed:

Societe Generale

By: /s/ Illegible

Name:

Title:

EUR 250,000,000

(Y) 19,308,000,000

FACILITIES AGREEMENT

dated 30 March 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.
SANDWORTH PLAZA HOLDING B.V.

as Guarantors

arranged by

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

SOCIETE GENERALE, S.A.

with

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

acting as Agent

TERM AND REVOLVING FACILITIES AGREEMENT

CONTENTS

Clause	Page
1. Definitions and Interpretation.....	4
2. The Facilities.....	19
3. Purpose.....	19
4. Conditions of Utilisation.....	19
5. Utilisation.....	22
6. Optional Currencies.....	23
7. Repayment.....	26
8. Prepayment and cancellation.....	26
9. Interest.....	29
10. Interest Periods.....	30
11. Changes to the calculation of interest.....	31
12. Fees.....	32
13. Tax Gross Up and Indemnities.....	33
14. Increased costs.....	35

15.	Other indemnities.....	36
16.	Mitigation by the Lenders.....	37
17.	Costs and expenses.....	38
18.	Guarantee and indemnity.....	39
19.	Representations.....	42
20.	Information undertakings.....	45
21.	Financial Covenants.....	47
22.	General undertakings.....	50
23.	Events of Default.....	57
24.	Changes to the Lenders.....	61
25.	Changes to the Obligors.....	64
26.	Role of the Agent and the Arranger.....	66
27.	Conduct of business by the Finance Parties.....	71
28.	Sharing among the Finance Parties.....	71
29.	Payment mechanics.....	73
30.	Set-off.....	75
31.	Notices.....	75
32.	Calculations and certificates.....	77
33.	Partial invalidity.....	77
34.	Remedies and waivers.....	77
35.	Amendments and waivers.....	77
36.	Counterparts.....	78
37.	Governing law.....	79
38.	Enforcement.....	79
	SCHEDULE 1 The Original Parties.....	80
	Part I The Obligors.....	80
	Part II The Original Lenders.....	81
	SCHEDULE 2 Conditions Precedent.....	83
	Part I Conditions Precedent to initial Utilisation.....	83
	Part II Conditions Precedent required to be delivered by an Additional Guarantor.....	85
	SCHEDULE 3 Requests.....	87
	Part I Utilisation Request.....	87
	Part II Selection Notice.....	88
	SCHEDULE 4 Mandatory Cost Formulae.....	89
	SCHEDULE 5 Form of Transfer Certificate.....	91
	SCHEDULE 6 Form of Compliance Certificate.....	93
	SCHEDULE 7 Existing Security.....	95
	SCHEDULE 8 Existing Notarisations.....	96
	SCHEDULE 9 LMA Form of confidentiality undertaking.....	97

SCHEDULE 10 Timetables.....	102
SCHEDULE 11 Form of Accession Letter.....	104
SCHEDULE 12 Material Subsidiaries.....	105
SCHEDULE 13 Defining the JPY Fix Rate.....	106

THIS AGREEMENT is dated 30 March 2004 and made between:

- (1) CEMEX ESPANA, S.A. (the "Borrower");
- (2) 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. (the "Original Guarantors");
- (3) BANCO BILBAO VIZCAYA ARGENTARIA, S.A. and SOCIETE GENERALE, S.A. as mandated lead arrangers (whether acting individually or together the "Arranger");
- (4) THE FINANCIAL INSTITUTIONS listed in Part II of Schedule 1 (The Original Parties) as lenders (the "Original Lenders"); and
- (5) BANCO BILBAO VIZCAYA ARGENTARIA, S.A. 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 11 (Form of Accession Letter).

"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 25 (Changes to the Obligors).

"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.

"Asia Fund" means Cemex Asia Holdings Ltd. ("CAH") or any other vehicles used by the Borrower or any other member of the Group 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 members of the Group or CEMEX, S.A. de C.V. and its Subsidiaries and with the Borrower maintaining control of its management.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisisation 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:

- (a) in relation to Facility A and Facility C, the period from and

including the date of this Agreement to and including the day falling one Month after the date of this Agreement; and

- (b) in relation to Facility B, the period from and including the date of this Agreement to and including the day falling one week (or, if the Borrower has selected three Interest Periods of less than one Month, one Month) before the Termination Date.

"Available Commitment" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

- (a) the Base Currency Amount (in respect of Facility A and Facility B) or the yen amount (in respect of Facility C) of its participation in any outstanding Loans under that Facility; and
- (b) in relation to any proposed Utilisation, the Base Currency Amount (in respect of Facility A and Facility B) or the yen amount (in respect of Facility C) of its participation in any Loans 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, that Lender's participation in any Facility B Loans that are 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 euro.

"Base Currency Amount" means, in relation to a Facility A Loan or a Facility B Loan, the amount specified in the Utilisation Request for that Loan (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date) adjusted to reflect any repayment (other than, in relation to Facility A, a repayment arising from a change of currency) or prepayment of the Loan.

"Break Costs" means:

- (a) in the case of Facility A and Facility B, the amount (if any) by which:
 - (i) the interest 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:
 - (ii) 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 Business Day following receipt or recovery and ending on the last day of the current Interest Period; and
- (b) in the case of Facility C, the amount of any costs incurred by a Lender (whether as a result of terminating any Hedging Agreements or otherwise) in respect of any prepayment under this Agreement and justified in writing to the Borrower.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Madrid and:

- (a) (in relation to any date for payment or lending or purchase of a currency other than euro) the principal financial centre of

the country of that currency;

- (b) (in relation to any date for determination of an interest rate in relation to a currency other than euro) the principal financial centre of that currency and London;
- (c) (in relation to any date for determination of a rate of exchange in relation to a currency other than euro) a TARGET Day; or
- (d) (in relation to any date for payment or lending or purchase of, or determination of an interest rate or a rate of exchange in relation to, euro) a TARGET Day.

"Capital Lease" means any lease that is capitalised on the balance sheet prepared in accordance with Spanish GAAP.

"Commitment" means a Facility A Commitment and/or Facility B Commitment and/or Facility C 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 9 (LMA Form of Confidentiality Undertaking) or in any other form agreed between the Borrower and the Agent.

"Default" means an Event of Default or any event or circumstance specified in Clause 23 (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.

"Domestic Lender" means any person described in paragraph (c) of article 57 of Royal Decree 537/1997, of 14 April (Real Decreto 537/1997 de 14 de abril) as amended by Royal Decree 2717/1998, of 18 December (Real Decreto 2717/1998, de 18 de diciembre) or in the second paragraph of article 12.1 of Royal Decree 326/1999, of 26 February (Real Decreto 326/1999, de 26 de febrero).

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Law" means any applicable law or regulation in any jurisdiction in which any member of the Group conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

"Environmental Permits" means any permit, licence, consent, approval and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by the relevant member of the Group.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"EURIBOR" means, in relation to any Loan in euro:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the Interest Period of that Loan) the rate calculated by way of interpolation of the rates for the immediately preceding and the immediately following periods for which a Screen Rate is available; or
- (c) (if no Screen Rate is available for the immediately preceding and the immediately following periods) the arithmetic mean (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of

deposits in euro for a period comparable to the Interest Period of the relevant Loan.

"Event of Default" means any event or circumstance specified as such in Clause 23 (Events of Default).

"Facility" means Facility A or Facility B or Facility C.

"Facility A" means the multicurrency term loan facility made available under this Agreement as described in Clause 2 (The Facilities).

"Facility A Commitment" means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility A Commitment" in Part II of Schedule 1 (The Original Parties) and the amount of any other Facility A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Facility A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility A Loan" means the loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

"Facility A Repayment Date" means the day falling 60 Months after the date of this Agreement.

"Facility B" means the revolving loan facility made available under this Agreement as described in Clause 2 (The Facilities).

"Facility B Commitment" means:

- (a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility B Commitment" in Part II of Schedule 1 (The Original Parties) and the amount of any other Facility B Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in the Base Currency of any Facility B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility B Loan" means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

"Facility C" means the yen term loan facility made available under this Agreement as described in Clause 2 (The Facilities).

"Facility C Commitment" means:

- (a) in relation to an Original Lender, the amount in yen set opposite its name under the heading "Facility C Commitment" in Part II of Schedule 1 (The Original Parties) and the amount of any other Facility C Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount in yen of any Facility C Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility C Loan" means the loan made or to be made under Facility C or the principal amount outstanding for the time being of that loan.

"Facility C Repayment Date" means the day falling 60 Months after the date 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.

"Fee Letter" means any letter or letters dated on or about the date of this Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 12 (Fees).

"Finance Document" means this Agreement, any Accession Letter, any Fee Letter and any other document designated as such by the Agent and the Borrower.

"Finance Party" means the Agent, the Arranger or a Lender.

"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 Securitisations shall be deemed not to be on a recourse basis));
- (b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (c) the amount of any liability in respect of any lease or hire purchase contract that would, in accordance with Spanish GAAP, be treated as a Capital Lease;
- (d) the deferred purchase price of assets or the deferred payment of services, except trade accounts payable in the ordinary course of business;
- (e) obligations of a person under repurchase agreements for the stock issued by such person or another person;
- (f) obligations of a person with respect to product invoices incurred in connection with exporting financing;
- (g) all Financial Indebtedness of others secured by Security on any asset of a person, regardless of whether such Financial Indebtedness is assumed by such person in an amount equal to the lower of (i) the net book value of such asset and (ii) the amount secured thereby; and
- (h) guarantees of Financial Indebtedness of other persons.

"GAAP" means, in relation to an Obligor, the generally accepted accounting principles applying to it (i) in the country of its incorporation; or (ii) in a jurisdiction agreed to by the Agent.

"Group" means the Borrower and 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 25.3 (Resignation of a Guarantor) and has not subsequently become an Additional Guarantor pursuant to Clause 25.2 (Additional Guarantors) and "Guarantor" means any of them.

"Hedging Agreements" means any hedging agreements entered into by any Lender (whether internally with one of its own departments or externally with a third party) in order to hedge its interest rate exposure in relation to the calculation of the yen rate in accordance with Schedule 13 (Defining the JPY Fix Rate) for Facility C.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Information Memorandum" means the document in the form approved by the Borrower concerning the Borrower and the Group which, at the Borrower's request and on its behalf, was prepared in relation to this transaction and distributed by the Arranger to selected financial institutions before the date of this Agreement.

"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.

"Investment Grade" means a Rating assigned by S&P and Moody's of at least BBB- and at least Baa3 respectively.

"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 24 (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 rate calculated by way of interpolation of the rates for the immediately preceding and the immediately following periods for which a Screen Rate is available; or
- (c) (if no Screen Rate is available for the immediately preceding and the immediately following periods) the arithmetic mean (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan.

"LMA" means the Loan Market Association.

"Loan" means the Facility A Loan or a Facility B Loan or the Facility C 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.

For the purposes of aggregating Lenders' Commitments and participations in Loans pursuant to this definition, any Facility A or Facility B Commitments and any participations in Facility A or Facility B Loans shall refer to their Base Currency Amount and any Facility C Commitments and any participations in Facility C Loans shall be converted into euro at the rate of exchange of 128.72 yens to EUR1.

"Mandatory Cost" means the percentage rate per annum calculated in

accordance with Schedule 4 (Mandatory Cost Formulae).

"Margin" means, subject to the proviso below, in respect of the Facility A Loan and the Facility C Loan, 0.575 per cent. per annum, and, in respect of a Facility B Loan, 0.350 per cent. per annum, but if:

- (a) no Default has occurred and is continuing; and
- (b) the ratio of Net Borrowings to Adjusted EBITDA in respect of the most recently completed Relevant Period (ending on or after receipt by the Agent, pursuant to paragraph (a) (i) or (b) of Clause 20.1 (Financial Statements), of the Borrower's consolidated financial statements) is within the range set out in Column 1 below,

then the Margin shall be the percentage rate per annum set out opposite such range in Column 2 (in respect of the Facility A Loan or the Facility C Loan) or Column 3 (in respect of a Facility B Loan).

Column 1 Net Borrowings to Adjusted EBITDA	Column 2 Facility A/C Margin (%)	Column 3 Facility B Margin (%)
Equal to or greater than 2.6	0.650	0.425
Less than 1.6	0.500	0.275

and any change in the Margin shall take effect three Business Days after 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 adjustment to the Margin will apply only from the date of such payment.

For the purpose of determining the Margin:

"Relevant Period", "Net Borrowings" and "Adjusted EBITDA" shall be determined in accordance with Clause 21.1 (Financial Definitions).

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, condition (financial or otherwise) or operations of the Group taken as a whole;
- (b) the rights or remedies of any Finance Party under the Finance Documents; or
- (c) the ability of any Obligor to perform its obligations under the Finance Documents.

"Material Subsidiary" means those companies set out in Schedule 12 (Material Subsidiaries) and any other Subsidiary of the Borrower:

- (a) which becomes a Subsidiary of the Borrower after the date hereof or acquires substantial assets or businesses after the date hereof; and
- (b) which:
 - (i) has total assets representing 5 per cent. or more of the total consolidated assets of the Group; and/or
 - (ii) has revenues representing 5 per cent. or more of the consolidated turnover of the Group,

in each case calculated on a consolidated basis and any Holding Company of any such Subsidiary (save unless such company is a Guarantor hereunder).

Compliance with the conditions set out in paragraphs (a) and (b) shall be determined by reference to the most recent Compliance Certificate supplied by the Borrower and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group, but if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's auditors as representing an accurate reflection of each of the respective revised total assets and turnover of the Group).

A report by the auditors of the Borrower that a Subsidiary is a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period.

"Moody's" means Moody's Investors Service Inc..

"Obligors" means the Borrower and the Guarantors and "Obligor" means any of them.

"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 and consolidated financial statements for its financial year ended 31 December 2002 and its unaudited unconsolidated and consolidated financial statements for its financial year ended 31 December 2003; and
- (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 2002 and unaudited unconsolidated (and, to the extent available, its unaudited consolidated) financial statements for its financial year ended 31 December 2003.

"Outlook" means the rating outlook of the Borrower with regard to the Borrower's economic and/or fundamental business condition, as assigned by S&P or Moody's.

"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 Securitisations" means a sale, transfer or other securitisation of receivables and related assets by the Borrower 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 and regulations of the jurisdiction in which such originator is organised, (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, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis.

"Qualifying Lender" means:

- (a) any legal person or entity (including, for the avoidance of doubt, any securitisation trust or fund) habitually resident for taxation purposes in a Qualifying State which is not acting through a territory considered as a tax haven pursuant to Spanish laws and regulations (currently set out in Royal Decree 1080/1991 of 5 July (Real Decreto 1080/1991 de 5 de julio)) or through a permanent establishment in Spain; or
- (b) any legal person or entity (including, for the avoidance of doubt, any securitisation trust or fund) resident in a country which, as a result of any applicable double taxation treaty, would not require any payments made by the Borrower to such financial institution hereunder to be subject to any deduction or withholding in Spain; or
- (c) any Domestic Lender.

"Qualifying State" means a member state of the European Union (other than Spain).

"Quotation Day" means, in relation to any period for which an interest rate is to be determined:

- (a) (if the currency is euro) two TARGET Days before the first day of that period; or
- (b) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Rating" means at any time the solicited long term credit rating or the senior implied rating of the Borrower or an issue of securities of or guaranteed by the Borrower, where the rating is based primarily on the senior unsecured credit risk of the Borrower and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by S&P or Moody's.

"Reference Banks" means Barclays Bank PLC, Credit Agricole Indosuez and Deutsche Bank AG or such other banks as may be appointed by the Agent in consultation with the Borrower.

"Relevant Interbank Market" means in relation to euro, the European interbank market, and, in relation to any other currency, the London interbank market.

"Repeating Representations" means each of the representations set out in Clauses 19.1 (Status) to 19.6 (Governing law and enforcement), Clause 19.9 (No default), paragraphs (a) and (b) of Clause 19.11 (Financial statements), Clause 19.13 (No proceedings pending or threatened), Clause 19.14 (No winding up) and Clause 19.16 (Material Adverse Change).

"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.

"S&P" means Standard and Poors Corporation.

"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 (being currently EURIBOR01 for EURIBOR and LIBOR01 for LIBOR). 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.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"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) or Clause 6.1 (Selection of Currency) in relation to Facility A.

"Spanish Public Document" means any obligation in an Escritura Publica or documento intervenido.

"Special Purpose Vehicle" means a securitisation trust or fund, limited liability company, partnership or other special purpose person established to implement a securitisation of receivables, provided that the business of such person is limited to acquiring, servicing and funding receivables and related assets and activities incidental thereto.

"Specified Time" means a time determined in accordance with Schedule 10 (Timetables).

"Spot Rate of Exchange" means the spot rate of exchange displayed on the appropriate page of the Reuters screen (being currently ECB37) of the Reuters screen for the purchase of the relevant currency with the Base Currency at or about 2:20 p.m. on a particular day.

"Stake" means a number of shares in any Group member held by another Group member the disposal of which would cause the first Group member to cease to be a Subsidiary of the second Group member.

"Subsidiary" means in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"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).

"Termination Date" means:

- (a) in relation to Facility A, the day falling 60 Months after the date of this Agreement;
- (b) in relation to Facility B, the day falling 364 days after the date of this Agreement or, in case of an extension, from the Original Facility B Termination Date (as defined in Clause 4.5 (Extension Request)); and (c) in relation to Facility C, the day falling 60 Months after the date of this Agreement.

"Total Commitments" means the aggregate of the Total Facility A Commitments, the Total Facility B Commitments and the Total Facility C Commitments. For the purposes of calculating such aggregate, the Total Facility C Commitments shall be converted into euro at the rate of 128.72 yens to EUR1.

"Total Facility A Commitments" means the aggregate of the Facility A Commitments, being EUR 150,000,000 at the date of this Agreement.

"Total Facility B Commitments" means the aggregate of the Facility B Commitments, being EUR 100,000,000 at the date of this Agreement.

"Total Facility C Commitments" means the aggregate of the Facility C Commitments, being (Y) 19,308,000,000 at the date of this Agreement.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 5 (Form of Transfer Certificate) or any other form agreed between the Agent and the Borrower.

"Transfer Date" means, in relation to a transfer, the date specified as such in the relevant Transfer Certificate:

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"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).

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

"2001 Facility" means the EUR 800,000,000 revolving credit facility dated 29 October 2001 entered into between Compania Valenciana de Cementos Portland, S.A. as borrower, certain of its subsidiaries as original guarantors and certain financial institutions as arrangers, underwriters, agents and original lenders.

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) "assets" includes present and future properties, revenues and rights of every description;

- (iii) 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;
 - (iv) "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;
 - (v) a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing;
 - (vi) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (vii) 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) 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;
 - (viii) a provision of law is a reference to that provision as amended or re-enacted; and
 - (ix) a time of day is a reference to Madrid time.
- (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 (other than an Event of Default) is "continuing" if it has not been remedied or waived and an Event of Default is "continuing" if it has not been waived.

1.3 Currency Symbols and Definitions "\$" and "dollars" denote lawful currency of the United States of America, "EUR" and "euro" means the single currency unit of the Participating Member States and "(Y)" and "yen" denote lawful currency of Japan.

1.4 Third party rights A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

SECTION 2 THE FACILITIES

2. The Facilities

2.1 The Facilities
Subject to the terms of this Agreement, the Lenders make available to the Borrower:

- (a) a multicurrency term loan facility in an aggregate amount equal to the Total Facility A Commitments;
- (b) a multicurrency revolving loan facility in an aggregate amount equal to the Total Facility B Commitments; and
- (c) a yen term loan facility in an aggregate amount equal to the Total Facility C Commitments.

2.2 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) Except as otherwise stated in the Finance Documents, the rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.
- (c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under each Facility first towards repayment of the 2001 Facility and thereafter towards its general corporate purposes and short term liquidity requirements.

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 a 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 receiving such documents.

4.2 Further conditions precedent

- (a) 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:
 - (i) in the case of a Rollover Loan, no Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and
 - (ii) the Repeating Representations to be made by each Obligor are true in all material respects.
- (b) The Lenders will only be obliged to comply with Clause 6.3 (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 only one but not both of the Facility A Loan and the Facility C Loan have, as of the last day of the Availability Period, been made, the Borrower shall on such day prepay the entire amount of the Facility A Loan or, as the case may be, the Facility C Loan.

4.3 Conditions relating to Optional Currencies

A currency will constitute an Optional Currency in relation to a Loan if:

- (a) 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 Loan; and
- (b) it is dollars.

4.4 Maximum number of Loans

- (a) The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation:
 - (i) two or more Facility A Loans would be outstanding; or
 - (ii) six or more Facility B Loans would be outstanding; or
 - (iii) two or more Facility C Loans would be outstanding.
- (b) Any Loan made by a single Lender under Clause 6.2 (Unavailability of a currency) shall not be taken into account in this Clause 4.4.

4.5 Extension Request

The Borrower shall be entitled to request an extension of Facility B, for an additional period of 364 days, by giving notice to the Agent (the "Extension Request") not more than 60 nor less than 30 days before the Termination Date (in this Clause 4.5 the "Original Facility B Termination Date"). Such notice shall be made in writing and shall be unconditional and binding on the Borrower except as set out in Clause 4.9 (Revocation of Extension).

4.6 Notification of Extension Request

The Agent shall forward a copy of the Extension Request to the Lenders as soon as practicable after receipt of it.

4.7 Lenders' Response to Extension Request

If a Lender, in its individual and sole discretion, agrees to the extension requested by the Borrower, it shall give notice to the Agent (a "Notice of Extension") (revocable only in the case mentioned in Clause 4.9 (Revocation of Extension)) no later than 20 days prior to the Original Facility B Termination Date. If a Lender does not give such Notice of Extension by such date, then that Lender shall be deemed to have refused that extension.

4.8 Lender's Discretion

Nothing shall oblige a Lender to agree to an Extension Request.

4.9 Revocation of Extension

If Lenders whose Facility B Commitments amount in aggregate to 50 per cent. or less of the Total Facility B Commitments give Notices of Extension, then the Extension Request will be deemed to have been refused and the Agent shall notify the Borrower and Lenders accordingly.

4.10 Extension Date

- (a) The Original Facility B Termination Date shall be extended if and when Lenders whose Facility B Commitments amount in aggregate to more than 50 per cent. of the Total Facility B Commitments have agreed to it by giving a Notice of Extension and, provided that the Borrower has not withdrawn its Extension Request on or before the date falling 10 days prior to the Original Facility B Termination Date, the Original Facility B Termination Date shall then be extended to the day which is 364 days from (and including) the Original Facility B Termination Date.
- (b) If less than all the Lenders give a Notice of Extension, then the Facility B Commitments shall be reduced to zero and the share of any outstanding Loans of the Lenders which have not agreed to the extension shall be fully repaid on the Original Facility B Termination Date (and those Lenders shall cease from that date to be Lenders in respect of Facility B under this Agreement) and the amount of Facility B shall be reduced accordingly.

- 4.11 Notification of Extension
The Agent shall promptly inform the Borrower and the Lenders which will continue to remain party to this Agreement of the size of Facility B if reduced.

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 Utilisation comply 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:

- (i) in relation to the Facility A Loan or a Facility B Loan, the Base Currency or the Optional Currency; and
- (ii) in relation to the Facility C Loan, yen.

(b) In relation to the Facility A Loan or a Facility B Loan, the amount of the proposed Loan must be:

- (i) if the currency selected is the Base Currency:
 - (A) in the case of the Facility A Loan, EUR 150,000,000; and
 - (B) in the case of a Facility B Loan, a minimum of EUR 20,000,000 and, if more, an integral multiple of EUR 5,000,000 or, if less, the Available Facility; or
- (ii) if the currency selected is dollars:
 - (A) in the case of the Facility A Loan, the equivalent in dollars at the Spot Rate of Exchange at the Specified Time of EUR 150,000,000; and
 - (B) in the case of a Facility B Loan, a minimum of the equivalent in dollars at the Spot Rate of Exchange at the Specified Time of EUR 20,000,000 and, if more, an integral multiple of \$5,000,000 or, if less, the Available Facility; and
- (iii) in any event such that its Base Currency Amount is less than or equal to the Available Facility.

For the purposes of paragraph (b) (ii) above and in respect of Facility B only, the Availability Facility shall be calculated by deducting from the Total Facility B Commitments the aggregate amount of all outstanding Facility B Loans converted (to the extent that any such Loans are denominated in Optional Currencies) into the Base Currency at the Spot Rate of Exchange at the Specified Time relating to the delivery of the Utilisation Request.

- (c) In relation to the Facility C Loan, the amount of the proposed Loan must be (Y)19,308,000,000.

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 Available Facility immediately prior to making the Loan.
- (c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

6. Optional Currencies

6.1 Selection of currency

- (a) The Borrower shall select the currency of a Loan:
 - (i) (in the case of an initial Utilisation) in a Utilisation Request; and
 - (ii) (afterwards in relation to a Facility A Loan made to it) in a Selection Notice.
- (b) If the Borrower fails to issue a Selection Notice in relation to the Facility A Loan, the Loan will remain denominated for its next Interest Period in the same currency in which it is then outstanding.
- (c) If the Borrower issues a Selection Notice requesting a change of currency and the first day of the requested Interest Period is not a Business Day for the new currency, the Agent shall promptly notify the Borrower and the Lenders and the Loan will remain in the existing currency (with Interest Periods running from one Business Day until the next Business Day) until the next day which is a Business Day for both currencies, on which day the requested Interest Period will begin.

6.2 Unavailability of a currency

If before the Specified Time on any Quotation Day:

- (a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required, and provides in writing an objectively justified reason therefor; or
- (b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the 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 Change of currency

If a Facility A Loan is to be denominated in different currencies during two successive Interest Periods:

- (a) if the currency for the second Interest Period is an Optional Currency, the amount of the Loan in that Optional Currency will be calculated by the Agent as the amount of that Optional Currency equal to the Base Currency Amount of the Loan at the Spot Rate of Exchange at the Specified Time;
- (b) if the currency for the second Interest Period is the Base Currency, the amount of the Loan will be equal to the Base Currency Amount;
- (c) the Borrower shall repay the Loan on the last day of the first Interest Period in the currency in which it was denominated for that Interest Period; and
- (d) (subject to Clause 4.2 (Further conditions precedent)) the Lenders shall re-advance the Loan in the new currency in accordance with Clause 6.5 (Agent's calculations) on the last day of the first Interest Period.

6.4 Same Optional Currency during successive Interest Periods - Facility A

(a) If a Facility A Loan is to be denominated in the same Optional Currency during two successive Interest Periods, the Agent shall calculate the amount of the Facility A Loan in the Optional Currency for the second of those Interest Periods (by calculating the amount of Optional Currency equal to the Base Currency Amount of that Facility A Loan at the Spot Rate of Exchange at the Specified Time) and (subject to paragraph (b) below):

- (i) if the amount calculated is less than the existing amount of that Facility A Loan in the Optional Currency during the first Interest Period, promptly notify the Borrower and the Borrower shall pay, on the last day of the first Interest Period, an amount equal to the difference; or
- (ii) if the amount calculated is more than the existing amount of that Facility A Loan in the Optional Currency during the first Interest Period, promptly notify each Lender and, if no Default is continuing, each Lender shall, on the last day of the first Interest Period, pay its participation in an amount equal to the difference.

(b) If the calculation made by the Agent pursuant to paragraph (a) above shows that the amount of the Facility A Loan in the Optional Currency for the second of those Interest Periods converted into the Base Currency at the Spot Rate of Exchange at the Specified Time has increased or decreased by less than 5 per cent. compared to its Base Currency Amount (for the avoidance of doubt, taking into account any payments made pursuant to paragraph (a) above) or that the Spot Rate of Exchange at the Specified Time has increased or decreased by less than 5 per cent. compared to the Spot Rate of Exchange used either for the initial calculation of the amount of the Facility A Loan in the Optional Currency or, if a payment has been made in accordance with paragraph (a) above, the Spot Rate of Exchange so used at such time, no notification shall be made by the Agent and no payment shall be required under paragraph (a) above.

6.5 Agent's calculations

- (a) All calculations made by the Agent pursuant to this Clause 6 will take into account any repayment or prepayment of Facility A Loans to be made on the last day of the first Interest Period.
- (b) Each Lender's participation in a Loan will, subject to paragraph (a) above, be determined in accordance with paragraph (b) of Clause 5.4 (Lenders' participation).

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

7. Repayment
- 7.1 Repayment of Facility A Loan
The Borrower shall repay the Facility A Loan 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 its Interest Period. If such Loan is to be refinanced with a Rollover Loan, the amount of each Loan required to be repaid shall be set off against the amount of the applicable Rollover Loan.
- 7.3 Repayment of Facility C Loan
The Borrower shall repay the Facility C Loan in full on the Termination Date.
8. Prepayment and cancellation
- 8.1 Illegality
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 Loan:
- (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 repay that Lender's participation in the Loans made to the Borrower 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.
- 8.2 Voluntary cancellation
The Borrower may, if it gives the Agent not less than five Business Days' prior written notice, cancel the whole or any part (in the case of Facility A and Facility B, being a minimum amount of EUR 15,000,000 and, if more, an integral multiple of EUR 5,000,000) of an Available Facility. Any cancellation under this Clause 8.2 shall reduce the Commitments of the Lenders rateably under that Facility. Cancellations shall be made proportionally between Facility A and Facility C.
- 8.3 Voluntary prepayment of Facility A Loan
- (a) The Borrower may, if it gives the Agent not less than five Business Days' prior written notice, prepay the whole or any part of the Facility A Loan (but, if in part, being an amount that reduces the Base Currency Amount of the Facility A Loan by a minimum amount of EUR 15,000,000 and, if more, an integral multiple of EUR 5,000,000).
 - (b) The Facility A Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the applicable Available Facility is zero).
- 8.4 Voluntary Prepayment of Facility B Loans
The Borrower may, if it gives the Agent not less than five Business Days' prior written notice, prepay the whole or any part of a Facility B Loan (but if in part, being an amount that reduces the Base Currency Amount of the Facility B Loan by a minimum amount of EUR 15,000,000 and, if more, an integral multiple of EUR 5,000,000).
- 8.5 Voluntary Prepayment of Facility C Loan
- (a) The Borrower may, if it gives the Agent not less than five Business Days' prior written notice, prepay the whole or any part of the Facility C Loan.

- (b) The Facility C Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the applicable Available Facility is zero).

8.6 Right of repayment and cancellation in relation to a single Lender

- (a) If:
 - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 13.2 (Tax gross-up); or
 - (ii) any Lender claims indemnification from the Borrower 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 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 that Loan provided that such repayment does not result in a Default under this Agreement.

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 or Facility C which is prepaid.
- (d) Unless a contrary indication appears in this Agreement, any part of Facility B which is prepaid may be reborrowed 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 Lender, as appropriate.
- (h) Any profit received by a Lender as a result of terminating any Hedging Agreements pursuant to a prepayment under this Agreement shall be for the account of the Borrower. The exact amount of such profit shall be calculated by the relevant Lender and shall be justified in writing to the Borrower.
- (i) Prepayments shall be made proportionally between Facility A and Facility C.

COSTS OF UTILISATION

9. Interest

9.1 Calculation of interest

- (a) The rate of interest on the Facility A Loan and each Facility B Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:
- (i) Margin;
 - (ii) LIBOR or, in relation to any Loan in euro, EURIBOR; and
 - (iii) Mandatory Cost, if any.
- (b) The rate of interest on the Facility C Loan for its Interest Period is the percentage rate per annum which is the aggregate of:
- (i) The applicable Margin;
 - (ii) The rate determined in accordance with Schedule 13 (Defining the JPY Fix Rate); and
 - (iii) Mandatory Cost, if any.

9.2 Payment of interest

On the last day of each Interest Period relating to the Facility A Loan and each Facility B 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 the Interest Period). The Borrower shall pay accrued interest on the Facility C Loan on the dates falling at six Monthly intervals after the first day of its Interest Period with the exception of the last interest payment which shall take place on the Termination Date.

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 other than the Facility C Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) in a Selection Notice.
 - (b) Each Selection Notice for the Facility A Loan is irrevocable and must be delivered to the Agent by the Borrower not later than the Specified Time.
 - (c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.
 - (d) Subject to this Clause 10, the Borrower may select an Interest Period of:
 - (i) in the case of the Facility A Loan, one, two, three or six Months; and
 - (ii) in the case of a Facility B Loan, one or two weeks or one, two, three or six Months provided that periods of less than one Month may only be selected three times or lessor any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders).
 - (e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility.
 - (f) Each Interest Period for the Facility A Loan shall start on the Utilisation Date or (if already made) on the last day of its preceding Interest Period.
 - (g) A Facility B Loan has one Interest Period only.
 - (h) The Facility C Loan has one Interest Period starting on the Utilisation Date and ending on the Termination Date.

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).

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 the 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 is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or
 - (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it 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.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

11.4 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party 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 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 a Fee Letter.

12.2 Facility fee

The Borrower shall pay to the Agent (for the account of each Original Lender) a fee in euro computed at the rate of 0.05 per cent. of each Original Lender's Facility B Commitment, payable within 15 Business Days of the date of this Agreement.

12.3 Agency fee

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

12.4 Extension fee

If Facility B is extended, the Borrower shall pay to the Agent (for the account of each Lender extending under Facility B) a fee in euro computed at the rate of 0.075 per cent. of each Lender's Facility B Commitment on the date of such extension, payable within 15 Business Days of such extension.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

13. Tax Gross Up and Indemnities

13.1 Definitions

- (a) In this Agreement:

"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 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 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 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 three 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 above 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 Certificates

- (a) Without prejudice to the other provisions of this Clause 13, in relation to any exemption from or application of a rate lower than that of general application pursuant to any legislation in Spain or any double taxation treaty, or pursuant to any other cause relating to residence status, any Lender which is not a Domestic Lender shall supply the Borrower, through the Agent, prior to the interest payment date with a certificate of residence issued by the pertinent fiscal administration, in the case of a Qualifying Lender which is not a Domestic Lender, accrediting such Qualifying Lender as resident for tax purposes in a Qualifying State or, as the case may be, accrediting such Lender as resident for tax purposes in a State which has signed and ratified a double taxation treaty with Spain.
- (b) As such certificates referred to in Paragraph (a) of this Clause 13.4 are, at the date hereof, only valid for a period of one year, each such Lender will be required to so supply a further such certificate upon expiry of the previous certificate in relation to any further payment of interest.

13.5 Stamp taxes

The Borrower shall pay and, within three 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.

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.
- (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 the 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 14.3 (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 (including any change in the Mandatory Cost from that existing at the date of this Agreement) or (ii) compliance with any law or regulation made after the date of this Agreement.
- (b) In this Agreement "Increased Costs" means:
 - (i) a reduction in the rate of return from the 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 Commitment 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, following which the Agent shall promptly notify the Borrower.
- (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 wilful 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;
 - (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 28 (Sharing among the Finance Parties);
 - (c) funding, or making arrangements to fund, its participation in a Loan requested by a 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 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), 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 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 Arranger the amount of all costs and expenses (including legal fees and fees relating to publicity which has been approved by the Borrower) 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 29.9 (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, 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. This waiver applies irrespective of any law or regulation or any provision of a Finance Document to the contrary.

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 moneys, 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 moneys received from a Guarantor or on account of such Guarantor's liability under this Clause 18.

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 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 this Clause 19 to each Finance Party on the date of this Agreement.

19.1 Status

- (a) It is a corporation, duly organised and validly existing under the laws and regulations of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.

19.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document are, subject to any reservations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (Conditions of Utilisation), legal, valid, binding and enforceable obligations.

19.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

19.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

19.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,
- (c) have been obtained or effected and are in full force and effect.

19.6 Governing law and enforcement

- (a) The choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation, subject to any reservations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (Conditions of Utilisation).

19.7 Deduction of Tax

It is not required under the laws and regulations of its jurisdiction of incorporation to make any deduction for or on account of Tax from any payment it may make under any Finance Document to any Qualifying Lender.

- 19.8 No filing or stamp taxes
Under the laws and regulations of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.
- 19.9 No default
- (a) No Default or Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
 - (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or its Subsidiaries') assets are subject which might have a Material Adverse Effect.
- 19.10 No misleading information
- (a) Any factual information provided by the Borrower for the purposes of the Information Memorandum was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
 - (b) The financial projections contained in the Information Memorandum have been prepared in good faith on the basis of recent historical information and on the basis of the assumptions stated therein, which assumptions were fair in the light of conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Borrower's best estimate of its future performance.
 - (c) Nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.
 - (d) All written information (other than the Information Memorandum) 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 respect.
- 19.11 Financial statements
- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied and are complete and accurate in all material respects.
 - (b) Its Original Financial Statements fairly represent its financial condition and operations during the relevant financial year.
 - (c) For the purposes of any repetition of the representation contained in paragraphs (a) and (b) of this Clause 19.11 (pursuant to Clause 19.17 (Repetition)) the representations will be made in respect of the latest consolidated financial statements of each Obligor instead of the Original Financial Statements.
- 19.12 Pari passu ranking
Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally.
- 19.13 No proceedings pending or threatened
No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which would be reasonably likely to have a Material Adverse Effect or purports to affect the legality, validity or enforceability of any of the obligations under the Finance Documents have been started or threatened against any Obligor or any Material Subsidiary.
- 19.14 No winding-up

No legal proceedings or other procedures or steps have been taken or are threatening in relation to the winding-up, dissolution, administration or reorganisation of any Obligor or Material Subsidiary (other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor).

- 19.15 Security
It is in compliance with its obligations under Clause 22.6 (Negative pledge).
- 19.16 Material Adverse Change
There has been no material adverse change in the Borrower's business, condition (financial or otherwise), operations, performance or assets taken as a whole (or the business, consolidated condition (financial or otherwise) operations, performance or the assets generally of the Group taken as a whole) since its Original Financial Statements.
- 19.17 Environmental compliance
Each member of the Group has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by any member of the Group or on which any member of the Group has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.
- 19.18 Environmental Claims
No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against any member of the Group where that claim would be reasonably likely, if determined against that member of the Group to have a Material Adverse Effect.
- 19.19 No Immunity
In any proceedings taken in its jurisdiction of incorporation in relation to this Agreement, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.
- 19.20 Private and commercial acts
Its execution of the Finance Documents constitutes, and its exercise of its rights and performance of its obligations hereunder will constitute, private and commercial acts done and performed for private and commercial purposes.
- 19.21 Repetition
The Repeating Representations are deemed to be made by each Obligor (by reference to the facts and circumstances then existing) on the date of each Utilisation Request and the first day of each Interest Period.
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 in sufficient copies for all the Lenders:
- (a) as soon as the same become available, but in any event within 180 days after the end of each of such Obligor's respective financial years:
 - (i) the Borrower's audited consolidated and unconsolidated financial statements for that financial year; and
 - (ii) each Guarantor's respective audited consolidated (to the extent available) and unconsolidated financial statements for that financial year; and
 - (b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years, its consolidated and unconsolidated financial

statements for that financial half year.

20.2 Compliance Certificate

- (a) The Borrower shall supply to the Agent, with each set of consolidated financial statements delivered pursuant to paragraphs (a) (i) and (b) of Clause 20.1 (Financial statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21 (Financial 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 the Borrower and, if required to be delivered with the consolidated financial statements delivered pursuant to paragraph (a) (i) of Clause 20.1 (Financial statements), by the Borrower's auditors.

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 delivered pursuant to Clause 20.1 (Financial statements) is prepared using GAAP and accounting practices and financial reference periods consistent with those applied in the preparation of the audited Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (c) of this Clause 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 GAAP, accounting practices and reference periods upon which that Obligor's audited 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 (Financial covenants) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's audited Original Financial Statements.
- (c) If the Borrower adopts International Accounting Standards, 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 (Financial Covenants) and the ratios used to calculate the Margin and, in each case, the definitions used therein as may be necessary to ensure that the criteria for evaluating the Group's financial condition grant to the Lenders protection equivalent to that which would have been enjoyed by them had the Borrower not adopted International Accounting Standards. 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 (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by the Borrower to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;

- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect; and
- (c) promptly, such further information regarding the financial condition, assets and business of any Obligor or member of the Group as the Agent (or any Lender through the Agent) may reasonably request (including, but not limited to, information on Rating, if such credit rating has not been publicly announced) other than any information the disclosure of which would result in a breach of any applicable law or regulation or confidentiality agreement entered into in good faith provided that the Borrower shall use reasonable efforts to be released from any such confidentiality agreement.

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 (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 Money laundering obligations

- (a) Each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation (if any) and other evidence (if any) 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 comply with its obligations under any laws or regulations relating to money laundering.
- (b) 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) in order for the Agent to comply with its obligations under any laws or regulations relating to money laundering.

20.7 Notarisations

Each Obligor shall notify the Agent of any Notarisations referred to in paragraph (a) (iv) of Clause 22.5 (Notarisation) promptly upon such Notarisations taking place.

21. Financial Covenants

21.1 Financial definitions

In this Clause 21:

"Adjusted EBITDA" means, for any Relevant Period, the sum of (a) EBITDA and (b) with respect to any business acquired during such period, the sum of (i) the operating income and (ii) depreciation and amortization expense for such business, as determined in accordance with GAAP for such Relevant Period, provided that the Borrower need only make the adjustments contemplated by "(b)" above if the operating income and depreciation and amortization expense of the acquired business in the 12 Months prior to its acquisition amount to EUR 10,000,000 or more.

"Cemex Capital Contributions" means contributions in cash to the capital of the Borrower by CEMEX S.A. de C.V. or by any of its Subsidiaries not being a Subsidiary of the Borrower made after 1 January 2004.

"EBITDA" means EBITDA for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortisation of intangible assets plus annual amortisation of start-up costs of the Group plus

dividends received from non-consolidated companies and from companies consolidated by the equity method plus an amount equal to the amount of Cemex Capital Contributions made during 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 GAAP.

"Finance Charges" means for any Relevant Period, the sum (without duplication) of (a) all interest expense in respect of Financial Indebtedness (including imputed interest on Capital Leases) for such period plus (b) all debt discount and expense (including, without limitation, expenses relating to the issuance of instruments representing Financial Indebtedness) amortized during such period plus (c) amortization of discounts on sales of receivables during such period plus (d) all factoring charges for such period plus (e) all guarantee charges for such period 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 GAAP.

"Guarantees" means any guarantee 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.

"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.

"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 the Borrower and its Subsidiaries at such time: cash on hand, marketable securities, investments in money market funds, banker's acceptances, short-term deposits and other liquid investments.

"Off-Balance-Sheet Transactions" means any present or future financing transaction not reflected as indebtedness on the consolidated balance sheet of the Borrower, but being structured in a way that may result in payment obligations by any Group member, 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 any Group member (e.g. via a put-option agreement or similar structures) under which payments are incapable of being triggered until three days after the Termination Date in relation to Facility A; 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.

"Relevant Period" means each period of twelve Months ending on the last day of the first half of the Borrower's financial year and each period of twelve Months ending on the last day of the Borrower's financial year.

"Rolling Basis" means the calculation of a ratio or an amount made at the end of a financial half year in respect of that financial half year and the immediately preceding financial half year.

"Royalty Expenses" means expenses incurred by the Borrower or any of its Subsidiaries to CEMEX S.A. de C.V. or any of its Subsidiaries not being a Subsidiary of the Borrower as (a) consideration for the granting to the Borrower or any Subsidiary of a licence to use, exploit and enjoy Intellectual Property Rights and any other intangible assets

such as, but not limited to, know-how, formulae, process technology and other forms of intellectual and industrial property, whether or not registered, held by CEMEX S.A. de C.V. or any of its Subsidiaries not being a Subsidiary of the Borrower; 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.

"Subordinated Debt" means debt granted by CEMEX S.A. de C.V. (a company registered in Mexico) or any of its Subsidiaries not being a member of the Group to the Borrower 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 the Borrower) until the Agent has confirmed in writing that all amounts outstanding hereunder have been paid in full.

"Total Borrowings" means without duplication, in respect of any person all Guarantees granted by such person, plus all Off-Balance-Sheet Transactions entered into by such person, plus all such person's Financial Indebtedness, but excluding any Subordinated Debt.

21.2 Financial condition

The Borrower shall ensure that in respect of any Relevant Period:

- (a) the ratio of Net Borrowings to Adjusted EBITDA calculated on a Rolling Basis shall be less than or equal to 3.5:1; and
- (b) the ratio of EBITDA to Finance Charges calculated on a Rolling Basis shall be greater than or equal to 3:1.

21.3 Financial testing

The financial covenants set out in Clause 21.2 (Financial condition) shall be tested semi-annually by reference to each of the Borrower's consolidated financial statements delivered pursuant to and/or each Compliance Certificate delivered with respect to any such consolidated financial statements pursuant to Clause 20.1 (Financial statements) and Clause 20.2 (Compliance Certificate).

21.4 Accounting terms

All accounting expressions which are not otherwise defined herein shall have the meaning ascribed thereto in GAAP.

22. General undertakings

The undertakings in this Clause 22 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.

22.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

22.2 Preservation of corporate existence

Subject to Clause 22.8 (Merger), each Obligor shall (and the Borrower shall ensure that each of its Subsidiaries will), preserve and maintain its corporate existence and rights.

22.3 Preservation of properties

Each Obligor shall (and the Borrower shall ensure that each of its Subsidiaries will) 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.

22.4 Compliance with laws and regulations

- (a) Each Obligor shall (and shall procure that each of its Subsidiaries will) comply in all respects with all laws and regulations to which it may be subject, if failure to so comply would be likely to have a Material Adverse Effect.
- (b) The Borrower shall (and shall procure that each of its Subsidiaries will) comply with ERISA and will ensure that the levels of contribution to pension schemes are and continue to be sufficient to comply with all its and their material obligations under such schemes and generally under applicable laws and regulations, except where failure to make such contributions would not reasonably be expected to have a Material Adverse Effect.

22.5 Notarisation

- (a) Subject to paragraph (b) of this Clause 22.5, the Borrower shall not (and shall procure that none of its Subsidiaries will) permit any of its unsecured indebtedness to be notarised as a Spanish Public Document (any such notarisation, a "Notarisation"), other than the following permitted Notarisations ("Permitted Notarisations"):
 - (i) any Permitted Notarisations listed in Schedule 8 (Existing Notarisations) and any amendments or modifications thereof, provided that any such amendment or modification shall not result in the increase of the principal amount of the relevant indebtedness nor the extension of the maturity thereof nor, for the avoidance of doubt, relate to any refinancing of the relevant indebtedness;
 - (ii) Notarisations which are required by applicable law or regulation or which arise by operation of law other than pursuant to any issue of debt securities in accordance with Article 285 of the Spanish Corporations Law (Ley de Sociedades Anonimas);
 - (iii) Notarisations with the prior written consent of the Majority Lenders;
 - (iv) any Notarisations securing indebtedness the principal amount of which (when aggregated with the principal amount of any other Notarisations other than any Permitted Notarisations under paragraphs (i) or (iii) above) do not exceed EUR 100,000,000 (or its equivalent in another currency or currencies); and
 - (v) any Notarisations relating to indebtedness in respect of any sale and purchase agreement customarily registered in a public register in Spain and payment of which indebtedness is made within seven days of the date of such agreement.
- (b) Paragraph (a) of this Clause 22.5 shall not apply if the Borrower, concurrently with any such Notarisation (not being a Permitted Notarisation) referred to in paragraph (a) of this Clause 22.5 and at its own cost and expense, causes this Agreement to be the subject of a Notarisation.

22.6 Negative pledge

The Borrower shall not and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Security on or with respect to any of its property or assets or those of any Subsidiary, whether now owned or held or hereafter acquired, other than the following Security ("Permitted Security"):

- (a) Security for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made;
- (b) statutory liens of landlords and liens of carriers, warehousemen, mechanics and 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;

- (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 judgment lien, unless the judgment it secures shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 60 days after the expiration of any such stay;
- (e) Security existing on the date of this Agreement as described in Schedule 7 (Existing Security) provided that the amount secured thereby is not increased;
- (f) any Security on property acquired by the Borrower or any of its Subsidiaries after the date of this Agreement that was existing on the date of acquisition of such property; provided that such Security was not incurred in anticipation of such acquisition, and any Security created to secure all or any 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 the Borrower or any of its Subsidiaries after the date of this Agreement provided, further, that (i) any such Security permitted pursuant to this paragraph (f) shall be confined solely to the item or items of property so acquired (including, in the case of any acquisition of a corporation through the acquisition of 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 Security, other property which is an improvement to, or is acquired for specific use with, such acquired property; (ii) if applicable, any such Security shall be created within nine Months after, in the case of property, its acquisition, or, in the case of improvements, their completion; and (iii) no such Security shall be made in respect of any indebtedness in relation to repayment of which recourse may be had to any member of the Group other than in relation to the item or items as referred to in (i) above;
- (g) any Security renewing, extending or refinancing the indebtedness to which any Security permitted by paragraph (f) above relates; provided that the principal amount of indebtedness secured by such Security immediately prior thereto is not increased and such Security is not extended to other property;
- (h) the transfer of shares or any other instrument of title representing an equity participation in the Asia Fund into a trust;
- (i) any Security created on shares representing no more than a Stake in the capital stock of any of the Borrower's Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose 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 the Borrower's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Clause 22.7 (Disposals) and provided further that such Security may not secure Financial Indebtedness of the Borrower or any Subsidiary unless otherwise permitted under this Clause 22.6 and that the economic and voting rights in such capital stock is maintained by the Borrower in its Subsidiaries;

- (j) any Security permitted by the Agent, acting on the instructions of the Majority Lenders;
- (k) any securitisation of receivables notwithstanding that it is made at discount from the amount due on such receivables and provided that it is made on a non recourse basis or that recourse is directly or indirectly limited to collection of the receivables plus related interest and financial and collection costs and expenses;
- (l) in addition to the Security permitted by the foregoing paragraphs (a) to (k), Security securing indebtedness of the Borrower and its Subsidiaries (taken as a whole) not in excess of an amount equal to 5% of the Adjusted Consolidated Net Tangible Assets of the Group, as determined in accordance with GAAP;

unless, in each case, the Obligors have made or caused to be made effective provision whereby the obligations hereunder are secured equally and rateably with, or prior to, the indebtedness secured by such Security (other than Permitted Security) for so long as such indebtedness is so secured.

For the purposes of paragraph (l) of this Clause 22.6, "Adjusted Consolidated Net Tangible Assets" means, with respect to any person, the total assets of such person and its Subsidiaries (less applicable depreciation, amortisation and other valuation reserves), including any write-ups or restatements required under GAAP (other than with respect to items referred to in (ii) below), minus (i) all current liabilities of such person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licences, concessions, patents, un-amortised debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with GAAP.

22.7 Disposals

(a) Subject to paragraph (b) of this Clause 22.7, the Borrower shall not (and the Borrower shall ensure that none of its Subsidiaries will), without the prior written consent of the Majority Lenders, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all its assets or a substantial part of its assets representing more than 5 per cent. in aggregate of the total consolidated assets of the Group, calculated by reference to the latest consolidated financial statements of the Borrower, delivered pursuant to paragraph (a) (i) of Clause 20.1 (Financial statements), unless (i) full value for such assets is received by the Borrower or its Subsidiaries; (ii) an amount equal to the net proceeds of any such sale, lease, transfer or other disposal to the extent that such sale, lease, transfer or other disposal relates to assets representing more than 5 per cent. in aggregate of the total consolidated assets of the Group, calculated by reference to the latest consolidated financial statements of the Borrower delivered pursuant to paragraph (a) (i) of Clause 20.1 (Financial statements) is reinvested within twelve Months of receipt by the Borrower or its Subsidiaries in the business of the Group; and (iii) neither such sale, lease, transfer or other disposal nor such reinvestment directly results in an adverse change to the Rating of the Borrower as at the date hereof (namely, S&P:BBB- and Moody's:Baa3).

- (b) Paragraph (a) of this Clause 22.7 does not apply to any sale, lease, transfer or other disposal of assets:
 - (i) made on arm's length terms and for fair market value in the ordinary course of business of the disposing entity;
 - (ii) in respect of any securitisation of receivables notwithstanding that it is made at discount from the amount due on such receivables and provided that it is made on a non-recourse basis or that recourse is directly or indirectly limited to collection of the receivables plus related interest and financial and collection costs and expenses;

- (iii) from any member of the Group to another member of the Group on arm's length terms and for fair market or book value provided that the exception contained in this paragraph (iii) shall not apply to any sale, lease, transfer or other disposal of an asset
 - (A) from any Obligor to another member of the Group which is not an Obligor unless the person to whom such sale, lease, transfer or other disposal is made (the "Transferee") becomes a Guarantor; or
 - (B) from any Material Subsidiary to another member of the Group which is not a Material Subsidiary unless the person making such sale, lease, transfer or other disposal does not cease to be a Material Subsidiary or, if it ceases to be a Material Subsidiary, any Transferee shall be deemed to be a Material Subsidiary;
- (iv) (A) in respect of which the net proceeds are used to repay any amounts outstanding hereunder in an amount equal to such net proceeds and (B) if the Available Commitments in an amount equal thereto are cancelled;
- (v) in respect of which the proceeds are applied pursuant to any prepayment requirement included as at the date hereof in existing loan agreements of any Subsidiary in relation to the use of proceeds received from the disposal of any assets.

22.8 Merger

- (a) Subject to paragraphs (b) and (c) of this Clause 22.8, unless it has obtained the prior written approval of the Majority Lenders, no Obligor shall (and the Borrower shall ensure that none of its Subsidiaries will) enter into any amalgamation, demerger, merger or other corporate reconstruction (a "Reconstruction"), other than (i) a Reconstruction relating only to the Borrower's Subsidiaries inter se; (ii) a Reconstruction between the Borrower and any of its Subsidiaries; or (iii) a solvent reorganisation or liquidation of any of the Subsidiaries not being Obligors, provided that in any case no Default shall have occurred and be continuing at the time of such transaction or would result therefrom and provided further that (a) none of the Security (if any) granted to the Lenders nor the guarantees granted by the Guarantors hereunder is or are adversely affected as a result, and (b) the resulting entity, if it is not an Obligor, assumes the obligations of the Obligor the subject of the merger.
- (b) Subject to paragraph (c) of this Clause 22.8, the Obligors may merge with any other person if the book value of such person's assets prior to the merger does not exceed 3 per cent. of the book value of the Group's assets taken as a whole considered on a consolidated basis.
- (c) In paragraphs (a) and (b) of this Clause 22.8, the Rating of the Borrower as of the date hereof (namely, S&P:BBB- and Moody's:Baa3) shall not be adversely affected whether at the time of, or within 3 Months of, the date of announcement of a Reconstruction, directly as a result of any merger involving the Borrower, and the resulting entity, if it is not an Obligor, shall assume the obligations of the Obligor the subject of the merger.

22.9 Change of business

- (a) None of the Obligors shall make a substantial change to the general nature of its business from that carried on at the date of this Agreement and there shall be no cessation of business in relation to any of the Obligors (save (except in the case of the Borrower which shall in no event cease or substantially change its business) unless another Obligor continues to operate any such business).

(b) The Borrower shall procure that no substantial change is made to the general nature of the business of any of its Material Subsidiaries (other than a Guarantor) from that carried on at the date of this Agreement and that there shall be no cessation of such business.

22.10 Insurance

The Obligors shall (and the Borrower shall ensure that each of its Material Subsidiaries (other than the Obligors) will) maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

22.11 Environmental Compliance

The Borrower shall (and the Borrower shall ensure that each of its Subsidiaries will) comply in all material respects with all Environmental Law and obtain and maintain any Environmental Permits and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, in each case where failure to do so might reasonably be expected to have a Material Adverse Effect.

22.12 Environmental Claims

The Borrower shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same:

- (a) if any Environmental Claim has been commenced or (to the best of the Borrower's knowledge and belief) is threatened against any member of the Group, or
- (b) of any facts or circumstances which will or are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim would be reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

22.13 Transactions with Affiliates

Each Obligor shall (and the Borrower shall ensure that its Subsidiaries will) ensure that any transactions with respective Affiliates are on terms that are fair and reasonable and no less favourable to such Obligor or such Subsidiary than it would obtain in a comparable arm's-length transaction with a person not an Affiliate.

22.14 Pari passu ranking

Each Obligor shall ensure that its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally from time to time.

22.15 Payment restrictions affecting Subsidiaries

The Borrower shall not enter into or suffer to exist, or permit any of its Subsidiaries to enter into or suffer to exist, any agreement or arrangement directly limiting the ability of any of its Subsidiaries to:

- (a) declare or pay dividends or other distributions in respect of its or their respective equity interests in a Subsidiary, except any agreement or arrangement (other than in relation to the Asia Fund as at the date hereof) entered into by a person prior to such person becoming a Subsidiary, in which case the Borrower shall use its reasonable endeavours to remove such limitations. If, however, as a result of the acquisition of such person, any of the Ratings assigned by S&P or Moody's to the Borrower or any of the Ratings assigned by S&P or Moody's to any issue under the Euro 2,000 million medium term note programme guaranteed by the Borrower and the guarantors (the "Programme") (i) are reduced but the Ratings of both S&P and Moody's of the Borrower and the Programme remain Investment Grade, the Borrower shall use its best endeavours to remove such limitation; or (ii) are reduced below Investment Grade, the Borrower shall procure that such limitation be removed within 3 Months of the date of such acquisition. In any event,

the Borrower shall have the option, in any of the circumstances described above, to procure that the person acquired becomes a Guarantor instead of removing such limitations;

or

- (b) repay any intercompany indebtedness owed by any Subsidiary to any Obligor and, for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Clause 22.15.

22.16 Indebtedness of Guarantors

None of the Guarantors shall incur or permit to exist any Financial Indebtedness other than:

- (a) Financial Indebtedness in respect of its taxes or costs, incurred pursuant to legal requirements;
- (b) Financial Indebtedness owed to another member of the Group;
- (c) Financial Indebtedness of another member of the Group guaranteed by a Guarantor; and
- (d) Financial Indebtedness not falling within paragraph (a) to (c) above, in an aggregate amount not exceeding Euro 3,000,000 (or the equivalent thereof in any other currency).

22.17 Notification of adverse change in Rating

The Borrower shall promptly notify the Agent of any adverse change in its Rating or Outlook.

23. Events of Default

Each of the events or circumstances set out in this Clause 23 is an Event of Default.

23.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless such failure to pay is caused by an administrative error or technical difficulties within the banking system in relation to the transmission of funds and payment is made within three Business Days of its due date.

23.2 Financial covenants

Any requirement of Clause 21 (Financial Covenants) is not satisfied.

23.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 23.1 (Non-payment) and Clause 23.2 (Financial covenants)).
- (b) No Event of Default under paragraph (a) of this Clause 23.3 above will occur if the failure to comply is capable of remedy and is remedied within fifteen Business Days of the Agent giving written notice to the Borrower or the Borrower becoming aware of the failure to comply whichever is the earlier.

23.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

23.5 Cross acceleration

- (a) Any Financial Indebtedness of any Obligor or member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor or member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

- (c) No Event of Default will occur under this Clause 23.5 if the aggregate amount of Financial Indebtedness falling within paragraphs (a) and (b) of this Clause 23.5 above is less than EUR 27,500,000 (or its equivalent in any other currency or currencies).

23.6 Insolvency

- (a) Any of the Obligors or Material Subsidiaries is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any of the Obligors or Material Subsidiaries is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any of the Obligors or Material Subsidiaries.

23.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any of the Obligors or Material Subsidiaries other than a solvent liquidation or reorganisation of any of the Material Subsidiaries not being Obligors;
- (b) a composition, assignment or arrangement with any creditor of any of the Obligors or Material Subsidiaries;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of any of the Material Subsidiaries not being Obligors), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any of the Obligors or Material Subsidiaries or any of their assets;

or any analogous procedure or step is taken in any jurisdiction.

23.8 Expropriation and sequestration

Any expropriation or sequestration affects any asset or assets of any Obligor or any Material Subsidiary and has a Material Adverse Effect.

23.9 Creditors' process and enforcement of Security

- (a) Any Security is enforced against any Obligor or any Material Subsidiary.
- (b) Any attachment, distress or execution affects any asset or assets of any Obligor or any Material Subsidiary.
- (c) No Event of Default under paragraphs (a) or (b) of this Clause 23.9 above will occur if:
 - (i) the action is being contested in good faith by appropriate proceedings;
 - (ii) the principal amount of the indebtedness secured by such Security or in respect of which such attachment, distress or execution is carried out represents less than EUR 27,500,000 (or its equivalent in any other currency or currencies); and
 - (iii) the enforcement proceedings, attachment, distress or execution is or are discharged within 28 days of commencement.

23.10 Failure to comply with judgment

Any Obligor or any Material Subsidiary fails to comply with or pay any sum due from it under any judgment or any order made or given by any

court of competent jurisdiction save unless payment of any such sum is suspended pending an appeal.

- 23.11 Unlawfulness
It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.
- 23.12 Repudiation
An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.
- 23.13 Change of Control
If CEMEX, S.A. de C.V. 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 per cent. of the maximum number of votes that might be cast at a general meeting of the Borrower;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Borrower;
 - (iii) give directions with respect to the operating and financial policies of the Borrower which the directors or other equivalent officers of the Borrower are obliged to comply with; or
 - (b) hold at least 51 per cent. of the common shares in the Borrower.
- 23.14 Material adverse change
Any material adverse change arises in the financial condition of the Group taken as a whole which the Majority Lenders reasonably determine would result in the failure by any Obligor to perform its payment obligations under any of the Finance Documents.
- 23.15 Acceleration
On and at any time after the occurrence of an Event of Default the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:
- (a) cancel the Total Commitments whereupon they shall immediately be cancelled;
 - (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
 - (c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

SECTION 9 CHANGES TO PARTIES

24. Changes to the Lenders

24.1 Assignments and transfers by the Lenders
Subject to this Clause 24, a Lender (the "Existing Lender") may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

to another bank or financial institution or to a securitisation trust or fund or (subject to paragraph (a) of Clause 24.2 (Conditions of

assignment or transfer) other entity (the "New Lender") provided that any assignment or transfer in respect of Facility A or Facility C by a Lender having participations in both Facility A and Facility C shall be made proportionally as between Facility A and Facility C.

24.2 Conditions of assignment or transfer

- (a) 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) performance by the Agent of all checks relating to any person that it is required to carry out pursuant to any laws or regulations relating to money laundering 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 24.5 (Procedure for transfer) is complied with.
- (e) If:
 - (i) a Lender assigns or transfers any of its rights 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.

24.3 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 EUR 2,000.

24.4 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 24; 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.

24.5 Procedure for transfer

- (a) Subject to the conditions set out in Clause 24.2 (Conditions of assignment or transfer) a transfer is effected on the Transfer Date in accordance with paragraph (b) below provided that a duly completed Transfer Certificate is delivered to the Agent by the Existing Lender and the New Lender at least five Business Days prior to the Transfer Date.
- (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 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".

- 24.6 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.
- 24.7 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 this Agreement;
 - (b) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, this Agreement or any Obligor; 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 if, in relation to paragraphs (a) and (b) above, the person to whom the information is to be given has entered into a Confidentiality Undertaking.
- 24.8 Interest
All interest accrued in the Interest Period in which a transfer is effective shall be paid to the Existing Lender.
25. Changes to the Obligors
- 25.1 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.
- 25.2 Additional Guarantors
- (a) 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 pursuant to paragraph (b) (iii) (A) of Clause 22.7 (Disposals); (ii) each of its Subsidiaries which is or which is deemed to be a Material Subsidiary, whether pursuant to paragraph (b) (iii) (B) of Clause 22.7 (Disposals) or otherwise; or (iii) each person whom the Borrower elects to procure to become a Guarantor pursuant to Clause 22.15 (Payment restrictions affecting Subsidiaries), such Subsidiary or the Holding Company of such Material Subsidiary 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 listed in Part II of Schedule 2 (Conditions Precedent required to be delivered by an Additional Guarantor) in relation to that Additional Guarantor.
 - (b) 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).
 - (c) For the purposes of this Clause 25.2 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)).
- 25.3 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 25.2 (Additional Guarantors); or

(b) its Holding Company becomes a Guarantor,

provided that 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 and provided further that such Resigning Guarantor notifies the Agent of any sale, lease, transfer or other disposal in accordance with paragraph (a) of this Clause 25.3.

25.4 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

26. Role of the Agent and the Arranger

26.1 Appointment of the Agent

- (a) Each other Finance Party appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each other Finance Party 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.

26.2 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.

26.3 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.

26.4 No fiduciary duties

- (a) Nothing in this Agreement constitutes the Agent 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.

- 26.5 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.
- 26.6 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 35.1 (Required consents) believed by it to be genuine, correct and appropriately authorised; and
 - (ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
- (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 23.1 (Non-payment));
 - (ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and
 - (iii) any notice or request made by the Borrower (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of the Guarantor.
- (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.
- 26.7 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.

26.8 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.

26.9 Exclusion of liability

- (a) Without limiting paragraph (b) below, the Agent will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its wilful misconduct.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this Clause 26.
- (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.

26.10 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).

26.11 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 26. 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.

26.12 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.

26.13 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 accordance with Schedule 4 (Mandatory Cost Formulae).

26.14 Credit appraisal by the Lenders

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arranger 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 Lender 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.

26.15 Agent's Management Time

Any amount payable to the Agent under Clause 15.3 (Indemnity to the Agent), Clause 17 (Costs and expenses) and Clause 26.10 (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).

26.16 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.

27. 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.

28. Sharing among the Finance Parties

28.1 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 29 (Payment mechanics) (whether by 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 29 (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 29.5 (Partial payments).

28.2 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 29.5 (Partial payments).

28.3 Recovering Finance Party's rights

- (a) On a distribution by the Agent under Clause 28.2

(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.

28.4 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 28.2 (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.

28.5 Exceptions

- (a) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, 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

29. Payment mechanics

29.1 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 New York (in relation to dollars), Tokyo (in relation to yen) or a principal financial centre in a Participating Member State or London (in relation to euro) with such bank as the Agent specifies.

29.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 29.3 (Distributions to an Obligor), Clause 29.4 (Clawback) and Clause 26.17 (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 New York (in relation to dollars), Tokyo (in relation to yen) or the principal financial centre of a Participating Member State or London (in relation to euro).

29.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 30 (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.

29.4 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.

29.5 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.

29.6 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.

29.7 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.

29.8 Currency of account

- (a) Subject to paragraphs (b) to (e) below, the Base Currency (in the case of Facility A and Facility B) and yen (in the case of Facility C) is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan 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 (in respect of Facility A and Facility B) or yen (in respect of Facility C) shall be paid in that other currency.

29.9 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.
- (b) If a change in any currency of a country occurs, this Agreement will 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.

30. 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.

31. Notices

31.1 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.

31.2 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.

31.3 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 31.2 (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.
- (d) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to the Guarantor.

31.4 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 31.2 (Addresses) or changing its own address or fax number, the Agent shall notify the other Parties.

31.5 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
 - (ii) if not in English or Spanish, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

32. Calculations and certificates

32.1 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.

32.2 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.

- 32.3 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, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.
- 32.4 Spanish Civil Procedure
In the event that this Agreement is raised to a Spanish Public Document, for the purposes of Article 572.2 of the Spanish Civil Procedure Law (Ley de Enjuiciamiento Civil), all parties expressly agree that the exact amount due at any time by the Obligors to the Lenders will be the amount specified in a certificate issued by the Agent (and/or any Lender) in accordance with Clause 32.2 (Certificates and Determinations) as representative of the Lenders reflecting the balance of the accounts referred to in Clause 32.1 (Accounts).
33. 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 and regulations of any other jurisdiction will in any way be affected or impaired.
34. 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.
35. Amendments and waivers
- 35.1 Required consents
- (a) Subject to Clause 35.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors 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.
- 35.2 Exceptions
- (a) An amendment or waiver that has the effect of changing or which relates to:
- (i) the definition of "Majority Lenders" in Clause 1.1 (Definitions);
 - (ii) an extension to the Availability Period or to the date of 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 or fees;
 - (iv) an increase in or an extension of any Commitment;
 - (v) a change to the Borrower or any of the Guarantors;
 - (vi) any provision which expressly requires the consent of all the Lenders; or
 - (vii) Clause 2.2 (Finance Parties' rights and obligations), Clause 18 (Guarantee and Indemnity), Clause 24 (Changes to the Lenders), Clause 25 (Changes to the Obligors) or this Clause 35; or
 - (viii) a change in the definition of Optional Currencies.

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.

36. 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

37. Governing law

37.1 This Agreement is governed by English law.

37.2 If 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 attorneys' authority and the effects of the exercise thereof.

38. Enforcement

38.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "Dispute").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 38.1 is for the benefit of the Finance Parties only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law and regulation, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

38.2 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) irrevocably appoints Clifford Chance Secretaries Limited as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
- (b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

Part I
The Obligors

Name of Borrower	Registration number (or equivalent, if any)
Cemex Espana, S.A.	N(0)Hoja-Registro Mercantil, Madrid: M- 156542 NIF: A46/004214

Name of Guarantor	Registration number (or equivalent, if any)
	Trade Register of the Chamber of Commerce and Industry in Amsterdam (The Netherlands)
Cemex Caracas Investments B.V.	34121194
Cemex Caracas II Investments B.V.	34159953
Cemex Egyptian Investments B.V.	34108365
Cemex Manila Investments B.V.	34108359
Sandworth Plaza Holding B.V.	33234378

Part II
The Original Lenders

Name of Original Lender	Facility A Commitment (euro)	Facility B Commitment (euro)	Facility C Commitment (yen)
Banco Bilbao Vizcaya Argentaria, S.A.	5,059,020.43	9,250,000.00	2,920,782,887
Societe Generale, S.A.	4,101,908.48	7,500,000.00	2,368,202,341
Banco Espanol de Credito S.A.	3,322,545.87	6,075,000.00	1,918,243,896
Banco Santander Central Hispano, S.A.	3,322,545.87	6,075,000.00	1,918,243,896
BNP Paribas, Sucursal en Espana	3,322,545.87	6,075,000.00	1,918,243,896
Citibank International plc, Sucursal en Espana	3,322,545.87	6,075,000.00	1,918,243,896
HSBC Bank PLC, Sucursal en Espana	3,322,545.87	6,075,000.00	1,918,243,896
ING Belgium S.A., Sucursal en Espana	3,322,545.87	6,075,000.00	1,918,243,896
The Royal Bank of Scotland PLC	3,322,545.87	6,075,000.00	1,918,243,896
Banco de Galicia, S.A.	9,187,500.00	3,062,500.00	
Banco de Sabadell, S.A.	9,187,500.00	3,062,500.00	
Bank of America N.A., Sucursal en Espana	9,187,500.00	3,062,500.00	
Caixa d'Estalvis de Catalunya	9,187,500.00	3,062,500.00	
Caja Madrid	9,187,500.00	3,062,500.00	
Fortis Bank, S.A., Sucursal en Espana	4,593,750.00	3,062,500.00	591,307,500
Natexis Banques Populaires, Sucursal en Espana	9,187,500.00	3,062,500.00	
WestLB Ireland plc	9,187,500.00	3,062,500.00	
Banco Simeon, S.A.	6,825,000.00	2,275,000.00	
ABN Amro Bank N.V., Sucursal en Espana	4,650,000.00	1,550,000.00	
Banca di Roma SpA, Sucursal en Espana, Madrid	4,650,000.00	1,550,000.00	
Banco Atlantico, S.A.	4,650,000.00	1,550,000.00	
Banco de Valencia, S.A.	4,650,000.00	1,550,000.00	
Banco Itau Europa S.A., Sucursal Financiera Exterior - Madeira	4,650,000.00	1,550,000.00	
Centrobanca - Banca di Credito Finanziario e Mobiliare S.p.A.	4,650,000.00	1,550,000.00	
Commerzbank Aktiengesellschaft, Sucursal en Espana	4,650,000.00	1,550,000.00	
JP Morgan Bank, S.A.	4,650,000.00	1,550,000.00	
Lloyds TSB Bank plc, Sucursal en Espana	4,650,000.00	1,550,000.00	
TOTALS	150,000,000.00	100,000,000.00	19,308,000,000.00

SCHEDULE 2
CONDITIONS PRECEDENT

Part I
Conditions Precedent to initial Utilisation

1. Obligors

- (a) A copy of the constitutional documents of each Obligor.
- (a) A power of attorney granting a specific individual or individuals sufficient power to sign the Finance Documents on behalf of the Borrower and a copy of a resolution of the board of directors of each Original Guarantor:
 - (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.
- (b) A specimen of the signature of each person authorised by the resolution or power of attorney referred to in paragraph (b) above.
- (c) 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 or similar limit binding on any Obligor to be exceeded.
- (d) 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) An opinion with respect to the laws and regulations of England from Clifford Chance, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (b) An opinion with respect to the laws and regulations of the Kingdom of Spain from Clifford Chance, 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 The Netherlands from Clifford Chance, 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) Evidence that any process agent referred to in Clause 38.2 (Service of process) has accepted its appointment.
- (b) The Original Financial Statements of each Obligor.
- (c) A copy of form PE-1 stamped by the Bank of Spain (Banco de Espana), whereby it assigns a Financial Operation Number ("NOF") to the Facility.

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 opinion

- (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 38.2 (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: Cemex Espana, S.A.

To: Banco Bilbao Vizcaya Argentaria, S.A.

Dated:

Dear Sirs

Cemex Espana, S.A. - EUR 250,000,000 and (Y) 19,308,000,000 Facilities Agreement dated 30 March 2004 (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]/[Facility C]*
 - Currency of Loan: []
 - Amount: [] or, if less, the Available Facility
 - Interest Period: []
3. We confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [account].
5. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
Cemex Espana, S.A.

* delete as appropriate

Applicable to the Facility A Loan

From: Cemex Espana, S.A.

To: Banco Bilbao Vizcaya Argentaria, S.A.

Dated:

Dear Sirs

Cemex Espana, S.A. - EUR 250,000,000 and (Y) 19,308,000,000 Facilities Agreement dated 30 March 2004 (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 in [identify currency] with an Interest Period ending on []*.
3. We request that the next Interest Period for the Facility A Loan is [].
4. We request that the Facility A Loan is [denominated in the same currency for the next Interest Period]/[denominated in the following currencies: []]. As this results in a change of currency we confirm that each condition specified in Clause 4.2 (Further conditions precedent) is satisfied on the date of this Selection Notice. The proceeds of any change in currency should be credited to [account].
5. This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
Cemex Espana, S.A.

* Insert details of the Facility A Loan.

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 Financial Services Authority (or 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) each Lender shall calculate, as a percentage rate, a rate (the "Additional Cost Rate"), in accordance with the paragraphs set out below. The Mandatory Cost will be 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 relevant Lender as follows:

$$\frac{\text{Ex } 0.01}{300} \text{ per cent. per annum.}$$

Where:

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the relevant Lender as being the average of the most recent rates of charge supplied by the Reference Banks to the relevant Lender pursuant to paragraph 6 below and expressed in pounds per (pound)1,000,000.

5. For the purposes of this Schedule:

- (a) "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;
- (b) "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
- (c) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. If requested by a Lender, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to such Lender, 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.

7. The rates of charge of each Reference Bank for the purpose of E above shall be determined by the relevant Lender based upon the information supplied to it pursuant to paragraph 6 above.

8. 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 and 6 above is true and correct in all respects.

9. 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 and 6 above.

10. Any determination by a Lender 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.

11. The Agent may from time to time, 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 Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions).

SCHEDULE 5

FORM OF TRANSFER CERTIFICATE

To: Banco Bilbao Vizcaya Argentaria, S.A. as Agent

From: [The Existing Lender] (the "Existing Lender") and [The New Lender]
(the "New Lender")

Dated:

Cemex Espana, S.A. - EUR 250,000,000 and (Y) 19,308,000,000 Facilities
Agreement dated 30 March 2004 (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 24.5 (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 in accordance with Clause 24.5 (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 31.2 (Addresses) are set out in the Schedule.
3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 24.4 (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. This Transfer Certificate is governed by English law.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]

[Facility Office address, fax number and attention details for notices
and account details for payments,]

[Existing Lender]

[New Lender]

By:

By:

SCHEDULE 6

FORM OF COMPLIANCE CERTIFICATE

To: Banco Bilbao Vizcaya Argentaria, S.A. as Agent

From: Cemex Espana, S.A.

Dated:

Dear Sirs

Cemex Espana, S.A. - EUR 250,000,000 and (Y) 19,308,000,000 Facilities
Agreement dated 30 March 2004 (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 21.2 (Financial condition) 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:

(i) Net Borrowings EUR _____ ("A")
comprising EUR [Guarantees]
EUR [Off-Balance-Sheet Transactions]
EUR [Financial Indebtedness]
EUR [Liquid Investments]

Adjusted EBITDA

comprising:

EUR [operating profit]

EUR [annual depreciation for fixed assets]

EUR [annual amortisation of intangible assets]

EUR [annual amortisation of start-up costs of the Group]

EUR [dividends received from non-consolidated companies]

EUR [dividends received from companies consolidated by the equity method]

EUR [Cemex Capital Contributions]

EUR [acquired business (i) operating income and (ii) depreciation and amortisation expense]

EUR _____ ("B")

A:B to be less than or equal to 3.5:1

(ii) EBITDA EUR _____ ("B")

Finance Charges

comprising EUR [interest expenses]

EUR [other expenses]

EUR _____ ("C")

B:C to be greater than or equal to 3:1

(b) As at the date of this Certificate the following Subsidiaries of the Group fall within the definition of Material Subsidiaries as set out in Clause 1.1 (Definitions):

3. We confirm that no Default is continuing.

Signed:

.....
Authorised Signatory

of

Cemex Espana, S.A.

[insert applicable certification language]

.....
for and on behalf of
[name of auditors of the Borrower]

SCHEDULE 7
EXISTING SECURITY

Company	Lender	Security	Total Principal Amount of Indebtedness Secured as of 31 December 2003 (millions of euro)
CEMEX Construction Materials, L.P.	Navistar Financial	Equipment related with the Credit	1.08
CEMEX Construction Materials, L.P.	GE Capital 7964, 8069	Equipment related with the Credit	0.93
CEMEX Construction Materials, L.P.	City of Long Beach	Cement Terminal (Capital Lease Obligation)	7.77
CEMEX Construction Materials, L.P.	Hampton	Land related with the Credit	0.25
CEMEX Construction Materials, L.P.	RIO	Land related with the credt	3.97
CEMEX Construction Materials, L.P.	Met-South, Inc.	Ash storage facility	0.18
			----- 14.18

SCHEDULE 8
EXISTING NOTARISATIONS

Type of Agreement	Borrower/Guarantor	Maturity Date	Total Amount Indebtedness notarised as of 31 December 2003	Principal of
Bilateral lines	Cemex Espana S.A./n.a.	Between Jan. 2004 and Dec. 2005	EUR 55,593,620	(1) (2)
Deferred purchase price	Aricemex S.A./n.a.	July, 2005	EUR 961,619	
5-year term loan	Cementos Diamante/ Cemex Espana S.A.	October 19th, 2004	US\$ 37,172,250	

(1) Corresponds to the total committed amount under
the facilities. Amount drawn as of 12.31.03: EUR 25,897,210

(2) EUR 4,507,591 matured in January 14, 2004.

SCHEDULE 9

LMA FORM OF CONFIDENTIALITY UNDERTAKING

[Letterhead of Seller/Seller's agent/broker]

To:

=====

[insert name of Potential

Purchaser/Purchaser's agent/broker]

=====

Re: The Agreement

=====

Borrower:

Date:

Amount:

Agent:

=====

Dear Sirs

We understand that you are considering [acquiring]/[arranging the acquisition of] an interest in the Agreement (the "Acquisition"). In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. Confidentiality Undertaking

You undertake (a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information, (b) to use the Confidential Information only for the Permitted Purpose, (c) to use all reasonable endeavours to ensure that any person to whom you pass any Confidential Information (unless disclosed under paragraph 2[(c)/(d)] below) acknowledges and complies with the provisions of this letter as if that person were also a party to it, and (d) 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 Acquisition.

2. Permitted Disclosure

We agree that you may disclose Confidential Information:

- (a) to members of the Purchaser 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 Purchaser Group;
- (b) [subject to the requirements of the Agreement, in accordance with the Permitted Purpose so long as any prospective purchaser has delivered a letter to you in equivalent form to this letter;]

[(b/c)] subject to the requirements of the Agreement, to any person to (or through) whom you assign or transfer (or may potentially assign or transfer) all or any of the rights, benefits and obligations which you may acquire under the Agreement or with (or through) whom you enter into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Agreement or the Borrower or any member of the Group in each case so long as that person has delivered a letter to you in equivalent form to this letter;

and

[(c/d)] (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 Purchaser 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 Purchaser Group.

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[(c)/(d)]3 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[(c)/(d)]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 Agreement 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 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 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 hereof 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. 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.

10. Third Party Rights

(a) Subject to this paragraph 10 and to paragraphs 6 and 9, a person who is not a party to this letter has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or to enjoy the benefit of any term of this letter.

(b) The Relevant Persons 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.

11. 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.

12. 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/or the Acquisition 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);

"Permitted Purpose" means [subject to the terms of this letter, passing on information to a prospective purchaser for the purpose of]² considering and evaluating whether to enter into the Acquisition; and

"Purchaser 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).

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

.....

For and on behalf of

[Seller/Seller's agent/broker]

To: [Seller]

[Seller's agent/broker]

The Borrower and each other member of the Group

We acknowledge and agree to the above:

.....

For and on behalf of

[Potential Purchaser/Purchaser's agent/broker]

SCHEDULE 10

TIMETABLES

	Loans in euro	Loans in other currencies
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 11.30am	U-3 11.30am
Agent determines (in relation to a Utilisation) the Base Currency Amount or yen amount of the Loan, if required under Clause 5.4 (Lenders' participation) Agent notifies the Lenders of the Loan in accordance with Clause 5.4 (Lenders' participation)	U-3 2.30pm U-3 4.30pm	U-3 2.30pm U-3 4.30pm
Agent receives a notification from a Lender under Clause 6.2 (Unavailability of a currency)	U-3 as of 5.00pm	U-3 as of 5.00pm
Agent gives notice in accordance with Clause 6.2 (Unavailability of a currency)	U-3 as of 5.30pm	U-3 as of 5.30pm
Agent determines amount of the Loan in Optional Currency in accordance with Clause 6.3 (Change of currency)	U-3 as of 2.30pm	U-3 as of 2.30pm
Agent determines amount of the Facility A Loan in Optional Currency in accordance with Clause 6.4 (Same Optional Currency during successive Interest Periods)	U-3 as of 2.30pm	U-3 as of 2.30pm
Agent determines amount of the Facility A Loan in Optional Currency converted into Base Currency in accordance with paragraph (b) of Clause 6.4 (Same Optional Currency during successive Interest Periods)	U-3 as of 2.30pm	U-3 as of 2.30pm
LIBOR or EURIBOR is fixed	Quotation Day as of 11:00 a.m. London time in respect of LIBOR and as of 11.00 a.m. Brussels time in respect of EURIBOR	Quotation Day as of 11:00 a.m.

"U" = date of utilisation

"U - X" = X Business Days prior to date of utilisation

SCHEDULE 11

FORM OF ACCESSION LETTER

To: Banco Bilbao Vizcaya Argentaria, S.A. as Agent

From: [Additional Guarantor] and Cemex Espana, S.A.

Dated:

Dear Sirs

Cemex Espana, S.A. - EUR 250,000,000 and (Y) 19,308,000,000 Facilities Agreement dated 30 March 2004 (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 25 (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. (0)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.

[Additional Guarantor]

Cemex Espana, S.A.

SCHEDULE 12

MATERIAL SUBSIDIARIES

Cemex Inc.

Cemex Corp.

Cemex Venezuela SACA

Vencement Investments

Construction Fund Corporation

SCHEDULE 13

DEFINING THE JPY FIX RATE

1. Defining the JPY Fix Rate
 - (a) Defining the five year Japanese Yen fix rate in the case the five year swap spread between bid and ask is 3 (three) basis

points.

Add to Mid-market of five year Japanese swap rate shown on the "ICAP1" Reuters screen 5 (five) basis points. This calculation should take place on April 13 2004 (for a swap from 15 April 2004 to 30 March 2009) at or about 10 a.m. Madrid time. The result of this procedure will be the five year Japanese Yen fix rate for Facility C.

If the "ICAP1" Reuters screen is not showing a market value at that moment, then there would be a delay of 10 to 15 minutes, assuming that "ICAP1" corrects its quotation.

If after 10:15 a.m. Madrid time on 13 April 2004, the "ICAP1" Reuters screen is still showing a non market quotable rate, then the five year Japanese swap rate shown on the "ICAP1" Reuters screen will be replaced in accordance with the following procedure:

Ask for a quotation of a mid-market value of the reference transaction from the London offices of the following 3 (three) banks:

- (i) Deutsche Bank AG
- (ii) Barclays Bank PLC
- (iii) Credit Agricole Indosuez

The average of the 3 (three) quotes from the banks will be the Mid-market of five year Japanese swap rate that will apply.

- (b) Defining the five year Japanese Yen fix rate in the case the five year swap spread between bid-ask is more than 3 (three) basis points.

If the five year swap spread between bid-ask on 13 April 2004 is more than 3 (three) basis points, the Borrower will have the option of waiting until it comes back to 3 (three) basis points (until 28 April 2004 at the latest), in which case the calculation method described in "(a)" above will apply, or, alternatively, to opt for the following calculation method:

Add to the offer side of the five year Japanese swap rate shown on the "ICAP1" Reuters screen 3.5 (three and a half) basis points. This calculation should take place at or about 10 a.m. Madrid time. The result of this procedure will be the five year Japanese Yen fix rate for Facility C.

If the "ICAP1" Reuters screen is not showing a market value at that moment, then there would be a delay of 10 to 15 minutes, assuming that "ICAP1" corrects its quotation. If after 10:15 a.m. Madrid time on 28 April 2004 the "ICAP1" Reuters screen is still showing a non market quotable rate, then the five year Japanese swap rate shown on the "ICAP1" Reuters screen will be replaced in accordance with the following procedure:

Ask for a quotation of an offer value for the reference transaction from the London offices of the following 3 (three) banks:

- (i) Deutsche Bank AG
- (ii) Barclays Bank PLC
- (iii) Credit Agricole Indosuez

The five year Japanese swap rate will be the average of the 3 (three) quotes from the banks.

In any event, if the bid-ask spread remains above 3 (three) basis points during the full period 13 April 2004 - 28 April 2004, the calculation method described in "(b)" will have to

apply on 28 April 2004.

2. Definitions

"Mid-market" means the average of the bid and the offer.

3. Calculations

All calculations described in this schedule shall be made by the treasury departments of the Borrower and all of the Facility C Lenders together.

SIGNATURES

THE BORROWER

CEMEX ESPANA, S.A.

By: PILAR RUIZ
Address: Hernandez de Tejada, 1, 28027 Madrid, Spain
Fax: +34 91 377 94 94/+34 91 353 63 50
Attention: Hector Campa Martinez

THE ORIGINAL GUARANTORS

CEMEX CARACAS INVESTMENTS B.V.

By: PILAR RUIZ
Address: Hernandez de Tejada, 1, 28027 Madrid, Spain
Fax: +34 91 377 94 94/+34 91 353 63 50
Attention: Hector Campa Martinez

CEMEX CARACAS II INVESTMENTS B.V.

By: PILAR RUIZ
Address: Hernandez de Tejada, 1, 28027 Madrid, Spain
Fax: +34 91 377 94 94/+34 91 353 63 50
Attention: Hector Campa Martinez

CEMEX EGYPTIAN INVESTMENTS B.V.

By: PILAR RUIZ
Address: Hernandez de Tejada, 1, 28027 Madrid, Spain
Fax: +34 91 377 94 94/+34 91 353 63 50
Attention: Hector Campa Martinez

CEMEX MANILA INVESTMENTS B.V.

By: PILAR RUIZ
Address: Hernandez de Tejada, 1, 28027 Madrid, Spain

Fax: +34 91 377 94 94/+34 91 353 63 50

Attention: Hector Campa Martinez

SANDWORTH PLAZA HOLDING B.V.

By: PILAR RUIZ

Address: Hernandez de Tejada, 1, 28027 Madrid, Spain

Fax: +34 91 377 94 94/+34 91 353 63 50

Attention: Hector Campa Martinez

THE AGENT

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: ALVARO BAREZ/JOSE MARIA SAGARDOY

Address: Via de los Poblados s/n - 4(a)planta, 28033 Madrid, Spain

Fax: +34 91 374 41 40

Attention: Jose Luis Madrid Lopez/Juan Ramon Arcos Sanz

THE ARRANGER

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

By: ALVARO BAREZ/JOSE MARIA SAGARDOY

Address: Via de los Poblados s/n - 4(a)planta, 28033 Madrid, Spain

Fax: +34 91 374 41 40

Attention: Jose Luis Madrid Lopez/Juan Ramon Arcos Sanz

SOCIETE GENERALE, S.A.

By: ALVARO COROMINAS/JOSE ANTONIO OLANO

Address: 17, cours Valmy, 92972 Paris la Defense Cedex, France

Fax: +33 1 42 14 09 45

Attention: Sylvie Le Tensorer

THE ORIGINAL LENDERS

BANCO BILBAO VIZCAYA ARGENTARIA S.A.

By: ALVARO BAREZ/JOSE MARIA SAGARDOY

Address: Via de los Poblados s/n - 4(a)planta, 28033 Madrid, Spain

Fax: +34 91 374 41 40

Attention: Jose Luis Madrid Lopez/Juan Ramon Arcos Sanz

SOCIETE GENERALE, S.A.

By: ALVARO COROMINAS/JOSE ANTONIO OLANO

Address: 17, cours Valmy, 92972 Paris la Defense Cedex, France
Fax: +33 1 42 14 09 45
Attention: Sylvie Le Tensorer

BANCO ESPANOL DE CREDITO, S.A.

By: EDURNE URIBE/JOSE VILLANUEVA
Address: Gran Via de Hortaleza 3, 28033 Madrid, Spain
Fax: + 34 91 338 28 88
Attention: Antonio Sanchez / Carolina Fernandez Iniesta

BANCO SANTANDER CENTRAL HISPANO, S.A

By: JAVIER VISEDO/CARLOS DE PEDROSO
Address: Paseo de la Castellana 75, 28046 Madrid, Spain
Fax: +91 342 37 63
Attention: Daniel Esteve

BNP PARIBAS, SUCURSAL EN ESPANA

By: JOSE GEFAELL/CARMEN PINO
Address: Avda. Ribera del Loira 28, 28042 Madrid, Spain
Fax: +91 388 80 25
Attention: Jose Gefaell

CITIBANK INTERNATIONAL PLC, SUCURSAL EN ESPANA

By: FELIX AGUIRRE
Address: c/ Jose Ortega y Gasset 29, 28006 Madrid, Spain
Fax: +34 435 28 11
Attention: Pedro Lopez-Quesada / Miguel Trueba

HSBC BANK PLC, SUCURSAL EN ESPANA

By: PETER ATKINS
Address: Plaza Pablo Ruiz de Picasso 1, planta 33, Edificio Torre Picasso, 28020 Madrid, Spain
Fax: +34 91 456 61 40
Attention: Esther de Alba / Luis Vegue

ING BELGIUM S.A., SUCURSAL EN ESPANA

By: EDWARD O'LOGHLEN VELICIA/ENRIQUE MARQUINA PEREZ
Address: Paseo de la Castellana 95, planta 14, 28046 Madrid, Spain

Fax: +34 91 598 40 01
Attention: Edward O'Loughlen Velicia

THE ROYAL BANK OF SCOTLAND PLC

By: CARMEN ALLO PEREZ/ANTONIO CASTELEIRO DE TORRES
Address: 36 St. Andrew Square, Edinburgh EH2 2YB, Scotland
Fax: +34 91 701 53 07
Attention: Antonio Casteleiro / Javier Figar

BANCO DE GALICIA, S.A.

By: ANTONIO CARLOS GONZALEZ GARCIA/SILVIA FERNANDEZ HERNANDEZ
Address: c/ Policarpo Sanz n(0) 23, Vigo, Spain
Fax: +34 91 578 29 31
Attention: Arantxa Zabal Ibisate

BANCO DE SABADELL, S.A.

By: ISABEL COROMINAS GUERIN/DAVID NOGUERA BALLUS
Address: Plaza Catalunya 1, 08201 Sabadell, Spain
Fax: +34 93 591 60 22
Attention: Enrique Oriol Bitaube

BANK OF AMERICA N.A., SUCURSAL EN ESPANA

By: VICENTE BEULLOCH FERNANDEZ CUESTA/TERESA DIAZ ARIAS
Address: Paseo de la Castellana 35, 3(a) planta, 28046 Madrid, Spain
Fax: +34 396 51 23
Attention: Carlos Karam

CAIXA D'ESTALVIS DE CATALUNYA

By: AGUSTI FAUS RIERA
Address: Pl. Antoni Maura 6, 08003 Barcelona, Spain
Fax: +34 93 484 51 76
Attention: Carmelo Sanchez-Herrera / Belen Borque

CAJA MADRID

By: PALOMA MATEO CUELLAR/JOSE LUIS GARCIA PEREZ
Address: Paseo de la Castellana 189, 28046 Madrid, Spain
Fax: +34 91 423 97 16

Attention: Paloma Mateo

FORTIS BANK, S.A. SUCURSAL EN ESPANA

By: AGUSTIN JIMENEZ DE PARGA/IGNACIO GOROSTIZA SANTIESTEBAN
Address: Ortega y Gasset 29, 28006 Madrid
Fax: +34 91 432 67 34
Attention:

NATEXIS BANQUES POPULAIRES, SUCURSAL EN ESPANA

By: JOSE LUIS SANCHEZ GARCIA/FREDERIC MARECHAUX
Address: Paseo de Recoletos 7-9, 28004 Madrid, Spain
Fax: +34 91 837 47 80
Attention: Jose Luis Sanchez / Padro Aragones

WESTLB IRELAND PLC

By: TERRY KELLY/TRUDY TUGWELL
Address: IFSC House, I.F.S.C., Dublin 1, Ireland
Fax: +353 1 612 71 10
Attention: Terry Kelly / Gabriele Hess / Trudy Tugwell

BANCO SIMEON, S.A.

By: MANUEL ANGEL YAGUES VEGA/RICARDO OTEO VAZQUEZ
Address: Calle Maria de Molina 39, 28006 Madrid, Spain
Fax: +34 91 309 90 28
Attention: Manuel Angel Yagues Vega

ABN AMRO, N.V., SUCURSAL EN ESPANA

By: IGNACIO MADURGA/EMILIO GOMEZ
Address: c/ Jose Ortega y Gasset 29, 28006 Madrid, Spain
Fax: +34 91 423 69 48
Attention: Ignacio Madurga

BANCA DI ROMA SpA, SUCURSAL EN ESPANA

By: JOAQUIN CALVO-SOTELO/MARIO CAMPANA
Address: Plaza Pablo Ruiz Picasso 1, Torre Picasso planta 42,
28020 Madrid, Spain
Fax: +34 91 555 05 03
Attention: Joaquin Calvo-Sotelo

BANCO ATLANTICO, S.A.

By: JOSE RAMON MONTANO RUIZ/MARIA DEL CARMEN COMPANY BARAHONA
Address: Gran Via 46, 28013 Madrid, Spain
Fax: +34 91 559 32 76
Attention: Carlos Izcue Cuella

BANCO DE VALENCIA, S.A.

By: FRANCISCO JAVIER CHIVATO PEREZ/JUAN CARLOS CALDES MOORE
Address: Principe de Vergara 95, 28006 Madrid, Spain
Fax: +34 91 562 22 13
Attention: Francisco Javier Chivato Perez

BANCO ITAU EUROPA S.A., SUCURSAL FINANCIERA EXTERIOR - MADEIRA

By: ALMIR VIGNOTO/RITA CORREIA DE CAMPOS
Address: Av. Arriaga 77, 2(a)sala 201, 9000-060 Funchal, Madeira,
Portugal
Fax: +351 291 241 514
Attention: Rita Correia de Campos

CENTROBANCA - BANCA DI CREDITO FINANZIARIO E MOBILIARE S.P.A.

By: DANIELLE QUARTIERI
Address: Corso Europa n. 16, 20122 Milan, Italy
Fax: +39 2 7781 42 35
Attention: Daniele Quartieri

COMMERZBANK AKTIENGESELLSCHAFT, SUCURSAL EN ESPANA

By: RICARDO TEISSIERE/JORGE DE SEDANO
Address: Paseo de la Castellana 110, 28046 Madrid
Fax: +34 91 572 48 21
Attention: Jorge de Sedano Tarrancon

LLOYDS TSB BANK PLC, SUCURSAL EN ESPANA

By: JOSE MARIA CEMBORAIN GARCIA/SILVIA MANCY RICHOU
Address: c/ Serrano 90, 28006 Madrid
Fax: +34 91 431 47 31
Attention: Sylvie Mancy

JP MORGAN BANK, S.A.

By: CARLOS ZULOAGA/ROSA GARCIA

Address: C/Jose Ortega y Gasset, 29, 28006 Madrid

Fax: +34 91 516 1309/+34 91 516 1490/+1 646 534 0829

Attention: Carlos Zuloaga / Rosa Garcia / cc: Linda Meyer

List of Subsidiaries

The following is a list of the significant subsidiaries of CEMEX, S.A. de C.V. as of December 31, 2003, including the name of each subsidiary and its country of incorporation:

CEMEX Mexico, S.A. De C.V.....	Mexico
CEMEX Espana, S.A.....	Spain
CEMEX Corp.....	United States (DE)
CEMEX, Inc.....	United States (LA)

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: May 11, 2004

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
CEMEX, S.A. de C.V.

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: May 11, 2004

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance
CEMEX, S.A. de C.V.

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: May 11, 2004

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
CEMEX Mexico, S.A. de C.V.

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: May 11, 2004

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance
CEMEX Mexico, S.A. de C.V.

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: May 11, 2004

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
Empresas Tolteca de Mexico, S.A. de C.V.

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: May 11, 2004

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance

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

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, 2003 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: May 11, 2004

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of
Planning and Finance
Date: May 11, 2004

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.

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, 2003 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: May 11, 2004

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of
Planning and Finance
Date: May 11, 2004

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.

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, 2003 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: May 11, 2004

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of
Planning and Finance
Date: May 11, 2004

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.

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference into (i) the Registration Statement on Form F-3 (File No. 333-86700) of CEMEX, S.A. de C.V., (ii) the Registration Statement on Form S-8 (File No. 333-13970) of CEMEX, S.A. de C.V., (iii) the Registration Statement on Form S-8 (File No. 333-83962) of CEMEX, S.A. de C.V. and (iv) the Registration Statement on Form S-8 (File No. 333-86060) of CEMEX, S.A. de C.V., of our report, dated January 15, 2004 (except for note 23, which is as of March 31, 2004), with respect to the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2002 and 2003, 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, 2003, which report appears 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

May 7, 2004