UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

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

OR

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2004

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 Valle del Campestre,
Garza Garcia, Nuevo Leon, Mexico 66265

(Address of principal executive offices)

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

Title of each class	Name of each exchange on which registered
American Depositary Shares ("ADSs"), each ADS representing five Ordinary Participation Certificates (Certificados de Participacion Ordinarios) ("CPOs"), each CPO representing two Series A shares and one Series B share(1)	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.

1,789,730,511 CPOs (1)
3,703,634,244 Series A shares (including Series A shares underlying CPOs) (1)
1,851,817,122 Series B shares (including Series B shares underlying CPOs) (1)

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

Yes |X| No

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

Item 17 Item 18 |X|

(1) This information does not give effect to the stock split approved by shareholders on April 28, 2005, which is expected to be effected in July 2005. For further description of the stock split, see "Presentation of Financial Information."

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INTRODUCTION

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

PRESENTATION OF FINANCIAL INFORMATION

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Generally Accepted Accounting Principles in Mexico ("Mexican GAAP"), which differ in significant respects from U.S. GAAP. We are required, pursuant to Mexican GAAP, to present our financial statements in constant Pesos representing the same purchasing power for each period presented. Accordingly, unless otherwise indicated, all financial data presented in this annual report are stated in constant Pesos as of December 31, 2004. See note 24 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to us. Non-Peso amounts included in those statements are first translated into Dollar amounts, in each case at a commercially available or an official government exchange rate for the relevant period or date, as applicable. Those Dollar amounts are then translated into Peso amounts at the CEMEX accounting rate, described under Item 3 -- "Key Information -- Mexican Peso Exchange Rates" as of the relevant period or date, as applicable.

On April 28, 2005, our shareholders approved a new stock split, which we expect to occur in July 2005. In connection with the stock split, each of our existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be surrendered in exchange for two new series B shares. Concurrent with this stock split, we

authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our existing CPOs, with each new CPO representing two new series A shares and one new series B share. The number of our existing ADSs will not change as a result of the stock split; instead the ratio of CPOs to ADSs will be modified so that each existing ADS will represent ten new CPOs following the stock split and the CPO trust amendment. The proportional equity interest participation of existing shareholders will not change as a result of the stock split. The financial data set forth in this annual report have not been adjusted to give retroactive effect to the stock split.

References in this annual report to "U.S.$" and "Dollars" are to U.S. Dollars, references to "(euro)" are to Euros, references to "(pound)"and "Pounds" are to British Pounds, references to "(Y)" and "Yen" are to Japanese Yen and, unless otherwise indicated, references to "Ps," "Mexican Pesos" and "Pesos" are to constant Mexican Pesos as of December 31, 2004. The Dollar amounts provided in this annual report and the financial statements included elsewhere in this annual report, unless otherwise indicated, are translations of constant Peso amounts, at an exchange rate of Ps11.14 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2004. 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, 2004 was Ps 11.15 to U.S.$1.00 and on April 29, 2005 was Ps11.08 to U.S.$1.00.

CO-REGISTRANTS

Our co-registrants are wholly-owned subsidiaries that have provided a corporate guarantee guaranteeing payment of our 9.625% Notes due 2009. These subsidiaries, which we refer to as our guarantors, are CEMEX Mexico, S.A. de C.V., or CEMEX Mexico, and Empresas Tolteca de Mexico, S.A. de C.V., or Empresas Tolteca de Mexico. The guarantors, together with their subsidiaries, account for substantially all of our revenues and operating income. See Item 4 -- "Information on the Company -- North America -- Our Mexican Operations." Pursuant to Rule 12h-5 under the

Securities Exchange Act of 1934 (the "Exchange Act"), no separate financial statements or other disclosures concerning the guarantors other than the narrative disclosures and financial information set forth in note 24(x) to our consolidated financial statements have been presented in this annual report.

PART I

Item 1 - Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2 - Offer Statistics and Expected Timetable

Not applicable.

Item 3 - Key Information

Risk Factors

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

We may not be able to realize the expected benefits from our acquisition of RMC or the expected benefits from future acquisitions.

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 these acquisitions depends, in large part, on our ability to integrate the new operations with existing operations in a timely and effective manner. These efforts may not be successful. Furthermore, our growth strategy depends on our ability to identify and acquire suitable assets at desirable prices. We cannot assure you that we will be successful in identifying or purchasing suitable assets in the future. If we fail to make further acquisitions, we may not be able to continue to grow in the long term at our historic rate.

On March 1, 2005, we completed our acquisition of RMC Group p.l.c., or RMC, a leading international producer and supplier of cement, ready-mix concrete and aggregates, for a total purchase price of approximately U.S.$5.8 billion, which included approximately U.S.$1.7 billion of assumed debt. RMC, which is headquartered in the United Kingdom, has significant operations in the United Kingdom, Germany, France and the United States, as well as operations in other European countries and globally. At that time, we estimated that we would achieve approximately U.S.$200 million of annual savings by 2007 through cost-saving synergies. See Item 4 "Information on the Company -- Description of RMC Operations." Our success in realizing these cost savings and deriving significant benefits from this acquisition will depend on our ability to standardize management processes, capitalize on trading network benefits, consolidate logistics and improve global procurement and energy efficiency.

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

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

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

We have incurred and will continue to incur debt, which could have an adverse

effect on the price of our CPOs and ADSs, result in us incurring increased interest costs and limit our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities.

We have incurred and will continue to incur significant amounts of debt, which could have an adverse effect on the price of our Ordinary Participation Certificates, or CPOs, and American Depositary Shares, or ADSs. Our indebtedness may have important consequences, including increased interest costs if we are unable to refinance existing indebtedness on satisfactory terms. In addition, the debt instruments governing a substantial portion of our indebtedness contain various covenants that require us to maintain financial ratios, restrict asset sales and restrict our ability to use the proceeds from a sale of assets. Consequently, our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities could be limited. As of December 31, 2004, we had outstanding debt equal to Ps66.1 billion (U.S.$5.9 billion), not including obligations under equity derivative transactions in our own stock. The aggregate amount of debt we incurred in connection with the RMC acquisition was approximately U.S.$5.8 billion, including our assumption of debt of approximately US$1.7 billion. Approximately U.S.$819 million of the U.S.$5.8 billion of debt incurred in connection with the RMC acquisition was included in our outstanding debt as of December 31, 2004.

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; as of March 31, 2005, the portions were 58% and 7%, respectively. This debt, however, must be serviced by funds generated from sales by our subsidiaries. As of the date of this annual report, we do not generate sufficient revenue in Dollars 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 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 2004, Mexico and Spain, our main non-U.S. Dollar denominated operations, generated approximately half of our sales (approximately 33% and 16%, respectively), before eliminations resulting from consolidation. In 2004, approximately 22% of our sales were generated in the United States, with the remaining 29% of our sales being generated in several countries, with a number of currencies having material depreciations against the Dollar and the Yen. During 2004, the Peso appreciated 0.9% against the Dollar and depreciated 3.9% against the Yen, while the Euro appreciated 7.1% against the Dollar and appreciated 2.6% against the Yen.

In connection with our acquisition of RMC, we incurred a substantial amount of debt denominated in Pounds. As of March 31, 2005, approximately U.S.$1.3 billion, or 12%, of our outstanding indebtedness was Pound denominated. However, we believe that our generation of revenues in Pounds will be sufficient to service these obligations.

Our derivative instruments may have adverse effects on the market for our securities.

We have equity forward contracts in our own stock, which we entered into as a means of meeting our obligations that may require us to deliver significant numbers of shares of our stock under our employee stock option programs. The estimated fair value of these equity forward contracts is linked to the market price of our CPOs or ADSs. As of December 31, 2004, the notional

amount of our outstanding obligations under our equity forward contracts was approximately U.S.$1.2 billion, with an estimated fair value gain of U.S.$66.2 million. 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 on this obligation, the counterparties to our equity forward contracts have the option of either requiring us to repurchase the underlying shares or selling the underlying shares into the market, which may adversely affect the price of our CPOs and ADSs.

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 Ps3.6 billion, including interest and penalties through December 31, 2004. 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 into the air or emissions of greenhouse gases. Stricter laws and regulations, or stricter interpretation of existing laws or regulations, may impose new liabilities on us or result in the need for additional investments in pollution control equipment, either of which could result in a material decline in our profitability in the short term.

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.

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 2004, the largest percentage of our net sales (33%) and total assets (23%), 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 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.

As of and for the year ended December 31, 2004, we had operations in the United States (22% of net sales and 16% of total assets), Spain (16% of net sales and 12% 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). With the recent acquisition of RMC, our geographic diversity has significantly increased. In addition to Spain and the United States, RMC has operations in 20 countries including the United Kingdom, France, Germany, Croatia, Poland and Latvia. 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. Although the political uncertainty in Venezuela has diminished since the August 2004 referendum on President Chavez's presidency, following which President Chavez has consolidated his majority in Congress and his control over the Supreme Court, these foreign exchange and price controls remain in place. 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 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. During 2003, the Egyptian pound depreciated approximately 35% against the Dollar; while during 2004, the Egyptian pound appreciated against the Dollar by approximately 1%. The potential impact of the floating exchange rate system and of measures by the Egyptian government aimed at improving Egypt's investment climate continues to be uncertain. 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 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 ongoing armed conflicts in Iraq and Afghanistan. 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 conflicts in Iraq and Afghanistan, there can be no assurance that there will not be other attacks or threats in the United States or abroad that will lead to economic contraction in the United States or any other of our major markets. In addition, current and projected United States budget deficits may have an adverse effect on the public construction sector. Economic contraction in the United States or any of our major markets could affect domestic demand for cement and have a material adverse effect on our operations.

PT Semen Gresik (Persero) Tbk., or Gresik, an Indonesian cement producer in which we own a 25.5% interest, has experienced ongoing difficulties at PT Semen Padang , or Semen Padang, the subsidiary of Gresik that owns and operates the Padang plant, including the effective loss of operational and financial control of Semen Padang, 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. On May 10, 2004, an Arbitral Tribunal was established to hear the dispute. The Indonesian government has objected to the Tribunal's jurisdiction over the claims asserted in CAH's request for arbitration, and a hearing to resolve these jurisdictional objections is expected to take place during 2005. We cannot predict what effect, if any, this action will have on our investment in Gresik, how the Tribunal will rule on the Indonesian government's jurisdictional objections or the merits of the dispute, or the time-frame in which the Tribunal will rule. See Item 4 -- "Information on the Company -- Europe, Asia and Africa -- Our Asian Operations -- Our Indonesian Equity Investment" and "-- Regulatory Matters and Legal Proceedings -- Other Legal Proceedings."

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 annual report reside in Mexico, and all or a significant portion of the assets of those persons may be, and the majority of our assets are, located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon those persons or to enforce judgments against them or against us in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws. We have been advised by Lic. Ramiro G. Villarreal, General Counsel of CEMEX, that it may not be possible to enforce, in original actions in Mexican courts, liabilities predicated solely on the U.S. federal securities laws and it may not be possible to enforce, in Mexican courts, judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the U.S. federal securities laws.

Mexican Peso Exchange Rates

Mexico has had no exchange control system in place since the dual exchange control system was abolished on November 11, 1991. The Mexican Peso has floated freely in foreign exchange markets since December 1994, when the Mexican Central Bank (Banco de Mexico) abandoned its prior policy of having an official devaluation band. Since then, the Peso has been subject to substantial fluctuations in value. The Peso depreciated against the Dollar by 1.2% in 2000, appreciated against the Dollar by 4.7% in 2001, depreciated against the Dollar by 13% in 2002, depreciated against the Dollar by 8.3% in 2003 and appreciated against the Dollar by 0.9% in 2004. These percentages are based on the exchange rate that we use for accounting purposes, or the CEMEX accounting rate. The CEMEX accounting rate represents the average of three different exchange rates that are provided to us by Banco Nacional de Mexico, S.A., or Banamex. For any given date, the CEMEX accounting rate may differ from the noon buying rate for Pesos in New York City published by the U.S. Federal Reserve Bank of New York.

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

	CEMEX Accounting Rate				Noon Buying Rate			
Year ended December 31,	End of Period	Average(1)	High	Low	End of Period	Average(1)	High	Low
2000	9.62	9.46	10.10	9.19	9.62	9.46	10.09	9.18
2001	9.17	9.33	9.99	8.95	9.16	9.34	9.97	8.95
2002	10.38	9.76	10.35	9.02	10.43	9.66	10.43	9.00
2003	11.24	10.84	11.39	10.10	11.24	10.85	11.41	10.11
2004	11.14	11.29	11.67	10.81	11.15	11.29	11.64	10.81
Monthly (2004-2005)								
October	11.54	--	11.54	11.24	11.54	--	11.54	11.24
November	11.23	--	11.53	11.23	11.24	--	11.53	11.24
December	11.14	--	11.35	11.11	11.15	--	11.33	11.11
January	11.19	--	11.39	11.17	11.21	--	11.41	11.17
February	11.10	--	11.21	11.08	11.09	--	11.21	11.04
March	11.16	--	11.31	10.99	11.18	--	11.33	10.98
April	11.06	--	11.25	11.04	11.08	--	11.23	11.04

(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 29, 2005, the noon buying rate for Pesos was Ps11.08 to U.S.$1.00 and the CEMEX accounting rate was Ps11.06 to U.S.$1.00.

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

Selected Consolidated Financial Information

The financial data set forth below as of and for each of the five years ended December 31, 2004 have been derived from our audited consolidated financial statements. The financial data set forth below as of December 31, 2004 and 2003 and for each of the three years ended December 31, 2004, have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, the consolidated financial statements and the notes thereto included elsewhere in this annual report. These financial

statements were approved by our shareholders at the 2004 annual general meeting, which took place on April 28, 2005.

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican GAAP, which differs in significant respects from U.S. GAAP. We are required, pursuant to Mexican GAAP, to present our financial statements in constant Pesos representing the same purchasing power for each period presented. Accordingly, unless otherwise indicated, all financial data presented below and elsewhere in this annual report are stated in constant Pesos as of December 31, 2004. See note 24 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to us.

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

Under Mexican GAAP, each time we report results for the most recently completed period, the Pesos previously reported in prior periods should be adjusted to Pesos of constant purchasing power as of the most recent balance sheet by multiplying the previously reported Pesos by a weighted average inflation index. This index is calculated based upon the inflation rates of the countries in which we operate and the changes in the exchange rates of each of these countries, weighted according to the proportion that our assets in each country represent of our total assets. The following table reflects the factors that have been used to restate the originally reported Pesos to Pesos of constant purchasing power as of December 31, 2004:

	Annual Weighted Average Factor	Cumulative Weighted Average Factor to December 31, 2004
2000	0.9900	1.2686
2001	1.0916	1.2814
2002	1.1049	1.1738
2003	1.0624	1.0624

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 Ps11.14 to U.S.$1.00, the CEMEX accounting rate as of December 31, 2004. However, in the case of transactions conducted in Dollars, we have presented the Dollar amount of the transaction and the corresponding Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Peso amounts actually represent those Dollar amounts or could be converted into Dollars at the rate indicated. The noon buying rate for Pesos on December 31, 2004 was Ps11.15 to U.S.$1.00 and on April 29, 2005 was Ps11.08 to U.S.$1.00. From December 31, 2004 through April 29, 2005, the Peso appreciated by approximately 0.6% against the Dollar, based on the noon buying rate for Pesos.

Selected Consolidated Financial Information

	As of and for the year ended December 31,					
	2000	2001	2002	2003	2004	2004
	(in millions of constant Pesos as of December 31, 2004 and Dollars, except ratios and share and per share amounts)					
Income Statement Information:						
Net sales	Ps 68,595	Ps 81,350	Ps 79,725	Ps 85,553	Ps 90,784	U.S.$ 8,149
Cost of sales(1)	(38,329)	(45,758)	(44,541)	(49,319)	(51,092)	(4,586)
Gross profit	30,266	35,592	35,184	36,234	39,692	3,563
Operating expenses	(10,081)	(16,165)	(19,217)	(18,857)	(19,064)	(1,711)
Operating income	20,185	19,427	15,967	17,377	20,628	1,852
Comprehensive financing income (cost), net(2)	(2,122)	3,110	(4,013)	(3,194)	1,485	133
Other income (expense), net	(2,860)	(4,899)	(4,744)	(5,454)	(5,390)	(484)
Income before income tax, business assets tax, employees' statutory profit sharing and equity in income of affiliates	15,203	17,638	7,210	8,729	16,723	1,501
Minority interest	952	1,802	452	363	233	21
Majority interest net income	12,195	13,840	6,339	7,508	14,562	1,307
Earnings per share(3)(4)	2.95	3.24	1.41	1.58	2.92	0.26
Dividends per share(3)(5)(6)	0.77	0.82	0.85	0.82	0.87	0.08
Number of shares outstanding(3)(7)	4,169	4,379	4,562	4,861	5,093	5,093
Balance Sheet Information:						
Cash and temporary investments	3,760	5,034	4,400	3,479	3,814	342
Net working capital investment(8)	11,301	10,959	8,523	6,875	5,850	525
Property, machinery and equipment, net	110,247	105,051	109,212	110,642	107,094	9,613
Total assets	192,320	190,707	194,154	191,250	193,623	17,381
Short-term debt	36,144	12,074	16,977	15,870	11,627	1,044
Long-term debt	33,060	51,053	53,294	54,176	54,439	4,887
Minority interest(9)	29,261	23,211	14,704	6,352	4,333	389
Stockholders' equity (excluding minority interest)(10)	64,082	72,577	69,992	74,445	87,234	7,831
Book value per share(3)(7)	15.36	16.57	15.34	15.32	17.13	1.53
Other Financial Information:						
Operating margin	29.4%	23.9%	20.0%	20.3%	22.7%	22.7%
EBITDA(11)	24,769	26,505	23,359	25,173	28,276	2,538
Ratio of EBITDA to interest expense, capital securities dividends and preferred equity dividends	4.00	4.39	5.23	5.27	6.82	6.82
Investment in property, machinery and equipment, net	4,860	6,002	5,166	4,703	4,835	434
Depreciation and amortization	5,968	9,314	9,324	9,850	9,551	857
Net resources provided by operating activities(12)	21,237	27,733	20,271	18,704	24,828	2,229
Basic earnings per CPO(3)(4)	8.85	9.72	4.23	4.74	8.76	0.79

	As of and for the year ended December 31,					
	2000	2001	2002	2003	2004	2004
	(in millions of constant Pesos as of December 31, 2004 and Dollars, except per share amounts)					
US. GAAP (13):						
Income Statement Information:						
Majority net sales	Ps 64,631	Ps 72,753	Ps 73,649	Ps 84,047	Ps 89,857	U.S.$8,066
Operating income	15,731	11,629	11,904	14,340	16,512	1,482
Majority net income	10,037	11,640	6,182	8,720	17,965	1,613
Basic earnings per share	2.44	2.90	1.38	1.84	3.60	0.32
Diluted earnings per share	2.40	2.87	1.38	1.80	3.58	0.32
Balance Sheet Information:						
Total assets	190,718	178,789	185,611	196,340	206,359	18,524
Total long-term debt	33,150	43,088	45,125	47,204	43,639	3,917
Shares subject to mandatory redemption (14)	--	--	--	782	--	--
Minority interest	7,811	8,783	5,689	5,711	4,536	407
Other mezzanine items (14)	26,865	18,611	14,331	--	--	--
Total majority stockholders' equity	50,436	53,788	56,591	74,955	92,633	8,315

(footnotes on next page)

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(1) Cost of sales includes depreciation.

(2) Comprehensive financing income (cost), net, includes financial expenses, financial income, results from valuation and liquidation of financial instruments, including derivatives and marketable securities, foreign exchange result, net and monetary position result. See Item 5 "-- "Operating and Financial Review and Prospects."

(3) Our capital stock consists of series A shares and series B shares. Each of our CPOs represents two Series A shares and one Series B share. As of December 31, 2004, approximately 96.6% of our outstanding share capital was represented by CPOs. On April 28, 2005, our shareholders approved a new stock split, which we expect to occur in July 2005. In connection with the stock split, each of our existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be surrendered in exchange for two new series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our

existing CPOs, with each new CPO representing two new series A shares and one new series B share. The proportional equity interest participation of existing shareholders will not change as a result of the stock split. Although earnings per share, dividends per share, book value per share, earnings per CPO and the number of shares outstanding for the years ended December 31, 2000 through 2004 were not adjusted to give retroactive effect to the stock split, the following table presents such line items on a pro forma basis giving effect to the stock split.

	As of and for the year ended December 31,					
	2000	2001	2002	2003	2004	2004
	(in constant Pesos as of December 31, 2004 and Dollars, except share amounts)					
Pro forma per share information under Mexican GAAP:						
Earnings per share	Ps 1.48	Ps 1.62	Ps 0.71	Ps 0.79	Ps 1.46	U.S.$ 0.13
Dividends per share	0.39	0.41	0.43	0.41	0.44	0.04
Book value per share	7.68	8.29	7.67	7.66	8.57	0.77
Basic earnings per CPO	4.43	4.86	2.12	2.37	4.38	0.40
Pro forma per share information under U.S. GAAP:						
Basic earnings per share	1.22	1.45	0.69	0.92	1.80	0.16
Diluted earnings per share	1.20	1.44	0.69	0.90	1.79	0.16
Pro forma number of shares:						
Number of shares outstanding	8,338	8,758	9,124	9,722	10,186	10,186

(4) Earnings per share are calculated based upon the weighted average number of shares outstanding during the year, as described in note 21 to the consolidated financial statements included elsewhere in this annual report. Basic earnings per CPO is determined by multiplying each year's basic earnings per share by three (the number of shares underlying each CPO). Basic earnings per CPO is presented solely for the convenience of the reader and does not represent a measure under Mexican GAAP.

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

(6) In recent years, our board of directors has proposed, and our shareholders have approved, dividend proposals, whereby our shareholders have had a choice between stock dividends or cash dividends declared in respect of the prior year's results, with the stock issuable to shareholders who elect the stock dividend over the cash dividend being issued at a 20% discount from then current market prices. The dividends declared per share or per CPO in these years, expressed in constant Pesos as of December 31, 2004, were as follows: 2001, Ps2.31 per CPO (or Ps0.77 per share); 2002, Ps2.46 per CPO (or Ps0.82 per share); 2003, Ps2.55 per CPO (or Ps0.85 per share); and 2004, Ps2.46 per CPO (or Ps0.82 per share). As a result of dividend elections made by shareholders, in 2001, Ps99 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, Ps273 million in cash was paid and approximately 64 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; in 2003, Ps71 million in cash was paid and approximately 99 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year; and in 2004, Ps167 million in cash was paid and approximately 75 million additional CPOs were issued in respect of dividends declared for the 2003 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 2004 annual shareholders' meeting, which was held on April 28, 2005, our shareholders approved a dividend of Ps2.60 per CPO (Ps0.87 per share) for the 2004 fiscal year. Shareholders will be entitled to receive the dividend in either stock or cash consistent with our past practices.

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

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

(9) In connection with a preferred equity transaction relating to the financing of our acquisition of Southdown, Inc., now named CEMEX, Inc., the balance sheet item minority interest at December 31, 2000, 2001 and 2002 includes a notional amount of U.S.$1.5 billion (Ps16.7 billion), U.S.$900 million (Ps10.0 billion) and U.S.$650 million (Ps7.2 billion), respectively, of preferred equity issued in November 2000 by our Dutch subsidiary. In October 2003, we redeemed all the U.S.$650 million of preferred equity outstanding. The balance sheet item minority interest at December 31, 2003 includes an aggregate liquidation amount of U.S.$66 million (Ps735 million) of 9.66% Putable Capital Securities, which were initially issued by one of our subsidiaries in May 1998 in an aggregate liquidation amount of U.S.$250 million. In April 2002, approximately U.S.$184 million in aggregate liquidation amount of these capital securities were tendered to, and accepted by, us in a tender offer. In November 2004, we exercised a purchase option and redeemed all the outstanding capital securities. Until January 1, 2004, for accounting purposes under Mexican GAAP, this transaction was recorded as minority interest in our balance sheet and dividends paid on the capital securities were recorded as minority interest net income in our income statement. Accordingly, minority interest net income includes capital securities dividends in the amount of approximately U.S.$17 million (Ps207.4 million) in 2000, U.S.$76.1 million (Ps913.8 million) in 2001, U.S.$23.2 million (Ps275.9 million) in 2002 and U.S.$12.5 million (Ps153.6 million) in 2003. As of January 1, 2004, as a result of new accounting pronouncements under Mexican GAAP, this transaction was recorded as debt in our balance sheet and dividends paid on the capital securities during 2004, which amounted to approximately U.S.$5.6 million (Ps66.1 million), were recorded as part of financial expenses in our income statement.

(10) In December 1999, we entered into forward contracts with a number of banks covering 21,000,000 ADSs. In December 2002, we agreed with the banks to settle those forward contracts for cash and simultaneously entered into new forward contracts with the same banks on similar terms to the original forward transactions. Under the new forward contracts the banks retained the ADSs underlying the original forward contracts, which had increased to 25,457,378 ADSs as a result of stock dividends through June 2003. As a result of this net settlement, we recognized in December 2002 a decrease of approximately U.S.$98.3 million (Ps1,095.1 million) in our stockholders' equity, arising from changes in the valuation of the ADSs. In October 2003, in connection with an offering of all the ADSs underlying those forward contracts, we agreed with the banks to settle those forward contracts for cash. As a result of the final settlement in October 2003, we recognized an increase of approximately U.S.$18.1 million (Ps201.6 million) in our stockholders' equity, arising from changes in the valuation of the ADSs from December 2002 through October 2003. During the life of these forward contracts, the underlying ADSs were considered to have been owned by the banks and the forward contracts were treated as equity transactions, and, therefore, changes in the fair value of the ADSs were not recorded until settlement of the forward contracts.

(11) 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.

	For the year ended December 31,					
	2000	2001	2002	2003	2004	2004
	(in millions of constant Pesos as of December 31, 2004 and Dollars)					
Reconciliation of EBITDA to operating income						
EBITDA	Ps 24,769	Ps 26,505	Ps 23,359	Ps 25,173	Ps 28,276	U.S.$2,538
Less:						
Depreciation and amortization expense	4,584	7,078	7,392	7,796	7,648	686
Operating income	20,185	19,427	15,967	17,377	20,628	1,852

(12) 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.

(13) We have restated the information at and for the years ended December 31, 2000, 2001, 2002 and 2003 under U.S. GAAP using the inflation factor derived from the national consumer price index, or NCPI, in Mexico, as required by Regulation S-X under the Exchange Act, instead of using the weighted average restatement factors used by us according to Mexican GAAP and applied to the information presented under Mexican GAAP of prior years. See note 24 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.

(14) For financial reporting under U.S. GAAP, until December 31, 2002, elements that did not meet either the definition of equity, or the definition of debt, were presented under a third group, commonly referred to as "mezzanine items." As of December 31, 2002, these elements, as they relate to us, included our preferred equity and our putable capital securities described in note 9 above and our obligation under the forward contracts described in note 10 above. As of December 31, 2003, as a result of the adoption of SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," these elements were presented as a separate line item within liabilities. For a more detailed description of these elements, as they related to us, see notes 15(E), 15(F) and 24(m) to our consolidated financial statements included elsewhere in this annual report.

Item 4 - Information on the Company

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

Business Overview

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

CEMEX was founded in 1906 and was registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, N.L., Mexico, on June 11, 1920 for a period of 99 years. At the 2002 annual shareholders' meeting, this period was extended to the year 2100. CEMEX's full legal and commercial name is CEMEX, Sociedad Anonima de Capital Variable.

CEMEX is the third largest cement company in the world, based on installed capacity as of December 31, 2004 of approximately 81.7 million tons. We are one of the world's largest traders of cement and clinker, having traded over 10 million tons of cement and clinker in 2004. We are a holding company primarily engaged, through our operating subsidiaries, in the production, distribution, marketing and sale of cement, ready-mix concrete, aggregates and clinker. We are a global cement manufacturer with operations in North, Central and South America, Europe, the Caribbean, Asia and Africa. Following the March 2005 acquisition of RMC, based on year-end 2004 numbers, CEMEX had an installed capacity of approximately 98.7 million tons of cement, enhancing its position as the third largest cement company in the world. CEMEX, with RMC, is now the largest ready-mix concrete company in the world with an annual production in 2004 of of 75 million cubic meters of ready-mix concrete and is the fourth largest aggregates company in the world with an annual production in 2004 of 170 million tons of aggregates. As of December 31, 2004, we had worldwide assets of approximately Ps193.6 billion (U.S.$17.4 billion) (without giving effect to the RMC acquisition or the recent sale of several U.S. assets described below). On April 29, 2005, we had an equity market capitalization of approximately Ps135.2 billion (U.S.$12.2 billion).

As of December 31, 2004, 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, 2004, our assets, cement plants and installed capacity, on an unconsolidated basis, were as set forth below. Installed cement capacity, which refers to theoretical annual cement 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, generally, our proportional interest in the installed capacity of companies in which we hold a minority interest, but does not include our proportional interest in installed capacity derived from our 18.8% interest in RMC as of December 31, 2004.

	As of December 31, 2004(1)		
	Assets (in billions of constant Pesos)	Number of Cement Plants	Installed Capacity (millions of tons per annum)
North America			
Mexico	Ps 64.4	15	27.2
United States	44.8	13	14.3
Europe, Asia and Africa			
Spain	32.8	8	11.0
Asia	12.2	4	10.9
Egypt	6.0	1	4.9
South America, Central America and the Caribbean			
Venezuela	8.5	3	4.6
Colombia	9.2	5	4.8
Central America and the Caribbean	13.6	5	3.7
Cement and Clinker Trading Assets and Other Operations	83.5	--	0.3

(1) The information in the table does not give effect to the following transactions, which described below: (i) the acquisition of RMC that was completed on March 1, 2005, (ii) the sale of U.S. assets completed on March 31, 2005 and (iii) the sale of our 11.92% interest in Cementos Bio Bio, S.A. announced on April 26, 2005.

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, 2004, in Gresik. As of December 31, 2004, in addition to the four cement plants owned by our Asian subsidiaries, Gresik operated four cement plants with an installed capacity of 17.3 million tons. In the above table, "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 our 11.9% interest as of December 31, 2004 in Cementos Bio Bio, S.A., a Chilean cement producer having three cement plants with an installed capacity of approximately 2.25 million tons, and intercompany accounts receivable of CEMEX (the parent company only) in the amount of Ps33.8 billion, which are eliminated in consolidation.

During the last 15 years, we embarked on a major geographic expansion program to diversify our cash flows and enter markets whose economic cycles within the cement industry largely operate independently from that of Mexico and which offer long-term growth potential. We have built an extensive network of marine and land-based distribution centers and terminals that give us marketing access around the world. The following have been our most significant acquisitions over the last five years:

- On September 27, 2004, in connection with a public offer to purchase RMC's outstanding shares, CEMEX UK Limited, our indirect wholly-owned subsidiary, acquired 50 million shares of RMC for approximately (pound)432 million (U.S.$786 million, based on a Pound/Dollar exchange rate of (pound)0.5496 to U.S.$1.00 on September 27, 2004), which represented approximately 18.8% of RMC's outstanding shares. On March 1, 2005, following board and shareholder approval and clearance from applicable regulators, CEMEX UK Limited purchased the remaining 81.2% of RMC's outstanding shares and completed our acquisition of RMC. The transaction value of this acquisition, including our assumption of approximately U.S.$1.7 billion of RMC's debt, was approximately U.S.$5.8 billion.

- In August and September 2003, we acquired 100% of the outstanding shares of Mineral Resource Technologies Inc., and the cement assets of Dixon-Marquette Cement for a combined purchase price of approximately U.S.$99.7 million. Located in Dixon, Illinois, the single cement plant has an annual production capacity of 560,000 tons. This cement plant was sold on March 31, 2005 as part of the U.S. asset sale described below.

- In July and August 2002, through a tender offer and subsequent merger, we acquired 100% of the outstanding shares of Puerto Rican Cement Company, Inc., 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.

- In July 2002, we increased our equity interest in CEMEX Asia Holdings, Ltd., or CAH, a subsidiary originally created to co-invest with institutional investors in Asian cement operations, to 77.7%. Through quarterly share exchanges (CAH shares for CEMEX CPOs) with CAH investors in 2003 and 2004, we further increased our equity interest in CAH to 92.3%. In August 2004, we acquired an additional 6.83% interest in CAH for approximately U.S.$70 million, thereby increasing our total equity interest in CAH to 99.1%.

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

million.

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

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

As part of our strategy, we periodically review and reconfigure our operations in implementing our post-merger integration process, and we sometimes divest assets that we believe are less important to our strategic objectives.

On March 31, 2005, we sold our Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim Participacoes S.A, a cement company in Brazil, for an aggregate purchase price of approximately U.S.$389 million. The combined capacity of the two cement plants sold was approximately two million tons per year and the operations of these plants represented approximately 10% of our U.S. operations' operating cash flow for the year ended December 31, 2004.

On April 26, 2005, we announced the divestiture of our 11.92% interest in Cementos Bio Bio, S.A., a cement company in Chile, for approximately U.S.$65 million. The proceeds from the sale will be applied to reduce debt.

For the year ended December 31, 2004, our net sales, before eliminations resulting from consolidation, were divided among the countries in which we operate as follows:

[GRAPHIC OMITTED]

For a description of a breakdown of total revenues by geographic markets for each of the years ended December 31, 2002, 2003 and 2004, please see Item 5 -- "Operating and Financial Review and Prospects."

RMC Business Overview

RMC is a leading international producer and supplier of materials, products and services used primarily in the construction industry. It has operating units in 22 countries, primarily in Europe and the United States, and it employs over 26,000 people worldwide. The geographic distribution of RMC's cement operations is shown in the following table.

	As of December 31, 2004	
	Number of	Installed Capacity (millions of

	Cement Plants	tons per annum)
North America		
United States	1	0.9
Europe, Asia and Africa		
United Kingdom	3	2.7
Germany	3	6.4
Croatia	3	2.6
Latvia	1	0.4
Poland	2	3.1
Lithuania(1)	--	0.9
Total	13	17.0

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(1) Includes our proportional interest in a cement plant (34.5%).

RMC is one of Europe's largest producers of cement and one of the world's largest suppliers of ready-mix concrete and aggregates. In 2004, it sold 14.4 million tons of cement, 51.4 million cubic meters of ready-mix concrete and 131.6 million tons of aggregates.

RMC's cement assets include 13 cement plants and 8 cement grinding mills. The cement plants are located in Croatia, Germany, Latvia, Poland, the U.K. and the U.S. RMC's total cement capacity is 17 million tons.

CEMEX and RMC both have operations in the U.S. and Spain. In the U.S., RMC's primary businesses are in California (aggregates, cement and concrete), the Carolinas and Georgia (concrete), Florida (aggregates and concrete) and the southwest states of Arizona, New Mexico and Texas (aggregates and concrete). In Spain (aggregates and concrete), the business is predominantly located around Madrid, Barcelona, Valencia and Alicante.

The revenue information set forth below with respect to RMC's operations for the year ended December 31, 2004 has been derived from RMC's audited annual financial statements for 2004. RMC's financial statements were prepared by RMC in accordance with U.K. GAAP, which differs in significant respects from Mexican GAAP.

For the year ended December 31, 2004, RMC's revenues from continuing operations, before revenues from unconsolidated joint ventures and associated entities of approximately (pound)351.7 million, were approximately (pound)4,121.1 million and were divided by geographic region as follows:

[GRAPHIC OMITTED]

For further description of RMC's operations, see "--Description of RMC Operations."

Our Production Processes

Cement is a binding agent, which, when mixed with sand, stone or other aggregates and water, produces either ready-mix concrete or mortar. Mortar is the mixture of cement with finely ground limestone used in some construction applications. Ready-mix concrete is the mixture of cement, aggregates such as sand and gravel and water.||

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

Cement Production Process

We manufacture cement through a closely controlled chemical process, which begins with the mining and crushing of limestone and clay, and, in some instances, other raw materials. The clay and limestone are then pre-homogenized, a process which consists of combining different types of clay and limestone 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, 2004, 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 addition, nine of RMC's cement plants used the dry process, and four used the wet process. 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.

Ready-Mix Concrete Production Process

The production of ready-mix concrete is made of cement, with fine and coarse aggregate, water and admixtures (which control properties of the concrete including plasticity, pumpability, freeze-thaw resistance, strength and setting time). The hardening of concrete occurs due to the chemical reaction of hydration -- the addition of water fills the voids in the mixture, turning it into a solid mass.

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

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

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

We intend to continue to geographically diversify our cement, ready-mix and aggregates operations and to vertically integrate in new and existing markets by investing in, acquiring and developing complementary operations along the cement value chain. We believe that managing our cement, ready-mix and aggregates operations as an integrated business can make them more efficient and more profitable than if they were run separately.

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

We normally consider opportunities for, and routinely engage in preliminary discussions concerning, acquisitions.

Allocate capital effectively

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

- The potential for increasing the acquired entity's value should be principally driven by factors that we can influence, particularly the application of our management and turnaround expertise;
- The acquisition should not compromise our financial strength; and
- The acquisition should offer a higher long-term return on our investment than our cost of capital and should offer a minimum return on capital employed of at least ten percent.

In order to minimize our capital commitments and maximize our return on capital, we will continue to analyze potential capital raising sources available in connection with acquisitions, including sources of local financing and possible joint ventures.

Leverage platforms to achieve optimal operating standards and quickly integrate acquisitions

By continuing to produce cement at low cost, we believe that we will continue to generate cash flows sufficient to support our present and future growth. We strive to reduce our overall cement production related costs and corporate overhead through strict cost management policies and through improving efficiencies. We have implemented several worldwide standard platforms as part of this process. These platforms were designed to develop efficiencies and better practices, and we believe they will further reduce our

costs, streamline our processes and extract synergies from our global operations. In addition, we have implemented centralized management information systems throughout our operations, including administrative, accounting, purchasing, customer management, budget preparation and control systems, which are expected to assist us in lowering costs.

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

We plan to continue to eliminate redundancies at all levels, streamline corporate structures and centralize administrative functions to increase our efficiency and lower costs. In addition, in the last few years, we have implemented various procedures to improve the environmental impact of our activities as well as our overall product quality.

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

Provide the best value proposition to our customers

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

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

We believe our Construrama branding and our other marketing strategies in Mexico 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. 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.

Strengthen our financial structure

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

- Optimizing our borrowing costs and debt maturities;
- Increasing our access to various capital sources; and

- Maintaining the financial flexibility needed to pursue future growth opportunities.

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

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

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

We provide our 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, 2004. 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.|

[OBJECT OMITTED]

North America

As of and for the year ended December 31, 2004, North America, which includes our operations in Mexico and the United States, represented approximately 55% of our net sales, 50% of our total installed capacity and 39% of our total assets.

Our Mexican Operations

Overview

Our Mexican operations represented approximately 33% of our net sales in 2004.

At December 31, 2004, we owned 100% of the outstanding capital stock of CEMEX Mexico. CEMEX Mexico is a direct subsidiary of CEMEX and is both a holding company for some of our operating companies in Mexico and an operating company involved in the manufacturing and marketing of cement, plaster, gypsum, groundstone and other construction materials and cement by-products in Mexico. CEMEX Mexico, indirectly, is also the holding company for our international operations.

At December 31, 2004, 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, 2004 of 3.3 million tons. During the second quarter of 2002, the production operations at our oldest plant (Hidalgo) were halted and remain suspended due to concerns about cost effectiveness. We do not anticipate resuming production operations at this plant in 2005. We do not presently anticipate any significant capacity expansion in our Mexican operations in 2005.

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 2004, 700 independent concessionaries with close to 2,100 stores were integrated into the Construrama program in more than 610 towns and cities throughout Mexico. By the end of 2005, we expect to have approximately 2,250 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 in 2004 accounted for around 74% 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 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

In 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, 2004, 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:

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

Our Mexican Operating Network

[GRAPHIC OMITTED]

(1) In 2002, production operations at the Hidalgo cement plant were halted and remain suspended. We do not anticipate resuming production operations at this plant in 2005.

Currently, we operate 14 plants (not including Hidalgo) and 78 distribution centers (70 land terminals and 8 marine terminals) located throughout Mexico. We operate modern plants on Mexico's Atlantic and Pacific coasts, allowing us to take advantage of low-cost maritime transportation to the Asian, Caribbean, Central and South American and U.S. markets.

We believe that geographic diversification in Mexico is important because:

- it decreases the effect of regional cyclicality on total demand

for our Mexican operations' products;

- it places our Mexican operations in physical proximity to customers in each major region of Mexico, allowing more cost-effective distribution; and

- it allows us to optimize production processes by shifting output to those facilities better suited to service the areas with the highest demand.

Products and Distribution Channels

Our domestic cement sales represented approximately 97% in 2002, 97% in 2003 and 96% in 2004 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 2004, our Mexican operations sold approximately 74% of their cement sales volume through more than 6,000 distributors throughout the country, most of whom work on a regional basis. The five most important distributors in the aggregate accounted for approximately 4% of our Mexican operations' total sales by volume for 2004.

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 increased 4% in 2002, 4% in 2003 and 2% in 2004. In addition, we own the registered trademark for the "Construrama" brand name for construction material stores.

Ready-Mix Concrete. Ready-mix concrete sales volumes by our Mexican operations increased 10% in 2002, 13% in 2003 and 16% in 2004. For the year ended December 31, 2004, ready-mix concrete sales represented 23% 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 25% in 2002 and 24% in 2003 and increased 37% in 2004. In 2004, approximately 79% of our exports from Mexico were to the United States, 20% 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.

Production Costs

Our Mexican operations' cement plants primarily utilize petcoke, but several are designed to switch to fuel oil and natural gas with minimum downtime. We have entered into two 20-year contracts with Petruleos Mexicanos, or PEMEX, pursuant to which PEMEX agreed to supply us with 1,750,000 tons of petcoke per year, 850,000 tons per year coming from PEMEX's refinery in Madero commencing in 2002 with respect to the first contract and 900,000 tons per year coming from PEMEX's Cadereyta refinery commencing in 2003 with respect to the second contract. Petcoke is petroleum coke, a solid or fixed carbon

substance that remains after the distillation of hydrocarbons in petroleum and

that may be used as fuel in the production of cement. 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 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 almost 2% (based on a yearly average) of the total fuel consumption for our Mexican operations in 2004, and we expect to increase this percentage to around 3% during 2005.

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. We entered into this agreement in order to reduce the volatility of our energy costs. The total cost of the project was approximately U.S.$360 million. The power plant commenced commercial operations on May 1, 2004. As of December 31, 2004, after eight months of operation, the power plant has supplied electricity to 10 of our cement plants in Mexico covering 83% of their needs for electricity and has represented an approximate 21% decrease in the cost of electricity.

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, 2004, 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 remaining reserves near each of our plant sites in Mexico. We estimate that these limestone and clay reserves have an average remaining life of more than 60 years, assuming 2004 production levels. As of December 31, 2004, all our production plants in Mexico utilized the dry process.

As of December 31, 2004, we had a network of 70 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 237 ready-mix concrete plants throughout 79 cities in Mexico and 1,701 ready-mix concrete delivery trucks.

Capital Investments

We made capital expenditures of approximately U.S.$94.8 million in 2002, U.S.$109.4 million in 2003 and U.S.$90.3 million in 2004 in our Mexican operations. We currently expect to make capital expenditures of approximately U.S.$74.7 million in our Mexican operations during 2005.

Our U.S. Operations

Overview

As of December 31, 2004, we held 100% of CEMEX, Inc., our operating subsidiary in the United States.

Our U.S. operations represented approximately 22% of our net sales in 2004. As of December 31, 2004, we had a cement manufacturing capacity of approximately 14.3 million tons per year in our United States operations, including nearly 0.7 million tons in proportional interests through minority holdings. RMC's U.S. operations, which are being incorporated into our U.S. operations following our acquisition of RMC in March 2005, are described below.

As of December 31, 2004, we operated a geographically diverse base of 13 cement plants located in Alabama, California, Colorado, Florida, Georgia, Illinois, Kentucky, Michigan, Ohio, 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, CEMEX, Inc. has achieved a competitive position in the growing fly ash

market. Fly ash has the properties of cement and may be used in the production of more durable concrete. Mineral Resource Technologies, Inc. is one of the four largest fly ash companies in the United States, providing fly ash to customers in 25 states.

On March 31, 2005, CEMEX, Inc. sold its Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim Participacoes S.A., or Votorantim, a cement company in Brazil, for an aggregate purchase price of approximately U.S.$389 million. The distribution terminals sold to Votorantim are located in Green Bay, Manitowoc and Milwaukee, Wisconsin; Chicago, Illinois; Ferrysburg, Michigan; Cleveland and Toledo, Ohio; and Owen Sound, Ontario, Canada. The combined capacity of the two cement plants sold to Votorantim was approximately two million tons per year, and the operations of these plants represented approximately 10% of CEMEX, Inc.'s operating cash flow for the year ended December 31, 2004.

RMC operates one cement plant in Davenport, California as well as two nearby terminals in northern California, one of them in a port facility. It has more than 200 ready-mix plants located in the Carolinas, Florida, Georgia, Texas, New Mexico, Nevada, Arizona and northern California and aggregates facilities in the Carolinas, Arizona, California, Florida, Georgia, Missouri, New Mexico, Nevada and Texas. RMC owns regional pipe and precast businesses, along with block and paver plants in the Carolinas, Georgia and Florida. CEMEX believes that by combining the acquired assets of RMC with its installed cement capacity in the United States, it will be the largest cement and ready-mix supplier in the United States, based on volumes sold, and an important supplier of aggregates.

For the year ended December 31, 2004, RMC's operations in the United States generated revenues of approximately (pound)935 million.

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-Unicem, Heidelberg Cement and Ash Grove Cement.

The independent U.S. ready-mix concrete industry is highly fragmented, and few producers other than vertically integrated producers have annual sales in excess of U.S.$6 million or have a fleet of more than 20 mixers. Given that the concrete industry has historically consumed

approximately 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 2004 U.S. Geological Survey, approximately 4,000 companies operated approximately 6,500 quarries and pits.

Our United States Cement Operating Network

[GRAPHIC OMITTED]

The map reflects our cement plants and cement terminals as of the date of this annual report, after giving effect to the acquisition of RMC and the sale of assets in the Great Lakes region.

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 since the mid 1980s as the public sector has grown significantly. 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 2004 U.S. operations revenues. Our U.S. operations sales volumes decreased 5.3% in 2002 due to the economic downturn in the United States, increased 2% in 2003 and increased 9% in 2004 due to strong demand from the residential sector, increased demand from the public sector and a recovery in industrial and commercial construction.

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

Since the early 1990s, cement demand has become less vulnerable to recessionary pressures than in previous cycles, due to the growing importance of the counter-cyclical public sector, particularly cement-intensive public infrastructure spending. In 2004, according to our estimates, public sector spending accounted for approximately 52% of the total cement consumption in the U.S. Strong cement demand over the past decade has driven industry capacity utilization up to maximum levels. According to the Portland Cement Association, domestic capacity utilization has been over 90% in the last 3 years.

Ready-Mix Concrete. Concrete operations represented approximately 27% of our 2004 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 aggregates operations include mining, processing and selling construction aggregates in California, Arizona, Texas and Florida. Aggregates operations represented approximately 6% of our 2004 U.S. revenues. At 2004 production levels, it is anticipated that over 80% of our construction aggregates reserves in the U.S. will last for 10 years or more.

Production Costs

The largest cost components of our plants are electricity and fuel, which accounted for approximately 36% of CEMEX, Inc.'s total production costs in 2004. 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 have become less vulnerable to potential price spikes. In 2004, the use of alternative fuels offset the effect on our fuel costs of a significant increase in coal prices. Power costs in 2004 represented approximately 18% of Cemex, Inc.'s 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, 2004, we operated 13 cement manufacturing plants in the U.S., with a total installed capacity of 14.3 million tons per year, including nearly 0.7 million 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, which is owned by Kosmos Cement Company, a joint venture in which CEMEX, Inc. owns a 75% interest and a subsidiary of Dyckerhoff AG owns a 25% interest.

As of the date of this annual report, after giving effect to the acquisition of RMC and the sale of assets in the Great Lakes region, we operated 12 cement plants in the U.S., with a total installed capacity of approximately 13.2 million tons per year.

As of December 31, 2004, we operated a distribution network of 97 ready-mix concrete plants, 54 cement terminals, six of which are deep-water terminals, and 24 aggregate locations throughout the U.S. Also, we distributed fly ash through 20 terminals and 13 third-party-owned utility plants, which operate both as sources of fly ash and distribution terminals.

Capital Investments

We made capital expenditures of approximately U.S.$95.9 million in 2002, U.S.$96.6 million in 2003 and U.S.$111.1 million in 2004 in our U.S. operations. We currently expect to make capital expenditures of approximately U.S.$96.5 million in our U.S. operations during 2005, excluding those related to RMC's U.S. operations.

Europe, Asia and Africa

As of December 31, 2004, 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, 33% of our total installed capacity and 19% of our total assets.

Our Spanish Operations

Overview

As of December 31, 2004, we held 99.7% of CEMEX Espana, S.A., or CEMEX Espana. Our Spanish operations represented approximately 16% of our net sales in 2004. 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 in Spain 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 in Spain are conducted by Hormicemex, S.A., a subsidiary of CEMEX Espana, and our aggregates activities in Spain are conducted by Aricemex S.A., a subsidiary of CEMEX Espana. This does not include the aggregates and ready-mix concrete activities of RMC's subsidiaries.

The Spanish Cement Industry

In 2004, the construction sector of the Spanish economy grew 4.4%, primarily as a result of the growth of construction in the residential sector of the Spanish economy. Cement consumption in Spain increased 4.7% in 2002, 4.4% in 2003 and 3.9% in 2004. Our domestic cement and clinker sales volumes in Spain increased approximately 2.5% in 2002, 4.5% in 2003 and 3.3% in 2004.

During the past several years, the level of cement imports into Spain has been influenced by the strength of domestic demand. Cement imports increased 5.5% in 2002, decreased 25% in 2003 and decreased 14.6% in 2004. Clinker imports have demonstrated an intense dynamism, with increases of 18.2% in 2002, 25.6% in 2003 and 6.3% in 2004. In any case, imports primarily had an impact on coastal zones, since transportation costs make it less profitable to sell imported cement in inland markets. 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 1.5 million tons in 2004 to meet strong domestic demand. Our Spanish operations' cement and clinker export volumes increased 5% in 2002, decreased 21% in 2003 and decreased 23% in 2004.

Competition

According to the Asociaciun de Fabricantes de Cemento de Espana, or OFICEMEN, the Spanish cement trade organization, as of December 31, 2004, approximately 60% of installed capacity for production of cement in Spain was owned by five multinational groups, including CEMEX.

Competition in the ready-mix concrete industry is particularly intense in large urban areas. Our subsidiary Hormicemex has achieved a sizable market presence in areas such as Baleares, Canarias, Levante and Aragon. In other areas, such as the central and Cataluna regions, our market share is smaller due to greater competition in the relatively larger urban areas. The overall high degree of competition in the Spanish ready-mix concrete industry has in the past led to weak pricing. The distribution of ready-mix concrete remains a key component of CEMEX Espana's business strategy.

OFICEMEN reported that, based on 2004 sales, CEMEX Espana had a market share of 21.8% 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 (Including RMC Assets)

[GRAPHIC OMITTED]

Products and Distribution Channels. CEMEX Espana offers various types of cement, targeting specific products to specific markets and users. In 2004, approximately 20% 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 2004, 91.4% consisted of white cement and 8.6% consisted of gray cement. In 2004, 71% of our exports from Spain were to the United States, 15% to Europe and 14% 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. 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 2004, we burned meal flour, organic waste and tires as fuel, achieving in 2004 a 2.1% substitution rate for petcoke. During 2005, we expect to increase the quantity of those alternative fuels and initiated the burning of rice husks and plastics.

Description of Properties, Plants and Equipment

As of December 31, 2004, our Spanish operations operated eight plants located in Spain, with a cement equivalent capacity of 11.0 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 11 land and 19 marine terminals.

As of December 31, 2004, CEMEX Espana owned 8 limestone quarries

located in close proximity to its plants, which have useful lives ranging from 10 to 30 years, assuming 2004 production levels. Additionally, we have rights to expand those reserves to 50 years of limestone reserves, assuming 2004 production levels.

RMC has ready-mix concrete and aggregates operations in Spain through a joint-venture association with another producer. The joint venture operates a network of 121 ready-mix concrete plants and 12 aggregates quarries, which are predominantly located around Madrid, Barcelona, Valencia and Alicante.

Capital Investments

We made capital expenditures of approximately U.S.$61.1 million in 2002, U.S.$53.9 million in 2003 and U.S.$54.5 million in 2004 in our Spanish operations. We currently expect to make capital expenditures of approximately U.S.$48.2 million in our Spanish operations during 2005, excluding those related to RMC's Spanish operations.

Our Asian Operations

As of December 31, 2004, 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 2% of our net sales, 13% of our total installed capacity and 4% of our total assets.

Our Philippine Operations

As of December 31, 2004, we held through CAH, 99.1% of the economic benefits of our two operating subsidiaries in the Philippines, Solid, and APO Cement Corporation, or APO.

During 2004, cement consumption in the Philippine market, which is primarily retail, totaled 12.4 million tons. Although the Philippines has largely recovered from the 1997 Asian economic recession, industry demand for cement decreased by 2.1% in 2004 compared to 2003.

As of December 31, 2004, 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. Our major competitors in the Philippine cement market are Holcim, which has interests in seven local cement plants, and Lafarge, which has interests in eight local cement plants.

Our Philippine operations include three plants with a total capacity of 5.8 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.

We made capital expenditures of approximately U.S.$12.1 million in 2002, U.S.$1.7 million in 2003 and U.S.$2.4 million in 2004 in our Philippine operations. We currently expect to make capital expenditures of approximately U.S.$4.7 million in our Philippine operations during 2005.

Our Indonesian Equity Investment

As of December 31, 2004, our proportionate economic interest through CAH in Gresik, Indonesia's largest cement producer, was approximately 25.5%. The Republic of Indonesia has a 51% interest in Gresik. Currently, we hold two seats on both the board of directors and the board of commissioners of Gresik, as well as the right to approve Gresik's business plan jointly with the Indonesian government.

On October 31, 2001, certain individuals purporting to represent the people of the Indonesian province of West Sumatra, in which the Padang plant of Gresik is located, issued a declaration which stated that, 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. 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 and accuracy of the information provided by Semen Padang's management.

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

The Indonesian cement industry was the largest in South East Asia in 2004, accounting for about 24% of the approximately 126 million tons of cement consumed in South East Asia in 2004, according to our estimates. Indonesian domestic cement demand increased approximately 6.8% in 2002, 1.0% in 2003 and 9.8% in 2004. As of December 31, 2004, the Indonesian cement industry had 13 cement plants, including the four plants owned by Gresik, with a combined installed capacity of approximately 47.5 million tons. Gresik, with an installed capacity of 17.3 million tons, is Indonesia's largest cement producer.

As of December 31, 2004, Gresik had four cement plants, 25 land distribution centers and 10 marine terminals. Gresik's cement plants include the Padang plant, with one production line that utilizes the wet process and four production lines that utilize the dry process and an installed capacity of 5.6 million tons; the Gresik plant, which has two production lines that utilize the dry process and an installed capacity of 1.3 million tons; the Tuban plant, which has three production lines that utilize the dry process and an installed capacity of 6.9 million tons; and the Tonasa plant, which has three production lines that utilize the dry process and an installed capacity of 3.5 million tons. As of December 31, 2004, Gresik was operating at approximately 91% capacity utilization, including export sales. During 2004, Gresik exported approximately 14% of its total sales volume, mainly through its own efforts and, to a lesser extent, through CEMEX's trading operations. Gresik exports mainly to Bangladesh and Africa.

Despite the continuing economic and political problems experienced by

Indonesia and the difficulties involving Gresik described above, the Indonesian cement market has been 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.

Our Thai Operations

According to our estimates, at December 31, 2004, the cement industry in Thailand had a total of 13 cement plants, with an aggregate annual installed capacity of approximately 54.5 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. Our major competitors in the Thailand market, which have a significantly larger presence than CEMEX (Thailand), are Siam Cement, Holcim, TPI Polene and Italcementi.

CEMEX (Thailand) owns one dry process cement plant located north of Bangkok which has been operating at full capacity. As of December 31, 2004, CEMEX (Thailand) had an installed capacity of approximately 720,000 tons.

We made capital expenditures of approximately U.S.$7.1 million in 2002, U.S.$1.72 million in 2003 and U.S.$2.7 million in 2004 in our Thai operations. We currently expect to make capital expenditures of approximately U.S.$3.6 million in our Thai operations during 2005.

Other Asian Investments

Since April 2001, we have been operating a grinding mill with cement milling production capacity of 520,000 tons per year near Dhaka, Bangladesh. A majority of the supply of clinker for the mill is produced by our operations in the region.

Our Egyptian Operations

Overview

As of December 31, 2004, 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 23.6 million tons of cement during 2004. Cement consumption decreased by 8.4% in 2004, despite the beginning of an economic recovery.

Competition. As of December 31, 2004, the Egyptian cement industry had a total of ten cement producers, with an aggregate annual installed cement capacity of approximately 39 million tons. According to the Egyptian Cement Council, during 2004, 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, constituted approximately 40% of the total cement sales in Egypt. Other significant competitors in the Egyptian market are Suez and Tourah Cement Companies (Italcementi), and Helwan Portland Cement Company, Ameriyah (Cimpor), National, Sinai, Misr Beni Suef and Misr Quena Cement Companies.

Products and Distribution Channels

We have followed a diversification strategy that focuses on manufacturing cement products with higher margins and have invested in building our brand. As part of our brand strategy, we have had success selling value-added cement products for specialized use.

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.

Description of Properties, Plant and Equipment

As of December 31, 2004, Assiut operated one cement plant with an installed capacity of approximately 4.9 million tons with three dry process production lines. The plant is located approximately 200 miles south of Cairo. Assiut's cement plant serves the upper Nile region of Egypt, as well as Cairo and the delta region, Egypt's main cement market.

Capital Investments

We made capital expenditures of approximately U.S.$27.2 million in 2002, U.S.$14.1 million in 2003 and U.S.$8.5 million in 2004 in our Egyptian operations. We currently expect to make capital expenditures of approximately U.S.$10.7 million in our Egyptian operations during 2005.

South America, Central America and the Caribbean

As of December 31, 2004, 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, 17% 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 2004. As of December 31, 2004, 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 the Dominican Republic, Panama and Trinidad. CEMEX Venezuela is the largest cement producer in Venezuela, based on an installed capacity of 4.6 million tons as of December 31, 2004.

The Venezuelan Cement Industry

Cement consumption in Venezuela grew 31.3% in 2004 compared to 2003 according to the Venezuelan Cement Producer Association as the Venezuelan economy began to recover from Venezuela's political and economic turmoil during 2003. A nation-wide general strike that began in December 2002 caused a significant reduction in oil production and had a material adverse effect on Venezuela's oil-dependent economy in 2003. In 2004, average inflation in Venezuela reached 19.2%, the Venezuelan Bolivar depreciated 20% against the Dollar and gross domestic product (GDP) increased 17.3%. In February 2003, Venezuelan authorities imposed foreign exchange controls and implemented price controls on many products, including cement.

Competition. As of December 31, 2004, the Venezuelan cement industry included five cement producers, with a total installed capacity of approximately 10.1 million tons, according to our estimates. We estimate that CEMEX Venezuela's installed capacity in 2004 represented approximately 46% of that total, almost twice that of its next largest competitor. Our global competitors, Holcim and Lafarge, own controlling interests in Venezuela's second and third largest cement producers, respectively.

In 2004, the ready-mix concrete market accounted for only about 11% of cement consumption in Venezuela, according to our estimates. We believe that Venezuela's construction companies, which typically prefer to install

their own ready-mix concrete plants on-site, are the most significant barrier to penetration of the ready-mix concrete sector, with the result that on-site ready-mix concrete mixing represents a high percentage of total ready-mix concrete production.

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

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.|

[GRAPHIC OMITTED]

As of December 31, 2004, 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 2004 with 30 ready-mix production plants throughout Venezuela.

Distribution Channels

Transport by land is handled partially by CEMEX Venezuela. During 2004, approximately 33% of CEMEX Venezuela's total domestic sales were transported through its own fleet of trucks. CEMEX Venezuela also serves a significant number of its retail customers directly through its wholly-owned distribution centers.

Exports

During 2004, exports from Venezuela represented approximately 30% 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 2004, 75% of our exports from Venezuela were to the United States, and 25% were to the Caribbean.

Description of Properties, Plants and Equipment

As of December 31, 2004, CEMEX Venezuela operated three wholly-owned cement plants, Lara, Mara and Pertigalete, with a combined installed cement capacity of approximately 4.6 million tons. CEMEX Venezuela also operates the Guayana grinding facility with a cement capacity of 375,000 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, one mortar plant and 12 distribution centers. CEMEX Venezuela owns four limestone quarries with reserves sufficient for over 100 years at 2004 production levels.

The Lara and Mara plants and one production line at the Pertigalete plant use the wet process; the other production line at the Pertigalete plant uses the dry process. All the plants use 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, 2004, 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.$13.6 million in 2002, U.S.$10.8 million in 2003 and U.S.$13.6 million in 2004 in our Venezuelan operations. We currently expect to make capital expenditures of approximately U.S.$12.9 million in our Venezuelan operations during 2005.

Our Colombian Operations

Overview

As of December 31, 2004, we owned approximately 99.6% of the ordinary shares of CEMEX Colombia, S.A., or CEMEX Colombia. Our Colombian operations represented approximately 3% of our net sales in 2004.

As of December 31, 2004, CEMEX Colombia was the second-largest cement producer in Colombia, based on installed capacity of 4.8 million tons, according to the Colombian Institute of Cement Producers.

CEMEX Colombia has a significant market share in the cement and ready-mix concrete market in the "Urban Triangle" of Colombia comprising the cities of Bogota, Medellin and Cali. During 2004, these three metropolitan areas accounted for approximately 50% of Colombia's cement consumption. CEMEX Colombia's Ibague plant, which uses the dry process and is strategically located between Bogota, Cali and Medellin, is Colombia's largest and had an installed capacity of 2.5 million tons as of December 31, 2004. 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.

Our Colombian Operating Network

[GRAPHIC OMITTED]

CEMEX Colombia owns quarries with minimum reserves sufficient for over 100 years at 2004 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.

CEMEX Colombia operates its ready-mix concrete business through 22 ready-mix plants. CEMEX Colombia also uses 11 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, 2004, 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, 22 ready-mix concrete plants, one concrete products plant, eight aggregate mines and six aggregates operations.

Capital Investments

We made capital expenditures of approximately U.S.$5.2 million in 2002, U.S.$6.0 million in 2003 and U.S.$9.3 million in 2004 in our Colombian operations. We currently expect to make capital investments of approximately U.S.$6.7 million in our Colombian operations during 2005.

Other South American Investments

Our Equity Investment in Chile

As of December 31, 2004, we held an 11.9% interest in Cementos Bio Bio, S.A., or Cementos Bio Bio, with an installed capacity of approximately 2.3 million tons. On April 26, 2005, we announced the sale of our interest in Cementos Bio Bio. Cementos Bio Bio owns and operates three cement plants and has 24 ready-mix concrete plants.

Central America and the Caribbean

As of and for the year ended December 31, 2004, 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

As of December 31, 2004, we owned a 98.7% interest in CEMEX (Costa Rica), S.A., or CEMEX (Costa Rica). Approximately 1.1 million tons of cement were sold in Costa Rica during 2004, according to Camara de la Construccion de Costa Rica, the Costa Rican construction industry association. The Costa Rican cement market is a predominantly retail market, and we estimate that over three quarters of cement sold is bagged cement.

The Costa Rican cement industry includes two producers, CEMEX (Costa

Rica) and Industria Nacional de Cemento, an affiliate of Holcim. We estimate that the two companies control roughly equal proportions of the market.

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 163,000 tons. During 2004, exports of cement by our Costa Rican operations represented approximately 31% of our total cement production in Costa Rica. In 2004, 45% of our exports from Costa Rica were to Nicaragua, 28% to El Salvador, and 27% to Guatemala.

We made capital expenditures of approximately U.S.$5.2 million in 2002, U.S.$7.1 million in 2003 and U.S.$3.1 million in 2004 in our Costa Rican operations. We currently expect to make capital expenditures of approximately U.S.$3.6 million in our Costa Rican operations during 2005.

Our Dominican Republic Operations

As of December 31, 2004, 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, seven distribution centers and seven ready-mix concrete plants. We also have a 25 year lease arrangement with the Dominican Republic government related to the mining of gypsum, 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 tons of clinker. This new kiln, which would increase our total clinker production capacity in the Dominican Republic to 2.2 million tons per year, is expected to begin operations by the end of 2005. As of December 31, 2004, we have invested approximately U.S.$52 million in this project, and we expect to invest the remaining U.S.$78 million during 2005.

In 2004, Dominican Republic cement consumption reached 2.9 million tons, and some cement imports were necessary to fulfill domestic demand. Cementos Nacionales serves the cement market throughout the Dominican Republic. Its principal competitors are Cementos Cibao, a local competitor, Cemento Colon, an affiliate of Holcim, Cenentos Andinos, a competitor of Colombian origin and Domicen, a competitor of Italian origin.

As of December 31, 2004, 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, Azua and Bavaro.

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 seven ready-mix concrete production plants, three grinding mills with an installed capacity of 2.4 million tons per year, 7 distribution centers located throughout the country and two marine terminals. During 2004, our Dominican Republic clinker production facilities operated at full capacity and our grinding mills operated at 75% capacity.

We made capital expenditures of approximately U.S.$9.0 million in 2002, U.S.$13.4 million in 2003 and U.S.$56.3 million in 2004 in our Dominican Republic operations. We currently expect to make capital investments of approximately U.S.$85.8 million in our Dominican Republic operations during 2005.

Our Panamanian Operations

As of December 31, 2004, we owned a 99.3% interest in Cemento Bayano.

Approximately one million cubic meters of ready-mix concrete were sold in Panama during 2004, according to the General Comptroller of the Republic of Panama (Contraloria General de la Republica de Panama). Panamanian cement consumption increased 17% in 2004, according to our estimates. The Panamanian cement industry includes two cement producers, Cemento Bayano and Cemento Panama, an affiliate of Holcim and Cementos del Caribe.

Our operations in Panama include one dry production process cement plant, with an installed capacity for cement production of approximately 402,000 tons per year. In addition, Cemento Bayano owns and operates eleven ready-mix concrete plants located in Panama City, Colon, Aguadulce, Arraijan and in Chiriqui. In December 2003, Cemento Bayano acquired a new quarry to supply aggregates for its ready-mix operations for approximately U.S.$4 million.

We made capital expenditures of approximately U.S.$3.9 million in 2002, U.S.$7.6 million in 2003 and U.S.$6.3 million in 2004 in our Panamanian operations. We currently expect to make capital expenditures of approximately U.S.$8.5 million in our Panamanian operations during 2005.

Our Nicaragua Operations

CEMEX Nicaragua leases and operates one cement plant with five kilns utilizing the wet production process and an installed milling capacity of 470,000 tons. Since March 2003, we have leased a 100,000 ton milling plant in Managua, which has been used exclusively for pet-coke milling.

According to our estimates, Nicaraguan cement production during 2004 grew 16.9% compared to 2003. The increase was a result of increased public sector investment and increased private investment attributable to an improvement in the perceived business climate.

According to our estimates, approximately 600,000 tons of cement were sold in Nicaragua during 2004. Two market participants compete in the Nicaraguan cement industry: CEMEX Nicaragua and Holcim.

We made capital expenditures of approximately U.S.$3.9 million in 2002, U.S.$4.6 million in 2003 and U.S.$2.8 million in 2004 in our Nicaraguan operations. We currently expect to make capital expenditures of approximately U.S.$8.2 million in our Nicaraguan operations during 2005.

Our Puerto Rico Operations

Our Puerto Rican operations represented approximately 20.7% of our cement sales volumes in the Caribbean region in 2004. As of December 31, 2004, we owned 100% of Puerto Rican Cement Company, Inc., or PRCC.

In 2004, Puerto Rican cement consumption reached 1.8 million tons. PRCC serves the cement market throughout Puerto Rico. The Puerto Rican cement industry in 2004 was comprised of two cement producers, PRCC, and San Juan Cement Co., an affiliate of Italcementi.

Our operations in Puerto Rico include one cement plant utilizing the dry production process, with an installed cement 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.

We made capital expenditures of approximately U.S.$14.8 million in 2002, U.S.$26.0 million in 2003 and U.S.$8.3 million in 2004 in our Puerto Rican operations. We currently expect to make capital investments of approximately U.S.$9.2 million in our Puerto Rican operations during 2005.

Our Other Caribbean Operations

We believe that the Caribbean region holds considerable strategic importance because of its geographic location. Our network of seven marine terminals in the region facilitates exports from our operations in several countries, including Mexico, Venezuela, Costa Rica, Puerto Rico, Spain, Colombia and Panama. Three of our marine terminals are located in the main cities of Haiti, two are in the Bahamas, one is in Bermuda and one is in the Cayman Islands.

Our Trading Operations

We traded more than 10 million tons of cement and clinker in 2004. Approximately 60% of this amount consisted of exports from our operations in Venezuela, Mexico, Egypt, Philippines, Costa Rica, Spain, Puerto Rico and Nicaragua. Approximately 40% was purchased from third parties in countries such as South Korea, China, Turkey, Egypt, Israel, Thailand, Venezuela, Cyprus, Indonesia, Portugal, Spain, Colombia and Tunisia. During 2004, we conducted trading activities in 75 countries.

To enhance our trading operations in the Mediterranean region, we are currently building three grinding mills in Italy, two of which will have an installed capacity of approximately 750 thousand tons per year and the third of which will have an installed capacity of 450 thousand tons per year. Two mills [are expected to begin] operating during the second quarter of 2005, while the third mill, with an installed capacity of 450 thousand tons per year, is expected to start operating in 2006. With respect to these operations, we made capital investments of approximately U.S.$13 million during 2003 and approximately U.S.$33 million during 2004. We currently expect to make capital investments of approximately U.S.$44 million in Italy during 2005.

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

RMC traded around 3 million tons of cement and clinker during 2004. Approximately 60% of this amount was traded among its subsidiaries and the remaining 40% was purchased from third parties not affiliated with RMC or CEMEX.

Description of RMC Operations

Set forth below is a brief description of RMC's world-wide operations, which include significant operations in the United Kingdom, the United States, Germany and France, as well as operations in other countries in Europe and the rest of the world. As described above, we completed our acquisition of RMC on March 1, 2005, and we are currently involved in the post-merger integration process for these operations.

The revenue information set forth below with respect to RMC's operations for the year ended December 31, 2004 has been derived from RMC's audited annual financial statements for 2004. RMC's financial statements were prepared by RMC in accordance with U.K. GAAP, which differs in significant respects from Mexican GAAP.

For the year ended December 31, 2004, RMC's revenues from continuing

operations, before revenues from unconsolidated joint ventures and associated entities of approximately (pound)351.7 million, were (pound)4,121.1 million.

As of the date of this annual report, we have not finalized our budget for capital expenditures related to RMC's operations for 2005. However, we do not expect RMC-related capital expenditures to exceed U.S. $450 million in 2005.

United Kingdom

Overview

RMC is a leading provider of building materials in the United Kingdom with vertically integrated cement, ready-mix concrete and aggregates operations. RMC is also an important asphalt producer in the United Kingdom, with a significant share of the roof tile, concrete-block paving, and concrete-block segments.

For the year ended December 31, 2004, RMC's operations in the United Kingdom generated revenues of approximately (pound)1,071 million.

The U.K. Cement Industry

According to Cembureau, the representative organization of the cement industry in Europe, total construction output in the U.K. grew 3.5% in 2004 compared to 2003. The increase in total construction output in 2004 was primarily driven by an increase in residential construction. In addition, total cement consumption remained flat at approximately 13.6 million tons.

Competition

RMC's primary competitors in the U.K. are Lafarge, Castle, Hanson, Tarmac and Aggregate Industries, each with varying regional and product strengths. The high-volume south-eastern market is well-served by RMC's raw-material sources and manufacturing plants.

RMC's U.K. Operating Network

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Description of Properties, Plants and Equipment

As of December 31, 2004, RMC operated three cement plants located in the United Kingdom, with an installed cement capacity of 2.7 million tons per year. RMC also operated 323 ready-mix concrete plants and 134 aggregate quarries in the United Kingdom. RMC also owns a grinding mill and six marine import terminals in the United Kingdom. In addition, RMC has operating units dedicated to the asphalt, block, tile and paving businesses in the United Kingdom.

United States

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

Germany

Overview

RMC is a leading provider of building materials in Germany, with vertically integrated cement, ready-mix concrete and aggregates operations. RMC maintains a nationwide network for ready-mix concrete and aggregates in Germany. RMC's German operations provide its customers with high-quality raw materials, versatile concrete products, and intelligent building solutions.

For the year ended December 31, 2004, RMC's operations in Germany generated revenues of approximately (pound)570 million.

The German Cement Industry

According to Cembureau, total construction in Germany declined 17% in 2004 compared to 2003. The decrease was primarily driven by a decrease in non-residential construction. Total cement consumption in 2004 was 28 million tons, a decline of 3% compared to 2003.

Competition

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

RMC's German Operating Network

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Description of Properties, Plants and Equipment

As of December 31, 2004, RMC operated three cement plants in Germany, with an installed cement capacity of 6.4 million tons per year. RMC also operated three cement grinding mills, 182 ready-mix concrete plants, 44 aggregate quarries and two land terminals in Germany.

France

Overview

RMC is a leading ready-mix concrete producer in France. RMC is also a leading producer of aggregates in France and transports a significant quantity of materials by waterway.

For the year ended December 31, 2004, RMC's operations in France generated revenues of approximately (pound)432 million.

The French Cement Industry

According to Cembureau, total construction output in France grew by 3.3% in 2004 compared to 2003. The increase was primarily driven by an increase in residential construction. Cement consumption grew 3.0% to 21.3 million tons compared to the prior year.

Competition

RMC's main competitors in the ready-mix market in France include Lafarge, Holcim, Italcementi and Vicat. RMC's main competitors in the aggregates market in France include Lafarge, Italcementi, Colas and Eurovia. Many of RMC's major competitors benefit from manufacturing their own supply of cement within France, while RMC must rely on third party cement producers in

France.

Description of Properties, Plants and Equipment

As of December 31, 2004, RMC operated 223 ready-mix concrete plants in France, one maritime cement terminal located in LeHavre, on the northern coast of France, and 48 aggregates quarries.

Rest of Europe

For the year ended December 31, 2004, RMC's operations in the rest of Europe, which consist of its operations in 13 European countries other than the U.K., Germany and France, generated revenues of approximately (pound)918 million.

In Austria, RMC is a leading participant in the concrete, pumping, aggregates and pre-cast concrete markets and also produces ready-mix concrete and admixtures. RMC operates 38 ready-mix concrete plants and 26 aggregate quarries in Austria.

RMC is the largest cement producer in Croatia based on installed capacity. Its three cement plants, with an installed capacity of 2.6 million tons per year, and six cement terminals serve predominantly the coastal and the central northwest region of the country. RMC's ready-mix concrete operations in Croatia are located in the western part of the country with two ready-mix facilities and an aggregates quarry.

RMC is a leading provider of building materials in Poland serving the cement, ready-mix concrete and aggregates markets. RMC operates two cement plants in Poland, with a total installed cement capacity of 3.1 million tons per year. RMC operates two grinding mills, three aggregates quarries, and 28 ready-mix concrete plants in Poland.

RMC is Latvia's only cement producer and operates one cement plant with an installed cement capacity of 0.4 million tons per year. RMC is a leading ready-mix producer and supplier in Latvia with three ready-mix concrete plants. RMC's Latvian operations also produce other concrete products and limestone flour.

RMC is a leading producer of ready-mix concrete and aggregates markets in the Czech Republic where it operates 46 ready-mix concrete plants and seven aggregates quarries. RMC also distributes cement in the Czech Republic and operates two cement grinding mills, with an installed milling cement capacity of 336 thousand tons per year, and one cement terminal.

RMC's operations in Ireland produce and deliver sand, stone and gravel as well as ready-mix concrete, mortar, and concrete products. RMC owns 44 ready-mix concrete plants and 23 aggregate quarries in Ireland. RMC is also involved in the production and distribution of pre-cast, pre-stressed and architectural pre-cast products for distribution throughout Ireland. In addition, RMC is involved in waste management in Northern Ireland and owns three maritime cement terminals for cement importation and distribution for Northern Ireland and the Isle of Man.

RMC has aggregates and ready-mix concrete operations in Spain, Hungary and Portugal. In addition, RMC operates 18 ready-mix concrete plants in Denmark. In Finland, Norway and Sweden, RMC, through Embra, a leading bulk-cement importer in the Nordic region, operates 11 maritime cement terminals.

Rest of the World

For the year ended December 31, 2004, RMC's operations outside the

United Kingdom, the United States and Europe, generated revenues of approximately (pound)195 million.

RMC is a leading producer and supplier of raw materials for the construction industry in Israel. In addition to ready-mix concrete products, RMC produces a diverse range of building materials and infrastructure products in Israel. RMC operates 62 ready-mix concrete plants and 13 aggregates quarries in Israel.

In the United Arab Emirates (UAE), RMC operates 16 ready-mix concrete plants serving the markets of Dubai, Abu Dhabi, Ras Al Khaimah and Sharjah. In addition, RMC operates an aggregates quarry in the UAE.

RMC is a leading ready-mix concrete producer in Malaysia, with a significant share in the country's major urban hubs. RMC operates 26 ready-mix concrete plants and five aggregates quarries in Malaysia.

RMC's ready-mix concrete operations in Argentina, consist of three ready-mix concrete plants. In Jamaica, RMC has operations related to the production of calcined lime.

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 of approximately 3.7%. As a result of the North American Free Trade Agreement, or NAFTA, as of January 1, 1998, the tariff on cement imported into Mexico from the United States or Canada was eliminated. However, a tariff in the range of 13% ad valorem will continue to be imposed on cement produced in all other countries unless tariff reduction treaties are implemented or the Mexican government unilaterally reduces that tariff. While the reduction in tariffs could lead to increased competition from imports in our Mexican markets, we anticipate that the cost of transportation from most producers outside Mexico to central Mexico, the region of highest demand, will remain an effective barrier to entry.

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. We are currently evaluating the impact of the European Union directives on RMC's European 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 protection agency in charge of the voluntary environmental auditing program, the Procuraduria Federal de Proteccion al Ambiente, or PROFEPA, which is part of SEMARNAT, completed auditing our 15 cement plants and awarded all our plants, including our Hidalgo plant, a Certificado de Industria Limpia, Clean Industry Certificate, certifying that our plants are in compliance with environmental laws. The Clean Industry Certificates are strictly renewed every two years. As of the date of this annual report, 14 of the cement plants have a Clean Indusrty Certificate. The Certificates for Atotonilco, Huichapan, Merida, Yaqui, Hermosillo, Tamuin, Valles and Zaptoltic were renewed in 2004; the Certificates for Barrientos, Torreon

and Guadalajara are scheduled to be renewed in 2005; and the Certificates for Monterrey, Ensenada and Tepeaca are scheduled to be renewed in 2006. The Certificate of the Hildalgo plant has expired, and since the plant is no longer in operation, the Certificate will not be renewed. For over a decade, the technology for recycling used tires into an energy source has been employed in our Ensenada and Huichapan plants. Our Monterrey and Hermosillo plants started using tires as an energy source in September 2002 and November 2003, respectively. In 2004, our Yaqui, Tamuin, Guadalajara and Barrientos plants also started using tires as an energy source. Municipal collection centers in Tijuana, Mexicali, Ensenada, Mexico City, Reynosa, Nuevo Laredo and Guadalajara currently enable us to recycle an estimated 10,000 tons of tires per year. During 2004, the Ensenada, Yaqui, Hermosillo, Guadalajara, Zapotiltic, Merida, Monterrey, Torreon, Valles, Tamuin, Barrientos, Atotonilco, Tepeaca and Huichapan plants substituted with alternative fuels approximately 5.76%, 3.43%, 2.65%, 0.74%, 0.03%, 2.56%, 1.34%, 6.02%, 0.02%, 1.26%, 4.75%, 0.58%, 0.01% and 3.90%, respectively, of their total fuel used. Overall, approximately 1.98% of the total fuel used in the 14 cement plants was comprised of alternative substituted fuels.

Between 1999 and 2004, our Mexican operations have invested in the acquisition of environmental protection equipment and the implementation of the ISO 14001 environmental management standards of the International Organization for Standardization, or ISO. Currently, our 14 operating cement plants in Mexico and an aggregates plant in Monterrey have the ISO 14001

certification for environmental management systems.

As of December 31, 2004, 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 our 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 ITC 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. In January 2005, a NAFTA Panel was formed to review the ITC's sunset

review determination. On April 7, 2005, the NAFTA Panel heard oral arguments, but had not issued its determination as of the date of this annual report.

On May 21, 1991, U.S. producers of gray cement and clinker filed petitions with the Department of Commerce and the ITC claiming that imports of gray cement and clinker from Venezuela were subsidized by the Venezuelan government and were being dumped into the U.S. market. The producers asked the U.S. government to impose anti-dumping and countervailing duties on these imports. The Commerce Department initially found that CEMEX Venezuela had a dumping margin of 49.2%. Rather than proceeding with the final Commerce Department and ITC determinations, CEMEX Venezuela and the Commerce Department entered into an Anti-Dumping Suspension Agreement on February 11, 1992. Under the Anti-Dumping Suspension Agreement, CEMEX Venezuela agreed not to sell gray cement or clinker in the United States at a price less than the "foreign market value." On October 5, 2000, the ITC determined that terminating the Anti-Dumping Suspension Agreement involving imports from Venezuela would not likely lead to a continuation or recurrence of injury to the U.S. market, and voted to terminate such agreement. Consequently, on November 8, 2000, the Commerce Department issued a notice terminating the Anti-Dumping Suspension Agreement covering imports of cement from Venezuela. On July 28, 2003, the United States Court of International Trade, or CIT, upheld the Commerce Department's decision to terminate the Suspension Agreement. The U.S. cement industry appealed the decision of the Court of International Trade to the Court of Appeals for the Federal Circuit. On December 14, 2004, the Court of Appeals for the Federal Circuit upheld the CIT's decision affirming the Commerce Department's termination of the Suspension Agreement. Thus, all litigation involving the Venezuelan Suspension Agreement has been completed and imports of cement from Venezuela are free of all antidumping restrictions.

U.S. Anti-Dumping Rulings--Mexico

Our exports of Mexican gray cement from Mexico to the United States are subject to an anti-dumping order that was imposed by the Commerce Department on August 30, 1990. Pursuant to this order, firms that import gray Portland cement from our Mexican operations in the United States must make cash deposits with the U.S. Customs Service to guarantee the eventual payment of anti-dumping duties.

Mexican importers' deposits are being liquidated in stages, as appeals are exhausted for each annual review period. When the final anti-dumping rate for any review period causes the amount due to exceed the amount that was deposited, the Mexican importers are required to pay the difference with interest. When the final anti-dumping rate for any review period is lower than the amount that was deposited, the U.S. Customs Service refunds the difference, with interest, to the Mexican importers.

As of December 31, 2004, CEMEX Corp., as the parent company of our U.S. subsidiaries that import Mexican cement into the United States, had accrued liabilities of U.S.$103.6 million, including accrued interest, for the difference between the amount of anti-dumping duties paid on imports and the latest findings by the Commerce Department in its administrative reviews.

The Commerce Department has published its final dumping determinations for the first, second, third, fourth, fifth and seventh review periods. The Commerce Department's final results of its final determinations for the sixth, eighth, ninth, tenth, eleventh, twelfth and thirteenth review periods have also been published, but have been suspended pending review by NAFTA panels.

On October 20, 2003, the NAFTA Extraordinary Challenge Committee upheld the NAFTA Panel reviewing the final results of the fifth administrative review, covering the period August 1, 1994 -- July 1, 1995. The NAFTA Panel upheld the Commerce Department's remand results which lowered the antidumping duty margin for imports during the fifth review period to 44.9% ad valorem. The Customs Service has completed liquidating entries of cement from Mexico made during the fifth review period.

On November 25, 2003, the NAFTA Panel reviewing the final results of the seventh review period upheld the Commerce Department's remand results of the seventh review period. The remand results lowered the antidumping margin for imports made during the seventh review period to 37.3% ad valorem. The Customs Service has begun liquidating all entries of cement from Mexico made during the seventh review period.

On September 16, 2003, the Commerce Department issued its final determination covering the twelfth review period, commencing on August 1, 2001 and ending on July 31, 2002. The Commerce Department determined that the antidumping margin was 80.75% ad valorem. The final results for the twelfth review period established a cash deposit rate for imports of gray Portland cement and cement clinker from Mexico made on or after September 16, 2003. The cash deposit rate was established at $52.41 per ton, which remained in effect until the final results of the thirteenth review period were published.

The latest final determination by the Commerce Department covering the thirteenth review period, commencing on August 1, 2002 and ending on July 31, 2003, was issued on December 29, 2004. The Commerce Department determined that the antidumping margin was 54.97% ad valorem. The final results for the thirteenth review period set the cash deposit rate for imports of gray Portland cement and cement clinker from Mexico made on or after December 29, 2004. The cash deposit rate was set at $32.85 per ton, which will remain in effect until the final results of the fourteenth review period are published.

The status of each period still under review or appeal is as follows:

Period	Cash Deposits	Status
8/1/95-7/31/96	61.85% (effective 5/5/1997)	37.49% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/97-7/31/98	73.69%, 35.88% and 37.49% (effective 5/4/1998)	45.98% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/98-7/31/99	37.49%, 49.58% (effective 3/17/1999)	38.65% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/99-7/31/00	49.58%, 45.98% (effective 3/16/2000)	50.98% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/00-7/31/01	49.58%, 38.65% (effective 5/14/2001)	73.74% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/01-7/31/02	38.65%, 50.98% (effective 3/19/2002)	80.75% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/02 - 7/31/03	50.98%, 73.74% (effective 1/14/2003)	54.97% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA Panel.
8/1/03 - 7/31/04	73.74%, U.S.$52.41 per ton (effective 10/15/2003)	Subject to review by the Commerce Department.
8/01/04 - to date	U.S.$52.41 per ton, U.S.$32.85 per ton (effective 12/29/2004)	Subject to review by the Commerce Department.

Anti-Dumping in Taiwan

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

In July 2001, the MOF informed the petitioners and the respondent producers in exporting countries that a formal investigation had been initiated. Among the respondents in the petition are APO, Rizal and Solid, indirect subsidiaries of CEMEX.

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

In July 2002, the MOF notified the respondent producers that a dumping duty would be imposed on Portland cement and clinker imports from the Philippines and South Korea commencing from July 19, 2002. The duty rate imposed on imports from APO, Rizal and Solid was 42%.

In September 2002, APO, Rizal and Solid filed before the Taipei High Administrative Court an appeal in opposition to the anti-dumping duty imposed by the MOF. In August 2004, we received a copy of the decision of the Taipei Administrative High Court, which was adverse to our appeal. The decision has since become final.

Tax Matters

As of December 31, 2004, 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 Ps3,638.6 million. The tax assessments are based primarily on: (i) recalculations of the inflationary tax deduction, since the tax authorities claim that "Advance Payments to Suppliers" and "Guaranty Deposits" are not by their nature credits, (ii) disallowed restatement of tax loss carryforwards in the same period in which they occurred, (iii) disallowed determination of tax loss carryforwards, and (iv) disallowed amounts of business asset tax, commonly referred to as BAT, creditable against the controlling entity's income tax liability on the grounds that the creditable amount should be in proportion to the equity interest that the controlling entity has in its relevant controlled entities. We have filed an appeal for each of these tax claims before the Mexican federal tax court, and the appeals are pending resolution.

As of December 31, 2004, the Philippine Bureau of Internal Revenue, or BIR, assessed APO and Solid, our operating subsidiaries in Philippines, for deficiencies in the amount of income tax paid in prior tax years amounting to a total of approximately PhP3,069.1 million (approximately U.S.$54.8 million as of December 31, 2004, based on an exchange rate of PhP56.702 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on December 31, 2004 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The tax assessments result primarily from: (i) the disallowance of APO's income tax holiday related income from 1998 to 2001; and (ii) deficiencies in national taxes paid by APO for the 1999 tax year and by Solid for the 2000 tax year. In the first case, we have contested the BIR's assessment with the Court of Tax Appeal, or CTA. In the second case, both APO and Solid continue to submit relevant evidence to the BIR to contest these assessments and intend to contest these assessments with the CTA in case the BIR issues a final collection letter. In addition, Solid's 1998 tax year and APO's 1997 and 1998 tax years are under preliminary review by the BIR for deficiency in the payment of taxes. As of the date of this annual report, the finalization of these assessments was held in abeyance by the BIR as APO and Solid continue to present evidence to dispute its findings. We believe that these assessments will not have a material adverse effect on us. However, an adverse resolution of these assessments could have a material adverse effect on our results of operations in the Philippines.

Other Legal Proceedings

In May 1999, several companies filed a civil liability suit in the civil court of the circuit of Ibague, Colombia, against two of our Colombian subsidiaries, alleging that these subsidiaries were responsible for deterioration of the rice production capacity of the land of the plaintiffs caused by pollution from our cement plants located in Ibague, Colombia. On January 13, 2004, CEMEX Colombia was notified of the judgment the court entered against CEMEX Colombia which awarded damages to the plaintiffs in the amount of CoP21,114 million (U.S.$9.09 million as of February 28, 2005, based

on an exchange rate of CoP2,323.77 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on February 28, 2005 as published by the Banco de la Republica de Colombia, the central bank of Colombia). On January 15, 2004 CEMEX Colombia, appealed the judgment. The appeal was admitted and the case was sent to the Tribunal Superior de Ibague, where CEMEX Colombia filed, on March 23, 2004, a statement of the arguments supporting its

appeal. The case is currently under review by the appellate court. We expect this proceeding to continue for several years before final resolution.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs content that these subsidiaries are responsible for alleged damages caused by breach of raw material transportation contracts. The plaintiffs asked for relief in the amount of CoP127,242 million (U.S.$54.76 million as of February 28, 2005). This proceeding has reached the evidentiary stage. Typically, proceedings of this nature continue for several years before final resolution.

As of December 31, 2004, CEMEX, Inc. had accrued liabilities specifically relating to environmental matters in the aggregate amount of U.S.$28.3 million. The environmental matters relate to (i) the disposal of various materials in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, in regard to the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters in excess of the amounts previously recorded. Until all environmental studies, investigations, remediation work, and negotiations with or litigation against potential sources of recovery have been completed, the ultimate cost that might be incurred to resolve these environmental issues cannot be assured.

In March 2003, a lawsuit was filed in the Indonesian province of West Sumatra in the Padang District Court against (i) Gresik, an Indonesian cement producer in which 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.

In addition to the case outlined in the preceding paragraph, there are two other formal legal proceedings relating to the change of management at PT Semen Padang in May 2003. In one case, filed by the Employees' Cooperative of PT Semen Padang, the District Court of Padang ruled that the replacement of management at PT Semen Padang was legally valid. An appeal of that decision by the former management is currently pending before the High Court for West Sumatra. In the other proceeding, certain members of the former management of PT Semen Padang have filed a request for consideration with the Supreme Court

in regard to its decision in March 2003 to permit the general meeting of shareholders of PT Semen Padang which led to the replacement of the former management. This request is still pending.

After the failure of several attempts to reach a negotiated or mediated solution to these problems involving Gresik, on December 10, 2003, CAH filed a request for arbitration against the Republic of Indonesia and the Indonesian government before the International Centre for Settlement of Investment Disputes, or ICSID, based in Washington D.C. CAH is seeking, among other things, rescission of the purchase agreement entered into with the Republic of Indonesia in 1998, plus repayment of all costs and expenses, and compensatory damages. ICSID has accepted and registered CAH's request for arbitration and issued a formal notice of registration on January 27, 2004. On May 10, 2004, an Arbitral Tribunal was established to hear the dispute. The Indonesian government has objected to the Tribunal's jurisdiction over the claims asserted in CAH's request for arbitration, and a hearing to resolve these jurisdictional objections is expected to take place during 2005. We cannot predict what effect, if any, this action will have on our investment in Gresik, how the Tribunal will rule on the Indonesian government's jurisdictional objections or the merits of the dispute, or the time-frame in which the Tribunal will rule. 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.

During 2004, four lawsuits filed in protection of the public interest, which include a subsidiary of CEMEX Colombia as a codefendant, were filed; the first was filed on April 14 and the last was filed on December 16. The plaintiffs argue that the use of a base material sold by the ready-mix industry resulted in premature distress of the roads built for the mass public transportation system of Bogota. The lawsuits allege that the base material supplied by CEMEX Colombia and the other suppliers failed to meet technical standards offered by the producers (quality deficiencies) and/or that they provided insufficient or inaccurate information in connection with the product. The four lawsuits seek the repair of the road in a manner which guarantees its service during the 20-year period for which it was originally designed. However, the lawsuits do not estimate the alleged damages, in this case, cost of repairs. CEMEX Colombia has vigorously defended itself and will continue to do so. One of the lawsuits was dismissed based on arguments presented to the court by CEMEX Colombia; each of the others are in the initial stage of proceedings. CEMEX Colombia has timely contested each of the lawsuits of which have been notified. At this early stage it is not possible to estimate the potential damages or the portion thereof which could be borne by CEMEX Colombia. Typically, proceedings of this nature continue for several years before final resolution.

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

Cautionary Statement Regarding Forward Looking Statements

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

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

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

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.

Overview

The following discussion should be read in conjunction with our consolidated financial statements included elsewhere in this annual report. These financial statements do not reflect the consolidation of RMC, which occurred on March 1, 2005, or asset sales subsequent to December 31, 2004. Our financial statements have been prepared in accordance with Mexican GAAP, which differ in significant respects from U.S. GAAP. See note 24 to our consolidated financial statements, included elsewhere in this annual report, for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to us.

Mexico experienced annual inflation rates of 5.6% in 2002, 3.9% in 2003 and 5.4% in 2004. 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, 2004. They have been restated using the CEMEX weighted average inflation factors, as explained in note 3B to our consolidated financial statements included elsewhere in this annual report.

The percentage changes in cement sales volumes described in this annual report for our operations in a particular country include the number of s 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, 2002, 2003, and 2004 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, with different levels of fluctuation in exchange rates, inflation and interest rates. These economic factors may affect our results of operations and financial condition depending upon the depreciation or appreciation of the exchange rate of each country 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, 2004, except percentages)											
Net Sales For the Period Ended:												
December 31, 2002	34%	24%	14%	4%	3%	2%	2%	7%	10%	88,383	(8,658)	79,725
December 31, 2003	34%	22%	16%	4%	3%	2%	2%	8%	9%	93,331	(7,778)	85,553
December 31, 2004	33%	22%	16%	4%	3%	2%	2%	8%	10%	99,045	(8,261)	90,784
Operating Income For the Period Ended:												
December 31, 2002	72%	21%	18%	8%	6%	1%	--	7%	-33%	15,967	--	15,967
December 31, 2003	70%	14%	18%	7%	6%	2%	--	7%	-24%	17,377	--	17,377
December 31, 2004	60%	16%	18%	6%	6%	3%	1%	9%	-16%	20,628	--	20,628
Total Assets at:												
December 31, 2002	24%	19%	9%	3%	3%	2%	4%	5%	31%	278,868	(84,714)	194,154
December 31, 2003	22%	18%	14%	3%	3%	2%	3%	5%	30%	272,444	(81,194)	191,250
December 31, 2004	23%	16%	12%	3%	3%	2%	3%	5%	33%	274,977	(81,354)	193,623

Critical Accounting Policies

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

Income Taxes

Our operations are subject to taxation in many different jurisdictions throughout the world. Under Mexican GAAP, we recognize deferred tax assets and liabilities using a balance sheet methodology, which requires a determination of the permanent and temporary differences between the financial statements carrying amounts and the tax basis of assets and liabilities. Our worldwide tax position is highly complex and subject to numerous laws that require interpretation and application and that are not consistent among the countries in which we operate. 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 in the exchange rate of the Mexican Peso against other currencies resulting from such inflation is not immediate and may take several months, if it occurs at all. In this situation, the value expressed in the consolidated financial statements for fixed assets of foreign origin will be understated in terms of Mexican inflation, given that the restatement factor arising from the inflation of the assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the Mexican Peso will not offset the Mexican inflation.

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

Foreign currency translation

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

In the event of an abrupt and deep depreciation of the Mexican Peso against the U.S. Dollar, which would not be aligned with a corresponding inflation of the same magnitude, the carrying amounts of the Mexican assets, when presented in convenience translation into U.S. Dollars, will show a

decrease in value, in terms of Dollars, by the difference between the rate of depreciation against the U.S. Dollar and the Mexican inflation rate.

Derivative financial instruments

As mentioned in note 3N to our consolidated financial statements included elsewhere in this annual report, in compliance with the guidelines established by our risk management committee, we use derivative financial instruments such as interest rate and currency swaps, currency and stock forward contracts, options and futures, in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements 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 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 our debt or equity instruments. In other cases, although some derivatives complement 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

for transactions that we designate and that meet several hedging requirements (see note 3N 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 12 and 17 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 determined for us and 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, book values related to the non-recoverable assets are adjusted and charged to the income statement through an increase in the doubtful accounts reserve or the inventory obsolescence reserve, as appropriate. These determinations require substantial management judgment and are highly complex when considering the various countries in which we have operations, each having its own economic circumstances that require continuous monitoring, and our numerous plants, deposits, warehouses and quarries. As a result, final losses from doubtful accounts or inventory obsolescence could differ from our estimated reserves.

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

For the periods ended December 31, 2002, 2003 and 2004, our

consolidated results reflect the following transactions:

- On September 27, 2004, in connection with a public offer to purchase RMC's outstanding shares, CEMEX UK Limited, our indirect wholly-owned subsidiary, acquired 50 million shares of RMC for approximately (pound)432 million (U.S.$786 million, based on a Pound/Dollar exchange rate of (pound)0.5496 to U.S.$1.00 on September 27, 2004), which represented approximately 18.8% of RMC's outstanding shares. The acquisition of the remaining 81.2% of RMC, which as of December 31, 2004 was subject to clearances by several regulatory agencies, was consummated on March 1, 2005.

- In August 2004, we acquired 6.83% (695,065 shares) of equity in CEMEX Asia Holdings, Ltd., or CAH, a subsidiary originally created to co-invest with institutional investors in Asian cement operations for approximately U.S.$70 million. In addition, in 2004, 1,398,602 CAH shares were exchanged for 27,850,713 CPOs with an approximate value of U.S.$172 million (Ps1,916.0 million). In 2003, 84,763 CAH shares were exchanged for 1,683,822 CPOs, with an approximate value of U.S.$7.8 million (Ps93.2 million). In July 2002, we increased our equity interest in CAH to 77.7%. Exchanges during 2003 and 2004 resulted from agreements entered into on July 12, 2002, through which, in 2003, 1,483,365 CAH shares were acquired by a forward exchange requiring delivery of 28,195,213 CPOs. In April 2003, the original settlement date was modified regarding 1,398,602 CAH shares which were acquired during 2004. In 2002, 25,429 CAH shares were acquired for U.S.$2.3 million. For accounting purposes, the 1,483,365 CAH shares have been consolidated since July 2002, recognizing an account payable of U.S.$140 million, equivalent to the price of 28,195,213 CPOs as of the date of the exchange agreements. In 2004, we recorded a loss in stockholders' equity of approximately Ps1,000.4 million representing the excess in the price paid over the book value of the CAH shares held by minority interests. Through the transactions mentioned above, our stake in CAH increased to 99.1%.

- 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. Located in Dixon, Illinois, the single cement facility has an annual production capacity of 560,000 tons. This cement plant was sold on March 31, 2005 as part of the U.S. asset sale described elsewhere in this document.

- 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.

- In July 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.

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, 2002, 2003, and

2004 expressed as a percentage of net sales.

	Year Ended December 31,		
	2002	2003	2004
Net sales	100.0	100.0	100.0
Cost of sales	(55.9)	(57.6)	(56.3)
Gross profit	44.1	42.4	43.7
Operating expenses:			
Administrative	(12.6)	(11.1)	(10.2)
Selling	(11.5)	(11.0)	(10.8)
Total operating expenses	(24.1)	(22.1)	(21.0)
Operating income	20.0	20.3	22.7
Net comprehensive financing income (cost):			
Financial expense	(5.1)	(5.3)	(4.6)
Financial income	0.7	0.2	0.3
Foreign exchange gain (loss), net	(1.2)	(2.4)	(0.3)
Gain (loss) on valuation of marketable securities and other Investments	(4.8)	(0.8)	1.5
Monetary position gain	5.4	4.6	4.7
Net comprehensive financing income (cost)	(5.0)	(3.7)	1.6
Other expenses, net	(5.9)	(6.4)	(5.9)
Income before income tax, business assets tax, employees' Statutory profit sharing and equity in income of affiliates	9.1	10.2	18.4
Income tax and business assets tax, net	(0.8)	(1.3)	(2.3)
Employees' statutory profit sharing	(0.2)	(0.2)	(0.4)
Total income taxes, business assets tax and employees' statutory Profit sharing	(1.0)	(1.5)	(2.7)
Income before equity in income of affiliates	8.1	8.7	15.7
Equity in income of affiliates	0.5	0.5	0.6
Consolidated net income	8.6	9.2	16.3
Minority interest net income	0.6	0.4	0.3
Majority interest net income	8.0	8.8	16.0

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

Overview

Summarized in the table below are the percentage (%) increases (+) and decreases (-) in 2004 compared to 2003 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:

	Net Sales			Domestic Sales Volumes		Export Sales Volumes	Average Domestic Prices in local currency	
Country	Variations in local currency	Approximate currency fluctuations, net of inflation effects	Variations in constant Mexican Pesos	Cement	Ready-Mix	Cement	Cement	Ready-Mix
Mexico	+4.5%	-0.9%	+3.6%	+2%	+16%	+37%	-3%	-1%
United States	+14.0%	-7.6%	+6.4%	+9%	+8%	N/A	+5%	+11%
Spain	+5.6%	+0.4%	+6.0%	+3%	+2%	-23%	+3%	+5%
Venezuela	+10.6%	-8.1%	+2.5%	+20%	+13%	+26%	-12%	-2%
Colombia	+11.7%	-8.1%	+3.6%	+8%	+13%	N/A	-8%	+8%
Central America and the Caribbean	+4.7%	+3.6%	+8.3%	Flat	-1%	N/A	+7%	+5%

Philippines	+19.8%	-14.5%	+5.3%	-2%	-95%	-49%	+35%	-14%	
Egypt	+42.3%	-10.8%	+31.5%	-6%	+86%	+173	+32%	13%	

N/A = Not Applicable

On a consolidated basis, our cement sales volumes increased approximately 2%, from 64.7 million tons in 2003 to 65.8 million tons in 2004, and our ready-mix concrete sales volumes increased approximately 10%, from 21.7 million cubic meters in 2003 to 23.9 million cubic meters in 2004. Our net sales increased approximately 6% from Ps85,553 million in 2003 to Ps90,784 million in 2004, and our operating income increased approximately 19% from Ps17,377 million in 2003 to Ps20,628 million in 2004.

Net Sales

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

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

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

United States

Our United States operations' cement sales volumes, which include cement purchased from our other operations, increased approximately 9% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 8% over the same period. The increases in sales volumes are primarily attributable to strong demand from the residential sector due to a low interest rate environment and from the cement-intensive public works sector,

as well as favorable weather conditions during December. The industrial and commercial sectors, which declined in 2003, made a strong recovery and grew in 2004. The average sales price of cement increased approximately 5% in Dollar terms during 2004 compared to 2003, and the average price of ready-mix concrete increased approximately 11% during the same period. For the year ended December 31, 2004, sales of ready-mix concrete in the U.S. represented approximately 27% of our U.S. operations' total net sales.

As a result of the increases in cement and ready-mix concrete sales volumes and the increases in average cement and ready-mix prices, net sales in the United States, in U.S. Dollar terms, increased approximately 14% in 2004 compared to 2003.

Spain

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

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

Venezuela

Our Venezuelan operations' domestic cement sales volumes increased approximately 20% in 2004 compared to 2003, while ready-mix concrete sales volumes also increased approximately 13% during the same period. The increases in sales volumes and ready-mix concrete sales volumes were mainly driven by the self-construction and commercial sectors, while government spending remained stable. Construction in the private sector is increasing as confidence in the economy recovers.

Our Venezuelan operations' cement export volumes, which represented 56% of our Venezuelan cement sales volumes in 2004, increased approximately 26% in 2004 compared to 2003. The increase in cement export volumes was due to increases in sales to the United States, Guadalupe, Haiti, Martinique and Panama. Of our Venezuelan operations' total cement export volumes during 2004, 74.6% was shipped to the United States and 25.4% to the Caribbean and South America. For the year ended December 31, 2004, sales of ready-mix concrete in Venezuela represented approximately 20% of our Venezuelan operations' total net sales.

Our Venezuelan operations' average domestic sales price of cement decreased approximately 12% in Bolivar terms in 2004 compared to 2003, while the average domestic sales price of ready-mix concrete decreased approximately 2% in Bolivar terms over the same period.

As a result of the growth in domestic cement and ready-mix sales volumes, net sales in Venezuela, in Bolivar terms, increased approximately 11% in 2004 compared to 2003.

Colombia

Our Colombian operations' domestic cement sales volumes increased approximately 8% in 2004 compared to 2003, and ready-mix concrete sales volumes increased approximately 13% during the same period. The increases in sales volumes were primarily a result of increased demand from the commercial sector and, to a lesser extent, from the residential sector. Our Colombian operations' average sales price of cement decreased 8% in Colombian Peso terms in 2004 compared to 2003, while the average domestic sales price of ready-mix concrete increased approximately 8% in Colombian Peso terms over the same period. For the year ended December 31, 2004, sales of ready-mix concrete in Colombia represented approximately 36% of our Colombian operations' total net sales.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and the increase in the average sales price of ready-mix concrete, partially offset by the decrease in the average sales price of cement, net sales in Colombia, in Colombian Peso terms, increased approximately 12% in 2004 compared to 2003.

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 remained flat in 2004 compared to 2003. Our Caribbean region trading operations' cement sales volumes increased approximately 7% in 2004 compared to 2003, primarily as a result of sales to Panama and Guadaloupe. Our Central American and Caribbean operations' ready-mix concrete sales volumes decreased approximately 1% in 2004 compared to 2003, primarily due to a decrease in sales in the Dominican Republic. For the year ended December 31, 2004, sales of ready-mix concrete in Central America and the Caribbean represented approximately 16% of our Central American and Caribbean operations' total net sales.

Our Central American and Caribbean operations' average domestic cement sales price increased approximately 7% in Dollar terms in 2004 compared to 2003, while the average ready-mix concrete sales price increased approximately 5% in Dollar terms over the same period.

As a result of the increases in domestic cement and ready-mix concrete sales average price, net sales in our Central American and Caribbean region, in Dollar terms, increased approximately 5% in 2004 compared to 2003, due in part to the appreciation of the Dominican peso.

The Philippines

Our Philippine operations' domestic cement sales volumes decreased approximately 2% in 2004 compared to 2003, 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 35% 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 decreased approximately 95% in 2004 compared to 2003, while the average ready-mix concrete price decreased approximately 14% in Philippine Peso terms over the same periods. The decrease in ready-mix concrete sales volumes was primarily attributable to a decrease in public sector spending. 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, 2004, sales of ready-mix concrete in the Philippines represented less than 1% of our Philippine operations' total net sales.

Primarily as a result of the increase in the average cement sales prices which were partially offset by the decrease in domestic cement volumes, net sales in the Philippines, in Philippine Peso terms, increased approximately 20% in 2004 compared to 2003.

Egypt

Our Egyptian operations' domestic cement sales volumes decreased approximately 6% in 2004 compared to 2003, primarily as a result of the decrease in cement volume resulting from a slowdown in government infrastructure

spending. However, this lower domestic volume was partially offset by a more than 173% increase in exports compared to 2003. Our Egyptian operations' export volumes represented 30% of their total volume in 2004. During 2004, 23% of our Egyptian exports were directed to Africa while 77% were sold to Europe. Furthermore, our Egyptian operations' ready-mix sales volumes increased 86% in 2004 compared to 2003, primarily due to increases in market share achieved by our ready-mix operations in the local market. For the year ended December 31, 2004, sales of ready-mix concrete in Egypt represented approximately 5% of our Egyptian operations' total net sales.

In 2004, net sales in Egyptian pound terms from our Egyptian operations increased 42% compared to 2003 net sales primarily due to a 32% increase in domestic prices, as well as an increase in exports and ready-mix sales.

Cost of Sales

Our cost of sales, including depreciation, increased 4% from Ps49,319 million in 2003 to Ps51,092 million in 2004 in constant Peso terms, primarily as a result of the increase in our net sales, primarily attributable to higher average prices in most of our markets, which more than offset higher worldwide energy costs. As a percentage of sales, cost of sales decreased 1.3% from 57.6% in 2003 to 56.3% in 2004.

Gross Profit

Our gross profit increased by 10% from Ps36,234 million in 2003 to Ps39,692 million in 2004 in constant Peso terms. Our gross margin increased from 42.4% in 2003 to 43.7% in 2004, as a result of higher average prices in most of our markets. The increase in our gross profit is primarily attributable to the 6% increase in our net sales in 2004 compared to 2003 and the increase of only 4% in our cost of sales in 2004 compared to 2003.

Operating Expenses

Our operating expenses increased 1% from Ps18,857 million in 2003 to Ps19,064 million in 2004 in constant Peso terms, primarily as a result of increased transportation costs due to higher worldwide energy costs, partially offset by our continuing cost-reduction efforts, including reductions in corporate overhead and travel expenses. As a percentage of sales, our operating expenses decreased from 22.1% in 2003 to 21.0% in 2004.

Operating Income

For the reasons mentioned above, our operating income increased 19%

from Ps17,377 million in 2003 to Ps20,628 million in 2004.

Comprehensive Financing Income (Expense)

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

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

- gains and losses resulting from having monetary liabilities or assets exposed to inflation (monetary position result).

	Year Ended December 31,	
	2003	2004
	(in millions of constant Pesos)	
Net comprehensive financing income (expense):		
Financial expense	Ps (4,545)	Ps (4,147)
Financial income	199	261
Results from valuation and liquidation of financial instruments	(712)	1,335
Foreign exchange gain (loss), net	(2,049)	(263)
Monetary position gain	3,913	4,299
Net comprehensive financing income (expense)	Ps (3,194)	Ps 1,485

Our net comprehensive financing result improved from an expense of Ps3,194 million in 2003 to an income of Ps1,485 million in 2004. The components of the change are shown above. Our financial expense was Ps4,545 million for 2003 compared to Ps4,147 million for 2004, a decrease of 9%. The decrease was primarily attributable to lower average levels of debt outstanding during the year, since the majority of the borrowings related to the RMC acquisition were incurred in the first quarter of 2005. Our financial income increased 31% from Ps199 million in 2003 to Ps261 million in 2004 primarily as a result of an increase in interest rates. Our results from valuation and liquidation of financial instruments improved from a loss of Ps712 million in 2003 to a gain of Ps1,335 million in 2004, primarily attributable to valuation improvements from our derivative financial instruments portfolio (discussed below) during 2004. Our net foreign exchange results improved from a loss of Ps2,049 million in 2003 to a loss of Ps263 million in 2004. The foreign exchange loss in 2004 was primarily attributable to the appreciation of the Japanese Yen against the Dollar, which was partially offset by the appreciation of the Peso against the Dollar, as compared to the foreign exchange loss in 2003, which was primarily attributable to the depreciation of the Peso against the Dollar and the appreciation of the Japanese Yen against the Dollar. See notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report. Our monetary position gain (generated by the recognition of inflation

effects over monetary assets and liabilities) increased from a gain of Ps3,913 million during 2003 to a gain of Ps4,299 million during 2004, mainly as a result of an increase in the weighted average inflation index used in the determination of the monetary position result in 2004 compared to 2003.

Derivative Financial Instruments

For the years ended December 31, 2003 and 2004, our derivative financial instruments that have a potential impact on our comprehensive financing result consist of equity forward contracts entered into to hedge potential exercises under our executive stock option programs (see notes 16 and 17 to our consolidated financial statements included elsewhere in this annual report), foreign exchange derivative instruments, excluding our foreign exchange forward contracts designated as hedges of our net investment in foreign subsidiaries, interest rate swaps, cross currency swaps, interest rate swap options (swaptions), and interest rate derivatives related to energy projects. Of the gain of Ps1,335 million in 2004 recognized in the item results from valuation and liquidation of financial instruments, a net valuation loss of approximately Ps585 million is attributable to changes in the fair value of our equity forward contracts that hedge our stock option programs, net of the costs generated by such programs, and an approximate valuation gain of Ps130 million is attributable to changes in the fair value of our marketable securities. These losses were offset by an approximate gain of Ps673 million resulting from changes in the fair value of our interest rate derivatives, and an approximate gain of Ps1,118 million resulting from changes in the fair value of our foreign currency derivatives. These valuation effects accounted for substantially all the gain recorded in 2004 under the line item results from valuation and liquidation of financial instruments presented above. We experienced valuation improvements in most of these financial derivatives in 2004 compared to 2003. See "-- Qualitative and Quantitative Market Disclosure -- Our Derivative Financial Instruments" and "-- Qualitative and Quantitative Market Disclosure -- Interest Rate Risk, Foreign Currency Risk and Equity Risk." See also notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report. The estimated net gain mentioned above, determined by the excess between the fair value gain of our equity forward

contracts that hedge the potential exercise of our executive stock option programs over the costs associated with the intrinsic value of our executives' options, 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 2004, in the market price of our listed securities (ADSs and CPOs) as compared to 2003. The estimated fair value gain of our foreign currency derivatives is primarily attributable to the contracts that were designated as accounting hedges of the foreign exchange risk associated with the firm commitment agreed to on November 17, 2004. On this date, RMC's shareholders committed to sell their RMC shares at a fixed price. Changes in the estimated fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132.1 million (Ps1,471.6 million), were recognized in stockholders' equity. See note 17B to our consolidated financial statements included elsewhere in this annual report.

Other Expenses, Net

Our other expenses, net for 2004 were Ps5,390 million compared to Ps5,454 million in 2003, a decrease of 1%. The decrease was primarily attributable to the recognition of gains on the sale of fixed assets during 2004 of approximately Ps643 million compared with Ps153 million in 2003. See notes 7, 10 and 11 to our consolidated financial statements included elsewhere in this annual report.

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

Our effective tax rate was 12.2% in 2004 compared to 12.3% in 2003. Our tax expense, which primarily consists of income taxes and business assets tax, increased 91% from Ps1,070 million in 2003 to Ps2,044 million in 2004. The increase was attributable to higher taxable income in 2004 as compared to 2003. Our average statutory income tax rate was approximately 33% in 2004 and approximately 34% in 2003.

Employees' statutory profit sharing increased from Ps203 million during 2003 to Ps330 million during 2004 due to higher taxable income for profit sharing purposes in Mexico. See note 18B to our consolidated financial statements included elsewhere in this annual report.

Majority Interest Net Income

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

For the reasons described above, our consolidated net income (before deducting the portion allocable to minority interest) for 2004 increased 88%, from Ps7,872 million in 2003 to Ps14,795 million in 2004. The percentage of our consolidated net income allocable to minority interests decreased from 4.6% in 2003 to 1.6% in 2004, as a result of the 6.83% (695,065 shares) of CAH equity we acquired for approximately U.S.$70 million. Majority interest net income increased by 94%, from Ps7,508 million in 2003 to Ps14,562 million in 2004, mainly as a result of our increase in net sales, our valuation gains on derivative financial instruments, the decrease in our foreign exchange loss and a lower portion of consolidated net income allocable to minority interests, partially offset by higher income taxes. As a percentage of net sales, majority interest net income increased from 8.8% in 2003 to 16.0% in 2004.

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:

Net Sales					
			Domestic Sales Volumes	Export Sales Volumes	Average Domestic Prices in local currency
Variations in local	Approximate currency fluctuations, net of inflation	Variations in constant Mexican			

Country	currency effects	Pesos	Cement	Ready-Mix	Cement	Cement	Reasy-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 Ps79,725million in 2002 to Ps85,553 million in 2003, and our operating income increased approximately 9% from Ps15,967 million in 2002 to Ps17,377 million in 2003.

Net Sales

Our net sales increase of 7% 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, the Philippines and Egypt and lower domestic cement prices in the United States and Central America and the Caribbean. Of our consolidated net sales 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). For the year ended December 31, 2003, sales of ready-mix concrete in Mexico represented approximately 22% of our Mexican operations' total net sales.

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 constant Peso terms, 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 was 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. 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. For the year ended December 31, 2003, sales of ready-mix concrete in the U.S. represented approximately 26% of our U.S. operations' total net sales.

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. For the year ended December 31, 2003, sales of ready-mix concrete in Spain represented approximately 25% of our Spanish operations' total net sales.

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. For the year ended December 31, 2003, sales of ready-mix concrete in Venezuela represented approximately 20% of our Venezuelan operations' total net sales.

Our Venezuelan operations' average domestic sales price of cement increased approximately 3% in Bolivar terms in 2003 compared to 2002, while the average domestic sales price of ready-mix concrete increased approximately 6% in 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 Bolivar terms, decreased approximately 5.7% in 2003 compared to 2002.

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 7% 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. For the year ended December 31, 2003, sales of ready-mix concrete in Central America and the Caribbean represented approximately 16% of our Central American and Caribbean operations' total net sales.

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. For the year ended December 31, 2003, sales of ready-mix concrete in the Philippines represented approximately 1% of our Philippine operations' total net sales.

As a result of the increases in ready-mix concrete sales volumes and in the average 777cement 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.

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. For the year ended December 31, 2003, sales of ready-mix concrete in Egypt represented approximately 3% of our Egyptian operations' total 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 Ps44,541 million in 2002 to Ps49,319 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 Ps35,184 million in 2002 to Ps36,234 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 Ps19,217 million in 2002 to Ps18,857 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 Ps15,967 million in 2002 to Ps17,377 million in 2003.

Comprehensive Financing Income (Expense)

The following table indicates the break down of our comprehensive financing result in 2002 and 2003.

	Year Ended December 31,	
	2002	2003
	(in millions of constant Pesos)	
Net comprehensive financing income (expense):		
Financial expense	Ps (4,052)	Ps (4,545)
Financial income	543	199
Results from valuation and liquidation of financial instruments	(3,856)	(712)
Foreign exchange gain (loss), net	(939)	(2,049)
Monetary position gain	4,291	3,913
Net comprehensive financing result	Ps (4,013)	Ps (3,194)

Our net comprehensive financing result improved from an expense of Ps4,013 million in 2002 to an expense of Ps3,194 million in 2003. The components of the change are shown above. Our financial expense was Ps4,052

million in 2002 compared to Ps4,545 million for 2003, an increase of 12%. 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 Ps543 million in 2002 to Ps199 million in 2003 as a result of the decline in interest rates. Our net foreign exchange results deteriorated from a loss of Ps939 million in 2002 to a loss of Ps2,049 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 results from valuation and liquidation of financial instruments improved from a loss of Ps3,856 million in 2002 to a loss of Ps712 million in 2003, primarily attributable to valuation improvements from our derivative financial instruments portfolio (discussed below) during 2003. See notes 12 and 17 to our consolidated financial statements included elsewhere in this annual report. Our monetary position gain (generated by the recognition of inflation effects over monetary assets and liabilities) decreased from a gain of Ps4,291 million during 2002 to a gain of Ps3,913 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

For the years ended December 31, 2002 and 2003, our derivative financial instruments that have a potential impact on our comprehensive financing result consist of equity forward contracts entered into to hedge potential exercises under our executive stock option programs (see notes 16 and 17 to our consolidated financial statements included elsewhere in this annual report), foreign exchange derivative instruments, excluding our foreign exchange forward contracts designated as hedges of our net investment in foreign subsidiaries, interest rate swaps, cross currency swaps, interest rate swap options (swaptions), other interest rate derivatives and interest rate derivatives related to energy projects. Of the loss of Ps712 million in 2003 recognized in the item results on valuation and liquidation of financial instruments, an approximate loss of Ps1,045 million is attributable to changes in the fair value of our interest rate derivatives, while an approximate loss of Ps85 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 Ps364 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 Ps54 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 results from valuation and liquidation of financial instruments presented above. 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 12 and 17 to our consolidated financial statements included elsewhere in this annual report. The estimated net gain mentioned above, determined by the excess between the fair value gain of our equity forward contracts that hedge the potential exercise of our executive stock option programs over the costs associated with the intrinsic value of our executives' options, 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, net were Ps5,454 million in 2003 compared to Ps4,744 million in 2002, a 15% increase. The increase was primarily attributable to the recognition of impairment charges on several long-lived assets during 2003 of approximately Ps1,188 million compared with Ps109 million in 2002. See notes 10 and 11 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 12 and 22F 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 Ps668 million in 2002 to Ps1,070 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 Ps126 million during 2002 to Ps203 million during 2003 due to higher taxable income for profit sharing purposes in Mexico. See note 18B to our consolidated financial statements included elsewhere in this annual report.

Majority Interest Net Income

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

For the reasons described above, our consolidated net income (before deducting the portion allocable to minority interest) for 2003 increased 16%, from Ps6,791 million in 2002 to Ps7,872 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 Ps6,339 million in 2002 to Ps7,508 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.

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 Ps20.3 billion in 2002, Ps18.7 billion in 2003 and Ps24.8 in 2004. See our Statement of Changes in the Financial Position included elsewhere in this annual report.

Our Indebtedness

As of December 31, 2004, we had approximately U.S.$5.9 billion (Ps66.1 billion) of total debt, of which approximately 18% was short-term and 82% was long-term. Approximately 36% of our long-term debt at December 31, 2004, or U.S.$1.8 billion (Ps19.9 billion), is to be paid in 2006, unless extended. As of December 31, 2004, after giving effect to our cross currency swap arrangements discussed elsewhere in this annual report, 56% of our consolidated debt was Dollar-denominated, 15% was Euro-denominated, 14% was Pound-denominated, 14% was Japanese Yen-denominated, and immaterial amounts were denominated in other currencies, The weighted average interest rates paid by us in 2004 in our main currencies were 4.9% on our Dollar-denominated debt, 1.5% on our Yen-denominated debt, 3.5% on our Euro-denominated debt and 5.5% on our British Pound-denominated debt.

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

Most of our outstanding indebtedness has been incurred to finance our acquisitions and to finance our capital investment programs. CEMEX Mexico and Empresas Tolteca de Mexico, two of our principal Mexican subsidiaries, have provided guarantees of our indebtedness in the amount of U.S.$3.1 billion (Ps34.4 billion), as of December 31, 2004. See Item 3 -- "Key Information -- Risk Factors -- Our ability to pay dividends and repay debt depends on our subsidiaries' ability to transfer income and dividends to us," and Item 3 -- "Key Information -- Risk Factors. -- We have incurred and will continue to incur debt, which could have an adverse effect on the price of our CPOs and ADSs, result in us incurring increased interest costs and limit our ability to distribute dividends, finance acquisitions and expansions and maintain flexibility in managing our business activities," and note 24(x) to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2004, we and our subsidiaries had lines of credit totaling Ps38.2 billion at annual rates of interest ranging from 0.5% to 15.5%, in accordance with the currency in which they were negotiated. The unused amounts of those lines of credit totaled approximately Ps20.9 billion as of December 31, 2004. In addition to these lines of credit, from time to time we borrow money from banks and other financial institutions. This credit line information as of December 31, 2004, does not include lines of credit agreed to with financial institutions for approximately U.S.$5.1 billion in connection with the acquisition of RMC. See note 2 to our consolidated financial statements included elsewhere in this annual report.

Some of the debt instruments in respect of our and our subsidiaries' indebtedness contain various covenants, which, among other things, require us and them to maintain specific financial ratios, restrict asset sales and dictate the use of proceeds from the sale of assets. These restrictions may adversely affect our ability to finance our future operations or capital needs or to engage in other business activities, such as acquisitions, which may be in our interest. From time to time, we have sought and obtained waivers and amendments to some of our and our subsidiaries' debt agreements, principally in connection with acquisitions. Our failure to obtain any required waivers may result in the acceleration of the affected indebtedness and could trigger our obligations to make payments of principal, interest and other amounts under our other indebtedness, which could have a material adverse effect on our financial condition. We believe that we have good relations with our lenders and the lenders to our subsidiaries, and nothing has come to our attention that would lead us to believe that any future waivers, if required, would not be forthcoming. However, we cannot assure you that future waivers would be forthcoming, if requested. As of December 31, 2004, 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, 2004, the notes were rated BBB- by Standard & Poor's and Baa3 by Moody's.

In order to finance the acquistion of RMC, we used the proceeds of three credit facilities, each dated September 24, 2004, with an initial total aggregate amount of US$5.8 billion and with weighted average life of 3.0 years. However, some of these credit facilities were intended to be temporary arrangements. In these cases, we have already begun refinancing the original indebtedness. The following is a description of these three credit facilities.

- On September 24, 2004, we entered into a 364 day credit agreement with CEMEX Mexico and Empresas Tolteca de Mexico as joint obligors, for a total aggregate principal amount of U.S.$500 million. The proceeds of this credit agreement were used in connection with the acquisition of RMC. On March 7, 2005, this facility was reduced to U.S.$300 million.

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

- On September 24, 2004, CEMEX Espana entered into a series of agreement facilities. The facility is a U.S.$3.8 billion multi-currency term loan. The indebtedness is guaranteed by Cemex Caracas Investments, B.V., Cemex Caracas II Investments, B.V. Cemex Egyptian Investments, B.V., Cemex Manila Investments, B.V. and Cemex American Holdings, B.V. and consists of three tranches. The first tranche is a multi-currency one-year U.S.$1.5 billion back-up term loan denominated in Dollars, Euros or Pounds (or a combination thereof) with an optional twelve month extension. The second tranche is a multi-currency three-year U.S.$1.15 billion term loan denominated in Dollars, Euros or Pounds (or a combination thereof). The third tranche is a multi-currency five-year U.S.$1.15 billion term loan denominated in Dollars, Euros or Pounds (or a combination thereof). Proceeds from the first tranche of the CEMEX Espana facility will be used, as required, to refinance RMC debt. All other proceeds were used to finance the acquisition of RMC.

As of March 31, 2005, after the completion of our acquisition of RMC, we reported U.S.$11.8 billion of outstanding indebtedness, including indebtedness assumed from RMC. The following is a description of the material indebtedness assumed from RMC.

- On October 18, 2002, RMC entered into a (pound)1,000,000,000 Term and Revolving Credit Agreement relating to a multi-currency five-year (pound)600,000,000 revolving credit facility and a multi-currency five-year (pound)400,000,000 term loan facility. On March 16, 2005, CEMEX Espana and RMC entered into an amended and restated agreement relating to these facilities. The amendments to the original agreement include a waiver of the provision requiring mandatory prepayment in the event of a change of control, the inclusion of CEMEX Espana, Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V., Cemex Egyptian Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V, as guarantors, amendments to the financial covenants applicable to CEMEX Espana on a consolidated basis and the extension of the termination date of the revolving credit facility to six years from the date of the amended and restated agreement. Simultaneous with the execution of the amended and restated agreement, the total amount of the facilities was reduced to (pound)604,354,196; the revolving credit facility was reduced to (pound)425,558,038 and the term loan facility was reduced to (pound)178,796,154.

- On November 30, 2000, RMC and several institutional purchasers entered in a Note Purchase Agreement in connection with a private placement by RMC. Pursuant to this agreement, RMC issued U.S.$120,000,000

aggregate principal amount of 8.40% Senior Notes due 2010, U.S.$90,000,000 aggregate principal amount of 8.50% Senior Notes due 2012 and U.S.$45,000,000 aggregate principal amount of 8.72% Senior Notes due 2020.

On April 5, 2005, we entered into a U.S.$1 billion 180-day term credit agreement guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The multi-currency credit facility was entered into to fund the repayment of amounts outstanding under the credit agreement of New Sunward Holding B.V., dated September 24, 2004, described above.

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 (Ps16.7 billion) to provide funds for our acquisition of CEMEX, Inc., formerly Southdown. The preferred equity granted its holders 10% of the subsidiary's voting rights, as well as the right to receive a preferred dividend. Under the terms of the preferred equity financing arrangements, Sunward Acquisitions N.V., or Sunward Acquisitions, our indirect Dutch subsidiary, contributed its 85.2% interest in CEMEX Espana to New Sunward Holding B.V., or New Sunward Holding, in exchange for all its ordinary shares. A special purpose entity, which was neither owned nor controlled by us, borrowed U.S.$1.5 billion from a syndicate of banks and New Sunward Holding issued preferred equity to the special purpose entity in exchange for the U.S.$1.5 billion, which was used to subscribe for further shares in CEMEX Espana. During 2001, we redeemed a portion of the then-outstanding preferred equity in the amount of U.S.$600 million, and at year-end 2001, the balance outstanding was U.S.$900 million. In February 2002, we refinanced this preferred equity transaction, pursuant to which we redeemed U.S.$250 million of the outstanding preferred equity and extended the termination dates on the remaining U.S.$650 million. In October 2003, 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 the U.S.$650 million (Ps7,241 million) of preferred equity outstanding.

For accounting purposes under Mexican GAAP, the preferred equity was recorded as a minority interest on our balance sheet until its liquidation. Dividends paid on the preferred equity were recorded as a minority interest on our income statement. For the years ended December 31, 2002 and 2003 preferred equity dividends amounted to approximately U.S.$23.2 million and U.S.$12.5 million respectively.

In October 2004, we liquidated the remaining 9.66% Putable Capital Securities for approximately U.S.$66 million (Ps735.2 million). These capital securities were issued in 1998 by one of our Spanish subsidiaries in an aggregate liquidation amount of U.S.$250 million, with an annual dividend rate of 9.66%. In April 2002, through a tender offer, U.S.$184 million of the capital securities were redeemed. The amount paid to holders in excess of the nominal amount of the capital securities pursuant to the early redemption of approximately U.S$20 million (Ps238.8 million) was recognized against stockholders' equity. The balance outstanding as of December 31, 2003 was U.S.$66 million (Ps788.1 million). Until January 1, 2004, for accounting purposes under Mexican GAAP, this transaction was recorded as minority interest in our balance sheet and dividends paid on the capital securities were recorded as minority interest net income in our income statement. For the years ended December 31, 2002 and 2003, capital securities dividends amounted to approximately U.S.$11.9 million and U.S.$6.4 million, respectively. As of January 1, 2004, as a result of new accounting pronouncements under Mexican GAAP, this transaction was recorded as debt in our balance sheet and dividends paid on the capital securities during 2004, which amounted to approximately U.S.$5.6 million (Ps66.1 million), were recorded as part of financial expenses in our income statement.

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, 2002 and 2003, the expense

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

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

In November and December 2003, we announced a simultaneous public offer in the MSE and the NYSE that was concluded during January 2004 by means of which we repurchased for cash 90,018,042 warrants, or 86.7%, of the then outstanding warrants and warrants represented by ADWs, which included approximately 34.9 million warrants owned by or controlled by us and our subsidiaries. The price at which the warrants were purchased was Ps8.10 per warrant (Ps40.50 per ADW). In addition, in December 2004, the remaining outstanding 13,772,903 warrants were automatically exercised upon expiration of the warrants in accordance with their terms. Considering the results of the purchase of warrants in January 2004, the exercise in December 2004 and the direct expenses related to these transactions, approximately Ps1,053 million was paid. This amount was recognized against stockholders' equity within additional paid-in-capital. See note 15F to our consolidated financial statements included elsewhere in this annual report and "-- Our Equity Derivative Forward Arrangements."

Our 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, 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 a non-dilutive equity offering by the banks of all 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, 2003 and 2004, we were also subject to equity forward contracts with different maturities until October 2006, for notional amounts of U.S.$789.3 million and U.S.$1,112 million, respectively, covering 29,314,561 ADSs in 2003 and 30,644,267 ADSs in 2004. These equity forward contracts were entered into to hedge the future exercise of the options granted under our executive programs (see notes 16 and 17). 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 component of the costs generated by the option programs. As of December 31, 2003 and 2004, the estimated fair value of these contracts was a gain of approximately U.S.$28.0 million (Ps334.3 million) and a gain of approximately U.S.$44.8 million (Ps499.1 million), respectively.

As of December 31, 2003 we had forward contracts maturing in August and September 2004, for a notional amount of U.S.$122.9 million that covered 23,622,500 CPOs and presented a fair value gain of approximately U.S.$1.8 million (Ps21.5 million). These contracts were negotiated to hedge the purchase of CAH shares through the exchange for our CPOs (see note 9A). During 2004, the contracts were liquidated, resulting in gains of U.S.$14.5 million (Ps161.5 million) that were recognized in stockholders' equity.

In addition, as of December 31, 2003 and 2004, we had forward contracts for notional amounts of U.S.$172.8 million and U.S.$45.2 million, respectively, with varying maturities until January 2006, covering a total of 5,268,939 ADSs in 2003 and 1,364,061 ADSs in 2004. Until December 31, 2004, these contracts were treated as equity instruments; therefore, changes in their fair value were recognized in stockholders' equity when settled. Starting in 2005, changes in the fair value of these contracts will be recognized in earnings. As of December 31, 2004 and 2003, the estimated fair

value of these contracts was a gain of U.S.$6.0 million (Ps66.8 million) and a loss of U.S.$27.1 million (Ps323.6 million), respectively. During 2004, contracts representing 2,509,524 CPOs that were held to meet our obligations to deliver shares under the warrants program (see note 16F) were settled, resulting in a gain of U.S.$2.6 million (Ps29.0 million) which was recognized in stockholders' equity.

Our Receivables Financing Arrangements

We have established sales of trade accounts receivable programs with financial institutions, referred to as securitization programs. These programs were negotiated by our subsidiaries in Mexico during 2002, our subsidiary in the United States during 2001 and our subsidiary in Spain during 2000. Through the securitization programs, our subsidiaries effectively surrender control, risks and the benefits associated to the accounts receivable sold; therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are removed from the balance sheet at the moment of sale, except for the amounts that the counterparties have not paid, which are reclassified to other accounts receivable. See notes 5 and 6 to our consolidated financial statements included elsewhere in this annual report. The balances of receivables sold pursuant these securitization programs as of December 31, 2003 and 2004 were Ps6,507 million (U.S.$584.1 million) and Ps7,114 million (U.S.$638.6 million), respectively. The accounts receivable qualifying for sale do not include amounts over specified days past due or concentrations over specified limits to any one customer, according to the terms of the programs. Expenses incurred under these programs, originated by the discount granted to the acquirers of the accounts receivable, are recognized in the income statements and were approximately Ps127 million (U.S.$11.4 million) in 2002, Ps114 million (U.S.$10.2 million) in 2003 and Ps126 million (U.S.$11.3 million) in 2004. 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 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.$539 million) to be implemented between April 2004 and April 2005. See note 15A to our consolidated financial statements included elsewhere in this annual report. This program expired in April 2005 and no CPOs were repurchased under this program.

In connection with our 2004 annual shareholders' meeting held on April 28, 2005, our shareholders approved a stock repurchase program in an amount of up to Ps6 billion (approximately U.S.$539 million) to be implemented between April 2005 and April 2006.

Research and Development, Patents and Licenses, etc.

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

we operate.

We have five laboratories dedicated to our R&D 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 continually 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 many of the countries in which we operate. These patent registrations and applications relate primarily to different cementitious materials and products, concretes, and aggregates, as well as the production processes related to them.

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

R&D activities comprise part of the daily routine of the departments and divisions mentioned above; therefore, the costs associated with such activities are expensed as incurred. However, the costs incurred in the development of software for internal use are capitalized and amortized in operating results over the estimated useful life of the software, which is approximately 4 years.

In 2003 and 2004, the combined total expense of the departments of the Vice President of Energy and the Vice President of Technology, which includes R&D activities, amounted to U.S.$40.9 million and U.S.$34.7 million, respectively. In addition, in 2003 and 2004, we capitalized approximately U.S.$11.3 million and U.S.$9.9 million, respectively, related to internal use software development. See note 11 to our consolidated financial statements included elsewhere in this annual report.

Trend Information

Overview

We believe 2004 was a successful year, and our actual performance exceeded our expectations. Our average price for both cement and ready-mix products increased, partly as a result of stronger exchange rates. Therefore, we are entering 2005 with higher average dollar prices, which should maintain our positive pricing momentum.

We took proactive steps to minimize our energy cost per ton. These efforts -- including a shift to fuels whose prices are less correlated to spot markets and the development of self-supply power-generation projects -- have paid off. Despite significant increases in the price of various energy inputs, our average energy cost per ton in 2004 increased by only 3 percent, which was more than offset by improving prices in many of our markets. We believe that energy prices will increase by about 12 percent per ton in 2005, or about one dollar per ton of cement produced. We expect this increase to be more than offset by our ongoing efficiency programs and, to a lesser extent, higher average prices.

Demand in markets such as Spain, whose outlook was negative at the beginning of 2004, grew significantly during the second half of the year. The housing and public-works sectors continued to be primary drivers of demand.

Our cement volumes in the United States exceeded our initial expectations, growing in 2004 at close to three times the pace of GDP. Led by strong fundamentals, construction spending was driven by the residential and street-and-highway sectors. The U.S. economic expansion continues to offer good prospects for the year ahead.

Domestic demand and prices improved for most of the markets in our portfolio, and we feel we are well positioned for mid-cycle organic growth during 2005.

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 71% of our net sales in 2004.

In Mexico, we expect GDP to grow driven in part by the healthy recovery in the U.S. manufacturing sector, which has been the main driver of exports from Mexico. Remittances from workers abroad, which in 2004 reached a record U.S.$16 billion, should also contribute to greater consumer spending. For 2005, we expect foreign direct investments and remittances from the United States to remain at the same high levels that we saw in 2004, contributing to greater economic activity.

In 2004, cement and ready-mix volumes grew over 2003 driven mainly by government infrastructure spending and by an increase in the construction of low- and middle-income housing, both of which offset a flat self-construction sector. The lack of growth in self-construction is primarily due to the fact that the moderate increase in aggregate disposable income was offset by the significant price increases in other building materials such as steel.

We are optimistic that a positive trend in cement consumption will occur. For 2005, we expect cement volumes to increase over 2004 and to be driven mainly by government spending on streets and highways, public buildings, and other infrastructure projects and by an increase in the construction of low- and middle-income housing as the electoral cycle shifts into high gear with the 2006 presidential election approaching.

We also expect the Mexican government's financial condition to remain sound as a result of fiscal prudence and robust oil prices.

In the United States, the increase in volumes in 2004 exceeded our expectations. The main drivers of demand were the residential and the public sector. We expect cement volumes to grow in 2005 over 2004 driven by infrastructure and industrial-and-commercial sector. The residential sector is expected to decline during 2005 due to stronger buying last year and moderate mortgage interest-rate increases in 2005.

We expect cement volumes to grow in 2005 in line with, or slightly in excess, GDP growth, with an adjustment for the sale of assets in the Great Lakes region.

2004 was a very favorable year for CEMEX in the United States, and the price outlook for 2005 indicates a continuation of this trend due to favorable demand conditions and relatively low inventories as a result of the mild winter conditions during December.

In Spain, GDP experienced one of the strongest growth rates in Europe in 2004 and is expected to grow at a similar rate in 2005. The stronger-than-expected GDP growth, combined with a robust construction sector during

the year and better-than-expected weather in November and December, led to a full-year increase in cement volumes, which exceed our expectations.

The residential sector was a stellar performer and was one of the main drivers of cement demand. This growth has been driven by a favorable mortgage environment, positive economic performance, and migration dynamics. For 2005, the residential sector is expected to slightly decline, although

housing starts are expected to remain at high levels.

Public-works spending remains an important component of cement consumption in Spain. The successor to the 2000 infrastructure plan is being finalized and is expected to start this year and run until 2020. The new program contemplates increases in spending compared to the previous one. For 2005 we expect a slight decrease as the new government revises its own infrastructure plan for the coming years.

We are encouraged by the government's plan to legalize immigrants who can document their employment and speak Spanish. This plan will have a positive impact on demographics that will benefit cement consumption in the medium term.

Summary of Material Contractual Obligations and Commercial Commitments

As of December 31, 2004, our subsidiaries had future commitments for the purchase of raw materials for an approximate amount of U.S.$172.3 million.

In March 1998, we entered into a 20-year contract with PEMEX providing that PEMEX's refinery in Cadereyta would supply us with 900,000 tons of petcoke per year, commencing in 2003. In July 1999, we entered into a second 20-year contract with PEMEX providing that PEMEX's refinery in Madero would supply us with 850,000 tons of petcoke per year, commencing in 2002. We expect the PEMEX petcoke contracts to reduce the volatility of our fuel costs and provide us with a consistent source of petcoke throughout their 20-year terms.

In 1999, we reached an agreement with ABB Alstom Power and Sithe Energies, Inc. requiring Alstom and Sithe to finance, build and operate "Termoelectrica del Golfo," a 230 megawatt energy plant in Tamuin, San Luis Potosi, Mexico and to supply electricity to us for a period of 20 years. Pursuant to the agreement, we are obligated to purchase the full electric capacity generated by the power plant during the 20-year period. We are also obligated to supply Alstom and Sithe with 1,200,000 tons of petcoke per year for the 20-year period for the consumption of this power plant and another power plant built and operated by Alstom and Sithe for Penoles, a Mexican mining company. We expect to meet our petcoke delivery requirements to Alstom and Sithe through several petcoke supply agreements, including our petcoke supply contract with PEMEX. Pursuant to the agreement, we may be obligated to purchase the Termoelectrica del Golfo plant upon the occurrence of specified material defaults or events, such as failure to pay when due, bankruptcy or insolvency, and revocation of permits necessary to operate the facility, and upon termination of the 20-year period, we will have the right to purchase the assets of the power plant. We expect this arrangement to reduce the volatility of our energy costs and to provide approximately 80% of CEMEX Mexico's electricity needs. The power plant commenced commercial operations on April 29, 2004. As of December 31, 2004, after eight months of operations, the power plant has supplied electricity to 10 of our cement plants in Mexico covering 83% of their needs for electricity and representing an approximately 21% decrease in the cost of electricity.

In March 2002, the distribution contract in Taiwan that we had entered into with Universe Company on March 31, 2000, was terminated. As a result, for the year ended December 31, 2002, we recognized a loss of approximately U.S.$17.3 million (Ps209.1 million) within other expenses, net.

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, 2004:

	Payments Due by Period			
	(In millions of U.S. Dollars)			
	Within	2-3	4-5	After

Contractual Obligations (1)	Total	1 Year	Years	Years	5 Years
Long-Term Bank Loans and Notes Payable.....	5,448	561	3,018	1,321	548
Capital Lease Obligations.....	2	2	-	-	-
Total Debt (2).....	5,450	563	3,018	1,321	548
Operating Leases (3).....	485	110	173	112	90
Unconditional Purchase Obligations Under Equity Forward Contracts (4).....	1,157	531	626	-	-

(1) The data set forth in this table are expressed in nominal terms and do not include financing expenses.

(2) Total long-term debt including maturities is presented in note 12 to our consolidated financial statements included elsewhere in this annual report. In addition, as of December 31, 2004, we had lines of credit totaling approximately U.S.$3.8 billion, of which the available portion amounted to approximately U.S.$2.1 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 22D 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) 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, 2004, the aggregate estimated fair value of these contracts was a gain of approximately U.S.$66.2 million. The total amount of U.S.$531 million due in the short term 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.$25.8 million at December 31, 2004. For accounting purposes these letters of credit represent contingent obligations. See note 22A to our consolidated financial statements included elsewhere in this annual report.

Off-Balance Sheet Arrangements

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 a portion of our equity forward contracts with a notional amount of approximately U.S.$45.2 million as of December 31, 2004, which are not recognized on the balance sheet at fair value. See "--Liquidity and Capital Resources -- Our Equity Derivative Financing Transactions" and note 17A to our consolidated financial statements included elsewhere in this annual report.

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)				
	At December 31, 2003		At December 31, 2004		
Derivative Instruments	Notional amount	Estimated fair value	Notional amount	Estimated fair value	Maturity Date
Equity forward contracts.....	1,085.0	16.4	1,157.2	66.2	Jan 05-Sep 06
Foreign exchange forward contracts.....	1,445.9	(191.6)	4,897.9	63.4	Jan 05-Nov 07
Interest rates swaps.....	1,850.0	(228.1)	1,950.0	(174.2)	Jan 08-Oct 09
Cross currency swaps.....	1,446.6	262.0	1,118.0	208.5	Apr 05-Dec 08
Interest rate swap options....	200	(24.9)	--	--	--
Derivatives related to energy.	174.5	(7.4)	168.1	(6.3)	May 2017

Our Equity Derivative Forward Contracts

A substantial portion of our equity derivative forward contracts held as of December 31, 2003 and 2004, with notional amounts of U.S.$789.3 million and U.S.$1,112 million, respectively, were entered into to hedge the potential exercises of options under our U.S. dollar denominated executive programs (see notes 16 and 17 to our consolidated financial statements included elsewhere in this annual report). Beginning in 2001, the changes in the estimated fair value of these forwards have been recognized in the income statement as a component of the costs generated by the stock option programs. The estimated fair value of these forward contracts represented a gain of approximately U.S.$28.0 million and a gain of approximately U.S.$44.8 million as of December 31, 2003 and 2004, respectively.

In addition, as of December 31, 2003 and 2004, we held equity forward contracts, including the appreciation warrant related forward contracts at December 31, 2003, for notional amounts of U.S.$295.7 million and U.S.$45.2 million, respectively. These are accounted for as equity instruments, and gains and losses are recognized as an adjustment to stockholders' equity upon settlement. See "-- Liquidity and Capital Resources -- Our Equity Derivative Forward Arrangements" and notes 16 and 17 to our consolidated financial statements included elsewhere in this annual report.

Our Foreign Exchange Forward Contracts

A portion of our foreign exchange forward contracts held as of December 31, 2003 and 2004, with notional amounts of U.S.$559.3 million and U.S.$956.6 million, respectively, 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, 2003 and 2004, we held foreign exchange options for notional amounts of U.S.$886.6 million and U.S.$488.4 million, respectively, which mature on different dates until June 2005. These accounted for estimated fair value losses of approximately U.S.$57.2 million (Ps683.0 million) in 2003 and U.S.$19.2 million (Ps213.9 million) in 2004, recognized in the income statement.

As of December 31, 2004, we held structured foreign exchange forward

contracts, collars and digital options for a notional amount of U.S.$3,452.9 million that were entered into in September 2004 in connection with our commitment to purchase RMC. The derivatives were entered into to hedge the variability in cash flows associated with exchange fluctuations between the Dollar, the currency in which we obtained the funds to purchase, and Pounds, the currency in which our firm commitment is denominated. These contracts were designated as accounting hedges of the foreign exchange risk associated with the firm commitment agreed to on November 17, 2004, the date on which RMC's shareholders committed to sell their shares at a fixed price. Changes in the estimated fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132.1 million (Ps1,471.6 million), was recognized in stockholders' equity in 2004, and was reclassified to earnings on March 2005, the month in which the final purchase occurred. The change in the estimated fair value of these contracts from their origination until their designation as hedges in 2004 was a gain of approximately U.S.$102.4 million (Ps1,140.7million) and was recognized in earnings. See note 17 to our consolidated financial statements included elsewhere in this annual report.

Our Interest Rate Swaps

As of December 31, 2003 and 2004, we were parties to interest rate swaps for notional amounts of U.S.$1,850 million and U.S.$1,950.0 million, respectively, entered into in order to hedge contractual cash flows (interest payments)

of underlying debt negotiated at floating rates. These interest rate swaps, are part of, and complement, our financial strategy. However, they do not meet the accounting hedge criteria. Consequently, changes in the estimated fair value of these instruments were recognized in earnings, with the exception of changes in the fair value of contracts with a notional amount of U.S.$800 million as of December 31, 2003, which 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 and will be reversed in the income statement as the financial expense of the related debt is accrued. Periodic payments under the contracts are recognized in the income statements as an adjustment of the effective interest rate of the related debt. See note 12A to our consolidated financial statements included elsewhere in this annual report.

During 2004, the notional amount of interest rate swaps increased by U.S.$100 million as compared to 2003. This increase was mainly due to new interest rate swaps for notional amounts totaling U.S.$200 million, negotiated upon the exercise of our interest rate options ("swaptions"), which was partially offset by the early settlement of interest rate swaps and cap options for notional amounts totaling U.S.$100 million. See "-- Our Interest Rate Swap Options," "-- Our Other Interest Rate Swap Options" and note 12A to our consolidated financial statements included elsewhere in this annual report.

Our Cross Currency Swaps

As of December 31, 2003 and 2004, we held cross currency swap contracts related to our short-term and long-term financial debt portfolio. See the table above. Through these contracts, we carried out the exchange of the originally contracted currencies and interest rates, over a determined amount of underlying debt. During the life of these contracts, the cash flows originated by the exchange of interest rates under the cross currency swap contracts match the interest payment dates and conditions of the underlying debt. Likewise, at maturity of the contracts and the underlying debt, we will exchange with the counterparty notional amounts provided by the contracts so that we will receive an amount of cash flow equal to cover our primary obligation under the underlying debt. In exchange, we will pay the notional

amount in the exchanged currency. As a result, we have effectively exchanged the risks related to interest rates and foreign exchange variations of the underlying debt to the rates and currencies negotiated in the cross currency swap contracts. See note 12B to our consolidated financial statements included elsewhere in this annual report.

The periodic cash flows on the cross currency swap instruments arising from the exchange of interest rates are recorded in the comprehensive financing result as part of the effective interest rate of the related debt. We recognize the estimated fair value of the cross currency swap contracts as assets or liabilities in the balance sheet, with changes in the estimated fair value being recognized through the income statement. All financial assets and liabilities with the same maturity, for which our intention is to simultaneously realize or settle, have been offset for presentation purposes, in order to reflect the cash flows that we expect to receive or pay upon settlement of the financial instruments.

In respect of the estimated fair value recognition of the cross currency swap contracts, as of December 31, 2003 and 2004, we recognized net assets of U.S.$262.0 million (Ps3,128.7 million) and U.S.$208.5 million (Ps2,322.7 million), respectively, related to the estimated fair value of the short-term and long-term cross currency swap contracts, of which,

- U.S.$364.5 million (Ps4,352.7 million) as of December 31, 2003 and U.S.$300.7 million (Ps3,349.8 million) as of December 31, 2004 relate to prepayments made to Yen and Dollar denominated obligations under our cross currency swaps, thereby decreasing the carrying amounts of the related debt, and

- A loss of approximately U.S.$102.5 million (Ps1,224.0 million) in 2003 and a loss of approximately U.S.$92.2 million (Ps1,027.1 million) in 2004 represented the contracts' estimated fair value before prepayment effects and includes:

    - Losses of approximately U.S.$171.9 million (Ps2,052.8 million) in 2003 and approximately U.S.$131.8 million (Ps1,468.3 million) in 2004, 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,

    - Gains of approximately U.S.$12.2 million (Ps145.7 million) in 2003 and approximately U.S.$10.9 million (Ps121.4 million) in 2004, identified with the periodic cash flows for the interest rate swaps, and which were recognized as an adjustment of the related financing interest payable, and

    - Remaining net assets of approximately U.S.$57.2 million (Ps683.0 million) in 2003 and approximately U.S.$28.7 million (Ps319.7 million) in 2004, which were recognized within other short-term and long-term assets and liabilities, as applicable. See note 12B to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2003 and 2004, the effect on our balance sheet, arising from the accounting assets and liabilities offset, was that the book value of the financial liabilities directly related to the cross currency swap contracts 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, 2003 and 2004, the changes in the estimated fair value of our cross currency swap contracts, excluding prepayment effects in 2003 and 2004, resulted in a loss of approximately U.S.$149.7 million (Ps1,787.6 million) and a loss of approximately U.S.$192.2

million (Ps2,341.8 million), respectively, which were recognized within the comprehensive financing result.

Our Interest Rate Swap Options

As of December 31, 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.$200 million. For the sale of these options, we received premiums of approximately U.S.$25 million (Ps297.3 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' elections 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 notional amounts totaling U.S.$200 million were scheduled to mature in October 2004. However, these options were exercised in July 2004, and the counterparties elected to negotiate new interest rate swaps with us. Under the new interest rate swaps, they receive from us fixed interest rates and pay to us floating interest rates for a five-year period. These swaptions granted the counterparties the option to elect, at maturity of the options and at current market rates, to receive from us fixed rates and pay us variable rates for a five-year period or request net settlement in cash. For the year ended December 31, 2003, premiums received, as well as the changes in the estimated fair value of these contracts, which represented a gain of approximately U.S.$1.6 million (Ps19.1 million), were recognized in the comprehensive financing result. During 2003, the call options that expired resulted in a loss of approximately U.S.$23.9 (Ps285.4 million), respectively, which were recognized in the comprehensive financing result. See note 12A to our consolidated financial statements included elsewhere in this annual report.

Our Derivatives Related to Energy Projects

As of December 31, 2003 and 2004, we had an interest rate swap maturing in May 2017, for a notional amount of U.S.$162.1 million and U.S.$159.0 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 22F 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 7.53% fixed rate until maturity in May 2017. In addition, during 2001 we sold a floor option for a notional amount of U.S.$174.5 million and U.S.$168.1 million in 2003 and 2004, respectively, related to the interest rate swap contract, pursuant to which, commencing in 2003 and until 2017, we pay the difference between the 7.53% fixed rate and LIBOR rates. Through the sale of this option, we received a premium of approximately U.S.$22 million (Ps262.7 million) in 2001. As of December 31, 2003 and 2004, the combined estimated fair value of the swap and floor contracts, amounting to approximate losses of U.S.$7.4 million (Ps88.4 million) and U.S.$6.3 million (Ps70.2 million), respectively, were recorded in the comprehensive financing result for each period. As of December 31, 2003 and 2004, 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 18C to our consolidated financial statements included elsewhere in this annual report.

Interest Rate Risk, Foreign Currency Risk and Equity Risk

Interest Rate Risk

The table below presents tabular information of our fixed and floating rate long-term foreign currency-denominated debt as of December 31,

2004. 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 Mexican Pesos and U.S. Dollars. See note 12 to our consolidated financial statements included elsewhere in this annual report. Average floating interest rates are calculated based on forward rates in the yield curve as of December 31, 2004. Future cash flows represent contractual principal payments. The fair value of our floating rate long-term debt is determined by discounting future cash flows using borrowing rates available to us as of December 31, 2004 and is summarized as follows:

	Expected maturity dates as of December 31, 2004							
Debt	2005	2006	2007	2008	2009	After 2010	Total	Fair Value
	(Millions of U.S. Dollars equivalents of debt denominated in foreign currencies)							
Variable rate	559	1,348	1,147	59	216	37	3,366	3,366
Average interest rate	3.89%	4.27%	4.70%	5.15%	5.55%	6.20%	--	--
Fixed rate	4	441	82	663	383	511	2,084	2,316
Average interest rate	5.55%	5.45%	5.35%	5.24%	5.38%	5.65%	--	--

As of December 31, 2004, 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, 2004, 62% of our foreign currency denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 45 basis points, after giving effect to our interest rate swaps and cross currency swaps. As of December 31, 2004 we also held interest rate swaps for a notional amount of U.S.$1,950.0 million and with a fair value loss of approximately U.S.$174.2 million during 2004. Pursuant to these interest rate swaps, we receive variable rates and deliver fixed rates over the notional amount. These derivatives, even when do not meet the criteria to be considered hedging items for accounting purposes, complement our financial strategy and mitigate our overall exposure to floating rates. See "-- Our Derivative Financial Instruments -- Our Interest Rate Swaps."

The potential change in the fair value as of December 31, 2004 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.$23.2 million (Ps258.4 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, 2004, approximately 33% 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 10% from other regions and our cement and clinker trading activities. As of December 31, 2004, our debt, considering the effects in the original currencies generated by our cross currency swaps, amounted to Ps66.1 billion, of which approximately 56% was Dollar-denominated, 15% was Euro-denominated, 14% was Yen-denominated and 14% was British Pound-denominated; therefore, we have a foreign currency exposure arising from the Dollar-denominated debt, the Euro-denominated debt, the Yen-denominated debt and the British Pound-denominated debt, versus the currencies in which our revenues are settled in most countries in which we operate. See "-- Liquidity and Capital Resources -- Our Indebtedness," Item 10 -- "Additional Information -- Material Contracts" and "Risk Factors -- As of December 31, 2004, we have to pay our Dollar, Yen and Pound 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. In March 2005, we concluded our acquisition of RMC, an entity that will have

substantial revenues denominated in Pounds and Euros. Consequently, we believe that we will generate sufficient reserves in these currencies to mitigate our foreign currency risk.

As previously mentioned, we have entered into cross currency swap contracts, designed to change the original profile of interest rates and currencies over a portion of our financial debt. See "-- Our Derivative Financial Instruments." As of December 31, 2004, the estimated fair value of these instruments was a gain of approximately U.S.$208.5 million (Ps2,322.7 million). The potential change in the fair value of these contracts as of December 31, 2004 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% in the exchange rate of the Mexican Peso against the Dollar, would be a loss of approximately U.S.$96.3 million (Ps1,072.8 million).

Additionally, as previously mentioned, we have entered into foreign exchange forward contracts designed to hedge our net investment in foreign subsidiaries, our firm commitments, as well as other currency derivative instruments. See "-- Our Derivative Financial Instruments." The combined estimated fair value of our foreign exchange forwards that hedge our net investment in foreign subsidiaries and our other currency derivatives as of December 31, 2004, excluding our foreign exchange derivatives for notional amounts totaling U.S.$3,452.9 million entered into to hedge the firm commitment for our acquisition of RMC, was a loss of approximately U.S.$171.1 million (Ps1,906.1 million). The potential change in the fair value of these derivatives as of December 31, 2004 that would result from a hypothetical, instantaneous depreciation of 10% in the exchange rate of the Peso combined with a appreciation of 10% of the Euro against the Dollar would be a loss of approximately U.S.$143.2 million (Ps1,595.2 million), which would be partially 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 until December 31, 2004, the effects were recognized in the income statement or as part of 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.

As previously discussed, we have entered into equity forward contracts on our own stock, pursuing different goals such as hedging our several Dollar denominated stock option programs. See "-- Liquidity and Capital Resources." As of December 31, 2004, the estimated fair market value of our equity forward contracts was a gain of approximately U.S.$66.2 million. The potential change in the fair value as of December 31, 2004 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.$116.6 million (Ps1,298.9 million).

Investments, Acquisitions and Divestitures

The transactions described below represent our principal investments, acquisitions and divestitures completed during 2002, 2003, and 2004.

Investments and Acquisitions

On September 27, 2004, in connection with a public offer to purchase RMC's outstanding shares, CEMEX UK Limited, our indirect wholly-owned subsidiary, acquired 50 million shares of RMC for approximately (pound)432 million (U.S.$786 million, based on a Pound/Dollar exchange rate of (pound)0.5496 to U.S.$1.00 on September 27, 2004), which represented approximately 18.8% of RMC's outstanding shares. On March 1, 2005, following board and shareholder approval and clearance from the applicable regulators, CEMEX UK Limited purchased the remaining 81.2% of RMC's outstanding shares and completed our acquisition of RMC. The transaction value of this acquisition, including our assumption of approximately U.S.$1.7 billion of RMC's debt, was approximately U.S.$5.8 billion.

In August and September 2003, we acquired 100% of the outstanding shares of Mineral Resource Technologies Inc., and the cement assets of Dixon-Marquette Cement for a combined purchase price of approximately U.S.$99.7 million. Located in Dixon, Illinois, the single cement facility has an annual production capacity of 560,000 tons. This

cement plant was sold on March 31, 2005 in connection with our sale of U.S. assets in the Great Lakes region, as described below.

In June 2003, 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 tons of clinker. This new kiln, which would increase our total clinker production capacity in the Dominican Republic to 2.2 million tons per year, is expected to start operations by the end of 2005. We have invested approximately U.S.$52 million in this project as of year end 2004 and we expect to invest the remaining U.S.$78 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.

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. In 2004, 1398,602 CAH shares were exchanged for 27,850,713 CPOs with an approximate value of U.S.$172 million (Ps1,916.0 million). In August 2004, a subsidiary acquired a 6.83% equity interest in CAH (695,065 shares) for approximately U.S.$70 million. Notwithstanding the amendments, for accounting purposes, the CAH shares to be received by us in exchange for CEMEX CPOs were considered to be owned by us effective as of July 12, 2002. As a result of these transactions, we have increased our stake in CAH to 99.1%.

On July 31, 2002, we purchased, through a indirect 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, 2004, 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 99.1%.

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), which then had an installed capacity of approximately 700,000 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, 2004, our proportionate economic interest in CEMEX (Thailand) through CAH was approximately 99.1%.

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 Ps5,166 million (U.S.$463.7 million) in 2002, Ps4,703 million (U.S.$422.2 million) in 2003 and Ps4,835 million (U.S.$434 million) in 2004. 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 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.

On March 31, 2005, we sold our Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim Participacoes S.A, a cement company in Brazil, for an aggregate purchase price of approximately U.S.$389 million. The combined capacity of the two cement plants

sold was approximately two million tons per year and the operations of these plants represented approximately 10% of our U.S. operations' operating cash flow for the year ended December 31, 2004.

On April 26, 2005, we announced the divestiture of our 11.92% interest in Cementos Bio Bio, S.A., a cement company in Chile, for approximately U.S.$65 million. The proceeds from the sale will be applied to reduce debt.

See note 9A to our consolidated financial statements included elsewhere in this annual report.

U.S. GAAP Reconciliation

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican GAAP, which differ in some significant respects from U.S. GAAP. The Mexican GAAP consolidated financial statements include the effects of inflation as provided for under Bulletin B-10 and Bulletin B-15 and are presented in constant Pesos representing the same purchasing power for each period presented, whereas financial statements prepared under U.S. GAAP are presented on a historical cost basis. The reconciliation to U.S. GAAP included as note 24 to our consolidated financial statements presented elsewhere in this annual report includes (i) a reconciling item for the reversal of the effect of applying the CEMEX weighted average inflation factor instead of the Mexican inflation-only factor for the restatement to constant pesos for the years ended December 31, 2002 and 2003, and (ii) a reconciling item to reflect the difference in the

carrying value of machinery and equipment of foreign origin and related depreciation, between (a) the methodology set forth by Mexican GAAP in which fixed assets are restated using the inflation index of the assets' origin country and the variation in the foreign exchange rate between the country of origin currency and the functional currency, and (b) the amounts that would be determined by using the historical cost/constant currency method in which fixed assets are restated using the inflation index of the country that holds the asset. As described below, these provisions of inflation accounting under Mexican GAAP do not meet the requirements of Rule 3-20 of Regulation S-X of the Securities and Exchange Commission. Our reconciliation does not include the reversal of other Mexican GAAP inflation accounting adjustments as these adjustments represent a comprehensive measure of the effects of price level changes in the inflationary Mexican economy and, as such, is considered a more meaningful presentation than historical cost-based financial reporting for both Mexican and U.S. accounting purposes.

Majority net income under U.S. GAAP for the years ended December 31, 2002, 2003, and 2004 amounted to Ps6,182 million, Ps8,720 million and Ps17,965 million, respectively, compared to majority net income under Mexican GAAP for the years ended December 31, 2002, 2003 and 2004 of approximately Ps6,339 million, Ps7,508 million and Ps14,562 million, respectively. See note 24 to our consolidated financial statements included elsewhere in this annual report for a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to us and the effects that newly issued accounting pronouncements have had in our financial position.

Newly Issued Accounting Pronouncements Under U.S. GAAP

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS 123R, Share-Based Payment, a revision of Statement 123, "Accounting for Stock Issued to Employees", which establishes standards for the accounting of all share-based payment transactions, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions, also clarifies and expands guidance in several areas, including measuring fair value, classifying an award as equity or as a liability, and attributing compensation cost to reporting periods. SFAS123R requires the entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and eliminates the alternative to use APB Opinion 25's intrinsic value method of accounting, permitted by Statement 123 as originally issued (see note 24(r) to our financial statements included elsewhere in this annual report), under which, upon compliance with certain rules, issuing stock options to employees resulted in recognition of no compensation cost. The cost under SFAS123R should be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). The grant-date fair value of employee share awards will be estimated using option-pricing models, unless observable market prices for the same or similar instruments are available.

SFAS 123R will be effective for CEMEX as of January 1, 2006 and will apply to all awards granted after the effective date and to awards modified, repurchased, or cancelled after that date. The cumulative effect of initially applying this statement, if any, will be recognized as of the effective date. As of the effective date, entities that used the fair-value-based method for either recognition or disclosure under Statement 123 (see note 24(r) to our financial

statements included elsewhere in this annual report) will apply SFAS123R using a modified version of prospective application. Under this transition method of adoption, compensation cost is recognized for the portion of outstanding awards for which the requisite service has not yet been rendered, based on the grant-date fair value of those awards calculated under Statement 123 for either recognition or pro forma disclosures. For periods before the effective date, entities may elect to apply a modified version of retrospective application

under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods by Statement 123.

In connection with the adoption of SFAS 123R in 2006, if we elect to grant new equity awards to employees, SFAS 123R may have a material impact in our net income under U.S. GAAP (see pro forma historical information on footnote 24(r) to our financial statements included elsewhere in this annual report). In respect of expected non-vested awards as of the adoption date, we consider that their cost will not have a material effect given that they are very few outstanding after the restructuring process of employee' stock option programs undertaken during 2004.

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

In December 2004, the FASB issued SFAS 153, Exchanges of Nonmonetary Assets, which eliminates an exception in APB 29 for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The exception provides that those exchanges should be measured based on the recorded amount of the nonmonetary assets relinquished, rather than on the fair values of the exchanged assets. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement will be effective for us for nonmonetary asset exchanges occurring on or after January 1, 2006. We do not expect any material impact from the adoption of this statement.

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, 2004. Where applicable, we have indicated recently announced appointments that became effective as of March 1, 2005. The terms of office of the executive officers are indefinite.

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

	and administration and holds an M.B.A. from Stanford University. Mr. Zambrano has been a member of our board of directors since 1979 and chairman of our board of directors since 1995. He is a member of the board of directors of IBM, 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 Ensenanza e Investigacion 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 Contemporaneo de Monterrey A.C (MARCO), Conservacion Internacional, and the Americas Society, Inc. Lorenzo H. Zambrano is a first cousin of Lorenzo Milmo Zambrano and Rogelio Zambrano Lozano, both members of our board of directors, as well as of Rodrigo Trevino, our chief financial officer. He is also a second cousin of Roberto Zambrano 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 directors 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.

Armando J. Garcia Segovia, Executive Vice President of Development	Initially joined CEMEX in 1975 and rejoined CEMEX in 1985. He has served as director of operational and strategic planning from 1985 to 1988, director of operations from 1988 to 1991, director of corporate services and affiliate companies from 1991 to 1994, director of development from 1994 to 1996, general director of development from 1996 to 2000, and executive vice president of development since 2000. He is a graduate of ITESM with a degree in mechanical engineering and administration and holds an M.B.A. from the University of Texas. He was employed at Cydsa, S.A. from 1979 to 1981 and at Conek, S.A. de C.V. from 1981 to 1985. He is a brother of Jorge Garcia Segovia, an alternate member of our board of directors, and a first cousin of Rodolfo Garcia Muriel, a member of our board of directors. Mr. Garcia has been a member of our board of directors since 1983. He also serves as a member of the board of directors of Materiales Industriales de Chihuahua, S.A. de C.V., Calhidra y Mortero de Chihuahua, S.A. de C.V., Grupo Cementos de Chihuahua, S.A. de C.V., Construcentro de Chihuahua, S.A. de C.V., Control Administrativo Mexicano, S.A. de C.V., Compania Industrial de Parras, S.A. de C.V., Fabrica La Estrella, S.A. de C.V., Prendas Textiles, S.A. de C.V., Telas de Parras, S.A. de C.V., Canacem, Confederacion Patronal de la Republica Mexicana, Centro Patronal de Nuevo Leon, and Instituto Mexicano del Cemento y del Concreto. He is a member of the board and former chairman of Centro de Estudios del Sector Privado para el Desarrollo Sostenible, and member of the board of the World Environmental Center. He is also founder and chairman of the board of Comenzar de Nuevo,

	A.C.
Victor Romo, Executive Vice President of Administration	Joined CEMEX in 1985 and has served as director of administration of CEMEX Espana from 1992 to 1994, general director of administration and finance of CEMEX Espana from 1994 to 1996, president of CEMEX Venezuela from 1996 to 1998, president of the South American and Caribbean region from 1998 to May 2003, and executive vice president of administration since May 2003. He is a graduate in public accounting and holds a master's degree in administration and finance from ITESM. Previously, he worked for Grupo Industrial Alfa, S.A. de C.V. from 1979 to 1985.
Francisco Garza, President of CEMEX North America Region and Trading	Joined CEMEX in 1988 and has served as director of trading from 1988 to 1992, president of CEMEX USA from 1992 to 1994, president of CEMEX Venezuela and Cemento Bayano from 1994 to 1996, and president of CEMEX Mexico and CEMEX USA from 1996 to 1998. In 1998, he was appointed president of the North American region and trading. He is a graduate in business administration of ITESM and holds an M.B.A. from the Johnson School of Management at Cornell University.
Fernando Gonzalez, President of the European Region, Effective March 1, 2005	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 Asiafrom 2000 to May 2003, and president of the South American and Caribbean region from May 2003 to February 2005. In March 2005, he was appointed president of the expanded European Region. He is a graduate in business administration and holds a master's degree in administration from ITESM. Previously, he worked for Grupo Industrial Alfa, S.A. de C.V. from 1976 to 1989.

Jose Luis Saenz de Miera, President of the Iberia, Middle East, Africa and Asia Region, Effective March 1, 2005	Joined CEMEX Espana in 1993 as general manager of administration and finance, and in 1994 he was appointed president of CEMEX Espana. Mr. Saenz de Miera has served as president of the Europe, Africa and Asia region from October 1998 to February 2005. Since March 1, 2005, Mr. Saenz de Miera has been responsible for the Iberian

	Peninsula, Italy, Africa, and Asia, including the United Arab Emirates and Malaysia. He studied economic sciences in Universidad Complutense de Madrid and is a certified public accountant from Instituto de Censores Jurados de Cuentas in Spain. Previously, he was employed from 1973 to 1993 at KPMG Peat Marwick, since 1982 as partner and between 1988 and 1993 as deputy senior partner. Mr. Saenz de Miera is a citizen of Spain.
Juan Romero, President of CEMEX South America and the Caribbean, Effective March 1, 2005	Joined CEMEX in 1992 and has occupied several senior management positions, including commercial director for CEMEX Espana, president of CEMEX, Colombia, commercial director for CEMEX Mexico, and president of CEMEX Mexico. In March 2005, Mr. Romero became president of the South America and Caribbean Regions and Mexico. Mr. Romero graduated from Universidad de Comillas in Spain, where he studied Law and Economics and Enterprise Sciences. Previously, Mr Romero worked for Cementos Sanson and Cementos Portland Morata de Jalon. Mr. Romero is a citizen of Spain.
Rodrigo Trevino, Chief Financial Officer	Joined CEMEX in 1997 and has served as chief financial officer since then. He holds both bachelor and master of science degrees in industrial engineering from Stanford University. Prior to joining CEMEX, he served as the country corporate officer for Citicorp/Citibank Chile from 1995 to 1996, and prior to that, he worked at Citibank, N.A. from 1979 to 1994. Rodrigo Trevino is a first cousin of Lorenzo H. Zambrano, our chief executive officer and chairman of our board of directors.
Ramiro G. Villarreal, General Counsel	Joined CEMEX in 1987 and has served as general counsel since then, and also has served as secretary of our board of directors since 1995. He is a graduate of the Universidad Autonoma de Nuevo Leon with a degree in law. He also received a masters of science degree in finance from the University of Wisconsin. Prior to joining CEMEX, he served as assistant general director of Grupo Financiero Banpais from 1985 to 1987.

Board of Directors

Set forth below are the names of the members of the our board of directors. The members of our board of directors serve for one-year terms. At our 2004 annual shareholders' meeting held on April 28, 2005, 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., Synkro, S.A. de C.V., IUSA-GE, S. de R.L., Industrias Unidas, S.A., Apolo Operadora de Sociedades de Inversion, S.A. de C.V., and Cambridge Lee Industries, Inc. Mr. Garcia Muriel is also vice president of Camara Nacional de la Industria Textil. He is a first cousin of Armando J. Garcia Segovia, executive vice president of development of CEMEX and a member of our board of directors, and Jorge Garcia Segovia, an alternate member of our board of directors.
Rogelio Zambrano Lozano	Has been a member of our board of directors since 1987. He is also a member of the advisory board of Grupo Financiero Banamex, S.A. de C.V. Zona Norte, director of Carza, S.A. de C.V. and Parque Plaza Sesamo, S.A. de C.V., and a member of the board of directors of Hospital San Jose is a first cousin of Lorenzo H. Zambrano, chairman of our board of directors and our chief executive officer, 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 and president of our audit committee since 2002. He is also a member of the board of directors of Cemex Mexico, S.A. de C.V. He is chairman of the board of directors of Desarrollo Integrado,

	S.A. de C.V., Administracion Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmobiliaria Sanni, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., Servicios Tecnicos Hidraulicos, S.A. de C.V., Mantenimiento Integrado, S.A. de C.V., , Pilatus PC-12 Center de Mexico, S.A. de C.V., and Pronatura, A.C. He is a member of the board of directors of S.L.I. de Mexico, S.A. de C.V., 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, S.A. de C.V., Grupo Carso, S.A. de C.V., and Grupo Maseca, S.A. de C.V. He is also a member of Consejo Mexicano de Hombres de Negocios, Fundacion UNAM and, Fundacion ICA. He is a founding associate of Fundacion Letras Mexicanas and is currently president of Patronato UNAM.
Dionisio Garza Medina	Has been a member of our board of directors since 1995. He is also chairman of the board and chief executive officer of Alfa, S.A. de C.V. He is a member of the board of directors of Vitro, S.A., Cydsa, S.A., and ING Mexico. He is also chairman of the executive board of the Universidad de Monterrey and a member of Consejo Mexicano de Hombres de Negocios, the advisory committee of the David Rockefeller Center for Latin American Studies of Harvard University, the board of Harvard Business School, and the advisory committee of the New York Stock Exchange.
Alfonso Romo Garza	Has been a member of our board of directors since 1995. He is chairman of the board and chief executive officer of Savia, S.A. de C.V. and

	member of the board of Nacional de Drogas, S.A. de C.V., Grupo Maseca,

	S.A. de C.V., and Grupo Comercial Chedraui, S.A. de C.V. He is an external advisor of the World Bank Board for Latin America and the Caribbean, and a member of the board of The Donald Danforth Plant Science Center.
Mauricio Zambrano Villarreal	Has been a member of our board of directors since 2001. Mr. Zambrano Villarreal served as an alternate member of our board of directors from 1995 to 2001. He is also general vice-president of Desarrollo Integrado, S.A. de C.V., chairman of the board of directors of Empresas Falcon, S.A. de C.V. and Trek Associates, Inc., secretary of the board of directors of Administracion Ficap, S.A. de C.V., Aero Zano, S.A. de C.V., Ciudad Villamonte, S.A. de C.V., Focos, S.A. de C.V., Compania de Vidrio Industrial, S.A. de C.V., C & I Capital, S.A. de C.V., Industrias Diza, S.A. de C.V., Inmuebles Trevisa, S.A. de C.V., and Servicios Tecnicos Hidraulicos, S.A. de C.V., and a member of the board of directors of Invercap, S.A. de C.V. He is a brother of Roberto Zambrano Villarreal, a member of our board of directors.
Tomas Brittingham Longoria	Has been a member of our board of directors since 2002. Previously served as an alternate member of our board of directors from 1987 until 2002. He is chief executive officer of Laredo Autos, S.A. de C.V. He is a son of Eduardo Brittingham Sumner, an alternate member of our board of directors.
Jose Manuel Rincon Gallardo	Has been a member of our board of directors since 2003. He is also the board's "financial expert" and a member of our Audit Committee. He is president of the board of directors of Sonoco de Mexico, S.A. de C.V., member of the board of directors and audit committee of Grupo Financiero Banamex, S.A. de C.V., and Grupo Herdez, S.A. de C.V., and member of the board of directors of Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V., Grupo Cuervo, S.A. de C.V., Laboratorio Sanfer-Hormona, and Alexander Forbes Mexico. Mr. Rincon Gallardo is a member of Pro-Dignidad, A.C., Instituto Mexicano de Contadores Publicos, A.C., and Instituto Mexicano de Ejecutivos de Finanzas, A.C. Mr. Rincon Gallardo was managing partner of KPMG Mexico, and was a member of the board of directors of

	KPMG United States and KPMG International.

Alternate Directors

Set forth below are the names of the alternate members of our board of directors. The alternate members of our board serve for one-year terms.

Eduardo Brittingham Sumner	Has been an alternate member of our board of directors since 2002. Previously served as a regular member of our board of directors from 1967 until 2002. He is also general director of Laredo Autos, S.A. de C.V., Consorcio Industrial de Exportacion, S.A. de C.V., and an alternate member of the board of directors of Vitro, S.A. He is the father of Tomas Brittingham Longoria, a member of our board of directors.
Tomas Milmo Santos	Has been an alternate member of our board of directors since 2001. He is Chief Executive Officer and president of the board of directors of Axtel, S.A. de C.V., a telecommunications company that operates in the local, long distance and data transfer market. He is also a member of the board of directors of Coparmex, Cemex Mexico, HSBC Mexico, and ITESM. Mr. Milmo Santos holds a degree in economics from Stanford University.

	Mr. Milmo Santos is a nephew of Lorenzo H. Zambrano, our chief executive officer and chairman of our board of directors, and a nephew of Lorenzo Milmo Zambrano, a member of our board of directors.
Jorge Garcia Segovia	Has been an alternate member of our board of directors since 1985. He is also a member of the board of directors of Compania Industrial de Parras, S.A. de C.V. He is a brother of Armando J. Garcia Segovia and a first cousin of Rodolfo Garcia Muriel, both members of our board of directors.

Board Practices

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

alternate examiner.

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

The Audit Committee

The audit committee is responsible for reviewing related party transactions and is required to submit an annual report of its activities to our board of directors. The audit committee is also responsible for the appointment, compensation and oversight of our external auditors. The audit committee has also adopted procedures for handling complaints regarding accounting and auditing matters, including anonymous and confidential methods for addressing concerns raised by employees. Under our by-laws, the majority of the members of the audit committee, including its president, are required to be independent directors.

Set forth below are the names of the members of our audit committee. The terms of the members of our audit committee are indefinite, and they may only be removed by a resolution of the board of directors. Jose Manuel Rincon Gallardo qualifies as an "audit committee financial expert." See "Item 16A--Audit Committee Financial Expert."

Roberto Zambrano Villarreal President	See "--Board of Directors."
Jose Manuel Rincon Gallardo	See "--Board of Directors."
Lorenzo Milmo Zambrano	See "--Board of Directors."
Alfonso Romo Garza	See "--Board of Directors."
Tomas Brittingham Longoria	See "--Board of Directors."

Compensation of Our Directors and Members of Our Senior Management

For the year ended December 31, 2004, the aggregate amount of compensation we paid, or our subsidiaries paid, to all members of our board of directors, alternate members of our board of directors and senior managers, as a group, was approximately Ps221.8 million. Approximately Ps26 million of this amount was paid pursuant to the bonus plan described below under "-- Employee Stock Option Plan (ESOP)." During 2004, as part of their compensation, the members of our board of directors, alternate members of our board of directors and senior managers, as a group, received options to acquire 8,248,489 CPOs at a weighted average exercise price of U.S.$5.08 per CPO. These options expire in 2013 and 2014. As of December 31, 2004, the members of our board of directors, alternate members of our board of directors and senior managers had exercised options covering 6,105,227 of these CPOs. After these exercises and giving

effect to anti-dilution provisions in the options, the number of underlying CPOs was 2,427,588, and the adjusted weighted average exercise price per CPO was U.S.$5.79 as of December 31, 2004.

In addition, approximately Ps11.7 million was set aside or accrued to provide pension, retirement or similar benefits.

Employee Stock Option Plan (ESOP)

In 1995, we adopted an employee stock option plan, or ESOP, under which we were authorized to grant members of our board of directors, members of our senior management and other eligible employees options to acquire our CPOs. Our obligations under the plan are covered by shares held in a trust created for such purpose (initially 216,300,000 shares). As of December 31,

2004, after giving effect to the exchange program implemented in November 2001 described below, options to acquire 3,410,155 CPOs remain outstanding under this program, with a weighted average exercise price of approximately Ps30.11 per CPO. As of December 31, 2004, the outstanding options under this program had a weighted average remaining tenure of approximately 3.0 years.

In November 2001, starting with the 2001 voluntary exchange program described below, we incorporated new features to our ESOP, including an escalating strike price in dollars, increasing at an annual rate of 7%, adjusted downward by dividends paid. Options under this amended ESOP were hedged by non-dilutive equity forward contracts.

In February 2004, starting with the 2004 voluntary exchange program described below, we further amended our ESOP. The amendments provide, among other things, that the options will be automatically exercised at a predetermined price of U.S.$7.50 per CPO if, at any time during the life of the options, the CPO closing market price reaches or exceeds that predetermined price. Any gains realized through exercise of the options, whether automatic or voluntary, will be invested in restricted CPOs. The restricted CPOs received upon exercise of the options will be held in a trust on behalf of each employee. The restrictions will gradually lapse, at which time the CPOs will become freely transferable and the employee may withdraw them from the trust.

Certain key executives participate in a bonus plan that pays a percentage of the median salary of their corresponding pay-grade. This bonus is calculated and paid annually, 50% in cash and 50% in CPOs under an ESOP.

CEMEX, Inc. ESOP

As a result of the acquisition of CEMEX, Inc. (formerly Southdown) in November 2000, we established a stock option program for CEMEX, Inc.'s executives for the purchase of our ADSs. The options granted under the program have a fixed exercise price in U.S. Dollars equivalent to the 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 their grant date. The options are covered using shares currently owned by our subsidiaries, thus potentially increasing stockholders' equity and the number of shares outstanding. As of December 31, 2004, 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, options to acquire 1,925,452 ADSs, remain outstanding under this program. These options have a weighted average exercise price of approximately U.S.$4.89 per CPO or U.S.$24.45 per ADS as each ADS currently represents five CPOs. The number of options under these ADS programs are presented below in terms of CPO equivalents and do not give effect to the 2-for-1 stock split we expect to occur in July 2005.

Stock options activity during 2003 and 2004, the balance of options outstanding as of December 31, 2003 and 2004 and other general information regarding our stock option programs, is presented in note 16 to our consolidated financial statements included elsewhere in this annual report.

As of December 31, 2004, the following ESOP options to purchase our securities were outstanding:

Title of security underlying options	Number of CPOs or CPO equivalents underlying options	Expiration Date	Range of exercise prices per CPOs or CPO equivalents

CPOs (Pesos)	3,410,155	2005-2011	Ps14.97 - 37.84
CPOs (Dollars) (may be instantly cash-settled)	3,455,402	2011-2013	U.S.$4.22 - 5.82
CPOs (Dollars) (US$7.50 knock-out; receive restricted CPOs)(1)	1,240,689	2012	U.S.$5.13
CPOs (Dollars) (US$8.50 knock-out; receive restricted CPOs)	137,673,590	2012-2014	U.S.$5.79 - 7.47
CPOs (Dollars) (Unlimited upside; receive restricted CPOs)	18,323,866	2012	U.S.$7.47
CEMEX, Inc. ESOP	9,627,260	2011-2013	U.S.$3.89 - 5.58

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(1) On January 17, 2005, the closing CPO market price reached U.S.$7.50, and, as a result, all existing options were automatically exercised.

As of December 31, 2004, our senior management and directors held the following ESOP options to acquire our securities:

Title of security underlying options	Number of CPOs or CPO equivalents underlying options	Expiration Date	Range of exercise prices per CPOs or CPO equivalents
CPOs (Dollars) (US$8.50 knock-out; receive restricted CPOs)	43,833,077	2012-2014	U.S.$5.79 - 7.47
CPOs (Dollars) (Unlimited upside; receive restricted CPOs)	6,182,954	2012	U.S.$7.47

As of December 31, 2004, 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)	3,410,155	2005-2011	Ps14.97 - 37.84
CPOs (Dollars) (may be instantly cash-settled)	3,455,402	2011-2013	U.S.$4.22 - 5.82
CPOs (Dollars)			

(US$7.50 knock-out; receive restricted CPOs)(1)	1,240,689	2012	U.S.$5.13
CPOs (Dollars) (US$8.50 knock-out; receive restricted CPOs)	93,840,513	2012-2014	U.S.$5.79 - 7.47
CPOs (Dollars) (Unlimited upside; receive restricted CPOs)	12,140,912	2012	U.S.$7.47
CEMEX, Inc. ESOP	9,627,260	2011-2013	U.S.$3.89 - 5.58

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(1) On January 17, 2005, the closing CPO market price reached U.S.$7.50, and, as a result, all existing options were automatically exercised.

The November 2001 Voluntary Exchange Program

In November 2001, we implemented a voluntary exchange program to offer participants in our ESOP new options in exchange for their existing options. The new options have an escalating strike price in U.S. Dollars and are hedged by our equity forward contracts, while the old options had a fixed strike price in Pesos. The executives who participated in this program exchanged their options to purchase CPOs at a weighted average strike price of Ps34.11 per CPO, for cash equivalent to the intrinsic value on the exchange date and new options to purchase CPOs with an escalating dollar strike price set at U.S.$4.93 per CPO as of December 31, 2001, growing by 7% per annum less dividends paid on the CPOs. Of the old options, 57,448,219 (approximately 90.1%) were exchanged for new options in the voluntary exchange program and 8,695,396 were not exchanged. In the context of the program, 81,630,766 new options were issued, in addition to 7,307,039 of the new options that were purchased by participants under a voluntary purchase option that was also part of the exchange. As of December 31, 2004, considering the options granted under the program, the exercise of options through that date, the result of the February 2004 exchange program described below and the 2004 voluntary early exercise program, 1,876,830 options to acquire 2,154,413 CPOs remained outstanding under this program, with an exercise price of approximately U.S.$5.22 per CPO. As of December 31, 2004, the outstanding options under this program had a remaining tenure of approximately 7.4 years.

The February 2004 Voluntary Exchange Program

In February 2004, we implemented a voluntary exchange program to offer ESOP and voluntary employee stock option plan, or VESOP, participants new options in exchange for their existing options. Under the terms of the exchange offer, participating employees surrendered their options in exchange for new options with an initial strike price of U.S.$5.05 per CPO and a life of 8.4 years, representing respectively the weighted average strike price and maturity of existing options. The strike price of the new options increased annually at a 7% rate, less dividends paid on the CPOs. The new options were exercisable at any time at the discretion of their holders, and would be automatically exercised if, at any time during the life of the options, the closing CPO market price reaches U.S.$7.50.

Any gain realized through the exercise of these options was required to be invested in restricted CPOs at a 20% discount to market. Holders of these options were entitled to receive an annual payment of US$0.10 net of taxes per option outstanding as of the payment date until exercise or maturity of the options, which was scheduled to grow annually at a 10% rate.

As a result of the voluntary exchange offer, 122,708,146 new options were issued in exchange for 114,121,358 existing options, which were subsequently cancelled. All options not exchanged in the offer maintained their existing terms and conditions.

As of December 31, 2004, considering the options granted under the exchange offer, the exercise of options through that date, and the result of the 2004 voluntary early exercise program described below, 1,190,224 options to acquire 1,240,689 CPOs remained outstanding under this program, with an exercise price of approximately U.S.$5.13 per CPO. As of December 31, 2004, the outstanding options under this program had a remaining tenure of approximately 7.5 years.

On January 17, 2005, the closing CPO market price reached U.S.$7.50 and, as a result, all existing options under this program were automatically exercised. Holders of these options received the corresponding gain in restricted CPOs, as described above.

The 2004 Voluntary Early Exercise Program

In December 2004, we offered ESOP and VESOP participants new options, conditioned on the participants exercising and receiving the intrinsic value of their existing options. As a result of this program, 120,827,370 options from the February 2004 voluntary exchange program, 16,580,004 options from other ESOPs, and 399,848 options from VESOP programs were exercised, and we granted a total of 139,151,236 new options. The new options have an initial strike price of US$7.4661, which is US$0.50 above the closing CPO market price on the date on which the old options were exercised, and which will grow at a rate of 5.5% per annum. The new options will expire after 7.5 years. All gains from the exercise of these new options will be paid in restricted CPOs. The restrictions will be removed gradually within a period of between two and four years, depending on the exercise date.

The new options may be exercised at any time at the discretion of their holders. Of the 139,151,236 new options, 120,827,370 will be automatically exercised if the closing CPO market price reaches U.S.$8.50, while the remaining 18,323,866 options will not have an automatic exercise threshold. Holders of these options will receive an annual payment of U.S.$0.11 net of taxes per option outstanding as of the payment date. This payment will grow annually at a 10% rate.

For accounting purposes under Mexican and U.S. GAAP, as of December 31, 2004, we accounted for the new options, including the U.S.$0.11 per option payment made to employees, under the February 2004 voluntary exchange program, under the intrinsic value method through earnings in the same manner as we currently do under existing plans. See notes 3W and 16 to our consolidated financial statements included elsewhere in this annual report.

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, had a predefined exercise price in U.S. Dollars which increased quarterly, thereby taking into account the funding cost in the market. As of December 31, 2004, all these options had expired.

During 2002, we established an additional VESOP, pursuant to which managers and senior executives were entitled to purchase, on a monthly basis, new options for up to an aggregate number equal to the total number of options exercised during the same period by other executives under the November 2001 ESOP voluntary exchange program. During 2002, we sold 2,120,395 of these VESOP options and received a premium equivalent to a percentage of the CPO price, which amounted to approximately U.S.$1.5 million (Ps17.8 million). As of December 31, 2004, after giving effect to exercises of these options and anti-dilution provisions, the number of CPOs underlying these options was 40,177, with a weighted average exercise price of approximately U.S.$5.92 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 (Ps107.0 million). The new options, which had an increasing U.S. Dollar exercise price of approximately U.S.$3.58 per CPO, equal to the closing 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 the options were exercised. Employees and directors who exercised their options under the new VESOP received the corresponding gain in CPOs, which they were 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 then 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 executives and directors options covering 294,074 CPOs under our old VESOPs at a price per option of U.S.$0.0096, and options covering 8,158,574 CPOs 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 executives 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, 2004, all options under the new VESOP had been exercised and no options remained outstanding thereunder.

As of December 31, 2004, the following VESOP options to acquire our securities were outstanding.

Title of security underlying options	Number of CPOs underlying options	Expiration Date	Option Purchase Price	Range of exercise price per CPO
CPOs	40,177	2011	U.S.$0.76 - 0.63	U.S.$5.92

As of December 31, 2004, no member of our senior management or board of directors held any VESOP options to acquire our securities.

Employees

The information set forth in this section does not take into account the RMC acquisition or the sale of U.S. assets in the Great Lakes region, both of which occured after December 31, 2004.

As of December 31, 2004, we had approximately 26,679 employees worldwide, which represented an increase of 2.75% from year-end 2003.

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
2002	9,184	4,608	3,035	2,334	858	891	692	220	2,569	2,361	26,752
2003	8,942	4,709	2,963	1,700	800	873	669	224	2,599	2,486	25,965
2004	9,857	4,977	2,833	1,770	743	929	603	233	2,593	2,141	26,679

* 2003 and 2004 include 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 2005 through 2011. During 2004, we reached agreements with two of our plants, and one plant agreement (Clinchfield, Georgia) is pending. 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. A single union represents the union employees of the Bucaramanga and Cucuta cement plants in Colombia. There are also collective agreements with non union workers at the Caracolito cement plant, Santa Rosa cement plant and all ready-mix plants in Colombia. Our relationships with both union representatives and non union workers are good. Our Panamanian union, which is the only autonomous union in the country that is not affiliated with any union confederation or official group, has 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. We consider labor relations with our employees to be satisfactory. In 2003, 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 total of 850 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 31, 2005, our senior management and directors and their immediate families owned, collectively, approximately 6.34% of our outstanding shares, including shares underlying stock options and restricted CPOs under our ESOPs. This percentage does not include shares held by the extended families of members of our senior management and directors, since to the best of our knowledge, no voting arrangements or other agreements exist with respect to those shares. No individual director or member of our senior management beneficially owned one percent or more of any class of our

outstanding capital stock.

Item 7 - Major Shareholders and Related Party Transactions

Major Shareholders

Based upon information contained in a statement on Schedule 13G filed with the Securities and Exchange Commission on May 9, 2005, as of March 31, 2005, Southeastern Asset Management, Inc., an investment adviser registered under the U.S. Investment Advisers Act of 1940, as amended, beneficially owned 35,289,836 ADSs and 12,540,300 CPOs, representing 188,989,480 CPOs or approximately 10.2% of our outstanding capital stock. Southeastern Asset Management, Inc. does not have voting rights different from our other shareholders.

Other than Southeastern Asset Management, Inc., the CPO trust and the shares and CPOs owned by our subsidiaries, we are not aware of any person that is the beneficial owner of five percent or more of any class of our voting securities.

As of March 31, 2005, our outstanding capital stock consisted of 3,704,060,248 Series A shares and 1,852,030,124 Series B shares, in each case including shares held by our subsidiaries.

As of March 31, 2005, a total of 3,580,343,222 Series A shares and 1,790,171,611 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, 2005, through our subsidiaries, we owned approximately 153.8 million CPOs, representing approximately 8.3% of our outstanding CPOs and 8.6% of our outstanding voting stock. An additional 162 million CPOs, representing approximately 8.7% of our outstanding CPOs and 9% 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.

Mexican securities regulations provide that our majority-owned subsidiaries may neither directly or indirectly invest in our CPOs nor other securities representing our capital stock. The Mexican securities authority could require any disposition of the CPOs or of other securities representing our capital stock so owned and/or impose fines on us if it were to determine that the ownership of our CPOs or of other securities representing our capital stock by our subsidiaries, in most cases, negatively affects the interests of our shareholders. Notwithstanding the foregoing, the exercise of all rights pertaining to our CPOs or to other securities representing our capital stock

in accordance with the instructions of our subsidiaries does not violate any provisions of our bylaws or the bylaws of our subsidiaries. The holders of these CPOs or of other securities representing our capital stock are entitled to exercise the same rights relating to their CPOs or their other securities representing our capital stock, including all voting rights, as any other holder of the same series.

As of March 31, 2005, we had 359 ADS holders of record in the United States, holding approximately 53% of our outstanding CPOs.

On April 28, 2005, our shareholders approved a new stock split, which we expect to occur in July 2005. In connection with the stock split, each of our existing Series A shares will be surrendered in exchange for two new Series A shares, and each of our existing Series B shares will be surrendered in exchange for two new Series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our existing CPOs, with each new CPO representing two new Series A shares and one new Series B share. The number of our existing ADSs will not change as a result of the stock split; instead the ratio of CPOs to ADSs will be modified so that each existing ADS will represent ten new CPOs following the stock split and the CPO trust amendment.

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 2004, the largest aggregate amount of loans we had outstanding to our directors and members of senior management was Ps1,654,384. As of March 31, 2005, the amount outstanding was Ps10,743,274, with an average interest rate of 1.9% per annum. The increase is a result of the appointment of an additional executive officer who had a pre-existing loan from us.

Item 8 - Financial Information

Consolidated Financial Statements and Other Financial Information

See Item 18 -- "Financial Statements" and "Index to Consolidated Financial Statements."

Legal Proceedings

See Item 4 -- "Information on the Company -- Regulatory Matters and Legal Proceedings."

Dividends

A declaration of any dividend by us is made by our shareholders at a general ordinary meeting. Any dividend declaration is usually based upon the recommendation of our board of directors. However, the shareholders are not obligated to approve the board's recommendation. We may only pay dividends from retained earnings included in financial statements that have been approved by our shareholders and after all losses have been paid for, a legal reserve equal to 5% of our paid-in capital has been created and our shareholders have approved the relevant dividend payment. According to 1999 Mexican tax reforms, all shareholders, excluding Mexican corporations, that receive a dividend in cash or in any other form are subject to a withholding tax. See Item 10 -- "Additional Information -- Taxation -- Mexican Tax Considerations." Since we conduct our operations through our subsidiaries, we

have no significant assets of our own except for our investments in those subsidiaries. Consequently, our ability to pay dividends to our shareholders is dependent upon our ability to receive funds from our subsidiaries in the form of dividends, management fees, or otherwise. Some of our credit agreements and debt instruments and some of those of our subsidiaries contain provisions restricting our ability, and that of our subsidiaries, as the case may be, to pay dividends if financial covenants are not maintained. As of December 31, 2004, we and our subsidiaries were in compliance with, or had obtained waivers in connection with, those covenants. See Item 3 -- "Key Information -- Risk Factors -- We have incurred and will continue to incur debt, which could have an adverse effect on the price of our CPOs and ADSs" 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 depositary will fix a record date for the holders of ADSs in respect of each dividend distribution. Unless otherwise stated, the ADS depositary has agreed to convert cash dividends received by it in respect of the A shares and the B shares underlying the CPOs represented by ADSs from Pesos into Dollars and, after deduction or after payment of expenses of the ADS depositary, to pay those dividends to holders of ADSs in Dollars. We cannot assure holders of our ADSs that the ADS depositary will be able to convert dividends received in Pesos into Dollars.

The following table sets forth the amounts of annual cash dividends paid in Pesos, on a per share basis, and a convenience translation of those amounts into Dollars based on the CEMEX accounting rate as of December 31, 2004:

	Dividends Per Share	
	Constant Pesos	Dollars
2000	0.66	0.06
2001	0.77	0.07
2002	0.82	0.07
2003	0.85	0.08
2004	0.82	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, 2004, were as follows: 2000, Ps1.98 per CPO (or Ps0.66 per share); 2001, Ps2.31 per CPO (or Ps0.77 per share); 2002, Ps2.46 per CPO (or Ps0.82 per share); 2003, Ps2.55 per CPO (or Ps0.85 per share); and 2004, Ps2.46 per CPO (or Ps0.82 per share). As a result of dividend elections made by shareholders, in 2000, Ps331 million in cash was paid and 59 million additional CPOs were issued in respect of dividends declared for the 1999 fiscal year; in 2001, Ps99 million in cash was paid and 70 million additional CPOs were issued in respect of dividends declared for the 2000 fiscal year; in

2002, Ps273 million in cash was paid and 64 million additional CPOs were issued in respect of dividends declared for the 2001 fiscal year; in 2003, Ps71 million in cash was paid and 99 million additional CPOs were issued in respect of dividends declared for the 2002 fiscal year; and in 2004, Ps167 million in cash was paid and 75 million additional CPOs were issued in respect of dividends declared for the 2003 fiscal year.

At our 2004 annual shareholders' meeting, which was held on April 28, 2005, our shareholders approved a dividend of Ps2.60 per CPO (Ps0.87 per share) for the 2004 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 Ps4,815,278,332, through the issuance of up to 240 million series A shares and 120 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

Except as described herein, no significant change has occurred since the date of our consolidated financial statements included in this annual report.

Item 9 - Offer and Listing

Market Price Information

Our CPOs are listed on the Mexican Stock Exchange and trade under the symbol "CEMEX.CPO." Our ADSs, each of which currently represents five CPOs, are listed on the NYSE and trade under the symbol "CX." Until their expiration on December 21, 2004, our appreciation warrants were listed on the Mexican Stock Exchange and our ADWs, each of which represented five appreciation warrants, were listed on the NYSE. 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	CPOs(1)		ADSs(2)		Old appreciation warrants(3)		Old ADWs(4)		New appreciation warrants(5)		New ADWs(6)	
Yearly	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
2000	Ps53.80	Ps32.50	U.S.$28.75	U.S.$17.19	Ps8.50	Ps2.00	Ps4.75	Ps1.00	--	--	--	--
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	Ps 8.50	Ps 3.00	U.S.$4.60	U.S.$1.22
2003	59.50	35.65	26.64	16.31	--	--	--	--	7.00	2.50	3.20	0.95
2004	82.00	58.30	36.56	25.97					20.60	6.80	9.60	2.80
Quarterly												
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	26.20	22.06	--	--	--	--	5.30	3.10	2.25	1.35
Fourth quarter	59.50	51.49	26.64	23.20	--	--	--	--	7.00	4.90	3.20	2.05
2004												

First quarter (7)	66.50	58.30	29.96	26.20					9.40	6.80	3.75	2.80
Second quarter	70.50	60.39	31.35	25.97					11.00	7.20	4.30	3.00
Third quarter	71.25	62.21	31.31	26.95					10.50	9.50	4.25	3.60
Fourth quarter	82.00	62.39	36.56	27.14					20.60	9.00	9.60	3.61
Monthly												
2004-2005												
October	67.60	62.39	29.96	27.14	--	--	--	--	9.50	9.00	3.70	3.61
November	72.40	66.50	32.21	28.85	--	--	--	--	14.50	9.00	6.20	3.70
December	82.00	72.20	36.56	32.23	--	--	--	--	20.60	15.00	9.60	6.29
January	85.00	78.00	37.72	34.55	--	--	--	--	--	--	--	--
February	90.80	83.80	40.97	37.50	--	--	--	--	--	--	--	--
March	93.50	80.51	42.52	35.83	--	--	--	--	--	--	--	--
April	84.40	75.50	38.30	34.13	--	--	--	--	--	--	--	--

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

(1) As of December 31, 2004, approximately 96. 6% 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 w arrants began trading on the Mexican Stock Exchange on December 13, 1999 an d 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 and expired on Decem ber 21, 2004.

(6) The new ADWs were initially listed for tr ading on the NYSE on December 24, 2001, but were not actually traded un til January 4, 2002. The new ADWs expired on December 21, 2004.

(7) In January 2004, we purchased 90,018,042 new appreciation warrants (including new appreciation warrants repr esented by new ADWs) through a modified "Dutch Auction" cash tender offe r we launched in November 2003, which allowed holders to tender their new appreciation warrants and new ADWs at a price in Pesos not greater than Ps8.10 per new appreciation warrant (Ps40.50 per new ADW) nor less th an Ps5.10 per new appreciation warrant (Ps25.50 per new ADW), as specifi ed by them. Pursuant to the terms of the offer, which expired on Janu ary 26, 2004, we purchased such new appreciation warrants and new 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 new apprecia tion warrant (Ps40.50 per new ADW). All new appreciation warrants and new ADWs not accepted because of proration were promptly returned. Following the completion of the offer, approximately 11,668,132 new appreciation warrants (including new appreciation warrants represented by new ADWs) were held by persons other than CEMEX and its subsidiaries.

On April 29, 2005, the last reported closing price for CPOs on the Mexican Stock Exchange was Ps79.62 per CPO and the last reported closing price for ADSs on the NYSE was U.S.$36.00 per ADS.

Item 10 - Additional Information

Articles of Association and By-laws

General

Pursuant to the requirements of Mexican corporation law, our articles of association and by-laws, or estatutos sociales, have been registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, Mexico, under the entry number 21 since June 11, 1920. We are a holding company engaged, through our operating subsidiaries, primarily in the production, distribution, marketing and sale of cement, ready-mix concrete and clinker. Our objectives and purposes can be found in article 2 of our by-laws. We are a global cement manufacturer, with operations in North, Central and South America, Europe, the Caribbean, Asia and Africa. We plan to continue

focusing on the production and sale of cement and ready-mix concrete, as we believe that this strategic focus has enabled us to grow our existing businesses and to expand our operations internationally.

We have two series of common stock, the series A common stock, with no par value, or A shares, which can only be owned by Mexican nationals, and the series B common stock, with no par value, or the B shares, which can be owned by both Mexican and non-Mexican nationals. Our by-laws state that the A shares may not be held by non-Mexican persons, groups, units or associations that are foreign or have participation by foreign governments or their agencies. Our by-laws also state that the A shares shall at all times account for a minimum of 64% of our total outstanding voting stock. Other than as described herein, holders of the A shares and the B shares have the same rights and obligations.

In 1994, we changed from a fixed capital corporation to a variable capital corporation in accordance with Mexican corporation law and effected a three-for-one split of all our outstanding capital stock. As a result, we changed our corporate name from CEMEX, S.A. to CEMEX, S.A. de C.V., established a fixed capital account and a variable capital account and issued one share of variable capital stock of the same series for each eight shares of fixed capital stock held by any shareholder, after giving effect to the stock split.

Each of our fixed and variable capital accounts 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:

- 95% of the market value of those shares based on the weighted average trading price of our CPOs on the Mexican Stock Exchange during the latest period of 30 trading days preceding the date on which the exercise of the redemption option is effective, for a period not to exceed six months; and

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

If the period used in calculating the quoted share price as described above consists of less than 30 trading days, the number of days when shares were actually traded will be used. If shares have not been traded during this period, the redemption price will be the book value of those shares as described above. If a shareholder exercises its redemption option during the first three quarters of a fiscal year, that exercise is effective at the end of that fiscal year, but if a shareholder exercises its redemption option during the fourth quarter, that exercise is effective at the end of the next succeeding fiscal year. The redemption price is payable as of the day following the annual ordinary meeting of shareholders at which the relevant annual financial statements were approved.

Shareholder authorization is required to increase or decrease either the fixed capital account or the variable capital account. Shareholder authorization to increase or decrease the fixed capital account must be obtained at an extraordinary meeting of shareholders. Shareholder authorization to increase or decrease the variable capital account must be obtained at an ordinary general meeting of shareholders.

On September 15, 1999, we effected a further stock split. For every one of our shares of any series we issued two series A shares and one series B share. Concurrently with this stock split, we also consummated an exchange offer

to exchange new CPOs and new ADSs representing the new CPOs for our then existing A shares, B shares and ADSs and converted our then existing CPOs into the new CPOs. As of December 31, 2004, approximately 96.6% of our outstanding share capital was represented by CPOs, a portion of which is represented by ADSs.

As of December 31, 2004, our capital stock consisted of 6,091,092,807 issued shares. As of December 31, 2004, series A shares represented 66.6% of our capital stock, or 4,060,728,538 shares, of which 3,703,634244 shares were subscribed and paid, 249,133,670 shares were treasury shares and 107,960,624 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, 2004, series B shares represented 33.4% of our capital stock, or 2,030,364,269 shares, of which 1,851,817,122 shares were subscribed and paid, 124,566,835 shares were treasury shares and 53,980,312 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, 2004, 3,267,000,000 shares corresponded to the fixed portion of our capital stock and 2,824,092,807 shares corresponded to the variable portion of our capital stock.

At the 2004 annual shareholders' meeting held on April 28, 2005, in connection with their approval of a dividend for the 2004 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 Ps4,815,278,332, through the issuance of up to 240 million series A shares and 120 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 2004 annual shareholders' meeting, our shareholders approved the cancellation of 249,133,670 series A treasury shares and 124,566,835 series B treasury shares.

In addition, at a general extraordinary meeting of shareholders held on April 28, 2005, our shareholders approved a new stock split, which we expect to occur in July 2005. In connection with the stock split, each of our existing series A shares will be surrendered in exchange for two new series A shares, and each of our existing series B shares will be surrendered in exchange for two new series B shares. Concurrent with this stock split, we authorized the amendment of the CPO trust agreement pursuant to which our CPOs are issued to provide for the substitution of two new CPOs for each of our existing CPOs, with each new CPO representing two new series A shares and one new series B share. The number of our existing ADSs will not change as a result of the stock split; instead the ratio of CPOs to ADSs will be modified so that each existing ADS will represent ten new CPOs following the stock split and the CPO trust amendment.

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 authorizing the amendment of our by-laws to incorporate additional provisions to comply with the new provisions of the Mexican securities law. Following approval from our shareholders at our 2002 annual shareholders' meeting, we amended and restated our by-laws to incorporate these additional provisions, which consist of, among other things, protective measures to prevent share acquisitions, hostile takeovers, and direct or indirect changes of control. As a result of the amendment and restatement of our by-laws, the expiration of our corporate

term of existence was extended from 2019 to 2100.

On March 19, 2003, the Mexican securities authority issued new regulations designed to (i) further implement minority rights granted to shareholders by the Mexican securities law and (ii) simplify and comprise in a single document provisions relating to securities offerings and periodic reports by Mexican listed companies.

On April 24, 2003, our shareholders approved changes to our by-laws, incorporating additional provisions and removing some restrictions. The changes were as follows:

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

- The limitation on our variable capital was removed. Formerly, our variable capital was limited to ten times our minimum fixed capital, which is currently set at Ps38.3 million.

- Increases and decreases in our variable capital now require the notarization of the minutes of the ordinary general shareholders' meeting that authorize such increase or decrease, as well as the filing of these minutes with the Mexican National Securities Registry (Registro Nacional de Valores), except when such increase or decrease results from (i) shareholders exercising their redemption rights or (ii) stock repurchases.

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

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

- The cancellation of registration of our shares in the Securities Section of the Mexican National Securities Registry now involves an amended procedure, which is described below under "Repurchase Obligation." In addition, any amendments to the article containing these provisions no longer require the consent of the Mexican securities authority and 95% approval by shareholders entitled to vote.

Changes in Capital Stock and Preemptive Rights

Our by-laws allow for a decrease or increase in our capital stock if it is approved by our shareholders at a shareholders' meeting. Additional shares of our capital stock, having no voting rights or limited voting rights, are authorized by our by-laws and may be issued upon the approval of our shareholders at a shareholders' meeting, with the prior approval of the Mexican securities authority.

Our by-laws provide that shareholders have preemptive rights in proportion to the number of shares of our capital stock they hold, before any increase in the number of outstanding A shares, B shares, or any other existing series of shares, as the case may be, except in the case of shares previously acquired by us or if the shareholders waive their preemptive rights, in the context of a public offer, as set forth in the Mexican securities law. Preemptive rights give shareholders the right, upon any issuance of shares by us, to purchase a sufficient number of shares to

maintain their existing ownership percentages. Preemptive rights must be exercised within the period and under the conditions established for that purpose by the shareholders, and our by-laws and applicable law provide that this period must be 15 days following the publication of the notice of the capital increase in the Periodico Oficial del Estado de Nuevo Leon. With the prior approval of the Mexican securities authority, an extraordinary shareholders' meeting may approve the issuance of our stock in connection with a public offering, without the application of the preemptive rights described above. At that meeting, holders of our stock must waive preemptive rights by the affirmative vote of 50% of the capital stock, and the resolution duly adopted in this manner will be effective for all shareholders. If holders of at least 25% of our capital stock vote against the resolution, the issuance without the application of preemptive rights may not be effected. The Mexican securities authority may only approve the issuance if we maintain policies that protect the rights of minority shareholders. Any shareholder voting against the relevant resolution will have the right to have its shares placed in the public offering together with our shares and at the same market price.

Pursuant to our by-laws, significant acquisitions of shares of our capital stock and changes of control of CEMEX require prior approval from our board of directors. Our board of directors must authorize in advance any transfer of voting shares of our capital stock that would result in any person or group becoming a holder of 2% of more of our shares. If our board of directors denies that authorization, it must designate an alternative buyer for those shares, at a price equal to the price quoted on the Mexican Stock Exchange. Any acquisition of shares of our capital stock

representing 20% or more of our capital stock by a person or group of persons requires prior approval from our board of directors and, in the event approval is granted, the acquiror has an obligation to make a public offer to purchase all of the outstanding shares of that class of capital stock being purchased. In the event the requirements described above for significant acquisitions of shares of our capital stock are not met, the persons acquiring such shares will not be entitled to any corporate rights with respect to such shares, such shares will not be taken into account for purposes of determining a quorum for shareholders' meetings and we will not record such persons as holders of such shares in our shareholder ledger.

Our by-laws require the stock certificates representing shares of our capital stock to make reference to the provisions in our by-laws relating to the prior approval of the board of directors for significant share transfers and the requirements for recording share transfers in our shareholder ledger. In addition, shareholders are responsible for informing us whenever their shareholdings exceed 5%, 10%, 15% and 20% of the outstanding shares of a particular class of our capital stock. We are required to maintain a shareholder ledger that records the names, nationality and domicile of all significant shareholders, and any shareholder that meets or exceeds these thresholds must be recorded in this ledger if such shareholder is to be recognized or represented at any shareholders' meeting. If a shareholder fails to inform us of its shareholdings reaching a threshold as described above, we will not record the transactions that cause such threshold to be met or exceeded in our shareholder ledger, and such transaction will have no legal effect and will not be binding on us.

Repurchase Obligation

In accordance with Mexican securities regulations, our majority shareholders are obligated to make a public offer for the purchase of stock to the minority shareholders if the listing of our stock with the Mexican Stock Exchange is canceled, either by resolution of our shareholders or by an order of the Mexican securities authority. The price at which the stock must be purchased by the majority shareholders is the higher of:

- the weighted average price per share based on the weighted average trading price of our CPOs on the Mexican Stock Exchange during the

latest period of 30 trading days preceding the date of the offer, for a period not to exceed six months; or

- the book value per share, as reflected in the last quarterly report filed with the Mexican securities authority and the Mexican Stock Exchange.

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

Following the expiration of this offer, if the majority shareholders do not acquire 100% of the paid-in share capital, such shareholders must place in a trust set up for that purpose for a six-month period an amount equal to that required to repurchase the remaining shares held by investors who did not participate in the offer. The majority shareholders are not obligated to make the offer to purchase if shareholders representing 95% of our share capital waive that right, and the amount offered for the shares is less than 300,000 UDIs (Unidades de Inversion), which are investment units in Mexico that reflect inflation variations. If these conditions are met, we must create a trust as described above and provide electronic notice to the Mexican Stock Exchange. For purposes of these provisions, majority shareholders are shareholders that own a majority of our shares, have voting power sufficient to control decisions at general shareholders' meetings, or that may elect a majority of our board of directors.

Shareholders' Meetings and Voting Rights

Shareholders' meetings may be called by:

- our board of directors or statutory auditors;

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

- any shareholder if no meeting has been held for two consecutive years or when the matters referred to in Article 181 of the General Law of Commercial Companies (Ley General de Sociedades Mercantiles) have not been dealt with; or

- a Mexican court in the event our board of directors or the statutory auditors do not comply with the valid request of the shareholders indicated above.

Notice of shareholders' meetings must be published in the official gazette for the State of Nuevo Leon, Mexico or any major newspaper published and distributed in the City of Monterrey, Nuevo Leon, Mexico. The notice must be published at least 15 days prior to the date of any shareholders' meeting. Consistent with Mexican law, our by-laws further require that all information and documents relating to the shareholders' meeting be available to shareholders from the date the notice of the meeting is published.

General shareholders' meetings can be ordinary or extraordinary. At every general shareholders' meeting, each holder of A shares and B shares is entitled to one vote per share. Shareholders may vote by proxy duly appointed in writing. Under the CPO trust agreement, holders of CPOs who are not Mexican nationals cannot exercise voting rights corresponding to the A shares represented by their CPOs.

An annual general ordinary shareholders' meeting must be held during the first four months after the end of each of our fiscal years to consider the approval of a report of our board of directors regarding our performance and our financial statements for the preceding fiscal year and to determine the allocation of the profits for the preceding year. At the annual general shareholders' meeting, any shareholder or group of shareholders representing 10% or more of our outstanding voting stock has the right to appoint one regular and one alternate director in addition to the directors elected by the majority and the right to appoint a statutory auditor. The alternate director appointed by the minority holders may only substitute for the director appointed by that minority.

A general extraordinary shareholders' meeting may be called at any time to deal with any of the matters specified by Article 182 of the General Law of Commercial Companies, which include, among other things:

- extending our corporate existence;
- our early dissolution;
- increasing or reducing our fixed capital stock;
- changing our corporate purpose;
- changing our country of incorporation;
- changing our form of organization;
- a proposed merger;
- issuing preferred shares;
- redeeming our own shares;
- any amendment to our by-laws; and
- any other matter for which a special quorum is required by law or by our by-laws.

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

In order to vote at a meeting of shareholders, shareholders must appear on the list that Indeval, the Mexican securities depositary, and the Indeval participants holding shares on behalf of the shareholders, prepare prior to the meeting or must deposit prior to that meeting the certificates representing their shares at our offices or in a Mexican credit institution or brokerage house, or foreign bank approved by our board of directors to serve this function. The certificate of deposit with respect to the share certificates must be presented to our company secretary at least 48 hours before a meeting of shareholders. Our company secretary verifies that the person in whose favor any certificate of deposit was issued is named in our share registry and issues an admission pass authorizing that person's attendance at the meeting of shareholders.

Our by-laws provide that a shareholder may only be represented by proxy in a shareholders' meeting with a duly completed form provided by us authorizing the proxy's presence. In addition, our by-laws require that the secretary acting at the shareholders' meeting publicly affirm the compliance by all proxies with this requirement.

A shareholders' resolution is required to take action on any matter presented at a shareholders' meeting. At an ordinary meeting of shareholders, the affirmative vote of the holders of a majority of the shares present at the meeting is required to adopt a shareholders' resolution. At an extraordinary

meeting of shareholders, the affirmative vote of at least 50% of the capital stock is required to adopt a shareholders' resolution, except that when amending Article 22 of our by-laws (which specifies the list of persons who are not eligible to be appointed as a director or a statutory auditor) the affirmative vote of at least 75% of the voting stock is needed. Our by-laws also require the approval of 75% of the voting shares of our capital stock to amend provisions in our by-laws relating to the prior approval of the board of directors for share transfers and the requirements for recording share transfers in our corporate ledger.

The quorum for a first ordinary meeting of shareholders is 50% of our outstanding and fully paid shares, and for the second ordinary meeting of shareholders is any number of our outstanding and fully paid shares. The quorum for the first extraordinary shareholders' meeting is 75% of our outstanding and fully paid shares, and for the second extraordinary shareholders' meeting the quorum is 50% of our outstanding and fully paid shares.

Rights of Minority Shareholders

Our by-laws provide that holders of at least 10% of our capital stock are entitled to demand the postponement of the voting on any resolution of which they deem they have not been adequately informed.

Under Mexican law, holders of at least 20% of our outstanding capital stock entitled to vote on a particular matter may seek to have any shareholder action with respect to that matter set aside, by filing a complaint with a court of law within 15 days after the close of the meeting at which that action was taken and showing that the challenged action violates Mexican law or our by-laws. Relief under these provisions is only available to holders who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and whose shares were not represented when the action was taken or, if represented, voted against it.

Under Mexican law, an action for civil liabilities against directors may be initiated by a shareholders' resolution. In the event shareholders decide to bring an action of this type, the persons against whom that action is brought will immediately cease to be directors. Additionally, shareholders representing not less than 15% of the outstanding shares may directly exercise that action against the directors; provided that:

- those shareholders shall not have voted against exercising such action at the relevant shareholders' meeting; and

- the claim covers all of the damage alleged to have been caused to us and not merely the damage suffered by the plaintiffs.

Any recovery of damage with respect to these actions will be for our benefit and not that of the shareholders bringing the action.

Registration and Transfer

Our common stock is evidenced by share certificates in registered form with registered dividend coupons attached. Our shareholders may hold their shares in the form of physical certificates or through institutions that have accounts with Indeval. Accounts may be maintained at Indeval by brokers, banks and other entities approved by the Mexican securities authority. We maintain a stock registry, and, in accordance with Mexican law, only those holders listed in the stock registry and those holding certificates issued by Indeval and by Indeval participants indicating ownership are recognized as our shareholders.

Redemption

Our capital stock is subject to redemption upon approval of our

shareholders at an extraordinary shareholders' meeting.

Share Repurchases

If our shareholders decide at a general shareholders' meeting that we should do so, we may purchase our outstanding shares for cancellation. We may also repurchase our equity securities on the Mexican Stock Exchange at the then prevailing market prices in accordance with the Mexican securities law. If we intend to repurchase shares representing more than 1% of our outstanding shares at a single trading session, we must inform the public of such intention at least ten minutes before submitting our bid. If we intend to repurchase shares representing 3% or more of our outstanding shares during a period of twenty trading days, we would be required to conduct a public tender offer for such shares. We must conduct share repurchases through the person or persons approved by our board of directors, through a single broker dealer during the relevant trading session without submitting bids during the first and the last 30 minutes of each trading session and we must inform the Mexican Stock Exchange of the results of any share repurchase no later than the business day following any such share repurchase.

Directors' and Shareholders' Conflict of Interest

Under Mexican law, any shareholder that has a conflict of interest with us with respect to any transaction is obligated to disclose such conflict and is prohibited from voting on that transaction. A shareholder who violates this prohibition may be liable for damages if the relevant transaction would not have been approved without that shareholder's vote.

Under Mexican law, any director who has a conflict of interest with us in any transaction must disclose that fact to the other directors and is prohibited from voting on that transaction. Any director who violates this prohibition will be liable for damages. Additionally, our directors and statutory auditors may not represent shareholders in the shareholders' meetings.

Withdrawal Rights

Whenever our shareholders approve a change of corporate purpose, change of nationality or transformation from one form of corporate organization to another, Mexican law provides that any shareholder entitled to vote on that change that has voted against it may withdraw from CEMEX and receive the amount calculated as specified by Mexican law attributable to its shares, provided that it exercises that right within 15 days following the adjournment of the meeting at which the change was approved.
For further details on the calculation of the withdrawal right, see "- General."

Dividends

At the annual ordinary general meeting of shareholders, our board of directors submits our financial statements together with a report on them by our board of directors and the statutory auditors, to our shareholders for approval. The holders of our shares, once they have approved the financial statements, determine the allocation of our net income, after provision for income taxes, legal reserve and statutory employee profit sharing payments, for the preceding year. All shares of our capital stock outstanding and fully paid at the time a dividend or other distribution is declared are entitled to share equally in that dividend or other distribution.

Liquidation Rights

In the event we are liquidated, the surplus assets remaining after payment of all our creditors will be divided among our shareholders in proportion to the respective shares held by them. The liquidator may, with the approval of our shareholders, distribute the surplus assets in kind among our

shareholders, sell the surplus assets and divide the proceeds among our shareholders or put the surplus assets to any other uses agreed to by a majority of our shareholders voting at an extraordinary shareholders' meeting.

Material Contracts

On March 15, 2001, CEMEX, Inc., as issuer, CEMEX Espana S.A. (formerly Compania Valenciana de Cementos Portland, S.A.), 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. The proceeds of the private placement were used to repay 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, we entered into a First Amended and Restated Reimbursement and Credit Agreement and a related Depositary Agreement with several lenders to increase the amount available under our U.S. commercial paper program from U.S.$275 to 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. This program was cancelled on July 8, 2004.

On October 15, 2003, New Sunward Holding B.V. entered into a U.S.$1.15 billion multi-tranche Term Loan Agreement. The indebtedness incurred under the agreement was guaranteed by CEMEX, CEMEX Mexico and Empresas Tolteca de Mexico and was composed of three different tranches. The first tranche 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 July 7, 2004 the three-year Dollar denominated loan in the amount of U.S.$550,000,000 was completely prepaid. On July 12, 2004, the three-year Yen denominated loan in the amount of (Y)32,688,000,000 was reduced to (Y)16,288,000,000.

On 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 were used to prepay CEMEX Espana's outstanding revolving credit facility and for general corporate purposes. On February 17, 2005, CEMEX, as borrower, requested a 364-day extension of the 364-day multi-currency revolving credit facility (up to an aggregate amount of (euro)100,000,000). As of March 18, 2005, the term of the facility was extended.

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

On June 23, 2004, we entered into a three-year U.S.$800 million revolving credit facility guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The facility consists of credit lines with two different sublimits. The facility provides for swing line loan availability of U.S.$100 million and has a sublimit for standby letters of credit of U.S.$200 million. The proceeds were applied to refinance outstanding debt.

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

On September 24, 2004, CEMEX Espana entered into a series of agreement facilities. The facility is a U.S.$3.8 billion multi-currency term loan. The indebtedness is guaranteed by Cemex Caracas Investments, B.V., Cemex Caracas II Investments, B.V. Cemex Egyptian Investments, B.V., Cemex Manila Investments, B.V. and Cemex American Holdings, B.V. and consists of three tranches. The first tranche is a multi-currency one-year U.S.$1.5 billion back-up term loan denominated in Dollars, Euros or Pounds (or a combination thereof) with an optional twelve month extension. The second tranche is a multi-currency three-year U.S.$1.15 billion term loan denominated in Dollars, Euros or Pounds (or a combination thereof). The third tranche is a multi-currency five-year U.S.$1.15 billion term loan denominated in Dollars, Euros or Pounds (or a combination thereof). Proceeds from the first tranche of the CEMEX Espana facility will be used, as required, to refinance RMC debt. All other proceeds were used to finance the acquisition of RMC.

On September 27, 2004, CEMEX UK Limited and RMC entered into an Implementation Agreement, pursuant to which the parties agreed to implement a scheme of arrangement under U.K. law for the acquisition of RMC by CEMEX UK Limited. The agreement contained assurances and confirmations between the parties regarding the implementation of the scheme of arrangement on a timely basis and the conduct of RMC's business in the ordinary course. On the same date, CEMEX UK Limited acquired 50 million shares of RMC for approximately (pound)432 million (U.S.$786 million, based on a Pound/Dollar exchange rate of (pound)0.5496 to U.S.$1.00 on September 27, 2004), which represented approximately 18.8% of RMC's outstanding shares. On March 1, 2005, following board and shareholder approval and clearance from the applicable regulators, the scheme of arrangement became effective and CEMEX UK Limited purchased the remaining 81.2% of RMC's outstanding shares completing our acquisition of RMC.

On February 4, 2005, CEMEX, Inc. and Votorantim Participacoes S.A., or Votorantim, entered into an Asset Purchase Agreement (which was amended by Amendment No. 1 thereto entered into by the parties on March 31, 2005), pursuant to which CEMEX, Inc. sold its Charlevoix, Michigan and Dixon, Illinois cement plants and several distribution terminals located in the Great Lakes region to Votorantim for an aggregate purchase price of approximately

U.S.$389 million. The distribution terminals sold to Votorantim are located in Green Bay, Manitowoc and Milwaukee, Wisconsin; Chicago, Illinois; Ferrysburg, Michigan; Cleveland and Toledo, Ohio; and Owen Sound, Ontario, Canada.

On March 16, 2005, CEMEX Espana and RMC entered into an Amended and Restated (pound)1,000,000,000 Term and Revolving Credit Agreement, which was originally entered into by RMC on October 18, 2002, relating to a multi-currency five-year (pound)600,000,000 revolving credit facility and a multi-currency five-year (pound)400,000,000 term loan facility. The amendments to the original agreement include a waiver of the provision requiring mandatory prepayment in the event of a change of control, the inclusion of CEMEX Espana, Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Manila Investments B.V., Cemex Egyptian Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V, as guarantors, amendments to the financial covenants applicable to CEMEX Espana on a consolidated basis and the extension of the termination date of the revolving credit facility to six years from the date of

the amended and restated agreement. Simultaneous with the execution of the amended and restated agreement, the total amount of the facilities was reduced to (pound)604,354,196; the revolving credit facility was reduced to (pound)425,558,038 and the term loan facility was reduced to (pound)178,796,154.

On April 5, 2005, we entered into a U.S.$1,000,000,000 180-day term credit agreement guaranteed by CEMEX Mexico and Empresas Tolteca de Mexico. The multi-currency credit facility was entered into to fund the repayment of amounts outstanding under the credit agreement of New Sunward Holding B.V., dated September 24, 2004.

Exchange Controls

See Item 3 -- "Key Information -- Mexican Peso Exchange Rates."

Taxation

Mexican Tax Considerations

General

The following is a summary of certain Mexican federal income tax considerations relating to the ownership and disposition of our CPOs or ADSs.

This summary is based on Mexican income tax law that is in effect on the date of this annual report, which is subject to change. This summary is limited to non-residents of Mexico, as defined below, who own our CPOs or ADSs. This summary does not address all aspects of Mexican income tax law. Holders are urged to consult their tax counsel as to the tax consequences that the purchase, ownership and disposition of our CPOs or ADSs, may have.

For purposes of Mexican taxation, an individual is a resident of Mexico if he or she has established his or her home in Mexico. If the individual also has a home in another country, he or she will be considered a resident of Mexico if his or her center of vital interests is in Mexico. Under Mexican law, an individual's center of vital interests is in Mexico if, among other things:

- more than the 50% of the individual's total income in the relevant year comes from Mexican sources; or
- the individual's main center of professional activities is in Mexico.

A legal entity is a resident of Mexico if it is organized under the laws of Mexico or if it maintains the principal administration of its business

or the effective location of its management in Mexico.

A Mexican citizen is presumed to be a resident of Mexico for tax purposes unless such person or entity can demonstrate otherwise. If a legal entity or an individual is deemed to have a permanent establishment in Mexico for tax purposes, all income attributable to such permanent establishment will be subject to Mexican taxes, in accordance with relevant tax provisions.

Individuals or legal entities that cease to be residents of Mexico must notify the tax authorities within 15 business days before their change of residency.

A non-resident of Mexico is a legal entity or individual that does not satisfy the requirements to be considered a resident of Mexico for Mexican federal income tax purposes. The term U.S. Shareholder shall have the same meaning ascribed below under the section "-- U.S. Federal Income Tax Considerations."

Taxation of Dividends

Dividends, either in cash or in any other form, paid to non-residents of Mexico with respect to A shares or B shares represented by the CPOs (or in the case of holders who hold CPOs represented by ADSs), will not be subject to withholding tax in Mexico.

Disposition of CPOs or ADSs

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

Gains on the sale or disposition of CPOs by a holder who is a non-resident of Mexico will not be subject to any Mexican tax if the sale is carried out through the Mexican Stock Exchange or other recognized securities market, as determined by Mexican tax authorities. Gains realized on sales or other dispositions of CPOs by non-residents of Mexico made in other circumstances would be subject to Mexican income tax.

Under the terms of the Convention Between the United States and Mexico for Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Income Taxes, and a Protocol thereto, the Tax Treaty, gains obtained by a U.S. Shareholder eligible for benefits under the Tax Treaty on the disposition of CPOs will not generally be subject to Mexican tax, provided that such gains are not attributable to a permanent establishment of such U.S. Shareholder in Mexico and that the eligible U.S. Shareholder did not own, directly or indirectly, 25% or more of our outstanding stock during the 12-month period preceding the disposition. In the case of non-residents of Mexico eligible for the benefits of a tax treaty, gains derived from the disposition of ADSs or CPOs may also be exempt, in whole or in part, from Mexican taxation under a treaty to which Mexico is a party.

Deposits and withdrawals of ADSs will not give rise to any Mexican tax or transfer duties.

Estate and Gift Taxes

There are no Mexican inheritance or succession taxes applicable to the ownership, transfer or disposition of ADSs or CPOs by holders that are non-residents of Mexico, although gratuitous transfers of CPOs may, in some circumstances, cause a Mexican federal tax to be imposed upon a recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by holders of ADSs or CPOs.

U.S. Federal Income Tax Considerations

General

The following is a summary of the material U.S. federal income tax consequences relating to the ownership and disposition of our CPOs and ADSs.

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

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

- an individual who is a citizen or resident of the United States for U.S. Federal income tax purposes;
- a corporation or other entity taxable as a corporation or a partnership that is created or organized in the United States or under the laws of the United States or any state thereof (including the District of Columbia);

- an estate the income of which is includible in gross income for U.S. Federal income tax purposes regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust.

If a partnership (including any entity treated as a partnership for U.S. Federal income tax purposes) is the beneficial owner of CPOs or ADSs, the U.S. Federal income tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. A partner in a partnership that is the beneficial owner of CPOs or ADSs is urged to consult its own tax advisor regarding the associated tax consequences.

U.S. Shareholders should consult their own tax advisors as to the particular tax consequences to them under United States federal, state and local, and foreign laws relating to the ownership and disposition of our CPOs and ADSs.

Ownership of CPOs or ADSs in general

In general, for U.S. Federal income tax purposes, U.S. Shareholders who own ADSs will be treated as the beneficial owners of the CPOs represented by those ADSs, and each CPO will represent a beneficial interest in two A shares and one B share.

Taxation of dividends with respect to CPOs and ADSs

Distributions of cash or property with respect to the A shares or B shares represented by CPOs, including CPOs represented by ADSs, generally will

be includible in the gross income of a U.S. Shareholder as foreign source 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.

Dividend income is generally taxed as ordinary income. However, a maximum United States Federal income tax rate of 15 percent will apply to "qualified dividend income" received by U.S. Shareholders that are individuals (as well as certain trusts and estates) in taxable years beginning before January 1, 2009, provided that certain holding period requirements are met. "Qualified dividend income" includes dividends paid on shares of "qualified foreign corporations" if, among other things: (i) the shares of the foreign corporation are readily tradable on an established securities market in the United States; or (ii) the foreign corporation is eligible with respect to substantially all of its income for the benefits of a comprehensive income tax treaty with the United States which contains an exchange of information program.

We believe that we are a "qualified foreign corporation" because (i) the ADSs trade on the American Stock Exchange and (ii) we are eligible for the benefits of the comprehensive income tax treaty between Mexico and the United States which includes an exchange of information program. Accordingly, we believe that any dividends we pay should constitute "qualified dividend income" for United States Federal income tax purposes. There can be no assurance, however, that we will continue to be considered a "qualified foreign corporation" and that our dividends will continue to be "qualified dividend income."

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. Long term capital gain realized by a U.S. Shareholder that is an individual (as well as certain trusts and estates) upon the sale or exchange

of CPOs or ADSs before the end of a taxable year which begins before January 1, 2009, generally will be subject to a maximum United States Federal income tax rate of 15 percent. Gains on the sale or exchange of CPOs or ADSs held for one year or less will be treated as short-term capital gain and taxed as ordinary income at the U.S. Shareholder's marginal income tax rate. The deduction of capital losses is subject to limitations. Gain from the sale or exchange of the CPOs or ADSs usually will be treated as U.S. source for foreign tax credit purposes; losses will generally be allocated against U.S. source income. Deposits and withdrawals of CPOs by U.S. Shareholders in exchange for ADSs will not result in the realization of gain or loss for U.S. Federal income tax purposes.

United States Backup Withholding and Information Reporting

A U.S. Shareholder may, under certain circumstances, be subject to information reporting with respect to some payments to that U.S. Shareholder such as dividends or the proceeds of a sale or other disposition of the CPOs or ADSs. Backup withholding at a 28 percent rate also may apply to amounts paid to such holder unless such holder (i) is a corporation or comes within certain exempt categories, and demonstrates this fact when so required, or (ii) provides a correct taxpayer identification number and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be creditable against the U.S. Shareholder's Federal income tax liability, and the U.S. Shareholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934 and, in accordance with these requirements, file reports and information statements and other information with the Securities and Exchange Commission. These reports and information statements and other information filed by us with the Securities and Exchange Commission can be inspected and copied at the Public Reference Section of the Securities and Exchange Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549.

Item 11 - Quantitative and Qualitative Disclosures About Market Risk

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

Item 12 - Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13 - Defaults, Dividend Arrearages and Delinquencies

None.

Item 14 - Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15 - Controls and Procedures

CEMEX, S.A. de C.V.

Disclosure Controls and Procedures. The Chief Executive Officer and

Executive Vice President of Planning and Finance of CEMEX, S.A. de C.V. ("CEMEX") have evaluated the effectiveness of CEMEX's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2004. 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.

Internal Control Over Financial Reporting. There were no changes in CEMEX's internal control over financial reporting (as such term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during fiscal 2004 that have materially affected, or are reasonably likely to materially affect, CEMEX's internal control over financial reporting.

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

Disclosure Controls and Procedures. The Chief Executive Officer and Executive Vice President of Planning and Finance of CEMEX Mexico, S.A. de C.V. ("CEMEX Mexico") have evaluated the effectiveness of CEMEX Mexico's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2004. 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.

Internal Control Over Financial Reporting. There were no changes in CEMEX Mexico's internal control over financial reporting (as such term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during fiscal 2004 that have materially affected, or are reasonably likely to materially affect, CEMEX Mexico's internal control over financial reporting.

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

Disclosure Controls and Procedures. The Chief Executive Officer and Executive Vice President of Planning and Finance of Empresas Tolteca de Mexico, S.A. de C.V. ("Empresas Tolteca") have evaluated the effectiveness of Empresas Tolteca's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2004. 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.

Internal Control Over Financial Reporting. There were no changes in Empresas Tolteca's internal control over financial reporting (as such term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during fiscal 2004 that have materially affected, or are reasonably likely to materially affect, Empresas Tolteca's internal control over financial reporting.

Item 16A - Audit Committee Financial Expert

Our board of directors has determined that it has an "audit committee financial expert" (as defined in Item 16A of Form 20-F) serving on its audit committee. Mr. Jose Manuel Rincon Gallardo meets the requisite qualifications.

Item 16B - Code of Ethics

We have adopted a written code of ethics that applies to all 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 Ps46.3 million in fiscal year 2004 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 2003, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps48.4 million for these services.

Audit-Related Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps4.6 million in fiscal year 2004 for assurance and related services reasonably related to the performance of our audit. In fiscal year 2003, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us approximately Ps6.2 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 Ps33.5 million in fiscal year 2004 for tax compliance, tax advice and tax planning. KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us approximately Ps31.7 million for tax-related services in fiscal year 2003.

All Other Fees: KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide billed us Ps13.6 million in fiscal year 2004 for products and services other than those comprising audit fees, audit-related fees and tax fees. In fiscal year 2003, KPMG Cardenas Dosal, S.C. in Mexico and KPMG firms worldwide charged us Ps7.1 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 2004, none of the services provided to us by our external auditors were approved by our audit committee pursuant to the de minimis exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Item 16E - Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table sets forth, for the periods indicated, information regarding purchases of any of our equity securities registered pursuant to Section 12 of the Exchange Act made by us or on our behalf or by or on behalf of any affiliated purchaser (as that term is defined in Rule 10b-18(a)(3) under the Exchange Act):

Period	Total Number of Securities Purchased	Average Price Paid per Security	Total Number of Securities Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Securities that May Yet be Purchased Under the Plans or Programs
		Appreciation Warrants		
January 2004(1)	90,018,042	Ps8.10	90,018,042	0
February 2004	0		0	0
March 2004	0		0	0
April 2004	0		0	0
May 2004	0		0	0
June 2004	0		0	0
July 2004	0		0	0
August 2004	0		0	0
September 2004	0		0	0
October 2004	0		0	0
November 2004(2)	438,800	Ps10.85	0	0
December 2004(3)	260,000	Ps17.61	0	0
Total	90,716,842	Ps8.14	90,018,042	0

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(1) 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) were held by persons other than CEMEX and its subsidiaries.

(2) In November 2004, we purchased 438,800 appreciation warrants, including 43,500 appreciation warrants represented by ADWs. The average price paid listed above includes the price of the appreciation warrants represented by ADWs, which were purchased for approximately U.S.$1.00 (Ps 11.09) per appreciation warrant.

(3) In December 2004, we purchased, at maturity pursuant to their terms, 260,000 appreciation warrants, including 64,000 appreciation warrants represented by ADWs. The average price paid listed above includes the price of the appreciation warrants represented by ADWs, which were purchased for approximately U.S.$1.60 (Ps 17.89) per appreciation warrant.

PART III

Item 17 - Financial Statements

Not applicable.

Item 18 - Financial Statements

See pages F-1 through F-80, 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., Depositary 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, Compania Valenciana de Cementos Portland, S.A., 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 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. (g)

4.3 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. (g)

4.4 $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. (g)

4.5 Early Termination Amendment to ABN AMRO Special Corporate Services

B.V. Forward Contract, dated as of October 15, 2003. (g)

4.6	Early Termination Amendment to Citibank, N.A. Forward Contract, dated as of October 15, 2003. (g)
4.7	Early Termination Amendment to Credit Suisse First Boston International Forward Contract, dated as of October 15, 2003. (g)
4.8	Early Termination Amendment to Deutsche Bank AG, London Branch, Forward Contract, dated as of October 15, 2003. (g)
4.9	Early Termination Amendment to ING Bank, N.V. Forward Contract, dated as of October 15, 2003. (g)
4.10	Early Termination Amendment to JPMorgan Chase Bank Forward Contract, dated as of October 15, 2003. (g)
4.11	Early Termination Amendment to Societe Generale Forward Contract, dated as of October 15, 2003. (g)
4.12	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. (g)
4.13	(euro)250,000,000, (Y)19,308,000,000 Term and Revolving Facilities Agreement, dated March 30, 2004, for CEMEX ESPANA, S.A., as Borrower, CEMEX Caracas Investments B.V., CEMEX Caracas II Investments B.V., CEMEX Egyptian Investments B.V., CEMEX Manila Investments B.V. and Sandworth Plaza Holding B.V., as Guarantors, arranged by Banco Bilbao Vizcaya Argentaria, S.A. and Societe Generale, S.A., with Banco Bilbao Vizcaya Argentaria, S.A. acting as Agent. (g)
4.14	CEMEX Espana Finance LLC Note Purchase Agreement, dated as of April 15, 2004 for (Y)4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010 and (Y)6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011. (h)
4.15	U.S.$800,000,000 Credit Agreement, dated as of June 23, 2004, among CEMEX, S.A. de C.V., as Borrower and CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V., as Guarantors and Barclays Bank PLC as Issuing Bank and Documentation Agent and ING Bank N.V. as Issuing Bank and Barclays Capital, the Investment Banking division of Barclays Bank Plc as Joint Bookrunner and ING Capital LLC as Joint Bookrunner and Administrative Agent. (h)
4.16	U.S.$1,250,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for New Sunward Holding B.V., as Borrower, CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca De Mexico, S.A. de C.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International, with Citibank International PLC acting as Agent. (h)
4.17	U.S.$3,800,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for CEMEX Espana, S.A., as Borrower, CEMEX Espana, S.A., CEMEX Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Egyptian Investments B.V., CEMEX Manila Investments B.V., CEMEX American Holdings B.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International with Citibank International PLC acting as Agent. (h)
4.18	Implementation Agreement, dated September 27, 2004, by and between CEMEX UK Limited and RMC Group p.l.c. (h)
4.19	Scheme of Arrangement, dated October 25, 2004, pursuant to which CEMEX UK Limited acquired the outstanding shares of RMC Group p.l.c. (h)
4.20	Asset Purchase Agreement by and between CEMEX, Inc. and Votorantim Participacoes S.A., dated as of February 4, 2005. (h)
4.20.1	Amendment No. 1 to Asset Purchase Agreement, dated as of March 31, 2005, by and between CEMEX, Inc. and Votorantim Participacoes S.A. (h)
4.21	(pound)1,000,000,000 Amended and Restated Term and Revolving Credit Agreement, dated March 16, 2005, by and among RMC Group Limited, CEMEX Espana, S.A., Cemex Caracas Investments B.V., Cemex Caracas II

Investments B.V., Cemez Egyptian Investments B.V., Cemex Manila Investments B.V., Cemex American Holdings B.V. and Cemex Shipping B.V., as Original Guarantors, RMC Group Limited, as Original Borrower, Banc of America Securities Limited, BNPParibas, HSBC Investment Bank plc, the Royal Bank of Scotland plc, West LB AG, London Branch, as Mandated Lead Arrangers and the Royal Bank of Scotland plc, as Agent. (h)

4.22 U.S.$1,000,000,000 Term Credit Agreement, dated as of April 5, 2005, among CEMEX, S.A. de C.V., as Borrower, CEMEX Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as Guarantor, Barclays Bank PLC, as Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, Citigroup Global Markets Inc., as

Documentation Agent, Joint Lead Arranger and Joint Bookrunner, Barclays Bank PLC, Citibank, N.A., and Citibank, N.A., Nassau, Bahamas Branch as Lenders. (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)

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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 annual report on Form 20-F of CEMEX, S.A. de C.V. filed with the Securities and Exchange Commission on April 8, 2003.
(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 May 11, 2004.
(h) Filed herewith.

SIGNATURES

CEMEX, S.A. de C.V. hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

CEMEX, S.A. de C.V.

By: /s/ Lorenzo H. Zambrano

Name: Lorenzo H. Zambrano
Title: Chief Executive Officer

Date: May 27, 2005

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 27, 2005

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 27, 2005

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., Depositary 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, Compania Valenciana de Cementos Portland, S.A., 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	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. (g)
4.3	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. (g)
4.4	$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. (g)
4.5	Early Termination Amendment to ABN AMRO Special Corporate Services B.V. Forward Contract, dated as of October 15, 2003. (g)
4.6	Early Termination Amendment to Citibank, N.A. Forward Contract, dated as of October 15, 2003. (g)

Exhibit No.	Description
4.7	Early Termination Amendment to Credit Suisse First Boston International Forward Contract, dated as of October 15, 2003. (g)
4.8	Early Termination Amendment to Deutsche Bank AG, London Branch, Forward Contract, dated as of October 15, 2003. (g)
4.9	Early Termination Amendment to ING Bank, N.V. Forward Contract, dated as of October 15, 2003. (g)
4.10	Early Termination Amendment to JPMorgan Chase Bank Forward Contract, dated as of October 15, 2003. (g)
4.11	Early Termination Amendment to Societe Generale Forward Contract, dated as of October 15, 2003. (g)
4.12	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. (g)
4.13	(euro)250,000,000, (Y)19,308,000,000 Term and Revolving Facilities Agreement, dated March 30, 2004, for CEMEX ESPANA, S.A., as Borrower, CEMEX Caracas Investments B.V., CEMEX Caracas II Investments B.V., CEMEX Egyptian Investments B.V., CEMEX Manila Investments B.V. and Sandworth Plaza Holding B.V., as Guarantors, arranged by Banco Bilbao Vizcaya Argentaria, S.A. and Societe Generale, S.A., with Banco Bilbao Vizcaya Argentaria, S.A. acting as Agent. (g)
4.14	CEMEX Espana Finance LLC Note Purchase Agreement, dated as of April 15, 2004 for (Y)4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010 and (Y)6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011. (h)
4.15	U.S.$800,000,000 Credit Agreement, dated as of June 23, 2004, among CEMEX, S.A. de C.V., as Borrower and CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V., as Guarantors and Barclays Bank PLC as Issuing Bank and Documentation Agent and ING Bank N.V. as Issuing Bank and Barclays Capital, the Investment Banking division of Barclays Bank Plc as Joint Bookrunner and ING Capital LLC as Joint Bookrunner and Administrative Agent. (h)
4.16	U.S.$1,250,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for New Sunward Holding B.V., as Borrower, CEMEX, S.A. de C.V., CEMEX Mexico, S.A. de C.V. and Empresas Tolteca De Mexico, S.A. de C.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International, with Citibank International PLC acting as Agent. (h)

4.17	U.S.$3,800,000,000 Term and Revolving Facilities Agreement, dated September 24, 2004 for CEMEX Espana, S.A., as Borrower, CEMEX Espana, S.A., CEMEX Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemex Egyptian Investments B.V., CEMEX Manila Investments B.V., CEMEX American Holdings B.V., as Guarantors, arranged by Citigroup Global Markets Limited and Goldman Sachs International with Citibank International PLC acting as Agent. (h)
4.18	Implementation Agreement, dated September 27, 2004, by and between CEMEX UK Limited and RMC Group p.l.c. (h)
4.19	Scheme of Arrangement, dated October 25, 2004, pursuant to which CEMEX UK Limited acquired the outstanding shares of RMC Group p.l.c. (h)
4.20	Asset Purchase Agreement by and between CEMEX, Inc. and Votorantim Participacoes S.A., dated as of February 4, 2005. (h)
4.20.1	Amendment No. 1 to Asset Purchase Agreement, dated as of March 31, 2005, by and between CEMEX, Inc. and Votorantim Participacoes S.A. (h)
4.21	(pound)1,000,000,000 Amended and Restated Term and Revolving Credit Agreement, dated March 16, 2005, by and among RMC Group Limited, CEMEX Espana, S.A., Cemex Caracas Investments B.V., Cemex Caracas II Investments B.V., Cemez Egyptian Investments B.V., Cemex Manila Investments B.V., Cemex American Holdings B.V. and Cemex Shipping

Exhibit No.	Description
	B.V., as Original Guarantors, RMC Group Limited, as Original Borrower, Banc of America Securities Limited, BNPParibas, HSBC Investment Bank plc, the Royal Bank of Scotland plc, West LB AG, London Branch, as Mandated Lead Arrangers and the Royal Bank of Scotland plc, as Agent. (h)
4.22	U.S.$1,000,000,000 Term Credit Agreement, dated as of April 5, 2005, among CEMEX, S.A. de C.V., as Borrower, CEMEX Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as Guarantor, Barclays Bank PLC, as Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner, Barclays Bank PLC, Citibank, N.A., and Citibank, N.A., Nassau, Bahamas Branch as Lenders. (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)
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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.
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(h) Filed herewith.

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2003 and 2004, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2002, 2003 and 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and are prepared in accordance with accounting principles generally accepted in Mexico. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based upon our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CEMEX, S.A. de C.V. and subsidiaries at December 31, 2003 and 2004, 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, 2002, 2003 and 2004, 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, 2002, 2003, and 2004, and stockholders' equity as of December 31, 2003 and 2004, to the extent summarized in note 24 to the consolidated financial statements.

KPMG Cardenas Dosal, S.C.

/s/Leandro Castillo Parada

Monterrey, N.L., Mexico
January 15, 2005, except for note 24,
which is as of March 31, 2005

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Balance Sheets
(Millions of constant Mexican pesos as of December 31, 2004
and millions of U.S. dollars)

Assets	December 31, 2003	December 31, 2004	(unaudited) 2004 (note 3A)
Current Assets			

Cash and investments (note 4)	Ps	3,479.5	3,813.5	U.S.$	342.3
Trade accounts receivable, less allowance for doubtful accounts (note 5)		5,606.9	4,767.8		428.0
Other receivables (note 6)		4,826.9	5,064.4		454.6
Inventories (note 7)		7,100.1	7,046.8		632.6
Other current assets (note 8)		796.3	1,048.8		94.1
Total current assets		21,809.7	21,741.3		1,951.6
Investments and Noncurrent Receivables (note 9)					
Investments in affiliated companies		7,349.3	16,903.3		1,517.4
Other noncurrent accounts receivable		2,199.1	3,644.9		327.2
Total investments and noncurrent receivables		9,548.4	20,548.2		1,844.6
Properties, Machinery and Equipment (note 10)					
Land and buildings		55,321.1	55,194.9		4,954.7
Machinery and equipment		158,701.3	155,381.2		13,948.0
Accumulated depreciation		(105,842.2)	(107,057.6)		(9,610.2)
Construction in progress		2,461.7	3,575.3		320.9
Net properties, machinery and equipment		110,641.9	107,093.8		9,613.4
Intangible Assets and Deferred Charges (note 11)		49,250.6	44,239.6		3,971.2
Total Assets	Ps	191,250.6	193,622.9	U.S.$	17,380.8
Liabilities and Stockholders' Equity					
Current Liabilities					
Bank loans (note 12)	Ps	2,634.1	5,031.9	U.S.$	451.7
Notes payable (note 12)		3,173.0	319.9		28.7
Current maturities of long-term debt (note 12)		10,062.8	6,275.2		563.3
Trade accounts payable		5,831.9	5,964.6		535.4
Other accounts payable and accrued expenses (note 6)		12,084.4	9,282.1		833.2
Total current liabilities		33,786.2	26,873.7		2,412.3
Long-Term Debt (note 12)					
Bank loans		29,678.5	30,302.4		2,720.2
Notes payable		34,560.4	30,412.3		2,730.0
Current maturities of long-term debt		(10,062.8)	(6,275.2)		(563.3)
Total long-term debt		54,176.1	54,439.5		4,886.9
Other Noncurrent Liabilities					
Pension and other postretirement benefits (note 14)		664.1	656.4		58.9
Deferred income taxes (note 18B)		12,580.5	12,828.3		1,151.6
Other noncurrent liabilities (note 13)		9,246.5	7,258.2		651.5
Total other noncurrent liabilities		22,491.1	20,742.9		1,862.0
Total Liabilities		110,453.4	102,056.1		9,161.2
Stockholders' Equity (note 15)					
Majority interest:					
Common stock-historical cost basis		59.1	61.7		5.5
Common stock-accumulated inflation adjustments		3,624.5	3,624.6		325.4
Additional paid-in capital		38,171.5	41,339.8		3,710.9
Deficit in equity restatement		(73,101.3)	(73,725.9)		(6,618.1)
Cumulative initial deferred income tax effects (note 3K)		(6,100.2)	(6,100.2)		(547.6)
Retained earnings		104,282.8	107,471.8		9,647.4
Net income		7,508.4	14,562.3		1,307.2
Total majority interest		74,444.8	87,234.1		7,830.7
Minority interest (note 15E)		6,352.4	4,332.7		388.9
Total stockholders' equity		80,797.2	91,566.8		8,219.6
Total Liabilities and Stockholders' Equity	Ps	191,250.6	193,622.9	U.S.$	17,380.8

See accompanying notes to consolidated financial statements.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Income
(Millions of constant Mexican pesos as of December 31, 2004
and millions of U.S. dollars, except for earnings per share)

	Years ended December 31,				(unaudited) 2004
	2002	2003	2004		(note 3A)
Net sales	Ps 79,724.6	85,552.6	90,783.9	U.S.$	8,149.3
Cost of sales	(44,540.6)	(49,318.4)	(51,091.9)		(4,586.3)
Gross profit	35,184.0	36,234.2	39,692.0		3,563.0
Operating expenses:					
Administrative	(10,022.3)	(9,483.0)	(9,225.5)		(828.1)
Selling	(9,195.0)	(9,374.1)	(9,838.8)		(883.2)
Total operating expenses	(19,217.3)	(18,857.1)	(19,064.3)		(1,711.3)
Operating Income	15,966.7	17,377.1	20,627.7		1,851.70
Comprehensive financing result:					
Financial expense	(4,051.7)	(4,545.5)	(4,146.6)		(372.2)

Financial income	543.5	199.3	260.9		23.4
Results from valuation and liquidation of financial instruments	(3,856.2)	(711.4)	1,335.1		119.8
Foreign exchange result, net	(939.4)	(2,049.1)	(262.5)		(23.6)
Monetary position result	4,290.6	3,912.8	4,298.6		385.9
Net comprehensive financing result	(4,013.2)	(3,193.9)	1,485.5		133.3
Other expense, net (notes 7, 10 and 11)	(4,743.2)	(5,454.0)	(5,390.2)		(483.9)
Income before income taxes, employees' statutory profit sharing and equity in income of affiliates	7,210.3	8,729.2	16,723.0		1,501.1
Income tax and business assets tax, net (note 18A)	(668.1)	(1,070.0)	(2,043.6)		(183.4)
Employees' statutory profit sharing (note 18A)	(125.5)	(202.9)	(330.2)		(29.7)
Total income tax, business assets tax and employees' statutory profit sharing	(793.6)	(1,272.9)	(2,373.8)		(213.1)
Income before equity in income of affiliates	6,416.7	7,456.3	14,349.2		1,288.0
Equity in income of affiliates	374.1	415.2	446.3		40.1
Consolidated net income	6,790.8	7,871.5	14,795.5		1,328.1
Minority interest net income	451.6	363.1	233.2		20.9
Majority interest net income	Ps 6,339.2	7,508.4	14,562.3	U.S.$	1,307.2
Basic earnings per share (notes 3A and 21)	Ps 1.41	1.58	2.92	U.S.$	0.26
Diluted earnings per share (notes 3A and 21)	Ps 1.41	1.55	2.90	U.S.$	0.26

See accompanying notes to consolidated financial statements.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Statements of Changes in Stockholders' Equity
(Millions of constant Mexican pesos as of December 31, 2004
and millions of U.S. dollars)

	Common Stock	Additional paid-in capital	Deficit in equity restatement	Cumulative initial deferred income tax effects	Retained earnings	Total majority interest	Minority interest	Total stock holders' equity
Balances at December 31, 2001	Ps 3,677.4	30,369.1	(61,933.4)	(6,100.2)	106,563.3	72,576.2	23,211.6	95,787.8
Dividends (Ps0.82 pesos per share)	2.4	3,374.0	-	-	(3,984.1)	(607.7)	-	(607.7)
Issuance of common stock (note 16A)	0.1	79.8	-	-	-	79.9		79.9
Share repurchase program (note 15A)	(0.3)	-	-	-	(425.3)	(425.6)		(425.6)
Restatement of investments and other transactions relating to minority interest	-	-	-	-	-	-	(8,959.0)	(8,959.0)
Investment by subsidiaries (note 9)	-	-	269.6	-	-	269.6	-	269.6
Comprehensive net income (loss) (note 15G)	-	-	(8,239.9)	-	6,339.2	(1,900.7)	451.6	(1,449.1)
Balances at December 31, 2002	3,679.6	33,822.9	(69,903.7)	(6,100.2)	108,493.1	69,991.7	14,704.2	84,695.9
Dividends (Ps0.85 pesos per share)	3.6	3,895.8	-	-	(4,210.3)	(310.9)	-	(310.9)
Issuance of common stock (note 16A)	0.1	45.2	-	-	-	45.3	-	45.3
Share repurchase program (note 15A)	0.3	407.6	-	-	-	407.9	-	407.9
Restatement of investments and other transactions relating to minority interest	-	-	-	-	-	-	(8,714.9)	(8,714.9)
Investment by subsidiaries (note 9)	-	-	(2,865.9)	-	-	(2,865.9)	-	(2,865.9)
Comprehensive net income (loss) (note 15G)	-	-	(331.7)	-	7,508.4	7,176.7	363.1	7,539.8
Balances at December 31, 2003	3,683.6	38,171.5	(73,101.3)	(6,100.2)	111,791.2	74,444.8	6,352.4	80,797.2
Dividends (Ps0.82 pesos per share)	2.6	4,154.2	-	-	(4,319.4)	(162.6)	-	(162.6)
Issuance of common stock (note 16A)	0.1	67.1	-	-	-	67.2	-	67.2
Liquidation of optional instruments (note 15F)	-	(1,053.0)	-	-	-	(1,053.0)	-	(1,053.0)
Restatement of investments and other transactions relating to minority interest	-	-	-	-	-	-	(2,252.9)	(2,252.9)
Investment by subsidiaries (note 9)	-	-	(3,274.0)	-	-	(3,274.0)	-	(3,274.0)
Comprehensive net income (loss) (note 15G)	-	-	2,649.4	-	14,562.3	17,211.7	233.2	17,444.9
Balances at December 31, 2004	Ps 3,686.3	41,339.8	(73,725.9)	(6,100.2)	122,034.1	87,234.1	4,332.7	91,566.8
Balances at December 31, 2004 (note 3A)(unaudited)	U.S.$ 330.9	3,710.9	(6,618.1)	(547.6)	10,954.6	7,830.7	388.9	8,219.6

See accompanying notes to consolidated financial statements.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
Consolidated Statements of Changes in Financial Position
(Millions of constant Mexican pesos as of December 31, 2004
and millions of U.S. dollars)

	Years ended December 31,				(unaudited) 2004
	2002	2003	2004		(note 3A)
Operating activities					
Majority interest net income	Ps 6,339.2	7,508.4	14,562.3	U.S.$	1,307.2
Charges to operations which did not require resources:					
Depreciation of properties, machinery and equipment	6,363.0	6,866.0	6,681.4		599.8
Amortization of deferred charges and credits, net	2,961.0	2,983.6	2,869.9		257.6
Impairment of properties and intangible assets	109.4	1,257.0	1,567.8		140.7
Pensions, and other postretirement benefits	242.3	491.3	470.5		42.2
Deferred income tax charged to results	(483.6)	(465.6)	1,261.1		113.2
Equity in income of affiliates	(374.1)	(415.2)	(446.3)		(40.1)
Minority interest	451.6	363.1	233.2		20.9
Resources provided by operating activities	15,608.8	18,588.6	27,199.9		2,441.5
Changes in working capital, excluding acquisition effects:					
Trade accounts receivable, net	2,612.1	(671.8)	736.1		66.1
Other accounts receivables and other assets	1,265.9	270.2	(332.9)		(29.9)
Inventories	(386.1)	1,628.4	(151.2)		(13.6)
Trade accounts payable	619.3	849.9	156.7		14.1
Other accounts payable and accrued expenses	550.8	(1,961.3)	(2,780.2)		(249.6)
Net change in working capital	4,662.0	115.4	(2,371.5)		(212.9)
Net resources provided by operating activities	20,270.8	18,704.0	24,828.4		2,228.6
Financing activities					
Proceeds from bank loans (repayments), net	3,057.3	(3,248.8)	(5,734.3)		(514.7)
Notes payable, net, excluding foreign exchange effect	(363.2)	1,290.0	(7,090.4)		(636.5)
Bank loans financing the acquisition of RMC Group p.l.c.	-	-	8,756.0		786.0
Investment by subsidiaries	(5.3)	(23.9)	-		-
Liquidation of optional instruments	-	-	(1,053.0)		(94.5)
Dividends paid	(3,984.1)	(4,210.3)	(4,319.4)		(387.7)
Issuance of common stock from reinvestment of dividends	3,376.4	3,899.4	4,156.8		373.1
Issuance of common stock under stock option programs	79.9	45.3	67.2		6.0
Repurchase of preferred stock by subsidiaries	(4,920.2)	(7,801.5)	(791.0)		(71.0)
Disposal (acquisition) of shares under repurchase program	(425.6)	407.9	-		-
Other financing activities, net	3,594.7	3,743.2	(1,824.9)		(163.8)
Resources provided by (used in) financing activities	409.9	(5,898.7)	(7,833.0)		(703.1)
Investing activities					
Properties, machinery and equipment, net	(5,166.2)	(4,703.2)	(4,834.9)		(434.0)
Acquisition of subsidiaries and affiliates	(3,210.9)	(973.5)	(186.4)		(16.7)
Investment in RMC Group p.l.c.	-	-	(8,756.0)		(786.0)
Disposal of assets	653.8	167.1	709.3		63.7
Minority interest	(3,474.5)	(913.3)	(1,461.9)		(131.2)
Deferred charges	(2,263.7)	(604.1)	1,551.6		139.3
Other investments and monetary foreign currency effect	(7,852.2)	(6,699.3)	(3,683.1)		(330.6)
Resources used in investing activities	(21,313.7)	(13,726.3)	(16,661.4)		(1,495.5)
Increase (Decrease) in cash and investments	(633.0)	(921.0)	334.0		30.0
Cash and investments at beginning of year	5,033.5	4,400.5	3,479.5		312.3
Cash and investments at end of year	Ps 4,400.5	3,479.5	3,813.5	U.S.$	342.3

See accompanying notes to consolidated financial statements.

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2002, 2003 and 2004
(Millions of constant Mexican Pesos as of December 31, 2004)

1. DESCRIPTION OF BUSINESS

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

2. OUTSTANDING EVENT IN 2004

On September 27, 2004, CEMEX announced a public offer to purchase the

outstanding shares of RMC Group p.l.c. ("RMC") for approximately U.S.$4,100 million in cash. Including the assumption of debt, the enterprise value of the transaction is approximately U.S.$5,800 million. RMC, headquartered in the United Kingdom, is a leading international producer and supplier of materials, products and services used primarily in the construction industry. RMC is one of Europe's largest producers of cement and one of the world's largest suppliers of ready-mix concrete and aggregates. As part of the acquisition process in 2004, CEMEX acquired approximately 18.8% of RMC shares for (pound)432 million (U.S.$786 million). In 2003, according to public information, RMC sold approximately 15.7 million tons of cement, 55.5 million cubic meters of ready-mix concrete and 158 million tons of aggregates.

The boards of directors of both companies approved the transaction on September 27, 2004, subject to shareholder approval in the case of RMC and clearance from antitrust authorities in Europe and the United States of America. On November 17, 2004, more than 99% of RMC shareholders approved the transaction in an extraordinary shareholders meeting; consequently, shareholders were committed to sell their shares to CEMEX. On December 8, 2004, the European Commission authorized the transaction under the European Community's Merger Regulation. As of December 31, 2004, the acquisition of RMC is pending pre-merger clearance from the anti-trust authorities in the United States of America, which could be received at the end of January or at the beginning of February 2005.

On March 1, 2005, after receiving pending clearances, CEMEX completed the acquisition of RMC (note 24(w)).

3. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION AND DISCLOSURE

The accompanying financial statements have been prepared in accordance with Generally Accepted Accounting Principles in Mexico ("Mexican GAAP"), which recognize the effects of inflation on the financial information. All amounts herein are presented in constant Mexican pesos ("pesos" or "Ps") and, for the year 2004 amounts in the financial statements, also in dollars of the United States of America ("dollars" or "U.S.$"), the latter being unaudited and presented solely for the convenience of the reader at the rate of U.S.$1 = Ps11.14, the CEMEX accounting rate on December 31, 2004.

When reference is made to "(pound)" or pounds, it means U.K. pounds sterling. Except when specific references are made to "U.S. dollar millions", "earnings per share", and "option prices", the amounts in these notes are stated in millions of constant Mexican pesos as of the latest balance sheet date.

When reference is made to "CPO" or "CPOs" it means the Ordinary Participation Certificates of CEMEX. 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. See note 24(w(unaudited)) for a description of the Company's proposed stock split, approved at the April 28, 2005 extraordinary stockholders' meeting.

Certain amounts reported in the consolidated financial statements and their notes as of December 31, 2003 and 2002 have been reclassified to conform to the 2004 presentation.

B) RESTATEMENT OF COMPARATIVE FINANCIAL STATEMENTS

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

	2001 to 2002	2002 to 2003	2003 to 2004
Restatement factor using weighted average inflation.....	1.0916	1.1049	1.0624
Restatement factor using Mexican inflation.....	1.0559	1.0387	1.0539

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. As of December 31, 2004, the main operating subsidiaries, ordered by holding company, and the percentage of interest directly held by their immediate holding company, are as follows:

Subsidiary	Country	% Interest
CEMEX Mexico, S. A. de C.V.....1	Mexico	100.0
CEMEX Espana, S.A.....2	Spain	99.7
CEMEX Venezuela, S.A.C.A.....	Venezuela	75.7
CEMEX, Inc.....	United States	100.0
CEMEX (Costa Rica), S.A.....3	Costa Rica	98.7
Assiut Cement Company.....	Egypt	95.8
CEMEX Colombia, S.A. 4	Colombia	99.6
Cementos Bayano, S.A.	Panama	99.3
Cementos Nacionales, S.A.....	Dominican Republic	99.9
Puerto Rican Cement Company, Inc.....	Puerto Rico	100.0
CEMEX Asia Holdings Ltd.....5	Singapore	99.1
Solid Cement Corporation.....6	Philippines	99.1
APO Cement Corporation.....6	Philippines	99.1
CEMEX (Thailand) Co. Ltd.....7	Thailand	100.0

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

2. In June 2002, Compania Valenciana de Cementos Portland, S.A. changed its legal name to CEMEX Espana, S.A. ("CEMEX Espana").

3. In July 2003, Cementos del Pacifico, S.A. changed its legal name to CEMEX (Costa Rica), S.A.

4. In August 2002, Cementos Diamante, S.A. changed its legal name to CEMEX Colombia, S.A.

5. In August 2004, 6.83% of CEMEX Asia Holdings Ltd. ("CAH") shares were acquired, which in addition to the shares exchange occurred in July 2002, increased the interest in CAH to approximately 99.1% (see note 9A).

6. Represents the Company's interest held through CAH. The direct economic benefits of CAH in Solid and APO Cement Corporation is 100%. On December 23, 2002, Rizal was merged with Solid.

7. 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 and the resulting foreign exchange fluctuations are recognized in earnings, except for the exchange fluctuations arising from foreign currency indebtedness directly related to the acquisition of foreign entities and the fluctuations associated with related parties balances denominated in foreign currency that are of a long-term investment nature, which are recorded against stockholders' equity, as part of the foreign currency translation adjustment of foreign subsidiaries.

The financial statements of foreign subsidiaries are restated in their

functional currency based on the subsidiary country's inflation rate and subsequently translated by using the foreign exchange rate at the end of the reporting period for balance sheet and income statement accounts. The peso to U.S. dollar exchange rate used by CEMEX is an average of free market rates available to settle its foreign currency transactions.

E) CASH AND INVESTMENTS (note 4)

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 7)

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.

The Company analyzes its inventory balances to determine if, as a result of internal events, such as physical damage, or external, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realizable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognized against the results of the period.

G) INVESTMENTS AND NONCURRENT RECEIVABLES (note 9)

Investments in affiliated companies are accounted for by the equity method, when the Company holds between 10% and 50% of the issuer's capital stock, and does not have effective control. Under the equity method, after acquisition, the investment's original cost is adjusted for the proportional interest of the holding company in the affiliate's equity and earnings, considering the inflation effects.

Other long-term investments, included under this caption, are recognized at their estimated fair value and their changes in valuation are included in the results of the period as part of the Comprehensive Financing Result.

H) PROPERTIES, MACHINERY AND EQUIPMENT (note 10)

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, and are depreciated by the straight-line method over the estimated useful lives, which fluctuate from 50 years for administrative buildings to 10 to 35 years for industrial buildings, machinery and equipment. Properties, machinery and equipment are subject to periodic impairment evaluations (see note 3U).

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

I) INTANGIBLE ASSETS, DEFERRED CHARGES AND AMORTIZATION (note 11)

In accordance with 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 over 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 the period cannot be accurately established 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 the value cannot be reasonably estimated, in which case, such amounts are included as part of goodwill, which was amortized until December 31, 2004, in accordance with current accounting standards. Until that date, CEMEX amortized goodwill under the present worth or sinking fund method, which was intended to provide a better matching of goodwill amortization with the revenues generated from the acquired companies. Goodwill generated before 1992 was amortized over a maximum period of 40 years, while goodwill generated from 1992 to December 31, 2004 was amortized over a maximum period of 20 years. Starting January 1, 2005, in compliance with the rules established by the new Bulletin B-7 (see note 23), goodwill balances will cease to be amortized but will remain subject to periodic impairment tests.

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, direct costs incurred in the development stage of computer software for internal use are capitalized and amortized through the operating results over the estimated useful life of the software, which is approximately 4 years.

Preoperative expenses and other deferred charges recognized in prior years under former Bulletin C-8 will continue to be amortized over their original periods. Intangible assets are subject to impairment evaluations (see note 3U). The adoption of Bulletin C-8 only affected the grouping of intangible assets in the categories indicated above (see note 11).

J) PENSIONS AND OTHER POSTRETIREMENT BENEFITS (note 14)

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

Until December 31, 2004, other postretirement benefits, including severance benefits, were recognized as an expense in the year in which they were paid. In

some circumstances, however, provisions were made for these benefits. Starting January 1, 2005, as a result of modifications to Bulletin D-3, "Labor Obligations", the costs related to postretirement benefits will be recognized over the estimated active service life of the employees.

K) INCOME TAX ("IT"), BUSINESS ASSETS TAX ("BAT"), EMPLOYEES' STATUTORY PROFIT SHARING ("ESPS") AND DEFERRED INCOME TAXES (note 18)

The IT, BAT and ESPS reflected in the income statements, include amounts incurred during the period and the effects of deferred IT and ESPS. Consolidated deferred IT represents the summary of the effect determined in each subsidiary by the assets and liabilities method, by applying the enacted statutory income tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering when the effects became available and subject to a recoverability analysis, tax loss carryforwards as well as other recoverable taxes and tax credits. The effect of a change in the effective statutory tax rate is recognized in the income statement for the period in which the change occurs and is officially declared. The effect of deferred ESPS is recognized for those temporary differences, which are of a non-recurring nature, arising from the reconciliation of the net income of the period and the taxable income of the period for ESPS.

The cumulative initial effect, arising from the adoption of the asset and liability method, was recognized on January 1, 2000 in stockholders' equity under the caption "Cumulative initial deferred income tax effects". 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 and the consolidated accumulated initial deferred IT 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 15)

The deficit in equity restatement includes: (i) the accumulated effect from holding non-monetary assets; (ii) the currency translation effects from foreign subsidiaries' financial statements, net of exchange fluctuations arising from foreign currency indebtedness directly related to the acquisition of foreign subsidiaries and foreign currency related parties balances that are of a long-term investment nature (see notes 3D and 15D); and (iii) valuation and liquidation effects of certain derivative financial instruments that qualify as hedge instruments, which are recorded temporarily or permanently in stockholders' equity (see note 3N).

N) DERIVATIVE FINANCIAL INSTRUMENTS (notes 12 and 17)

In compliance with the guidelines established by the Risk Committee, CEMEX uses derivative financial instruments, in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs (see note 12) and as an alternative source of financing (see note 17), as well as hedges of: (i)

forecasted transactions, (ii) net assets in foreign subsidiaries and (iii) executive stock option programs. These instruments have been negotiated with institutions with significant financial capacity; therefore, the Company considers the risk of non-performance of the obligations agreed to by such counterparties to be minimal. As of December 31, 2004 and 2003, some of these instruments have been designated as hedges of 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 as accounting hedge requirements were not met.

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 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 transactions designated by the Company and that meet hedging requirements, are the following:

a) Beginning in 2002, changes in the estimated fair value of interest rate swaps to exchange floating rates for fixed rates, designated as accounting hedges of the cash flows related to interest rates of a portion of contracted debt, as well as those instruments negotiated to hedge the interest rates at which certain forecasted debt is expected to be contracted or renegotiated, are recognized temporarily in stockholders' equity (note 15G) 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.

b) The changes in the estimated fair value of foreign currency forwards, designated as hedges of a portion of the Company's net investments in foreign subsidiaries, are recorded in stockholders' equity, as part of the foreign currency translation result (notes 3D and 15D). The accumulated effect in stockholders' equity will be reversed through the income statement upon disposition of the foreign investment.

c) 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 in the comprehensive financing result, as part of the costs related to such programs. The results derived from equity forward contracts on the Company's own shares not designated as hedges of the stock option programs, as well as from equity instruments (such as the appreciation warrants refered to in note 15F), are recognized in stockholders' equity upon settlement (notes 16 and 17).

d) Changes in fair value of foreign currency derivative instruments negotiated to hedge a firm commitment, are recognized through stockholders' equity, and are reclassified to the income statement once the operation underlying the firm commitment takes place, as the effects from the hedged item are reflected in earnings. In respect to hedges of the foreign exchange risk associated with a firm commitment for the acquisition of a net investment in a foreign country (note 17B), the accumulated effect in equity is reclassified to earnings when the purchase occurs.

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 the 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. As a result of new accounting pronouncements, starting January 1, 2005, the above reclassification will be discontinued; therefore, for balance sheet

presentation, debt will remain in the original currencies and rates (note 23).

The periodic cash flows generated by interest rate swaps and CCS are recognized as financial expense, adjusting the effective interest rate of the related debt. 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 hedge derivative instruments 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, determined by CEMEX and used for recognition and disclosure purposes in the financial statements and their notes, are supported by the confirmations of these values received from the financial counterparties.

O) REVENUE RECOGNITION

Revenue is recognized 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, through goods delivered or services rendered, and there is no condition or uncertainty implying a reversal thereof.

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, it is probable that the effects will materialize and can be reasonably quantified. Otherwise, a qualitative disclosure is included in the notes to the financial statements. The effects of long-term commitments established with third parties, such as supply contracts formalized with suppliers or clients, are recognized in the financial statements on the incurred or accrued basis, considering 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 15G)

The Company presents 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 date of the financial statements, as well as the reported amounts of revenues

and expenses during the period. The main captions subject to estimations and assumptions include the book value of fixed assets, allowances for doubtful accounts, inventories and assets for deferred IT, the fair market values of financial instruments and, the assets and liabilities related to labor obligations. 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 2002, 2003 and 2004, 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 losses of long-lived assets, results from the early extinguishment of debt and other unusual or non-recurrent transactions.

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

The Company evaluates the balances of its machinery and equipment, intangible assets of definite life and other investments to establish if factors such as the occurrence of a significant adverse event, changes in the operating environment in which the Company operates, changes in projected use or in technology, as well as expectations of operating results for each cash generating unit, provide elements indicating that the book value may not be recovered, in which case an impairment loss is recorded in the income statement of 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.

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

V) ASSET RETIREMENT OBLIGATIONS (note 13)

Effective January 1, 2003, in accordance with Bulletin C-9, "Liabilities, Accruals, Contingent Assets and Liabilities, and Commitments", CEMEX recognizes unavoidable obligations, legal or assumed, to restore the site or the environment when removing assets at the end of their useful lives. These obligations represent the net present value of expected cash flows to be incurred in the restoration process and are initially recognized against the related assets' book value. The additional asset is depreciated 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.

As of the implementation date, the Company had already created liabilities for

the known situations; however, an analysis was performed throughout all subsidiaries in the different countries in order to identify additional possible existing situations and proceed to calculate them and if applicable reflect them in the accounting record. Asset retirement obligations in the case of CEMEX are related mainly to future costs of demolition, cleaning and reforestation, derived from commitments, both legal and assumed, so that at the end of the operation, the sites where raw material is extracted, the maritime terminals and other production sites, are left in acceptable conditions. For those situations identified and quantified, effective January 1, 2003, a remediation liability was recorded for approximately Ps537.2, against fixed assets for Ps388.1, deferred IT assets for Ps58.0 and an initial cumulative effect for Ps91.1, which was recorded in stockholders' equity as an element of comprehensive net income.

W) EXECUTIVE STOCK OPTION PROGRAMS (note 16)

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 granted date, is not known the exercise price at which the underlying shares will be exercised, because this 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 cost for those programs in which the exercise price is equal to the CPO price at the date of grant of the option and it remains fixed for the life of the option.

4. CASH AND INVESTMENTS

Consolidated cash and investments as of December 31, 2003 and 2004 consists of:

		2003	2004
Cash and bank accounts	Ps	1,767.1	1,615.7
Fixed-income securities		1,367.4	1,720.4
Investments in marketable securities		345.0	477.4
	Ps	3,479.5	3,813.5

5. TRADE ACCOUNTS RECEIVABLE

The Company evaluates each of its customers' credit and risk profiles in order to establish the required allowance for doubtful accounts. Trade accounts receivable as of December 31, 2003 and 2004 include allowances for doubtful accounts of Ps671.5 and Ps756.4, respectively.

The Company has established sales of trade accounts receivable programs with financial institutions ("securitization programs"). These programs were originally established in Mexico during 2002, in the United States during 2001 and in Spain in 2000. Through the securitization programs, CEMEX effectively surrenders control, risks and the benefits associated with the accounts receivable sold; therefore, the amount of receivables sold is recorded as a sale of financial assets and the balances are removed from the balance sheet at the moment of sale, except for the amounts that the counterparties have not paid, which are reclassified to other accounts receivable (note 6). The balances of receivables sold pursuant the securitization programs as of December 31, 2003 and 2004 were Ps6,507.1 (U.S.$584.1million) and Ps7,114.0

(U.S.$638.6 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 Ps127.4 (U.S.$11.4 million) in 2002, Ps113.6 (U.S.$10.2 million) in 2003 and Ps125.7 (U.S.$11.3 million) in 2004.

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

Other accounts receivable as of December 31, 2003 and 2004 consist of:

		2003	2004
Non-trade receivables	Ps	1,688.6	1,210.1
Prepayments and receivables from valuation of derivative instruments (notes 12 and 17)		520.4	1,837.2
Interest and notes receivable		1,064.2	1,196.9
Advances for travel expenses and loans to employees		326.1	432.8
Other refundable taxes		1,227.6	387.4
	Ps	4,826.9	5,064.4

Non-trade receivables are mainly originated by the sale of assets. Interest and notes receivable include Ps1,022.9 (U.S.$91.8 million) in 2003 and Ps1,161.6 (U.S.$ 104.3 million) in 2004, arising from securitization programs (note 5). Other refundable taxes include Ps926.8 in 2003 for tax advances.

Other accounts payable and accrued expenses as of December 31, 2003 and 2004 consist of:

		2003	2004
Other accounts payable and accrued expenses	Ps	2,648.0	1,856.8
Interest payable		715.1	575.2
Tax payable		3,187.4	1,453.4
Dividends payable		95.5	17.8
Provisions		3,135.5	3,584.4
Advances from customers		915.2	812.9
Accounts payable from valuation of derivative instruments (notes 12 and 17)		1,387.7	981.6
	Ps	12,084.4	9,282.1

Short-term provisions primarily consist of: (i) remuneration 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 short-term, such as the case of anti-dumping fees (note 22C) and environmental remediations (note 22G). Commonly, these amounts are revolving in nature and are to be settled and replaced by similar amounts within the next 12 months.

7. INVENTORIES

Inventories in the consolidated balance sheet as of December 31, 2003 and 2004 are summarized as follows:

	2003	2004

Finished goods.....	Ps	1,467.9	1,676.1
Work-in-process.....		1,921.6	1,603.7
Raw materials.....		587.0	666.2
Supplies and spare parts.....		2,533.6	2,506.7
Advances to suppliers.....		255.1	265.4
Inventory in transit.....		334.9	328.7
	Ps	7,100.1	7,046.8

In December 2004, based on periodic impairment analysis on the inventory balances (note 3F), impairment losses of approximately U.S.$16.9 million (Ps188.3) were recognized within other expenses.

8. OTHER CURRENT ASSETS

Other current assets in the consolidated balance sheet as of December 31, 2003 and 2004 consist of:

		2003	2004
Advance payments.....	Ps	376.0	471.1
Non-cement related assets.....		420.3	577.7
	Ps	796.3	1,048.8

Non-cement related assets are stated at their estimated realizable value and mainly 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.

9. INVESTMENTS AND NONCURRENT RECEIVABLES

A) INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

As of December 31, 2003 and 2004, investments in affiliated companies, accounted for by the equity method, are summarized as follows:

		2003	2004
Book value at acquisition date.....	Ps	4,149.2	13,175.3
Equity in income and other changes in stockholders' equity.....		3,200.1	3,728.0
	Ps	7,349.3	16,903.3

Investments held by subsidiaries in CEMEX shares, amounting to Ps9,814.6 (153,594,177 CPOs and 30,709,083 appreciation warrants) at December 31, 2003 and Ps12,512.1 (154,014,032 CPOs) at December 31, 2004, are offset against majority interest stockholders' equity in the accompanying financial statements.

The Company's principal acquisitions and divestitures during 2002, 2003 and 2004 are as follows:

I. On September 27, 2004, as a result of a public offer to purchase the

outstanding shares of RMC, CEMEX acquired 50 million shares for approximately (pound)432 million (U.S.$786 million), which represents approximately 18.8% of RMC's outstanding stock. RMC, headquartered in the United Kingdom, is a leading international producer and supplier of materials, products and services used primarily in the construction industry. The acquisition of the remaining 81.2% is subject to several authorizations and may conclude during the first quarter of 2005 (see note 2).

II. On November 15, 2004, CEMEX announced that it had reached a preliminary understanding with a Brazilian company to sell the cement plants in Charlevoix, Michigan, and Dixon, Illinois, both located in the United States. The transaction, valued at approximately U.S.$400 million, is expected to close in the first quarter of 2005, subject to definitive documentation and the satisfaction of customary conditions precedent. The combined capacity of these plants is close to 2 million tons and in 2004 revenues from those operations represented around 10% of CEMEX operations in that country.

III. In August 2004, a subsidiary acquired 6.83% (695,065 shares) of CAH equity for approximately U.S.$70 million. In addition, in 2004, 1,398,602 CAH shares were exchanged for 27,850,713 CPOs with an approximate value of U.S.$172 million (Ps1,916.0). In 2003, 84,763 CAH shares were exchanged for 1,683,822 CPOs, with an approximate value of U.S.$7.8 million (Ps93.2). Exchanges during 2004 and 2003 resulted from the agreements established on July 12, 2002, through which in 2003, 1,483,365 CAH shares would be acquired by a forward exchange requiring delivery of 28,195,213 CPOs. In April 2003, the original settlement date was modified with respect to 1,398,602 CAH shares, which were acquired during 2004. In 2002, 25,429 CAH shares were acquired for U.S.$2.3 million. For accounting purposes, the 1,483,365 CAH shares were consolidated since July 2002, recognizing an account payable of U.S.$140 million, equivalent to the price of 28,195,213 CPOs as of the date of the exchange agreements. In 2004, CEMEX recorded a loss in stockholders' equity for approximately Ps1,000.4 representing the excess in the price paid over the book value of the CAH shares held by minority interests. Through the transactions mentioned above, the Company's share in CAH increased to 99.1%.

IV. In August and September 2003, for a combined price of approximately U.S.$99.7 million (Ps1,190.5), CEMEX, Inc. acquired Mineral Resource Technologies, Inc. ("MRT"), a distributor of minerals used in manufacturing of ready-mix concrete, and a cement plant and quarry with an annual production capacity of 560 thousand tons located in Dixon, Illinois, United States. The operating results of MRT and the Dixon plant are included in the consolidated financial statements since the respective acquisition dates. During 2002, CEMEX, Inc. sold aggregate quarries and other equipment for an approximate amount of U.S.$49 million.

V. 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"), for approximately U.S.$180.2 million. 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.

VI. 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 indirectly had a 70% economic interest in Solid through CAH. As a result of this acquisition and the subsequent increases in CAH's equity interest held by CEMEX, the approximate indirect economic interest of CEMEX in Solid increased from 54.2% to 99.1%.

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

Total assets.....	Ps	1,301.6
Total liabilities.....		119.4

Stockholders' equity		1,182.2
Sales	Ps	197.6
Operating income		12.2
Net income		12.1

As of December 31, 2003 and 2004, the consolidated investments in affiliated companies are as follows:

	Activity	Country	% Equity interest		2003	2004
RMC Group p.l.c.	Concrete	United Kingdom	18.8	Ps	-	9,186.8
PT Semen Gresik, Tbk	Cement	Indonesia	25.5		2,919.4	2,774.3
Control Administrativo Mexicano, S.A. de C.V.	Cement	Mexico	49.0		2,087.9	2,238.5
Trinidad Cement Limited	Cement	Trinidad	20.0		341.0	297.8
Cementos Bio Bio, S.A.	Cement	Chile	11.9		438.2	472.6
Cancem, S.A. de C.V.	Cement	Mexico	10.0		212.3	228.7
Lehigh White Cement Company	Cement	U.S.	24.5		127.4	142.3
Societe des Ciments Antillais	Cement	Antilles Fr.	26.1		170.8	198.6
Caribbean Cement Company Limited	Cement	Jamaica	5.0		109.0	116.7
Others	-	-	-		943.3	1,247.0
				Ps	7,349.3	16,903.3

During 2003, the management of PT Semen Padang ("Padang"), subsidiary of Gresik, by different means obstructed the ownership rights of Gresik, by not acknowledging the Padang's administration designated by Gresik in May's 2003 stockholders' meeting. In September 2003, pursuant to a court order, the management appointed by Gresik finally assumed its duties. In addition, the former management failed to provide financial information to Gresik, required for consolidation purposes. Therefore, 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 represented around 16% of the combined net assets. In December 2003, Gresik designated new auditors to review the 2002 and 2003 consolidated financial statements. The in-depth troubles persist and are related to the agreements of 1998 between the Indonesian government and CEMEX. According to these agreements, the government would sell to CEMEX the majority interest of Gresik and subsidiaries, which has not occurred mainly due to the opposition of the provincial administration of West Sumatra, which has argued that the original sale of Padang by the government to Gresik in 1995 is invalid, since certain necessary approvals were not obtained. As a result of this situation, in December 2003, CEMEX filed before the International Center for the Settlement of Investments Disputes, a request for arbitration against the Indonesian government.

The arbitration tribunal was constituted in May 2004 and held its first session in July 2004, at which the Indonesian government objected the tribunal's jurisdiction. As of December 31, 2004, the tribunal was still determining if it has jurisdiction to hear the dispute. The resolution of in-depth issues can take several years. Based on the information arising from the procedures indicated before, CEMEX will evaluate its investment in conformity with its accounting policies. As of December 31, 2003 and 2004, CEMEX used the best information available in order to valuate and update its investment in Gresik.

B) NONCURRENT ACCOUNTS RECEIVABLE

Consolidated amounts include assets for the valuation of derivative instruments (notes 12 and 17) of Ps1,206.0 in 2003 and Ps1,660.0 in 2004. Furthermore, they include investments in private funds, recorded at fair value of U.S.$16.1 million (Ps192.3) in 2003 and U.S.$8.4 million (Ps93.3) in 2004. Of the private funds in 2003, U.S.$9.3 million (Ps103.8) were reclassified to cash and investments in 2004, since their liquidation is expected within a three-month-period or less. In 2003 and 2004, approximately U.S.$7.3 million (Ps87.2) and U.S.$2.3 million (Ps25.6) were contributed to these funds, respectively.

10. PROPERTIES, PLANT AND EQUIPMENT

In December 2003 and 2004, based on periodic impairment analysis (note 3U), losses of approximately Ps318.1 and Ps1,130.6, respectively, were recognized within other expenses, derived from maritime terminals in the Asian region that are out of service and the closing of cement assets in Mexico in 2003, and the closing of cement assets in the Philippines and Mexico in 2004. The impaired assets in Mexico in 2003 were first adjusted in 1999 when they ceased operations to their estimated realizable value and their depreciation was suspended. The approximate effect of having suspended the depreciation in 2002 was Ps43.3.

11. INTANGIBLE ASSETS AND DEFERRED CHARGES

As of December 31, 2003 and 2004, consolidated intangible assets of definite and indefinite life and deferred charges, are summarized as follows:

		2003	2004
Intangible assets of indefinite useful life:			
Goodwill	Ps	50,311.8	47,833.3
Accumulated amortization		(8,815.1)	(10,213.1)
		41,496.7	37,620.2
Intangible assets of definite useful life:			
Cost of internally developed software		3,225.1	3,014.7
Additional minimum liability (note 14)		1,177.2	911.6
Accumulated amortization		(1,509.5)	(1,937.4)
		2,892.8	1,988.9
Deferred Charges:			
Prepaid pension costs (note 14)		412.0	440.3
Deferred financing costs		619.7	551.5
Deferred income taxes (note 18B)		2,276.8	1,913.9
Others		3,316.0	3,567.0
Accumulated amortization		(1,763.4)	(1,842.2)
		4,861.1	4,630.5
	Ps	49,250.6	44,239.6

As a result of the impairment evaluations (note 3U), CEMEX recognized within other expenses, impairment losses of goodwill for Ps109.4 in 2002, Ps936.9 in 2003 and Ps248.9 in 2004. Such losses consist of those related to the Company's information technology business unit, which were Ps109.4 in 2002, Ps167.2 in 2003 and Ps248.9 in 2004 and those related to the business units in the Asian region in 2003 were Ps769.7.

The amortization expenses of intangible assets and deferred charges were Ps2,961.0 in 2002, Ps2,983.6 in 2003 and Ps2,869.9 in 2004, of which, 65%, 69% and 66% were recognized in other expenses, respectively, while the difference in each year was recognized within operating expenses.

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

As of December 31, 2003 and 2004, short-term and long-term consolidated debt, by type of financing and currency, as well as the interest rates information, which include the effects of the related derivative financial instruments, are summarized as follows:

As December 31, 2003	Original rate	Weighted effective rate	Carrying amount (2)	Relation to derivatives(1)	Amount subject to derivatives	% subject to derivatives
Short-term bank loans						
Lines of credit in Mexico	Variable	2.1%	783.4	-	-	-
Lines of credit in foreign countries	Variable	1.0%	1,850.7	-	-	-
			2,634.1		-	-
Short-term notes payable						
Mexican commercial paper programs	Variable	6.3%	2,007.8	CCS	2,007.8	100.0%
Foreign commercial paper programs	Variable	2.6%	1,134.3	-	-	-
Other notes payable	Variable	7.4%	30.9	-	-	-
			3,173.0		2,007.8	63.3%
			5,807.1			
Current maturities			10,062.8			
			15,869.9			
Long-term bank loans						
Syndicated, 2004 to 2007	Variable	2.2%	12,594.1	CCS	1,358.3	10.8%
Syndicated, 2004 to 2006	Fixed	7.4%	6,567.8	IRS	6,567.8	100.0%
Bank loans, 2004 to 2007	Variable	1.8%	7,821.9	-	-	-
Bank loans, 2004 to 2006	Fixed	7.4%	2,694.7	IRS	2,536.9	94.1%
			29,678.5		10,463.0	35.3%
Long-term notes payable						
Euro medium-term notes, 2004 to 2009	Fixed	8.0%	3,871.7	CCS	797.9	20.6%
Medium-term notes, 2004 to 2007	Variable	3.0%	7,796.6	CCS	6,883.0	88.3%
Medium-term notes, 2004 to 2015	Fixed	5.8%	19,636.0	CCS	6,227.9	31.7%
Other notes, 2004 to 2010	Variable	2.1%	2,804.2	-	-	-
Other notes, 2004 to 2009	Fixed	6.6%	451.9	IRS	448.4	99.2%
			34,560.4		14,357.2	41.5%
		==	64,238.9			
Current maturities			(10,062.8)			
			54,176.1			

Debt by currency(2)	Total debt	Short-term	Effective rate	Long-term	Effective rate
Dollar	47,613.8	5,287.8	4.4%	42,326.0	5.5%
Japanese yen	9,573.9	4,799.9	0.6%	4,774.0	1.2%
Euros	12,443.7	5,591.6	2.8%	6,852.1	3.4%
Mexican pesos	251.5	102.4	7.3%	149.1	7.3%
Egyptian pounds	114.7	76.8	11.3%	37.9	10.9%
Other currencies	48.4	11.4	11.5%	37.0	12.6%
	70,046.0	15,869.9		54,176.1	

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As December 31, 2004	Original rate	Weighted effective rate	Carrying amount (2)	Relation to derivatives(1)	Amount subject to derivatives	% subject to derivatives
Short-term bank loans						
Lines of credit in Mexico	Variable	2.9%	530.5	CCS	744.3	100.0%
Lines of credit in foreign countries	Variable	1.4%	4,501.4	-	-	-
			5,031.9		744.3	14.8%
Short-term notes payable						
Foreign commercial paper program	Variable	2.5%	252.0	-	-	-
Other notes payable	Variable	7.4%	67.9	-	-	-
			319.9		-	-
			5,351.8			
Current maturities			6,275.2			
			11,627.0			
Long-term bank loans						
Syndicated loans, 2005 to 2009	Variable	3.7%	22,391.4	-	-	-
Syndicated loans, 2005 to 2009	Fixed	1.4%	2,098.7	-	-	-
Bank loans, 2005 to 2007	Variable	2.8%	5,734.3	-	-	-
Bank loans, 2005 to 2007	Fixed	7.4%	78.0	-	-	-
			30,302.4		-	-
Long-term notes payable						
Euro medium-term notes, 2005 to 2009	Fixed	11.1%	1,263.3	-	-	-
Medium-term notes, 2005 to 2008	Variable	3.7%	8,420.7	CCS	6,611.3	78.5%
Medium-term notes, 2005 to 2015	Fixed	5.7%	19,576.8	CCS	5,098.4	26.0%
Other notes, 2005 to 2015	Variable	3.8%	955.4	-	-	-
Other notes, 2005 to 2009	Fixed	3.3%	196.1	-	-	-
			30,412.3		11,709.7	38.5%
			60,714.7			
Current maturities			(6,275.2)			
			54,439.5			

Debt by currency(2)	Total debt	Short-term	Effective Rate	Long-term	Effective Rate
Dollar	36,874.5	3,322.0	4.5%	33,552.5	4.9%
Japanese yen	9,363.0	3,202.7	0.5%	6,160.3	1.5%
Euros	10,089.8	4,898.8	2.7%	5,191.0	3.5%
Sterling pounds	9,286.9	-	-	9,286.9	5.5%
Mexican pesos	415.5	192.5	7.3%	223.0	5.3%
Egyptian pounds	11.0	11.0	13.5%	-	-
Other currencies	25.8	-	-	25.8	15.6%
	66,066.5	11,627.0		54,439.5	

(1) IRS or Interest Rate Swaps are instruments used to exchange interest rates (note 12A). CCS or Cross Currency Swaps are instruments to exchange both interest rates and currencies (note 12B).

(2) Include the effects for currencies exchange originated by the CCS.

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

	2003	2004
Mexican pesos per dollar	11.24	11.14
Japanese yen per dollar	107.39	102.49
Euros per dollar	0.7948	0.7383

Sterling pounds per dollar.....	0.5599	0.5218

The maturities of long-term debt as of December 31, 2004 are as follows:

	Consolidated
2006.....	Ps 19,929.1
2007.....	13,697.8
2008.....	8,044.5
2009.....	6,666.6
2010 and thereafter.....	6,101.5
	Ps 54,439.5

In the consolidated balance sheet at December 31, 2003 and 2004, there were short-term debt transactions amounting to U.S.$395 million (Ps4,716.8) and U.S.$847.2 million (Ps9,438.1), respectively, classified as long-term debt due to the Company's ability and the intention to refinance such indebtedness with the available amounts of committed long-term lines of credit.

As of December 31, 2004, 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 0.5% and 15.6%, depending on the negotiated currency:

	Line of credit	Available
European commercial paper (U.S.$600 million).....	Ps 6,684.0	6,684.0
Revolving credit facility (U.S.$ 800 million).....	8,912.0	5,102.1
Mexican commercial paper.....	3,000.0	3,000.0
Long-term credit in current account.....	1,671.0	-
Other lines of credit in foreign subsidiaries.....	11,378.7	4,599.8
Other lines of credit from banks.....	6,561.5	1,559.6
	Ps 38,207.2	20,945.5

Credit lines information included in the table above does not include lines of credit agreed with financial institutions for approximately U.S.$5,050 million for the acquisition of RMC (note 2).

In June 2004, CEMEX negotiated a revolving syndicated line of credit maturing in three years for U.S.$800 million. Resources from this transaction and other lines of credit were used to prepay the remaining outstanding U.S.$700 million of the multi-currency credit of U.S.$1,150 million negotiated in 2003 and to liquidate the U.S. commercial paper program for U.S.$300 million. On October 15, 2003, a Dutch subsidiary negotiated a multi-currency credit 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 mainly to repay a revolving credit facility of U.S.$400 million and for the early redemption in 2003 of the remaining outstanding prefered stock financing of U.S.$650 million related to the purchase of CEMEX Inc. (note 15E).

In March 2004, CEMEX Spain negotiated a multi-currency syndicated loan of 400 million euros, divided as follows: 1) a 364-day revolving line of credit; 2) a five-year multicurrency loan, and 3) a fixed rate 5-year credit denominated in yen. In addition, in April 2004, CEMEX Spain through one of its subsidiaries, made a private debt issuance of 11,068 million yen (U.S.$100.2 million) to a group of insurance companies and pension funds in the United States. Proceeds obtained from this transaction were used to refinance short-term debt and for other general corporate purposes.

In October 2004, CEMEX completed a tender offer for its 9.625% Notes due in 2009 of U.S.$200 million and for the remaining outstanding balance of its 12.7% Notes due in 2006 of U.S.$91.6 million, which had been previously reduced as a result of a tender offer that culminated in 2002. In the 2004 offer, U.S.$138.5million (Ps1,542.9) and U.S.$39.7 million (Ps442.3) of these notes were retired, respectively. As of December 31, 2003, and as a result of the tender offer in 2002, the Company had an outstanding balance of U.S.$91.6 million (Ps1,093.8) of its 12.7% Notes, which original amount was U.S.$300 million. As of December 31, 2004, the outstanding balance of the 9.625% Notes was U.S.$61.6 million (Ps686.2) and of the 12.7% Notes was U.S.$51.9 million (Ps578.2). Expenses related to the offer and the premiums paid to the notes holders as a result of the early retirement, which amounted to approximately U.S.$54 million (Ps657.9) in 2002 and U.S.$38 million (Ps423.3) in 2004, were recognized within other expenses.

As of December 31, 2003 and 2004, in order to: (i) hedge contractual cash flows of certain financial debt with floating rates or exchange floating for fixed interest rates on a debt portion (note 12A), and (ii) reduce the financial cost of debt originally contracted in dollars or pesos (note 12B), the Company has negotiated derivative financial instruments related to short-term and long-term debt, which are described below:

A) Interest Rate Swaps Contracts

As of December 31, 2003 and 2004, information with respect to interest rate swaps ("IRS") related to short-term and long-term financial debt is summarized as follows:

(U.S.dollar millions) Related debt	Notional amount	Debt currency	Maturity date	CEMEX receives*	CEMEX pays	Effective rate	Estimated fair value
		Interest Rate Swaps in 2003					
Long-term							
Syndicated loans.....	U.S.$ 550	Dollar	Mar 2008	LIBOR	6.5%	7.4%	U.S.$ (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)
		Interest Rate Swaps in 2004					
Not assigned(1)							
Long-term debt.....	U.S.$1,950	Dollar	Oct 2009	L + 26 bps	5.6%	5.8%	U.S.$(174.2)

* 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, 2003 and 2004, the non-assigned interest rate swaps presented above, which are part of and complement the financial strategy of CEMEX, however, do not meet the accounting hedge criteria, consequently, changes in the estimated fair value of these instruments were recognized in earnings. As of December 31, 2003 interest rate swaps with a notional amount of U.S.$800 million 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 (note 3N).

During 2004, the notional amount of interest rate swaps increased by U.S.$100 million as compared to 2003. This increase was mainly due to a new interest rate swap for a notional amount of U.S.$200 million, negotiated upon the exercise of interest rate options ("swaptions"). The increase was partially offset by the early settlement of interest rate swaps and cap options for a notional of U.S$100 million. As of December 31, 2003, of the approximate loss in the estimated fair value of interest rate swaps of U.S.$228.1 million (Ps2,723.8), losses of approximately U.S.$126 million (Ps1,504.6) correspond to the estimated fair value that swaptions, Forward Rate Agreements ("FRAs") and the floor and cap options had upon expiration or settlement. These losses were recognized in earnings of prior periods between origination of the contracts and their termination.

During 2003 and 2004, due to changes in the interest rate mix of the financial debt portfolio, interest rate swaps were settled in agreement with the financial counterparties for notional amounts of U.S.$1,106 million and U.S.$100 million, respectively. These settlements resulted in losses of U.S$41.9 million (Ps500.4) in 2003 and losses of U.S.$8.3 million (Ps92.5) in 2004, corresponding to the estimated fair value of the contracts on the settlement date, which were recognized in earnings in the respective periods.

As of December 31, 2003, there were swaptions for a notional amount of U.S.$200 million, with an estimated market loss of U.S.$24.9 million (Ps297.3), negotiated to exchange floating for fixed interest rates. These options were exercised in July 2004, and the counterparty elected to negotiate with CEMEX new interest rate swaps receiving a fixed rate and paying a floating rate for a five-year period. Likewise, 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 (Ps13.2). In 2002 and 2003, from the sale of swaptions, CEMEX received premiums for approximately U.S.$57.6 million (Ps701.8) and U.S.$25.0 million (Ps298.5), respectively. Premiums received as well as changes in the estimated fair value of the options, which represented losses of approximately U.S.$110.9 million (Ps1,351.3) in 2002 and gains of approximately U.S.$1.6 million (Ps19.1) in 2003, were recognized in earnings of each period. In addition, in 2002 and 2003, losses of approximately U.S.$92.3 million (Ps1,124.7) and U.S.$23.9 million (Ps285.4), 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, which were not completed due to market conditions. These instruments were designated at the end of 2002 as accounting hedges of the interest rate of debt issuances, which were negotiated in 2003. These contracts expired in June 2003 and new interest rate swaps were negotiated. At maturity, an approximate loss of U.S.$37.6 million (Ps449.0) was recognized in stockholders' equity and is being amortized to the financial expense as part of the effective interest rate of the related debt. The amount amortized was U.S$7.8 million (Ps93.1) in 2003 and U.S$4.3 million (Ps47.9) in 2004. The changes in the estimated fair value of these contracts during 2002 represented losses of approximately U.S.$33.7 million (Ps410.6), which were recognized in earnings, except for a loss of U.S.$42.4 million (Ps506.3), 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, there were 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.$55.2 million (Ps672.4) in 2002 and U.S.$0.1 million (Ps1.6) in 2003. These losses were recognized in earnings in the respective periods.

B) Cross Currency Swap Contracts and Other Currency Instruments

As of December 31, 2004 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.

As of December 31, 2003 and 2004, information with respect to the CCS is summarized as follows:

			Currencies		Interest Rates			
(Amounts in millions) Related Debt	Maturity date	Notional amount	Original amount	Amount in new currency	CEMEX receives *	CEMEX pays *	Effective rate	Estimated fair value
CCS in 2003								
Mexican peso to dollar								
Short term notes.....	Jan 2004	U.S.$ 168.1	Ps2,019	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	Ps 6,485	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	Ps 3,579	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	Ps 4,131	U.S.$ 378	8.6%	4.6%	3.8%	0.2
Mexican peso to dollar								
Medium term notes.....	Oct 2007	79.9	Ps 850	U.S.$ 80	CETES+145bps	4.3%	4.3%	(8.9)
Mexican peso to yen								
Medium term notes.....	Jun 05-Jun 06	66.8	U.S.$ 67	Yen 1,904	L+127 bps	1.9%	9.3%	93.2
Mexican peso to yen								
Euro-medium term notes.....	Jun 05-Jan 06	51.8	Ps 1,672	Yen 6,008	8.8%	2.6%	1.3%	(0.7)
		1,278.5						261.2
		U.S.$1,446.6						U.S.$262.0
CCS in 2004								
Dollar to yen								
Short term notes.....	Jun 2005	U.S.$ 66.8	U.S.$67	Yen 1,904	L+127 bps	1.9%	2.9%	U.S.$ 92.9
Mexican peso to dollar								
Medium term notes.....	Jun 05-Jun 06	308.4	Ps 3,804	U.S.$ 308	TIIE+55 bps	L+125bps	4.0%	33.3
Mexican peso to dollar								
Medium term notes.....	Apr 05-Apr 07	233.3	Ps 3,369	U.S.$ 233	12.4%	L+97 bps	3.3%	87.8
Mexican peso to dollar								
Medium term notes.....	Mar 06-Dec 08	377.8	Ps 4,022	U.S.$ 378	8.6%	4.6%	3.9%	2.8
Mexican peso to dollar								
Medium term notes.....	Oct 2007	79.9	Ps 800	U.S.$ 80	CETES+145bps	4.3%	4.3%	(5.9)
Mexican peso to yen								
Euro-medium term notes.....	Jan 2006	51.8	Ps 602	Yen 6,008	8.8%	2.6%	1.3%	(2.4)
		1,051.2						115.6
		U.S.$1,118.0						U.S.$208.5

* 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. As of December 31, 2004, the LIBOR rate was 2.56%, the TIIE rate was 8.95% and the CETES yield was 8.61% per annum.

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 3N, portions 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, 2003 and 2004, related to the estimated fair value of the CCS, the Company recognized net assets of U.S.$262.0 million (Ps3,128.7) and U.S.$208.5 million (Ps2,322.7), respectively, of which U.S.$364.5 million (Ps4,352.7) in 2003 and U.S.$300.7 million (Ps3,349.8) in 2004 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 loss of U.S.$102.5 million (Ps1,224.0) in 2003 and a loss of U.S$92.2 million (Ps1,027.1) in 2004 represents the net liabilities arising from the CCS' estimated fair value without prepayment effects.

In accordance with presentation guidelines applied by the Company to the assets or liabilities related to the CCS (note 3N); in connection to the net liabilities without prepayment effects in 2003 and 2004 described in the paragraph above, losses directly related to variations in exchange rates between the origination of the CCS and the balance sheet date of approximately U.S.$171.9 million (Ps2,052.8) in 2003 and U.S.$131.8 million (Ps1,468.3) in 2004, were presented as part of the related debt carrying amount. Likewise, gains of approximately U.S.$12.2 million (Ps145.7) in 2003 and U.S.$10.9 million (Ps121.4) in 2004, 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.$57.2 million (Ps683.0) in 2003 and U.S.$28.7 million (Ps319.7) in 2004 were presented in the consolidated balance sheet within short-term and long-term other assets, as applicable.

For the years ended December 31, 2002, 2003 and 2004, the changes in the estimated fair value of the CCS, excluding the effects of prepayments, resulted in losses of approximately U.S.$192.2 million (Ps2,341.8) and U.S.$149.7 million (Ps1,787.6) in 2002 and 2003, respectively, and a gain of approximately U.S.$10.3 million (Ps114.7) in 2004. These results were recognized in earnings of the respective periods.

Additionally, as of December 31, 2002, there were other currency instruments for 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 (Ps43.0) was recognized in earnings. In 2002, these contracts had an estimated fair value loss of approximately

U.S.$6.8 million (Ps82.9), 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 Company's overall 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.

C) Guaranteed Debt

As of December 31, 2003 and 2004, CEMEX Mexico, S.A. de C.V. and Empresas Tolteca de Mexico, S.A. de C.V. jointly, fully and unconditionally guaranteed indebtedness of the Company for an aggregate amount of U.S.$3,145 million (Ps37,555.6) and U.S.$3,087.8 million (Ps34,398.1), respectively. The combined summarized financial information of these guarantors as of December 31, 2002, 2003 and 2004 is as follows:

		2003	2004
Assets	Ps	149,153.5	152,696.3
Liabilities		68,528.2	105,235.5
Stockholders' equity		80,625.3	47,460.8

	2002	2003	2004
Net sales	Ps 25,535.0	25,931.6	26,037.3
Operating income	3,997.4	2,951.6	3,323.9
Net income	509.6	6,412.5	17,167.8

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.

13. OTHER NON-CURRENT LIABILITIES

As of December 31, 2003 and 2004, other non-current liabilities are integrated as follows:

		2003	2004
Valuation of derivative financial instruments (notes 12 and 17)	Ps	5,225.9	3,690.8
Accruals for legal assessments and other responsibilities		1,691.7	1,371.4
Asset retirement obligations and other environmental liabilities		944.5	865.9
Other liabilities and deferred credits		1,384.4	1,330.1
	Ps	9,246.5	7,258.2

Accounts payable from derivative financial instruments represent the

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

During 2004, the balance of this caption decreased primarily as a result of the reduction of Ps317.3 in the anti-dumping duties provision, and as a result of the reduction of Ps1,228.2 in the accounts payable from valuation of derivative financial instruments. Asset retirement obligations and other environmental liabilities include the future estimated costs, mainly from demolition, cleaning and reforestation of production sites at the end of their operation (note 3V). The expected average period to settle these obligations is greater than 15 years.

14. PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

For the years ended December 31, 2002, 2003 and 2004, the net periodic cost of pension plans and other postretirement benefits (note 3J), was Ps242.3, Ps491.3 and Ps470.5, respectively, and is described as follows:

	Pensions			Other benefits*		
Components of net periodic cost:	2002	2003	2004	2002	2003	2004
Service cost	Ps 291.8	305.4	308.0	30.3	33.3	40.4
Interest cost	286.0	302.6	362.4	45.9	48.2	34.4
Actuarial return on plan assets	(424.2)	(355.9)	(397.8)	(0.7)	(0.7)	(1.0)
Amortization of prior service cost, changes in assumptions and experience adjustments	50.6	139.4	131.7	14.6	16.0	(7.6)
Results from extinguishment of obligations	(50.3)	3.0	-	(1.7)	-	-
	Ps 153.9	394.5	404.3	88.4	96.8	66.2

As of December 31, 2003 and 2004, the reconciliation of the actuarial value of pensions plans and other postretirement benefit obligations, as well as the funded status (note 3J), are presented as follows:

	Pensions		Other benefits*	
	2003	2004	2003	2004
Change in benefit obligation:				
Projected benefit obligation ("PBO") at beginning of year	Ps 6,035.3	6,776.1	958.5	852.9
Service cost	305.4	308.0	33.3	40.4
Interest cost	302.6	362.4	48.2	34.4
Actuarial result and amendments	700.7	(311.9)	(95.8)	(223.5)
Acquisitions	-	(1.0)	-	(0.2)
Initial valuation of other postretirement benefits	-	-	29.4	13.6
Foreign exchange fluctuations and inflation adjustments	(112.9)	(198.1)	(50.1)	(34.5)
Extinguishment of obligations	2.0	(8.9)	2.3	-
Benefits paid	(457.0)	(450.4)	(72.9)	(72.5)
Projected benefit obligation ("PBO") at end of year	6,776.1	6,476.2	852.9	610.6
Change in plan assets:				
Fair value of plan assets at beginning of year	5,360.3	5,852.3	18.9	36.2
Return on plan assets	863.6	476.0	2.2	1.0
Foreign exchange fluctuations and inflation adjustments	(223.5)	(189.8)	(1.8)	(0.1)
Employer contributions	133.8	175.1	16.9	-
Extinguishment of obligations	-	(9.0)	-	-
Benefits paid from the funds	(281.9)	(345.8)	-	(16.9)
Fair value of plan assets at end of year	5,852.3	5,958.8	36.2	20.2

Amounts recognized in the balance sheets consist of:					
Funded status		923.8	517.4	816.7	590.4
Prior service cost		(1,489.9)	(1,403.5)	(115.6)	(15.0)
Net actuarial results		(1,015.0)	(456.4)	(45.1)	71.6
Accrued benefit liability (prepayment)		(1,581.1)	(1,342.5)	656.0	647.0
Additional minimum liability		1,169.1	902.2	8.1	9.4
Net liability (prepayment) recognized	Ps	(412.0)	(440.3)	664.1	656.4

* 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.

As of December 31, 2003 and 2004, the combined actual benefit obligation ("ABO") of pensions and other postretirement benefits, equivalent to the PBO not considering salary increases, amounted to Ps6,315.1 and Ps6,110.1, respectively, of which the vested portion was Ps2,134.3 in 2003 and Ps2,065.3 in 2004.

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, 2003 and 2004, the Company recognized a minimum liability against an intangible asset for approximately Ps1,177.2 and Ps911.6, respectively.

Prior service cost and net actuarial results are amortized over the estimated service life of the employees under plan benefits. As of December 31, 2004, the average estimated service life for pension plans and other postretirement benefits is 13 years.

As of December 31, 2003 and 2004, the consolidated assets of the pension plans and other postretirement benefits are valued at their estimated fair value and are aggregated as follows:

		2003	2004
Fixed-income securities	Ps	2,626.3	1,940.3
Marketable securities		2,532.0	3,497.1
Private Funds and other investments		730.2	541.6
	Ps	5,888.5	5,979.0

The Company 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 are summarized as follows:

	2002	2003	2004
Range of discount rates used to reflect the obligations' present value	3.0% - 7.0%	4.5% - 8.0%	4.5% - 8.0%
Weighted average rate of return on plan assets	7.8%	7.8%	7.6%

During 2003, the Company's units in Mexico implemented a voluntary early

retirement program, through which the retirement age was reduced by five years and all employees meeting the new requirements were given the option to retire. This program ended in May 2003, resulting in the early retirement of 230 employees and the increase of Ps604.4 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 structures. In connection with this change, the subsidiary contributed on behalf of its employees covered by the new plans, assets in an amount equivalent to the obligation value as of the date of the exchange. These assets were already restricted within the previous plans. As of December 31, 2002, the effect of writing off the PBO and the non-amortized items, net of the assets contributed, are displayed on the table of the net periodic cost of pension plans and other postretirement benefits.

15. STOCKHOLDERS' EQUITY

A) COMMON STOCK

The Company's common stock as of December 31, 2003 and 2004 is as follows:

	2003		2004	
	Series A (1)	Series B (2)	Series A (1)	Series B (2)
Subscribed and paid shares	3,547,614,432	1,773,807,216	3,703,634,244	1,851,817,122
Treasury shares (3)	287,097,712	143,548,856	249,133,670	124,566,835
Unissued shares authorized for Stock Option Plans	6 113,114,10	56,557,053	4 107,960,62	2 53,980,31
	3,947,826,250	1,973,913,125	4,060,728,538	2,030,364,269

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

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

(3) Includes the shares issued pursuant to the ordinary stockholders' meeting of April 24, 2003 that were not subscribed.

Of the total number of shares, 3,267,000,000 in 2003 and 2004 correspond to the fixed portion, while 2,654,739,375 in 2003 and 2,824,092,807 in 2004 correspond to the variable portion.

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 shares as a stock dividend for up to 750,000,000 shares 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 Ps3.6 and in additional paid-in capital of Ps3,895.8, considering a theoretical value of Ps0.0333 per CPO, while an approximate cash payment through December 31, 2003 was made for Ps71.0; and (iii) the cancellation of the corresponding shares held in the Company's

treasury.

On April 29, 2004, the annual stockholders' meeting approved: (i) a reserve for share repurchases of up to Ps6,000 (nominal amount); (ii) an increase in the variable common stock through the capitalization of retained earnings of up to Ps4,169 (nominal amount), issuing shares as a stock dividend for up to 600,000,000 shares equivalent to up 200,000,000 CPOs, at a subscription price of Ps53.129 (nominal) per CPO, or instead, stockholders could have chosen to receive Ps2.35 (nominal amount) in cash for each CPO. As a result, shares equivalent to 75,433,165 CPOs were subscribed and paid, representing an increase in common stock of Ps2.6 and in additional paid-in capital of Ps4,154.2 considering a theoretical value of Ps0.0333 per CPO, while an approximate cash payment through December 31, 2004 was made for Ps167.4; and (iii) the cancellation of the corresponding shares held in the Company's treasury.

See note 24(w) for a description of the Company's proposed stock split, approved at the April 28, 2005 extraordinary stockholders' meeting (unaudited).

B) RETAINED EARNINGS

Retained earnings as of December 31, 2004 include Ps90,496.4 of earnings generated by subsidiaries and affiliated companies that are not available to be paid as dividends by CEMEX until these entities distribute such amounts to CEMEX. Additionally, retained earnings as of December 31, 2004 include a share repurchase reserve in the amount of Ps6,283.2. 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, 2004 the legal reserve amounted to Ps1,591.1.

Earnings distributed as dividends, in excess of tax earnings, will be subject to a tax payment at a 30% rate; consequently, shareholders would receive only 70% after tax.

C) EFFECTS OF INFLATION

The effects of inflation on majority interest stockholders' equity as of December 31, 2004 are as follows:

		Historical cost	Inflation adjustment	Total
Common stock	Ps	61.7	3,624.6	3,686.3
Additional paid-in capital		24,056.6	17,283.2	41,339.8
Deficit in equity restatement		-	(73,725.9)	(73,725.9)
Cumulative initial deferred income tax effects		(4,697.9)	(1,402.3)	(6,100.2)
Retained earnings		54,200.6	53,271.2	107,471.8
Net income	Ps	14,059.8	502.5	14,562.3

D) FOREIGN CURRENCY TRANSLATION

The foreign currency translation results recorded in stockholders' equity are summarized as follows:

Years ended December 31,	2002	2003	2004

Foreign currency translation adjustment.....	Ps	7,477.6	5,491.8	3,250.7
Foreign exchange gain (loss) (1).....		(3,024.7)	(1,661.8)	163.1
	P	4,452.9	3,830.0	3,413.8

(1) Foreign exchange results from the financing identified with the acquisitions of foreign subsidiaries.

The foreign currency translation adjustment includes foreign exchange results from financing related to the acquisition of foreign subsidiaries made by the Company's subsidiary in Spain of Ps177.7 in 2002, Ps63.1 in 2003 and Ps2.9 in 2004.

E) PREFERRED STOCK

In October 2003, CEMEX repurchased the remaining balance of preferred stock of U.S.$650 million (Ps7,761.9), 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 the CEMEX Inc. (formerly Southdown, Inc.) acquisition. The preferred stock was mandatorily redeemable upon maturity and granted its holders 10% of the subsidiary's voting rights, as well as the right to receive a guaranteed variable preferred dividend, and the option, in certain circumstances, to subscribe for additional preferred stock or common shares for up to 51% of the subsidiary's voting rights. Until its liquidation, this transaction was included as minority interest. Preferred dividends declared for approximately U.S.$23.2 million (Ps275.9) in 2002 and U.S.$12.5 million (Ps153.6) in 2003, were recognized as a part of minority interest in the consolidated income statements.

In October 2004, the Company liquidated the remaining capital securities for approximately U.S$66 million (Ps735.2). The preferred shares were issued in 1998 by a Spanish subsidiary 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 holders in excess of the nominal amount of the capital securities pursuant the early redemption of approximately U.S$20 million (Ps238.8) was recognized against stockholders' equity. The balance outstanding as of December 31, 2003 was U.S$66 million (Ps788.1). As of December 31, 2003, this transaction was recorded as minority interest. During 2004 and until its termination, as a result of new accounting pronouncements, this transaction was recorded as financial debt. Preferred dividends declared in 2002 and 2003 of approximately U.S.$11.9 million (Ps140.9) and U.S.$6.4 million (Ps78.0), respectively, were recognized as minority interest in the consolidated income statements Meanwhile, preferred dividends declared on the capital securities during 2004 of approximately U.S.$5.6 million (Ps66.1), were recorded in earnings as part of financial expenses.

F) OTHER EQUITY TRANSACTIONS

In December 2004, 13,772,903 appreciation warrants ("warrants") remaining from the public purchase offer that was announced in November 2003, and which was concluded in January 2004, were settled upon maturity. Through the prior offer 90,018,042 warrants were repurchased. Considering the results of the purchase of warrants in January 2004, the expiration in December 2004 and the direct expenses related to these transactions, approximately Ps1,053 was paid. This amount was recognized against stockholders' equity within additional paid-in capital. In November and December 2003, CEMEX announced a public offer to purchase in cash up to 90,018,042 warrants in the Mexican Stock Exchange

("MSE"), and warrants represented by American Depositary Warrants ("ADWs) each ADW representing five warrants, traded on the New York Stock Exchange ("NYSE"). The warrants purchased pursuant to the offer represented approximately 86.73% of the then total outstanding warrants and included approximately 34.9 million warrants owned by or controlled by CEMEX and its subsidiaries. The expiration date of the offer was January 26, 2004.

The single price at which CEMEX purchased the warrants and ADWs was determined at the end of the tender offer period, and depended on the prices at which warrants and ADWs were tendered by their holders, which were between a range from Ps5.10 per warrant (Ps25.50 per ADW) to Ps8.10 per warrant (Ps40.50 per ADW). The tender proposals were ordered starting from the lowest price per warrant offered and so forth, until arriving at a price that covered the maximum number of warrants, and which was used to acquire the 90,018,042 warrants. According to this procedure, a single price of Ps8.10 per warrant was determined (representing Ps40.50 per ADW).

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 a 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 permitted the holders to benefit from the future increases in the market price of the Company's CPOs above the strike price, which as of December 31, 2003 was approximately U.S.$5.45 per CPO (U.S.$27.23 per ADS). The benefit was payable 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 through trades on the MSE and the NYSE, made by the Company and the banks holding the shares (see note 17A).

In addition, in December 2003, through the payment of U.S.$75.9 million (Ps906.3), CEMEX exercised 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 (Ps1,103.7). 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.$13.2 million (Ps160.6) in 2002 and U.S.$14.5 million (Ps173.2) in 2003. Until its settlement in December 2003, this transaction was included as part of the minority interest in stockholders' equity.

G) COMPREHENSIVE NET INCOME (LOSS)

The main items included in the comprehensive net income (loss) for the years ended December 31, 2002, 2003 and 2004, are as follows:

	2002	2003	2004

Majority interest net income	Ps	6,339.2	7,508.4	14,562.3
Deficit in equity restatement:				
Effects from holding non-monetary assets		(11,082.7)	(3,647.1)	(2,876.6)
Foreign currency translation adjustment		7,477.6	5,491.8	3,250.7
Capitalized foreign exchange result (note 15D)		(3,024.7)	(1,661.8)	163.1
Hedge derivative instruments (notes 12 and 17)		(2,548.4)	487.3	2,398.1
Deferred IT of the year recorded in stockholders' equity (note 18)		912.5	(228.7)	714.5
Excess of price paid over book value of minority interests		-	-	(1,000.4)
Equity instruments' early redemption results		(243.7)	(694.1)	-
Cumulative initial effects of asset retirement obligations		-	(91.1)	-
Inflation effect on equity(1)		269.5	12.0	-
Total comprehensive income (loss) items		(8,239.9)	(331.7)	2,649.4
Majority comprehensive net income (loss)		(1,900.7)	7,176.7	17,211.7
Minority interest		451.6	363.1	233.2
Consolidated comprehensive net income (loss)	Ps	(1,449.1)	7,539.8	17,444.9

(1) Relates to the adjustment resulting from the use of the weighted average inflation index for the restatement of stockholders' equity and the use of the index of inflation in Mexico to restate common stock and additional paid-in capital (note 3B).

16. EXECUTIVE STOCK OPTION PROGRAMS

The information relating to stock option programs, presented in terms of equivalent CPOs and considering the effect of the options exchange program described below, is summarized as follows:

Options	Restricted Programs (A)	Variable Program (B)	Fixed Program (C)	Special Program (D)	Voluntary Programs (E)
As of December 31, 2002	-	98,592,824	6,575,525	4,963,775	16,049,305
Changes in 2003:					
Granted	-	22,346,738	-	2,682,985	38,583,989
Cancelled	-	(22,799)	(533,608)	-	(9,700,280)
Exercised	-	-	(1,352,582)	(17,500)	(38,884,926)
As of December 31, 2003	-	120,916,763	4,689,335	7,629,260	6,048,088
Changes in 2004:					
Granted	273,582,522	14,554,323	-	2,742,505	-
Cancelled	-	-	-	-	-
Exercised	(121,517,922)	(132,393,239)	(1,998,466)	(744,505)	(6,013,088)
As of December 31, 2004	152,064,600	3,077,847	2,690,869	9,627,260	35,000
Exercise Prices:					
Options exercised during the year*	U.S.$5.13	U.S.$5.07	Ps25.64	U.S.$4.65	U.S.$4.17
Options outstanding at year-end*	U.S.$7.32	U.S.$5.22	Ps30.11	U.S.$4.89	U.S.$5.92
Remaining average life	7.7 years	7.4 years	3.0 years	8.1 years	3.5 years
Options fully vested	93.3%	82.7%	96.9%	46.7%	100.0%

* Weighted average exercise price per CPO.

A) Restricted Programs

In February 2004, through a voluntary option exchange program with the purpose of restructuring the employees' stock option programs, CEMEX invited employees to exchange their existing options for new options of equal fair value but different characteristics. The new options had an initial exercise price of U.S$5.05 per CPO, which increases annually at a 7% rate, and includes a mandatory exercise condition when the CPO price reaches U.S$7.50. Any gain that would be obtained by an employee, resulting from the difference between the CPO market value and the exercise price would be paid in form of CPOs, which would be acquired at a 20% discount to market. These CPOs would be restricted for

sale for a minimum period of two years and a maximum of four years, depending on the exercise date. This program intends that the employee would hold the CPOs for a long period and, by limiting the potential for gains, the hedge through equity forward contracts can be improved (note 17). As a result of the exchange, 112,495,811 options from the variable program and 1,625,547 options from the voluntary programs were redeemed, and 122,708,146 new options were granted with a remaining tenure of 8.4 years. As consideration to the employees resulting from the mandatory exercise condition and the sale restriction, CEMEX has granted an annual payment of U.S$0.10 per option, net of taxes, growing annually at a 10% rate, to all outstanding new options during their tenure.

In December 2004, through a voluntary early exercise program to continue the restructuring of its employees' stock option programs, CEMEX provided employees early exercise of their existing options in exchange for cash, equivalent to the options' intrinsic value, and new options equivalent in value to the exercised options' remaining time value. The new options had an initial exercise price of U.S$7.46 per CPO, which was U.S.$0.50 higher than the CPO market price at the exercise date. Any gain that would be obtained by the employee, resulting from the difference between the CPO market value and the exercise price would be paid in the form of CPOs, which would be restricted for sale for a minimum period of two years and a maximum of four years, depending on the exercise date. This program intended to make a more efficient hedge through equity forward contracts (note 17). As a result of the early exercise, 16,580,004 options from the variable program, 120,827,370 options from the February's 2004 restricted program and 399,848 options from the voluntary programs were redeemed, and 139,151,236 new options, with an exercise price increasing annually at a 5.5% rate, were granted with a remaining tenure of 7.5 years. Of the total number of new options, 120,827,370 options include a mandatory exercise condition at a CPO price of U.S.$8.50. The remaining 18,323,866 do not have exercise conditions. The cost for the early exercise program of approximately U.S.$61.1 million (Ps680.7), resulting from the 20% discount to market in the purchase of CPOs, was recognized in earnings. As consideration to the employees resulting from the initial exercise price being above market, the mandatory exercise condition and the sale restriction, CEMEX has granted an annual payment of U.S$0.11 per option, net of taxes, growing annually at a 10% rate, to all outstanding new options during their tenure.

B) Variable Program

In November 2001, through a voluntary exchange program for options granted under the fixed program, the Company initiated an annual stock option program with exercise prices denominated in U.S. dollars increasing annually at a 7% rate. The employees who exchanged their options resigned their rights to subscribe CPOs in exchange for cash, equivalent to the options' intrinsic value, and the issuance of 88,937,805 new options. The options under this program have a 10-year tenure and the employees' option rights may be exercised up to 25% annually during the first four years after having been granted, except for those issued through the exchange, in which 50% of the options exercise rights were vested immediately, with an additional 25% vesting over each of the next two years. In 2004, as a result of the restricted option programs, 129,075,815 options granted under the variable program were exercised.

C) Fixed Program

From June 1995 through June 2001, CEMEX granted stock options with a fixed exercise price in pesos, equivalent to the market price of the CPO at the grant date and tenure of 10 years. Exercise prices are adjusted for stock dividends. The employees option rights vest up to 25% annually during the first four years after having been granted. As of December 31, 2003 and 2004, the new CPOs issued pursuant to the exercise of said options generated an additional paid-in capital of Ps45.2 and Ps67.1, respectively, and increased the number of outstanding shares.

D) Special Program

Starting in 2001, a stock option program to purchase CEMEX ADSs was established for eligible employees in the United States. The options granted have a fixed exercise price in dollars, equivalent to the market price of ADSs as of the grant date, and have a 10-year tenure. The employees' option rights vest up to 25% annually during the first four years after having been granted. The options exercises are hedged using ADSs currently owned by subsidiaries, potentially increasing stockholders' equity and the number of shares outstanding. The amounts of these ADS programs are presented in terms of equivalent CPOs.

E) Voluntary Programs

During 2004, 3,927,693 options from voluntary programs were exercised, out of 36,468,375 options sold and issued to employees during 1998 and 1999 with a 5 year-tenure. The exercise price was denominated in dollars and increased annually reflecting 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, 2004, there are 35,000 remaining options from voluntary programs, out of 2,120,395 options sold and issued to employees in April and May 2002. During 2004, mainly as a result of the exchange for restricted options, 2,085,395 options were exercised. From the issuance of the options in 2002, a premium of approximately U.S.$1.5 million (Ps17.8) 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, 38,583,989 options were exercised, which had been sold and issued to employees in January 2003 in exchange for a premium of approximately U.S.$9.7 million (Ps107). The options, which had an increasing U.S. dollar exercise price of approximately U.S.$3.58 per CPO, initially equal to the CPO market price at the date of the issuance of the option, and a five-year tenure, contained a mandatory exercise condition in case the market CPO price reached a specified level, a situation that 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.

F) Options hedging activities

The potential exercise of options under the restricted, variable and voluntary programs require the Company to have availability of the CPOs or ADSs underlying the options; therefore, the Company has negotiated equity forward contracts in its own stock (note 17A), 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.

Beginning in 2001, CEMEX recognizes the appreciation of the options under the variable, special and voluntary programs, and in 2004 of the restricted program, resulting from the difference between the CPO market price and the exercise prices established in the options, as an expense in the income statement, which for the years ended December 31, 2002, 2003 and 2004 was U.S.$5.0 million (Ps60.9), U.S.$45.3 million (Ps541.0) and U.S.$50.6 million (Ps563.7), respectively. Likewise, the Company recognizes through earnings the changes in the estimated fair value of equity forward contracts designated as hedges of these plans (note 17A), which resulted in a loss of approximately U.S.$47.1 million (Ps573.9) in 2002, a gain of approximately U.S.$28 million (Ps334.3) in 2003 and a gain of approximately U.S.$44.8 million (Ps499.1) in 2004.

As of December 31, 2004, a provision of approximately U.S.$50 million has been generated against earnings, representing the net present value of expected

payments in connection with the sales restriction contained in the new restricted programs. All costs related to the stock options programs, as well as the valuation of the equity forward contracts, are recognized in the Comprehensive Financing Result.

17. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2003 and 2004, the Company's derivative financial instruments, other than those related to financial debt (note 12), are summarized as follows:

	U.S. dollars millions	2003 Notional amount	2003 Estimated fair value	2004 Notional amount	2004 Estimated fair value
A)	Equity forward contracts.....	1,085.0	16.4	1,157.2	66.2
B)	Foreign exchange instruments.....	1,445.9	(191.6)	4,897.9	63.4
C)	Derivatives related to energy projects...	174.5	(7.4)	168.1	(6.3)

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 might 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 may receive from its subsidiaries, and/or may create minority interests affecting the ability to operate the Company.

A) On October 26, 2003, through a secondary equity offering agreed by CEMEX, launched simultaneously on the MSE and the NYSE, financial institutions offered 29.325 million ADSs (25.5 million in the offer plus an optional amount of 3.825 million ADSs in case of overallotments) 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 ADS and Ps52.07 per CPO. Of the total sale proceeds of approximately U.S.$660 million (Ps7,881.3), net of the offering expenses, the financial institutions retained approximately U.S.$538 million (Ps6,424.4) as payment for the liquidation of the related forward contracts, while approximately U.S.$122 million (Ps1,456.9) 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, covering 24,008,392 ADSs (120,041,960 CPOs) and 33.8 million shares of CEMEX'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 settlement price of U.S.$101.7 million (Ps1,214.9), recognized as part of other accounts receivable and a net gain in stockholders' equity of approximately U.S.$19.5 million (Ps232.9). These contracts were negotiated in 1999 to hedge future exercises under the 105 million warrants program that was liquidated in 2004. The shares underlying these contracts were sold by CEMEX during 1999 for approximately U.S.$905.7 million, and CEMEX

simultaneously prepaid approximately U.S.$439.9 million toward the forwards' final settlement price. From execution of the contracts until their settlement, pursuant to the prepayment made in 1999 and the Company's retention of the economic and voting rights on the Spanish subsidiary's shares underlying the contracts, such shares were considered as owned by CEMEX.

As of December 31, 2003 and 2004, there are forward contracts with different maturities until October 2006, for notional amounts of U.S.$789.3 million and U.S.$1,112 million, respectively, covering 29,314,561 ADSs in 2003 and 30,644,267 ADSs in 2004, which are designated to hedge the future exercise of the options granted under the employee equity programs (note 16). 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, 2003 and 2004, the estimated fair value of these contracts were gains of approximately U.S.$28.0 million (Ps334.3) and U.S.$44.8 million (Ps499.1), respectively.

As of December 31, 2003 there were forward contracts with maturities in August and September 2004, for a notional amount of U.S.$122.9 million that covered 23,622,500 CPOs and represented a fair value gain of approximately U.S.$1.8 million (Ps21.5). These contracts were negotiated to hedge the purchase of CAH shares through the exchange for the Company's CPOs (note 9A). During 2004, these contracts were liquidated resulting in gains of U.S.$14.5 million (Ps161.5) that were recognized in stockholders' equity.

In addition, as of December 31, 2003 and 2004, there are forward contracts for notional amounts of U.S.$172.8 million and U.S.$45.2 million, respectively, with different maturities until January 2006, covering a total of 5,268,939 ADSs in 2003 and 1,364,061 ADSs in 2004. Until December 31, 2004, these contracts were treated as equity instruments; therefore, changes in their fair value were recognized in stockholders' equity when settled. Starting in 2005, due to new accounting pronouncements, changes in the fair value of these contracts will be recognized in earnings. As of December 31, 2003 and 2004, the estimated fair value of these contracts was a loss of U.S.$27.1 million (Ps323.6) and a gain of U.S.$6.0 million (Ps66.8), respectively. During 2004, contracts representing 2,509,524 CPOs that were held to meet the Company's requirements of shares under the warrants program (note 15F) were settled, resulting in a gain of U.S.$2.6 million (Ps29.0), recognized in stockholders' equity.

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.$559.3 million and U.S.$956.6 million, at December 31, 2003 and 2004, respectively, with different maturities until 2007. These contracts have been designated as hedges of the Company's net investment in foreign subsidiaries. The estimated fair value of these instruments is recorded in stockholders' equity as part of the foreign currency translation effect (see note 15D). In addition, as of December 31, 2003 and 2004, there are foreign exchange options for notional amounts of U.S.$886.6 million and U.S.$488.4 million, respectively, with maturity in June 2005. For the sale of these options, the Company received premiums of approximately U.S.$62.8 million in 2003. The estimated fair value losses of U.S.$57.2 million (Ps683.0) in 2003 and U.S.$19.2 million (Ps213.9) in 2004 were recognized in earnings.

Beginning in September 2004, in connection with the commitment to acquire RMC (notes 2 and 9A) that is denominated in pounds sterling, CEMEX entered

into a foreign exchange hedge program. The program is oriented to hedge the variability in cash flows associated with exchange fluctuations between the U.S. dollar, the currency in which CEMEX will obtain the funds to purchase, and pounds sterling. For this purpose, the Company negotiated foreign exchange forwards, collars and digital options, for a combined notional amount of U.S.$3,452.9 million. These contracts were designated as accounting hedges of the foreign exchange risk associated with the firm commitment agreed on November 17, 2004, the date on which RMC's shareholders committed to sell their shares at a fixed price. Changes in the estimated fair value of these contracts from the designation date, which represented a gain of approximately U.S.$132.1 million (Ps1,471.6), was recognized in stockholders' equity in 2004, and will be reclassified to earnings on the date when the purchase occurs, which is expected during the first quarter of 2005. Changes in the estimated fair value of these contracts from their origination until their designation in 2004 as hedges, were a gain of approximately U.S.$102.4 million (Ps1,140.7), which was recognized in earnings.

C) As of December 31, 2003 and 2004, the Company had a interest rate swap maturing in May 2017, with a notional amount of U.S.$162.1 million and U.S.$159.0 million, respectively, 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 (note 22F). During the life of the swap and based on its notional amount, CEMEX will pay a LIBOR rate and will receive a 7.53% fixed rate until May 2017. In addition, during 2001, the Company sold a floor option with a notional amount of U.S.$174.5 million in 2003 and U.S.$168.1 million in 2004, related to the interest rate swap contract, pursuant to which, until 2017, CEMEX will pay the difference between the 7.53% fixed rate and the LIBOR rate. For the sale of this option the Company received a premium of approximately U.S.$22 million (Ps262.7). As of December 31, 2003 and 2004, the combined fair value of the swap and the floor option represented losses of approximately U.S.$7.4 million (Ps88.4) and U.S.$6.3 million (Ps70.2), respectively, recognized in earnings during the respected periods. 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.

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

The income tax law in Mexico provides that companies must pay either IT or BAT depending on which amount is greater with respect to their Mexican operations. Both taxes recognize the effects of inflation, although in a manner different from Mexican GAAP. ESPS is calculated on similar basis as IT without recognizing the effects of inflation.

A) IT, BAT AND ESPS

CEMEX and its Mexican subsidiaries generate IT and BAT on a consolidated basis; therefore, the amounts of these items included in the financial statements, with respect to the Mexican subsidiaries, represent the consolidated result of these taxes. For ESPS purposes, the amount presented is the sum of the individual results of each company. Beginning in 1999, the determination of the consolidated IT for the Mexican companies considers a maximum of 60% of the taxable income or loss of each of the subsidiaries. In addition, the taxable income of those subsidiaries that have tax loss carryforwards generated before 1999 will be considered by the parent company according to 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 was scheduled to be decreased by 1% each year, beginning in 2003, until it reached 32% in 2005. Nevertheless, according to reforms approved to such law in November 2004, the tax rate for 2005 will be 30%, 29% for 2006 and 28% starting in 2007. In addition, the maximum of 60% for tax consolidation was eliminated, except in those situations when the subsidiaries had generated tax loss carryforwards in the period from 1999 to 2004 or the parent company from 2002 to 2004. In those cases, the 60% factor will prevail in the IT consolidation, until tax loss carryforwards are extinguished in each company.

The IT (expense) benefit, presented in the income statements, is summarized as follows:

	2002	2003	2004
Current income tax	Ps (1,053.9)	(1,597.1)	(994.2)
Deferred IT	461.9	539.9	(1,049.4)
Effects of inflation (note 3B)	(76.1)	(12.8)	-
	Ps (668.1)	(1,070.0)	(2,043.6)

For the years ended December 31, 2002, 2003 and 2004, the total consolidated IT includes expenses of Ps914.0, Ps1,484.0 and Ps1,258.7, respectively, from foreign subsidiaries, and income of Ps245.9 in 2002, income of Ps414.0 in 2003 and expense of Ps784.9 in 2004 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, 2004 are as follows:

Year in which tax loss occurred	Amount of carryforwards	Year of expiration
2000	Ps 360.0	2010
2001	3,527.9	2011
2002	4,053.6	2012
2003	811.7	2013
	Ps 8,753.2	

The BAT law establishes a 1.8% tax levy on assets, restated for inflation in the case of inventory and fixed assets, and after 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, 2004 is as follows:

Year in which BAT exceeded IT		Amount of carryforwards	Year of expiration
1997	Ps	150.4	2007

B) DEFERRED IT AND ESPS (see note 3K)

The deferred IT result in earnings 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:

		2003	2004
Deferred tax assets:			
Tax loss carryforwards and other tax credits	Ps	6,551.9	7,382.8
Accounts payable and accrued expenses		118.7	261.6
Trade accounts receivable		9.0	6.7
Properties, plant and equipment		(3,301.5)	(3,342.0)
Others		23.5	(214.1)
Total deferred tax assets		3,401.6	4,095.0
Less - Valuation allowance		(1,124.8)	(2,206.1)
Net deferred tax assets		2,276.8	1,888.9
Deferred tax liabilities:			
Tax loss carryforwards and other tax credits		7,337.3	5,889.5
Accounts payable and accrued expenses		2,044.8	3,579.7
Trade accounts receivable		90.6	102.3
Properties, plant and equipment		(17,864.9)	(17,463.8)
Inventories		(948.3)	(156.6)
Others		(460.7)	(2,381.4)
Total deferred tax liabilities		(9,801.2)	(10,430.3)
Less - Valuation allowance		(2,779.3)	(2,097.2)
Net deferred tax liabilities		(12,580.5)	(12,527.5)
Net deferred tax position (liability)		(10,303.7)	(10,638.6)
Less - Deferred IT of acquired subsidiaries at the acquisition date		(4,810.5)	(4,810.5)
Total effect of deferred IT in stockholders' equity at end of year		(5,493.2)	(5,828.1)
Total effect of deferred IT in stockholders' equity at beginning of year		(5,804.4)	(5,493.2)
Change in deferred IT for the period	Ps	311.2	(334.9)

The breakdown of the change in consolidated deferred income tax for the period is as follows:

	2002	2003	2004
Deferred IT charged (credited) to the income statement	Ps 461.9	539.9	(1,049.4)
Deferred IT applied directly to stockholders' equity	912.5	(228.7)	714.5
Deferred IT income (expense) for the period	Ps 1,374.4	311.2	(334.9)

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.

The Company's management considers that sufficient taxable income will be generated as to realize the tax benefits associated with the deferred income tax assets, and the tax loss carryforwards, prior to their expiration. In the event that present conditions change, and it is determined that future operations would not generate enough taxable income, or that tax strategies are no longer viable, the valuation allowance would be increased and reflected in the income statement.

Temporary differences between net income of the period and taxable income for ESPS generated income of Ps21.7 in 2002, expense of Ps74.3 in 2003 and expense of Ps211.7 in 2004, reflected in the income statement.

C) EFFECTIVE TAX RATE

The effects of inflation are recognized differently for IT and for accounting purposes. This situation, and other differences between the book and the IT basis, arising from the several income tax rates and laws in each of the countries in which CEMEX operates, give rise to permanent differences between the approximate statutory tax rate and the effective tax rate presented in the consolidated income statement, as follows:

For the years ended December 31,	2002	2003	2004
	%	%	%
Approximate consolidated statutory tax rate	35.0	34.0	33.0
Additional deductions and other deductible items	(6.6)	(15.8)	(21.6)
Expenses and other non-deductible items	1.0	1.2	1.9
Non-taxable sale of marketable securities and fixed assets	(10.2	-	0.4
Difference between book and tax inflation	(5.6)	(0.3)	1.6
Others (1)	(4.3)	(6.8)	(3.1)
Effective consolidated tax rate	9.3	12.3	12.2

(1) Includes the effects for the different IT rates enacted in the countries where CEMEX operates, and the difference between the 2004 rate in Mexico of 33% and those in effect in 2005 of 30% and in 2006 of 29%, until reaching a tax rate of 28% in 2007.

19. FOREIGN CURRENCY POSITION

As of December 31, 2004, 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	18.5		2,934.4	2,952.9
Noncurrent assets	994.3	(1)	8,756.1	9,750.4
Total assets	1,012.8		11,690.5	12,703.3
Current liabilities	255.0		1,561.5	1,816.5
Long-term liabilities	2,170.9		3,616.7	5,787.6
Total liabilities	2,425.9		5,178.2	7,604.1

(1)Non-monetary assets in Mexico of foreign origin.

The peso to dollar exchange rate as of December 31, 2002, 2003 and 2004 was Ps10.38, Ps11.24 and Ps11.14 pesos per dollar, respectively. As of January 14, 2005, the exchange rate was Ps11.23 pesos per dollar.

Additionally, transactions of the Company's Mexican operations denominated in foreign currencies during 2002, 2003 and 2004 are summarized as follows:

U.S. dollars millions	2002	2003	2004
Export sales	72.1	57.1	75.7
Import purchases	92.5	90.5	88.3
Financial income	11.1	7.5	12.5
Financial expense	275.6	389.0	337.6

20. 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, 2002, 2003 and 2004:

		Net Sales			Operating Income		
		2002	2003	2004	2002	2003	2004
Mexico	Ps	30,254.9	31,388.5	32,529.4	11,553.9	12,088.5	12,207.8
Spain		11,987.1	14,505.1	15,370.9	2,795.7	3,167.0	3,735.2
United States		21,326.0	20,684.0	21,999.2	3,286.7	2,443.9	2,894.3
Venezuela		3,699.3	3,808.1	3,902.4	1,197.5	1,269.9	1,218.6
Colombia		2,363.0	2,637.9	2,731.7	985.6	1,096.6	1,245.3
Caribbean and Central America		6,107.2	7,084.1	7,671.1	1,149.0	1,253.2	1,756.9
Philippines		1,589.7	1,601.5	1,685.9	(76.9)	(150.9)	301.8
Egypt		1,825.9	1,608.3	2,114.7	235.6	355.4	638.7
Others		9,230.1	10,013.0	11,039.9	(5,160.4)	(4,146.5)	(3,370.9)
		88,383.2	93,330.5	99,045.2	15,966.7	17,377.1	20,627.7
Eliminations		(8,658.6)	(7,777.9)	(8,261.3)	-	-	-
Consolidated	Ps	79,724.6	85,552.6	90,783.9	15,966.7	17,377.1	20,627.7

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		
		2002	2003	2004
Mexico	Ps	1,890.8	1,747.6	1,817.7
Spain		1,195.3	1,454.2	1,446.1
United States		2,052.8	2,139.0	2,363.2
Venezuela		616.8	674.8	591.9
Colombia		564.7	881.9	430.4

Caribbean and Central America....		471.1	639.9	610.4
Philippines.....		494.7	472.0	390.0
Egypt.....		516.7	376.5	198.6
Others.....		1,521.1	1,463.7	1,703.0
Consolidated.....	Ps	9,324.0	9,849.6	9,551.3

For purposes of the preceding table, 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.

Total assets and investment in fixed assets by geographic segment are summarized as follows:

		Total Assets		Investment in Fixed Assets (2)	
		2003	2004	2003	2004
Mexico.....	Ps	59,296.8	64,380.1	1,333.2	1,176.7
Spain.....		37,381.4	32,796.3	706.3	601.3
United States.....		49,695.0	44,771.8	1,176.9	1,223.8
Venezuela.....		9,229.9	8,452.8	131.1	148.7
Colombia.....		8,025.9	9,160.1	72.6	101.9
Caribbean and Central America.....		12,913.9	13,597.4	726.0	315.4
Philippines.....		8,360.6	8,020.8	20.3	26.0
Other Asian.....		4,556.6	4,207.9	21.2	34.9
Egypt.....		4,408.9	6,043.5	171.7	92.8
Others (1).....		78,575.2	83,545.9	421.8	1,052.4
		272,444.2	274,976.6	4,781.1	4,773.9
Eliminations.....		(81,193.6)	(81,353.7)	-	-
Consolidated.....	Ps	191,250.6	193,622.9	4,781.1	4,773.9

(1) Includes, in addition to trade maritime operating assets and other assets, related party balances of the Parent Company of Ps37,236.3.3 and Ps33,737.4 in 2003 and 2004, respectively, which are eliminated in consolidation. In addition, other assets in 2004 include Ps9,186.8 related to the investment in RMC (notes 2 and 9A).

(2) Corresponds to investments in fixed assets not considering the effects of inflation. As a result, this balance differs from the amount presented as investing activities in the Statement of Changes in the Financial Position within "Properties, machinery and equipment, net", which considers the inflation effects in accordance with Bulletin B-10.

As of December 31, 2003 and 2004, of the consolidated financial debt amounting to Ps70,045.9 and Ps66,066.5, respectively, approximately 35% in 2003 and 2004 was in the Parent Company, 14% in 2003 and 2004 in the United States, 16% in 2003 and 15% in 2004 in Spain and 35% in 2003 and 36% in 2004 was in other countries, respectively. Of the 35% and 36% of such consolidated debt in other countries in 2003 and 2004, respectively, 57% in 2003 and 62% in 2004 was in a Dutch subsidiary, guaranteed by the subsidiaries conducting Mexican operations and the Parent. The other 31% in 2003 and 24% in 2004 are in finance companies in the United States, guaranteed by the subsidiaries conducting Spanish operations.

21. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing majority interest net income for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect on the weighted average number of common shares outstanding and the effects of any transaction carried out by the Company, which have a potentially dilutive effect on such number of shares.

The amounts considered for calculations are summarized as follows:

	Basic number of shares	Diluted number of shares	Majority interest net income	Basic EPS	Diluted EPS
December 31, 2002.....	4,487,527,392	4,496,213,613	Ps 6,339.2	Ps 1.41	Ps 1.41
December 31, 2003.....	4,728,201,229	4,837,194,188	7,508.4	1.58	1.55
December 31, 2004.....	4,993,682,521	5,019,632,767	14,562.3	2.92	2.90

The difference between the basic and diluted average number of shares in 2002, 2003 and 2004 is attributable to the additional shares to be issued under the Company's fixed employee stock option programs (see note 16). 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.

22. CONTINGENCIES AND COMMITMENTS

A) GUARANTEES

As of December 31, 2003 and 2004, CEMEX, S.A. de C.V. had signed as guarantor of loans made to certain subsidiaries for approximately U.S.$1,322.0 million and U.S.$1,355.0 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.$55.0 million and U.S.$25.8 million, respectively.

B) TAX ASSESSMENTS

The Company and some of its subsidiaries in Mexico have been notified of several tax assessments related to different tax periods, determined by the Mexican tax authorities according to its verification attributions. These tax assessments are for an amount of approximately Ps3,638.6 as of December 31, 2004. 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 the available defense actions granted by law in order to cancel the tax claims.

The Philippine Bureau of Internal Revenue ("BIR") assessed APO and Solid, which are CEMEX subsidiaries in Philippines. The assessments, which relate to different tax periods, are for an amount of approximately 3,069.1 million of Philippines pesos (approximately U.S.$54.8 million) as of December 31, 2004.

The tax assessments result primarily from: (i) disallowance of APO's income tax holiday related income from 1998 to 2001; and (ii) deficiencies in national taxes of APO for the 1999 period and Solid for the 2000 period. In the first case, the tax credit is in process with the Court of Tax Appeal ("CTA"). In the second case, both companies continue to submit relevant evidence to the BIR to contest these assessments. The companies intend to contest these assessments with the CTA in case the BIR issues a final collection letter. In addition, Solid's 1998 tax year and APO's 1997 and 1998 tax years are under preliminary review for deficiency in the payment of taxes. Finalization of the assessments was held in abeyance by the BIR as APO and Solid continue to present evidence to dispute the BIR findings.

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, 2004, the Company has accrued a liability of U.S.$103.6 million, including accrued interest, for the difference between the amount of anti-dumping duties paid on imports and the latest findings by the DOC in its administrative reviews for all periods under review.

As of December 31, 2004, the Company is in the fourteenth review period by the DOC and expects a preliminary resolution in the second half of 2005. The DOC published, during September 2003, the final resolution with respect to the twelfth administrative review period, and on December 20, 2004, the DOC issued the final resolution for the thirteenth review period, determining an anti-dumping margin of 80.75% and 54.97% for these periods, respectively. With respect to the first five review periods, the seventh, twelfth and thirteenth review period, 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 differ from those liabilities recorded in the consolidated financial statements. CEMEX 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.

During 2001, the Ministry of Finance ("MOF") of Taiwan, in response of the claim of five Taiwanese cement producers, initiated a formal anti-dumping investigation involving imported gray Portland cement and clinker from the Philippines and South Korea. APO, Rizal and Solid (Rizal and Solid merged in December 2002) 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 of the results of the preliminary investigation and determined that there were 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, but 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 on South Korea and the Philippines, beginning in 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, these entities appealed the anti-dumping duty before the Taipei High Administrative Council ("THAC"). In August 2004, the Company received an adverse response to its requests from the THAC. CEMEX will not appeal this resolution.

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
2005	110.2
2006	93.7
2007	79.3
2008	68.7
2009	42.9
2010	54.3
2011 and thereafter	35.6
	484.7

Rental expense for the years ended December 31, 2002, 2003, and 2004 was approximately U.S.$57 million (Ps680.6), U.S.$56 million (Ps668.7) and U.S.$114 million (Ps1,270.0), respectively.

E) PLEDGE ASSETS

As of December 31, 2003 and 2004, there are liabilities amounting to U.S.$27.1 million and U.S.$2.2 million, respectively, secured by properties, machinery and equipment.

F) COMMITMENTS

As of December 31, 2003 and 2004, the Company has future commitments for the purchase of raw materials for an approximate amount of U.S.$113.0 million and U.S.$172.3 million, respectively.

During 1999, the Company entered into agreements with an international partnership, which built and currently operates an electrical energy generating plant. According to the agreements, CEMEX will purchase, starting from the beginning of operations of the plant, all the energy generated for a term of no less than 20 years. The electrical energy generating plant started commercial operations on April 29, 2004. In addition, as part of the agreements, CEMEX has committed to supply the electrical energy plant with all fuel necessary for its operations, a commitment that has been hedged through a 20-year agreement entered into by the Company with Petroleos Mexicanos. 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. The Company is not required to make any capital investment in the project. At December 31, 2004, after eight months of operations, the energy generated by the plant has supplied electricity to 10 cement plants of CEMEX in Mexico, covering 83% of its needs and decreasing the electricity cost by 21%.

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 a loss of approximately U.S.$17.3 million (Ps209.1) within other expenses, net.

G) OTHER CONTINGENCIES

During 2004, in Colombia four claims were notified in protection of the public interest, which involve CEMEX Concretos de Colombia as co-accused. The first proceeding was received on April 14 and the last on December 16. The plaintiffs demand that the use of a raw material offered by the ready-mix concrete industry resulted in extreme danger to the public underground transportation system in Bogota, known as Transmilenio, disputing that the basis of the material supplied by CEMEX Concretos Colombia, S.A., together with other suppliers, did not meet technical standards offered by the producers (quality deficiencies) and/or that suppliers provided insufficient or incorrect information about the product. The four claims intend for suppliers to repair the damage in order to guarantee the service during the period for which it was originally designed (20 years). Nevertheless, the claims do not estimate damages (repair costs). CEMEX Concretos de Colombia, S.A. has been defending its interests and will continue to do so during the following year. One of the proceedings was disregarded by the court based on arguments presented by CEMEX Concretos de Colombia, S.A. All other claims are in their initial phase. CEMEX Concretos de Colombia, S.A. has promptly responded to each of the proceedings notified. At this early stage, it is neither possible to determine the amount of damages nor other situations that the company may confront. Typically, this process will continue for several years before its final resolution.

As of December 31 2004, CEMEX, Inc., the Company's subsidiary in the United States, has accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately U.S.$28.3 million. The environmental matters relate to: a) in the past, in accordance with industry practices, disposing of various materials, which might be currently categorized as hazardous substances or wastes, and b) the cleanup of sites used or operated by the Company, including discontinued operations, in regard to the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings remain in the preliminary stage, and a final

resolution might take several years. For purposes of recording any provision, the subsidiary considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, the subsidiary does not believe it will be required to spend significant sums on these matters in excess of the amounts previously recorded. Until all environmental studies, investigations, remediation work and negotiations with or litigation against potential sources of recovery have been completed, the ultimate cost that might be incurred to resolve these environmental issues cannot be assured.

In 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 approximately U.S.$60 million. As of December 31, 2004, as a result of the depreciation of the Colombian peso, this amount has decreased to approximately U.S.$55 million. This proceeding has reached the evidentiary 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 in Colombia, alleging that the Ibague plants were causing capacity production damage to their lands due to the pollution they generate. On January 13, 2004, CEMEX Colombia, S.A. was notified that the court's decision was that plaintiffs should be paid in the amount of approximately U.S$8.8 million. On January 15, 2004, CEMEX Colombia, S.A. appealed the decision, which was accepted and sent to the Superior Court of Ibague. On March 23, 2004, CEMEX presented arguments that sustained the appeal. The claim is under review in the Court of Appeals. Typically, this process will continue for several years before its final resolution.

23. NEW ACCOUNTING PRONUNCEMENTS

In April 2004, the Mexican Institute of Public Accountants issued Bulletin B-7, "Business Acquisitions", which is effective for acquisitions beginning on January 1, 2005. The most important aspects are: a) adoption of the purchase method as the sole valuation method for the accounting of acquired business and investment in associates, pursuant to which the pooling of interests method for the recognition and initial valuation of the net assets acquired was eliminated; b) requiring the allocation of the purchase price to all assets acquired and liabilities assumed based on their fair value as of the acquisition date; c) modification of the accounting treatment of goodwill pursuant to which of which amortization of goodwill is eliminated, while this item remains subject to periodic impairment evaluations; d) establishment of specific rules for the accounting for the acquisition of minority interests and for transfers of assets or exchange of shares between entities under common control; and e) including additional regulations to Bulletin C-8 "Intangible Assets", to identify, value and recognize intangible assets in a business combination. The Company estimates that the adoption of this bulletin will have no significant impact on its financial position or operating results.

In March 2004, the Mexican Institute of Public Accountants issued Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", which is effective beginning January 1, 2005. Bulletin C-10 details and supplements issues related to the accounting of derivative financial instruments and supersedes other dispositions related to hedging activities established previously by Bulletin C-2, "Financial Instruments". Among other aspects, Bulletin C-10 confirms the rule of Bulletin C-2, in the respect that all derivative financial instruments should be recognized as assets or liabilities

at fair value. The Bulletin also establishes criteria for segregation of embedded derivatives and rules to classify and value from origination, financial assets and liabilities resulting from derivative financial instruments, as well as to value and classify hedging instruments. In addition, the Bulletin widens disclosure requirements regarding a company's exposure to financial risks. Beginning in 2001, CEMEX applies accounting policies for the valuation and recognition of derivative financial instruments that are consistent with those of new Bulletin C-10. Therefore, except for the requirement to evaluate effectiveness when there is a hedge of debt over the net investment in a foreign subsidiary, and the presentation effect described in the paragraph below, and subject to the conclusion of the analysis, the Company estimates that the adoption of this bulletin will have no significant impact on its financial position or operating results.

Starting in 2001, the Company has effectively changed the original profile of interest rates and currencies of financial debt associated to Cross Currency Swaps ("CCS") (note 12). Accordingly, debt subject to these instruments has been presented in the currencies negotiated in the CCS, through the recognition within debt, of the assets or liabilities resulting from the valuation of the derivative instruments. New Bulletin C-10 considers that such criteria represent the synthetic presentation of two financial instruments as if it would be a single instrument, and specifically prohibits such presentation. For this reason, beginning in 2005, the Company will recognize the assets and liabilities resulting from the valuation of CCS separately from the financial debt, through which such debt will be presented in the currencies originally negotiated. This presentation effect will have no significant impact on its financial position or operating results.

In January 2004, the Mexican Institute of Public Accountants revised Bulletin D-3, "Labor Obligations". The new requirements are effective from the issuance date of the Bulletin, except for the new rules for postemployment obligations (severance payments), which are effective beginning on January 1, 2005. The most relevant change of new Bulletin D-3 is the requirement to value and recognize postemployment obligations in a manner similar to pensions and other postretirement benefits. This means recognizing the costs associated to these obligations during the service life of the employees, while the accounting rule until December 31, 2004 was to recognize these costs as they were incurred. The other new rules of the revised Bulletin, such as postretirement benefits, health care or life insurance, were already accounted for in accordance with the Bulletin, based on the supplementary application of International Accounting Standards. The Company does not anticipate any material impact on stockholders' equity or net income, except for the cost to be determined in 2005 for postemployment obligations (severance payments), which is expected to be similar to the expense currently recognized on the basis of the "as incurred" accounting method.

24. 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, 2002 and 2003, and (ii) a

reconciling item to reflect the difference in the carrying value of machinery and equipment of foreign origin and related depreciation between 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, 2002, 2003 and 2004, and their effect on consolidated net income and earnings per share, are presented below:

	Years ended December 31,		
	2002	2003	2004
Net income reported under Mexican GAAP	Ps 6,339.2	7,508.4	14,562.3
Inflation adjustment (*)	(427.5)	(60.1)	-
Net income reported under Mexican GAAP after inflation adjustment	5,911.7	7,448.3	14,562.3
Approximate additional U.S. GAAP adjustments:			
1. Amortization of goodwill (note 24(a))	1,822.6	2,051.3	883.4
2. Deferred income taxes (note 24(b))	2,441.7	(65.1)	382.7
3. Deferred employees' statutory profit sharing (note 24(b))	(204.9)	94.1	(55.9)
4. Other employee benefits (note 24(c))	(33.5)	91.1	27.6
5. Capitalized interest (note 24(d))	(42.2)	(48.2)	9.9
6. Minority interest (note 24(e)):			
a) Financing transactions	(176.0)	(184.4)	-
b) Effect of U.S. GAAP adjustments	35.4	(25.7)	(31.5)
7. Hedge accounting (note 24(l))	(2,693.0)	(871.3)	184.3
8. Depreciation (note 24(f))	13.8	51.4	19.1
9. Accruals for contingencies (note 24(g))	8.0	(114.8)	(32.1)
10. Equity in net income of affiliated companies (note 24(h))	12.5	(10.2)	(7.9)
11. Inflation adjustment of fixed assets (note 24(i))	(397.5)	(276.1)	(239.7)
12. Temporary equity from forward contracts (note 24(j))	(567.0)	780.4	-
13. Derivative instruments and equity forward contracts in CEMEX's stock (notes 24(l) and 24(m))	-	437.4	1,938.4
14. Other U.S. GAAP adjustments (note 24(k))	(520.9)	(271.0)	61.9
15. Monetary effect of U.S. GAAP adjustments	571.6	307.6	262.9
Approximate U.S. GAAP adjustments before cumulative effect of accounting change	270.6	1,946.5	3,403.1
Approximate net income under U.S. GAAP before cumulative effect of accounting change	6,182.3	9,394.8	17,965.4
Cumulative effect of accounting change (notes 24(k) and 24(m))	-	(675.2)	-
Approximate net income under U.S. GAAP after cumulative effect of accounting change	Ps 6,182.3	8,719.6	17,965.4
Basic EPS under U.S. GAAP before cumulative effect of accounting change	Ps 1.38	1.99	3.60
Diluted EPS under U.S. GAAP before cumulative effect of accounting change	1.38	1.94	3.58
Basic EPS under U.S. GAAP after cumulative effect of accounting change	Ps 1.38	1.84	3.60
Diluted EPS under U.S. GAAP after cumulative effect of accounting change	1.38	1.80	3.58

At December 31, 2003 and 2004, 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,	
	2003	2004
Total stockholders' equity reported under Mexican GAAP	Ps 80,797.2	91,566.8
Inflation adjustment (*)	(646.5)	-
Total stockholders' equity reported under Mexican GAAP after inflation adjustment	80,150.7	91,566.8
Approximate additional U.S. GAAP adjustments:		
1. Goodwill, net (note 24(a))	1,329.8	5,621.5
2. Deferred income taxes (note 24(b))	809.6	990.3
3. Deferred employees' statutory profit sharing (note 24(b))	(3,170.2)	(3,059.4)
4. Other employee benefits (note 24(c))	(185.3)	(148.8)
5. Capitalized interest (note 24(d))	(551.7)	(505.8)
6. Minority interest--effect of financing transactions (note 24(e))	(788.1)	-
7. Minority interest--U.S. GAAP presentation (note 24(e))	(5,711.2)	(4,536.4)
8. Depreciation (note 24(f))	(58.1)	(78.7)
9. Accruals for contingencies (note 24(g))	33.1	-
10. Investment in net assets of affiliated companies (note 24(h))	(257.1)	(267.4)
11. Inflation adjustment for machinery and equipment (note 24(i))	3,973.8	3,208.9
12. Derivative instruments and equity forward contracts in CEMEX's stock (notes 24(l) and 24(m)).	418.4	238.7
13. Other U.S. GAAP adjustments (note 24(k))	(483.2)	(396.7)
Approximate U.S. GAAP adjustments before cumulative effect of accounting change	(4,640.2)	1,066.2
Approximate stockholders' equity under U.S. GAAP before cumulative effect of accounting change	75,510.5	92,633.0
Cumulative effect of accounting change (notes 24 (k) and (m))	(555.9)	-
Approximate stockholders' equity under U.S. GAAP after cumulative effect of accounting change	Ps 74,954.6	92,633.0

(*) Adjustment that reverses the restatement of prior periods into constant pesos as of December 31, 2004, using the CEMEX weighted average inflation factor (note 3B), and restates such prior periods into constant pesos as of December 31, 2004 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 24, were restated using the Mexican inflation index, with the exception of those amounts of prior periods that are also disclosed in notes 1 to 23, which were not restated in note 24 using the Mexican inflation in order to have more straightforward cross-references between note 24 and the Mexican 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 (notes 24(k) and 24(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. Goodwill recognized under Mexican GAAP has been adjusted for U.S. GAAP purposes for (i) the effect on goodwill from the U.S. GAAP adjustments as of the acquisition dates; (ii) beginning January 1, 2002, SFAS 142, Goodwill and Other Intangible Assets, eliminated the amortization of goodwill under U.S. GAAP (note 24(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.

For the years ended December 31, 2002, 2003 and 2004, amortization of goodwill is reflected as other expenses under Mexican GAAP.

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 (note 24(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 (note 24(s)). If an assessment indicates impairment, the impaired asset is written down to its fair market value based on the best information available. Estimated fair market value is generally measured using estimated discounted future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Assumptions used for these cash flows are consistent with internal forecasts.

During 2004, CEMEX exchanged its CPOs for CAH shares (note 9A), resulting an excess in the fair value of the assets delivered over the fair value of the assets received of approximately Ps1,000.4, which were recognized as an adjustment to stockholders' equity under Mexican GAAP. This amount has been charged to earnings in the reconciliation of net income to U.S. GAAP. The reclassification under U.S. GAAP had no effect on stockholders' equity.

(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 deferred 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, considering tax loss carryforwards. The deferred income tax charged or credited to earnings is determined by the difference between the beginning and the year-end balance of the deferred tax assets or liabilities, and is recognized in nominal pesos. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities under U.S. GAAP at December 31, 2003 and 2004 are presented below:

		2003	2004
Deferred tax assets:			
Net operating loss and assets tax carryforwards	Ps	13,778.1	13,272.3
Trade accounts receivable		98.9	109.0
Accounts payable and accrued expenses		1,797.7	3,841.3
Other		23.3	655.6
Total gross deferred tax assets		15,698.0	17,878.2
Less valuation allowance		3,873.0	4,303.3
Total deferred tax assets under U.S. GAAP		11,825.0	13,574.9

Deferred tax liabilities:			
Property, plant and equipment		22,452.0	21,982.1
Inventories		940.7	156.6
Other		(20.2)	3,265.3
Total deferred tax liability under U.S. GAAP		23,372.5	25,404.0
Net deferred tax liability under U.S. GAAP		11,547.5	11,829.1
Less--U.S. GAAP deferred IT liability of acquired subsidiaries at date of acquisition		6,907.8	6,991.3
Net deferred IT effect in stockholders' equity under U.S. GAAP		4,639.7	4,837.8
Less-- Deferred IT effect in stockholders' equity under Mexican GAAP (note 18B)		5,493.2	5,828.1
Income in reconciliation of stockholders' equity to U.S. GAAP		835.5	990.3
Inflation adjustment (note 3B)		(43.9)	-
Net income in reconciliation of stockholders' equity to U.S. GAAP	Ps	809.6	990.3

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.

CEMEX records a valuation allowance for the estimated amount of the recoverable deferred tax assets, which may not be realized due to the expiration of tax loss carryforwards. Through its continual evaluation of the effects of tax strategies, among other economic factors, during 2003 and 2004 CEMEX increased the valuation allowance by approximately Ps2,743.4 and Ps430.3, respectively.

Under Mexican GAAP, CEMEX determines deferred income tax through the asset and liability method (notes 3K and 18B), 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; and (ii) the effects of deferred tax on the reconciling items between Mexican and U.S. GAAP. For Mexican GAAP presentation purposes, deferred tax assets and liabilities are long-term items.

CEMEX has recorded a deferred tax liability for U.S. GAAP purposes, related to ESPS in Mexico, under the asset and liability method at the statutory rate of 10%. The principal effects of temporary differences that give rise to significant portions of the deferred ESPS liabilities at December 31, 2003 and 2004 are presented below:

		2003	2004
Deferred assets:			
Employee benefits	Ps	27.3	18.6
Trade accounts receivable		23.5	24.3
Other		110.3	70.3
Gross deferred assets under U.S. GAAP		161.1	113.2
Deferred liabilities:			
Property, plant and equipment		3,077.7	2,970.5
Inventories		117.5	1.3
Other		136.1	200.8

Gross deferred liabilities under U.S. GAAP		3,331.3	3,172.6
Net deferred liabilities under U.S. GAAP	Ps	3,170.2	3,059.4

In the condensed financial information presented under U.S. GAAP in note 24(o), ESPS effect, both current and deferred, is included in the determination of operating income. For Mexican GAAP presentation, ESPS effect, both current and deferred, is considered as a separate line item equivalent to income tax.

Under Mexican GAAP, CEMEX recognizes deferred ESPS for those temporary differences arising from the reconciliation of net income of the period and the taxable income for ESPS. In the reconciliation of net income to U.S. GAAP, deferred ESPS income of Ps21.7 in 2002, expense of Ps74.3 in 2003 and expense of Ps211.7 in 2004, 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 year ended December 31, 2002, in some business units of CEMEX, vacation expense was recorded for purposes of Mexican GAAP when taken rather than during the period the employees earn it; therefore, a reconciling item was determined for U.S. GAAP purposes representing expense of approximately Ps6.0 in 2002 and Ps1.3 in 2003. The amount of expense recognized during 2003 under U.S. GAAP represents the difference between the estimated accrual made under U.S. GAAP through December 31, 2002 and the accumulated initial effect from the accounting change under Mexican GAAP, which was recognized as of January 1, 2003 directly to stockholders' equity.

Severance

Under Mexican GAAP, severance payments, which are not part of a business restructuring or a substitution for pension benefits, are recognized in earnings in the period in which they are paid. Under U.S. GAAP, post-employment benefits, including severance payments, for former or inactive employees, excluding retirement benefits, are accrued over an employee's service life. For the years ended December 31, 2002, 2003 and 2004, severance provisions recorded for U.S. GAAP purposes resulted in expense of Ps27.5, income of Ps92.4 and income of Ps27.6, respectively, with an accrual of Ps185.3 and Ps148.8 at December 31, 2003 and 2004, respectively. Severance payments relating to any specific event or restructuring are excluded from the calculation under SFAS 112, Employers' Accounting for Postemployment Benefits. Beginning in January 1, 2005, according to newly issued Mexican GAAP provisions, companies must accrue severance payments, which are not part of a business restructuring, over an employee's estimated service life (note 23).

Pension and other benefits

CEMEX accounts for employee pension benefits based on the net present value of the obligations determined by independent actuaries (notes 3J and 14), in a manner similar to SFAS 87, Employers' Accounting for Pensions, under U.S. GAAP and, therefore, no reconciling item is necessary. The information of pensions and other postretirement benefits, presented in note 14, include the obligations for these items in all Mexican and foreign subsidiaries.

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 related to debt incurred to finance construction projects, which is comprehensively measured in order to include the following effects: (i) the interest cost, plus (ii) any foreign currency fluctuations, and less (iii) the related monetary position result. Under U.S. GAAP, only interest is considered an additional cost of constructed assets to be capitalized and depreciated over the lives of the related assets. The U.S. GAAP reconciliation removes the foreign currency gain or loss and the monetary position result capitalized for Mexican GAAP derived from borrowings denominated in foreign currency.

(e) Minority Interest

Financing Transactions

For U.S. GAAP presentation purposes (note 24(o)), related to the preferred stock described in note 15E, preferred dividends declared in 2002 were recognized as part of the minority interest in the consolidated income statements under both Mexican and U.S. GAAP. As a result of the adoption of SFAS 150 during 2003, preferred dividends declared in 2003 were classified as interest expense under U.S. GAAP.

For U.S. GAAP presentation purposes (note 24(o)), in respect to the capital securities described in note 15E, capital securities dividends declared in 2002 were recorded as part of the minority interest in the consolidated income statements under both Mexican and U.S. GAAP. As a result of the adoption of SFAS 150 during 2003, capital securities dividends declared in 2003 were classified as interest expense. During 2004, as a result of newly issued Mexican GAAP effective January 1, 2004, this transaction was treated as financial debt until its liquidation; consequently, dividends declared in 2004 were recorded as interest expense 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 separately from stockholders' equity (note 24(o)). At December 31, 2003 and 2004, 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, 2002, 2003 and 2004, income of Ps13.8, Ps51.4 and Ps19.1, respectively, were reflected in the reconciliation of net income to U.S. GAAP.

(g) Accruals for Contingencies

In prior years, CEMEX recorded accruals for contingent items related primarily to guarantees given and other responsibilities that did not meet the accrual criteria of SFAS 5, Accounting for Contingencies, under U.S. GAAP, since the likelihood of a loss occurring is considered to be possible but not probable, the accruals under Mexican GAAP were reversed for U.S. GAAP purposes. During 2003 and 2004, as a result of the adoption of new Bulletin C-9, Liabilities, accruals, contingent assets and liabilities and commitments, which is similar to SFAS 5 in respect to the accounting for contingencies, CEMEX has evaluated certain previously created accruals and determined to reverse them under Mexican GAAP. The amount presented in the reconciliation of net income to U.S. GAAP in 2004 corresponds to the reversal of the adjustment made in prior years under U.S. GAAP.

(h) Affiliated Companies

CEMEX has adjusted its investment and equity method in affiliated companies (note 9A) for CEMEX's share of the approximate U.S. GAAP adjustments applicable to these affiliates.

(i) Inflation Adjustment of Machinery and Equipment

For purposes of the reconciliation to U.S. GAAP, fixed assets of foreign origin are restated by applying the inflation rate of the country that holds the assets, regardless of the assets' origin countries, instead of using the Mexican GAAP methodology, under which a fixed asset of foreign origin is restated by applying a factor that considers the inflation of the asset's origin country, not the inflation of the country that holds the asset, and the fluctuation of the functional currency (currency of the country that holds the asset) against the currency of the asset's origin country. Depreciation expense is based upon the revised amounts.

(j) Temporary Equity from Forward Contracts

During 1999, CEMEX entered into equity forward in its own ADSs with an original maturity in December 2002, in connection with its appreciation warrants (notes 15F and 17A). In December 2002, prior to their expiration, CEMEX renegotiated the extension of the contracts until December 2003 and recognized a loss of approximately U.S$98.3 million (Ps1,173.7) within stockholders' equity under Mexican GAAP, representing the difference between the cash redemption amount of the contracts and the market value of the underlying shares at origination of the agreements. The counterparties deducted the Company's loss amount from the prepayments made by CEMEX toward the forward contracts' final price. The renewed contracts were settled during October 2003 in connection with a secondary equity offering (note 17A), resulting in a gain of approximately U.S.$19.5 million (Ps232.9), recognized in stockholders' equity under Mexican GAAP. For Mexican GAAP purposes, since origination, the forward contracts were treated as equity transactions and gains or losses were recognized upon settlement or extension as an adjustment to stockholders' equity. During the life of the contracts, the difference between the proceeds from the ADSs sale and the forward price, which was periodically paid to the counterparties, was treated as a prepayment toward the forward contracts' final price and was presented as other accounts receivable. Such prepayments were also treated as preferred dividends in the reconciliation of net income to U.S. GAAP, in a manner similar to a mandatorily redeemable preferred stock, representing an expense of approximately Ps567.0 in 2002 and income of Ps780.4 in 2003. The amount of income in 2003 includes: (i) a net gain of U.S.$19.5 million from the secondary equity offering; (ii) 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 (iii) expense of U.S.$6.4 million from prepayments made in 2003 treated as preferred dividends. The loss of U.S.$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, certain direct costs related to the development stage or purchase of internal-use software are capitalized and amortized over the estimated useful life of

the software. Costs related to the preliminary project stage and the post-implementation/operations stage are expensed as incurred.

Beginning in 2001, CEMEX implemented the policy of capitalizing the direct costs associated with developing and implementing of internal-use software (note 11) resulting in a capitalization under Mexican GAAP for the years ended December 31, 2002, 2003 and 2004 of U.S.$90.1 million (Ps1,097.8), U.S.$11.3 million (Ps134.9) and U.S.$9.9 million (Ps110.3), respectively. The estimated average useful lives period to amortize these capitalized costs is between 3 and 5 years. As a result, in the reconciliation of net income to U.S. GAAP for the years ended December 31, 2002, 2003 and 2004, the reconciling item refers exclusively to the amortization of the capitalized amount under U.S. GAAP until December 2000, which led to expenses of Ps214.5 in 2002, Ps366.3 in 2003 and Ps27.7 in 2004, respectively, with a net effect of income in the stockholders' equity reconciliation to U.S. GAAP at December 31, 2003 of Ps26.8.

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 Ps306.4 in 2002, income of Ps95.3 in 2003 and income of Ps89.6 in 2004. During 2003 and 2004, 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 years ended December 31, 2003 and 2004 only includes amounts amortized under Mexican GAAP during the respective year and which were expensed in prior years under U.S. GAAP. The net effect in the reconciliation of stockholders' equity to U.S. GAAP was a decrease of Ps510.0 and Ps396.7 at December 31, 2003 and 2004, respectively.

Asset Retirement Obligations and Other Environmental Costs--Effective January 1, 2003, SFAS 143, Accounting for Asset Retirement Obligations ("SFAS 143"), requires entities to record the fair value of an asset retirement obligation as a liability in the period in which incur a legal or constructive 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 (notes 3V and 13).

As mentioned in note 3V, during 2003, an asset retirement liability was recorded in the amount of approximately Ps537.2, against fixed assets of Ps388.1, deferred IT assets of Ps58.0 and an initial cumulative effect of Ps91.1, 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 notes 13 and 22G, CEMEX is not currently facing other material contingencies, which might result in the recognition of an environmental remediation liability.

Monetary position result--Monetary position result of the U.S. GAAP adjustments is determined by (i) applying the annual inflation factor to the net monetary position of the U.S. GAAP adjustments at the beginning of the period, plus (ii) the monetary position effect of the adjustments during the period, determined in accordance with the weighted average inflation factor for the period.

Reclassifications--Non-cement related assets (note 8) of Ps420.3 and Ps577.7, as of December 31, 2003 and 2004, respectively, were reclassified to long-term assets for purposes of the condensed financial information under U.S. GAAP in note 24(o). These assets are stated at their estimated fair value. Estimated costs to sell these assets are not significant.

(l) Financial Instruments

Derivative Financial Instruments (notes 3N, 12 and 17)

Under U.S. GAAP, all derivative instruments, including derivative instruments embedded in other contracts, should be recognized in the balance sheet as assets or liabilities at their fair values and changes in fair value are recognized

immediately in earnings, unless the derivatives qualify as hedges of future cash flows, in which case the effective portion of such changes in fair value is recorded temporarily in equity, and then recognized in earnings along with the related effects of the hedged items. Any ineffective portion of a hedge is reported in earnings as it occurs. Mexican GAAP, through Bulletin C-2 (note 3N), establishes a methodology similar to that of U.S. GAAP (SFAS 133, Derivative Instruments and Hedging Activities). The differences between SFAS 133 and Bulletin C-2 relate to the rules for hedge accounting. SFAS 133 provides specific rules for hedge accounting, while under Bulletin C-2, hedge accounting is based solely on an entity's intention and designation, 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, were precluded by Mexican GAAP until December 31, 2004, since it was not permitted to record primary hedged instruments at fair value (note 23).

At December 31, 2003 and 2004, the differences in derivative instruments' hedge accounting between Mexican and U.S. GAAP, as they relate to CEMEX, led to an adjustment in the reconciliation of net income to U.S. GAAP, and a reclassification in the condensed financial information under U.S. GAAP in note 24(o), which are explained as follows:

- In connection with the fair value recognition of the derivatives related to the Company's acquisition of RMC (note 17B); under Mexican GAAP, CEMEX designated such derivatives as hedge of the variability in cash flows associated with exchange fluctuations between the U.S. dollar, the currency in which CEMEX obtained the funds to purchase, and the British pound, the currency in which the firm commitment was established. As a result of this designation, the Company recognized in stockholders' equity, the changes in fair value of the derivatives from the designation date that took place on November 17, 2004 until December 31, 2004, and which represented a gain of approximately U.S.$132.1 million (Ps1,471.6). This gain was reclassified to earnings under Mexican GAAP in March 2005, the date when the purchase occurred. For purposes of the reconciliation of net income to U.S. GAAP, this gain was reclassified from stockholders' equity to earnings in 2004, as SFAS 133, does not permit to establish a cash flow hedging relationship in a transaction that involves a business combination.

- As discussed in note 12B, as of December 31, 2003 and 2004, related to the estimated fair value of Cross Currency Swaps ("CCS"), CEMEX recognized net assets of U.S.$262.0 million (Ps3,128.7) and U.S.$208.5 million (Ps2,322.7), 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 24(o). As a result, under U.S. GAAP 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.$171.9 million (Ps2,052.8), 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 (Ps145.7) against current assets. At December 31, 2004, 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.$131.8 million (Ps1,468.3), including prepayments, against current and non-current assets; while in respect of the portion of the estimated fair value attributable to accrued interest, current liabilities increased U.S.$10.9 million (Ps121.4) against current assets.

See note 24(m) for changes in accounting principles regarding CEMEX's equity forward contracts in its own shares due to the adoption of SFAS 150. All derivative instruments, with the exceptions described above and the equity forwards described in notes 24(j) and 24(m), entered into by CEMEX and disclosed in notes 12 and 17, were accounted under Mexican GAAP consistently with the provisions of U.S. GAAP.

For all hedging relationships for accounting purposes, CEMEX formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring ineffectiveness. This process includes linking all derivatives that are designated as cash-flow or foreign-currency hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions.

As of December 31, 2003 and 2004, CEMEX has not designated any derivative instrument as a fair value hedge for accounting purposes under both Mexican GAAP and U.S. GAAP. CEMEX also formally assesses, both at the hedge's origination and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items. When it is determined that a derivative is not highly effective as a

hedge or that it has ceased to be a highly effective hedge, CEMEX discontinues hedge accounting prospectively.

Fair Value of Financial Instruments

The carrying amount of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses and short-term debt, approximates fair value because of the short-term maturity of these financial assets and liabilities.

Marketable securities and long-term investments are accounted for at fair value, which is based on quoted market prices for these or similar instruments.

The carrying value of CEMEX's long-term debt and the related fair value based on quoted market prices for the same or similar instruments or on current rates offered to CEMEX for debt of the same remaining maturities (or determined by discounting future cash flows using borrowing rates currently available to CEMEX) at December 31, 2004 is summarized as follows:

At December 31, 2004		Carrying amount	Estimated fair value
Bank loans	Ps	30,302.4	30,304.0
Notes payable		30,412.3	32,994.8

As discussed in notes 3D and 15D, CEMEX has designated certain debt as hedges of its investment in foreign subsidiaries and, for Mexican GAAP purposes, records foreign exchange fluctuations on such debt in stockholders' equity. For purposes of the U.S. GAAP net income reconciliation, expense of Ps2,693.0 in 2002, and expense of Ps871.3 in 2003 and income of Ps184.3 in 2004, were recognized as foreign exchange results since the related debt did not meet the conditions for hedge accounting purposes, given that the currencies involved do not move in tandem.

(m) Financial Instruments with Characteristics of both Liabilities and Equity

In May 2003, the FASB issued SFAS 150, which requires an issuer to classify financial instruments as liabilities (or assets under certain circumstances) when they meet the following criteria: (i) a financial instrument issued in the form of shares that is mandatorily redeemable, through the unconditional obligation of transferring its assets at a specified or determinable date (or dates) or upon an event that is certain to occur; (ii) a financial instrument, other than an outstanding share, that, at origination, embodies an obligation to repurchase the issuer's 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 was adopted presenting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of the Statement. Restatement is not permitted.

Mandatorily Redeemable Instruments

As described in notes 15E and 24(e), CEMEX held capital securities for the outstanding amount of U.S.$66 million (Ps735.2) at December 31, 2003 that were liquidated in October 2004. The capital securities were a mandatorily

redeemable financial instrument, presented under minority interest under Mexican GAAP. For the year ended December 31, 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 (note 24(o)), for approximately Ps735.2 (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 24(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 (note 15E).

Equity Forward Contracts in CEMEX's own Shares

As described in notes 16 and 17A, as of December 31, 2003 and 2004, CEMEX held equity forward contracts negotiated to hedge future exercises under its stock option programs, for notional amounts of U.S.$789.3 million and U.S.$1,112 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 estimated fair 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, 2002, 2003 and 2004. 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, as of December 31, 2003 and 2004, CEMEX held other equity forward contracts (note 17A), for notional amounts of U.S.$295.7 million and U.S.$45.2 million, respectively, which can be physically or net cash settled at CEMEX's option and which are considered as equity transactions under Mexican GAAP. For U.S. GAAP. Until December 31, 2002, the effects of these contracts were recognized upon settlement as an adjustment to stockholders' equity and no periodic recognition was made. Under SFAS 150, these instruments should be initially recognized at their estimated fair market value as assets or liabilities in the balance sheet and subsequent changes in fair value should be recorded in earnings, with the cumulative effect of adoption recognized as an adjustment to net income. CEMEX adopted SFAS 150 as of June 30, 2003 and, as a result, for purposes of the 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 (Ps138.5) was recognized against

the cumulative effect from the change in accounting principle, which represented an expense of approximately U.S.$49.1 million (Ps585.7) and a gain related to changes in fair value during 2003 amounting to approximately U.S.$36.9 million (Ps440.9).

Related to the equity forwards in the Company's own, during 2004, upon settlement of several contracts, CEMEX recognized a gain of approximately U.S.$38.6million (Ps430.3) under Mexican GAAP within stockholders' equity. Under U.S. GAAP, instruments with a variety of settlement options should be marked to market through earnings; accordingly, the gain recognized under Mexican GAAP was reclassified to earnings under U.S. GAAP. The reclassification under U.S. GAAP had no effect on stockholders' equity.

There are no other instruments subject to SFAS 150 other than those previously described.

(n) Supplemental Debt Information

At December 31, 2003 and 2004, 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.$395 million (Ps4,716.8) and U.S.$847.2 million (Ps9,438.1), respectively, were reclassified from short-term debt to long-term debt under Mexican GAAP (note 12). For purposes of the condensed balance sheets under U.S. GAAP in note 24(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, 2002, 2003 and 2004, 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, 2002	2003	2004
Net sales	Ps 73,648.6	84,046.9	89,857.0
Gross profit	31,806.8	35,058.2	37,900.7
Operating income	11,903.8	14,339.9	16,511.5
Comprehensive financial result	(6,461.9)	(2,988.6)	3,858.3
Other expenses, net	(1,049.8)	(1,183.2)	(1,077.3)
Income tax (including deferred)	1,729.4	(1,171.3)	(1,635.2)
Equity in income of affiliates	497.5	564.6	572.7
Consolidated net income	6,619.0	9,561.4	18,230.0
Minority interest net income	436.7	166.6	264.6
Majority interest net income before cumulative effect of accounting change.	6,182.3	9,394.8	17,965.4
Cumulative effect of accounting change	-	(675.2)	-
Majority interest net income	Ps 6,182.3	8,719.6	17,965.4

The following table presents consolidated condensed balance sheets at December 31, 2003 and 2004, prepared under U.S. GAAP, including all differences and reclassifications as compared to Mexican GAAP described in this note 24:

Balance sheets	At December 31, 2003	2004
Current assets	Ps 21,975.2	24,545.6
Investments and non-current assets	10,013.6	21,113.1
Property, machinery and equipment	112,670.2	109,542.3
Deferred charges	51,680.5	51,158.4
Total assets	196,339.5	206,359.4
Current liabilities	37,971.9	36,239.7
Long-term debt	47,204.0	43,639.4
Shares subject to mandatory redemption:		
Putable capital securities (see note 15E)	781.8	-
Other non-current liabilities	29,716.0	29,310.9
Total liabilities	115,673.7	109,190.0
Minority interest	5,711.2	4,536.4
Stockholders' equity including cumulative effect of accounting change	74,954.6	92,633.0
Total liabilities and stockholders' equity	Ps 196,339.5	206,359.4

The prior period amounts presented in the tables above were restated to constant pesos as of December 31, 2004 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 3B).

(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, 2002, 2003 and 2004, 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, 2002	2003	2004
Net cash provided by operating activities	Ps 9,526.4	9,771.8	21,884.3
Net cash used in financing activities	(1,323.7)	(4,874.0)	(3,722.7)
Net cash used in investing activities	(8,380.4)	(5,419.4)	(17,733.5)

Net cash flow from operating activities reflects cash payments for interest and income taxes as follows:

	Years ended December 31,		
	2002	2003	2004
Interest paid	Ps 3,467.1	4,897.4	3,654.4
Income taxes paid	1,350.3	576.2	1,314.2

Non-cash activities are comprised of the following:

Liabilities assumed through the acquisition of businesses were Ps1,873.7 in 2002 and Ps137.8 in 2003. In 2004, in connection with the acquisition of the 18.8% equity interest in RMC (see note 9A) and other minor acquisition during the year, new financings and other liabilities for approximately U.S.$835.7 million (Ps9,309.7) were assumed.

(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, 2002 and 2003 and balance sheet information as of December 31, 2003, in constant Mexican pesos as of December 31, 2004, using the Mexican inflation index:

Years ended December 31,	2002	2003
Sales	Ps 74,348.3	84,868.1
Gross profit	32,811.4	35,944.3
Operating income	14,889.9	17,238.2
Majority interest net income	5,911.7	7,448.3

At December 31,	2003
Current assets	Ps 21,635.2
Non-current assets	168,085.1
Current liabilities	33,515.9
Non-current liabilities	76,053.7
Majority interest stockholders' equity	73,849.1
Minority interest stockholders' equity	6,301.6

(r) Stock Option Programs

For financial reporting under Mexican GAAP, CEMEX accounts for its stock option programs (note 16) using a methodology that is consistent with the rules set forth in APB Opinion No. 25, Accounting for Stock Issued to Employees ("APB 25") under U.S GAAP. According to APB 25, compensation cost should be determined under the intrinsic 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 the fixed program (note 16C), while compensation cost is periodically determined, beginning in 2001, for the variable program (note 16B) and the voluntary programs (note 16E), beginning in 2002, for the special program (note 16D), and beginning in 2004, for the restricted program.

Stock options activity during 2003 and 2004, the balance of options outstanding at December 31, 2003 and 2004 and other general information regarding CEMEX's stock option programs is presented in note 16. The availability of CPOs for the potential future exercise of the programs is hedged through equity forward contracts in CEMEX's own stock (note 17A).

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 an option pricing model, CEMEX's net income and earnings per share would have been as follows:

For the year ended December 31, 2002	Special program	Variable program	Voluntary programs	Total
Net income, as reported (Mexican GAAP)....Ps				6,339.2
Cost of options granted according to SFAS 123.....	(9.9)	(186.3)	(21.0)	(217.2)
Reversal of cost recognized under APB 25 3.....	-	-	60.9	60.9
Approximate net income, pro forma.....				6,182.9
Basic earnings per share, as reported....Ps				1.41
Basic earnings per share, pro forma....Ps				1.37

For the year ended December 31, 2003	Special program	Variable program	Voluntary programs	Total
Net income, as reported (Mexican GAAP)....Ps				7,508.4
Cost of options granted according to SFAS 123 1.....	(14.6)	(184.2)	-	(198.8)
Reversal of cost recognized under APB 25 3.....	62.9	389.1	31.2	483.2
Approximate net income, pro forma.....				7,792.8
Basic earnings per share, as reported....Ps				1.58
Basic earnings per share, pro forma....Ps				1.65

For the year ended December 31, 2004	Restricted program	Special program	Variable program	Voluntary programs	Total
Net income, as reported (Mexican GAAP)....Ps					14,562.3
Cost of options granted according to SFAS 123 2.	(1,366.7)	(23.0)	(1.2)	-	(1,390.9)
Reversal of cost (income) under APB 25 3.....	224.6	159.7	(240.6)	(84.5)	59.2
Approximate net income, pro forma.....					13,230.6
Basic earnings per share, as reported....Ps					2.92
Basic earnings per share, pro forma....Ps					2.65

1 The cost of the voluntary program granted in 2003 under the fair value approach (SFAS 123) amounting to approximately Ps227.4 is not presented, since net income under Mexican GAAP includes the liquidation cost of approximately Ps740.3 related to such program, which was fully exercised during the year (note 16 E).

2 As a result of the early exercise in December 2004, CEMEX recognized a liquidation cost of approximately U.S.$61.1 million (Ps680.7) related to options redeemed from old programs (note 16), including those of the variable program granted in February 2004 and those of the restricted program initiated also in February 2004, of which approximately 99.6% and 98.5% were exercised, respectively. Consequently, the pro forma expense under SFAS 123 includes approximately U.S.$0.1 million (Ps1.2) related to the variable program and U.S.$2.1 million (Ps23.2) related to the restricted program, corresponding to the 0.4% and 1.5% of options under these programs, respectively, that were not exercised.

3 The amount of expense (income) recognized under Mexican GAAP and reversed for purposes of the pro forma disclosure under U.S. GAAP, reflects only the change between the initial balance and the year-end balance of the provision created for under the intrinsic value method, and do not include amounts expensed in actual exercises or liquidations. Amounts expensed are included in earnings under Mexican GAAP and are not reversed for U.S. GAAP disclosure purposes.

The assumptions for the valuation model for the options granted during each year were as follows:

	2002	2003	2004
Expected dividend yield	2%	2%	2%
Volatility	25%	25%	25%
Range of risk free interest rates	3.6% - 4.8%	3.7% - 4.5%	4.0% - 4.6%
Weighted average tenure	9.8 years	7 years	8 years

(s) Impairment of Long Lived Assets

As mentioned in note 24(a), effective January 1, 2002, CEMEX adopted SFAS 142, which eliminates the amortization of goodwill and of indefinite-lived intangible assets, addresses the amortization of intangible assets with finite lives, the impairment testing and the recognition of goodwill and other intangible assets acquired in business combinations. Likewise, effective January 1, 2002, CEMEX adopted SFAS 144, which establishes a single model for the impairment of long-lived assets and broadens the presentation of discontinued operations to include disposal of an individual business.

As a result of such adoption under U.S. GAAP, CEMEX ceased the amortization of the goodwill balances determined at December 31, 2001; however, such amounts remain subject to impairment evaluations. During the first half of 2002, in connection with SFAS 142's transitional goodwill impairment evaluation, which required an assessment of whether there was an indication that goodwill was impaired as of the date of adoption, CEMEX identified its reporting units and determined the carrying value of each reporting unit as of January 1, 2002, by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units. CEMEX also determined the fair value of each reporting unit and compared it to their related carrying amounts. Fair value of the reporting units exceeded in each case the corresponding carrying amount and, therefore, no impairment charges resulted from the transitional evaluation performed on the recorded goodwill as of January 1, 2002. For the years ended December 31, 2002, 2003 and 2004, goodwill under Mexican GAAP continued to be an amortizable intangible asset. Based on the similarities of the components of the operating segments (cement, ready-mix concrete, aggregates and other construction materials), CEMEX's geographical segments under SFAS 131 are also the reporting units under SFAS 142 for purposes of assessing fair value in determining potential impairment at transition and in future periods.

Under U.S. GAAP, CEMEX assesses goodwill and indefinite-lived intangibles for impairment annually unless events occur that require more frequent reviews. Long-lived assets, including amortizable intangibles, are tested for impairment if impairment triggers occur. Discounted cash flow analyses are used to assess the possible impairment of 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, 2003 and 2004, there were no impairment charges under U.S. GAAP in addition to those described in notes 10 and 11, which were recorded under Mexican GAAP, as CEMEX's policy for impairment is consistent with U.S. GAAP.

Approximate goodwill by reporting unit under U.S. GAAP is summarized as follows:

		December 31, 2002	Goodwill acquired (1)	Impairment charges	Inflation and currency fluctuation (2)	December 31, 2003
United States	Ps	15,760.5	212.7	-	1,075.1	17,048.3
Mexico		6,621.0	-	-	-	6,621.0
Spain		9,219.1	-	-	2,592.1	11,811.2
Colombia		3,421.1	-	-	481.7	3,902.8
The Philippines		1,918.3	-	(568.6)	45.2	1,394.9
Dominican Republic		422.8	-	-	(74.8)	348.0
Thailand		437.3	-	-	67.5	504.8
The Caribbean		416.5	-	-	27.6	444.1
Venezuela		287.4	-	-	46.4	333.8
Egypt		299.6	-	-	(53.9)	245.7
Costa Rica		302.8	-	-	22.7	325.5
Other reporting units (3)		1,346.5	-	(360.8)	480.9	1,466.6
Affiliates (note 9A)		582.6	-	-	8.0	590.6
	Ps	41,035.5	212.7	(929.4)	4,718.5	45,037.3

		December 31, 2003	Goodwill acquired (1)	Impairment charges	Inflation and currency fluctuation (2)	December 31, 2004
United States	Ps	17,048.3	100.3	-	(500.9)	16,647.7
Mexico		6,621.0	-	-	-	6,621.0
Spain		11,811.2	-	-	555.2	12,366.4
Colombia		3,902.8	-	-	616.7	4,519.5
The Philippines		1,394.9	-	-	(4.7)	1,390.2
Dominican Republic		348.0	-	-	118.0	466.0
Thailand		504.8	-	-	(4.9)	499.9
The Caribbean		444.1	-	-	(12.6)	431.5
Venezuela		333.8	-	-	(22.1)	311.7
Egypt		245.7	-	-	(0.4)	245.3
Costa Rica		325.5	-	-	(13.7)	311.8
Other reporting units (3)		1,466.6	-	(248.9)	(57.0)	1,160.7
Affiliates (note 9A)		590.6	-	-	(4.0)	586.6
	Ps	45,037.3	100.3	(248.9)	669.6	45,558.3

1. During 2003 (note 9A), 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 (Ps1,110.7). In addition, during 2004 CEMEX acquired a ready-mix company in the state of Georgia for approximately U.S.$16.7 million (Ps186.0).

2. The amounts presented in this column include: (i) the effects on goodwill from foreign exchange fluctuations during the period between the reporting unit's currencies and the Mexican peso, and (ii) the effect of removing the restatement into constant pesos as of December 31, 2004 using Mexican inflation, applied to the goodwill balances at the beginning of the year.

3. Other reporting units are primarily integrated by CEMEX's cement operations in Puerto Rico and Panama, the ready-mix concrete operations in France and the reporting unit engaged in software development projects.

(t) Sale of Accounts Receivable

CEMEX accounts for transfers of receivables under Mexican GAAP consistently with the rules set forth by SFAS 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. Under SFAS 140, transactions that meet the criteria for surrender of control are recorded as sales of receivables and their amounts are removed from the consolidated balance sheet at the time they are sold (note 5).

(u) Other Disclosures Under U.S. GAAP

Accounting for Costs Associated with Exit or Disposal Activities

Effective January 1, 2003, CEMEX adopted SFAS 146, Accounting for Costs Associated with Exit or Disposal Activities. SFAS 146, which addresses financial accounting and reporting for costs associated with exit or disposal activities, basically requires, as a condition to accrue for the costs related to an exit or disposal activity, including severance payments, that the entity communicate the plan to all affected employees and that the plan be terminated in the short-term; otherwise, associated costs should be expensed as incurred. As of and for the years ended December 31, 2003 and 2004, 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 and 2004, CEMEX has not guaranteed any third parties' obligations; however, with respect to the electricity supply long-term contract discussed in note 22F, CEMEX may also be required to purchase the power plant upon the occurrence of specified material defaults or events, such as failure to purchase the energy and pay when due, bankruptcy or insolvency, and revocation of permits necessary to operate the facility. For the years ended December 31, 2003 and 2004, for accounting purposes under Mexican GAAP and U.S. GAAP, CEMEX has considered this agreement as a long-term supply agreement and no liability has been created, based on the contingent characteristics of CEMEX's obligation and given that, absent a default under the agreement, CEMEX's obligations are limited to the purchase of energy from, and the supply of fuel to, the plant.

Variable Interest Entities

Effective March 15, 2004, CEMEX adopted Interpretation 46R (revised December

2003), Consolidation of Variable Interest Entities, an interpretation of ARB 51 ("FIN 46R"). The interpretation addresses the consolidation by business enterprises of variable interest entities ("VIEs"), which are defined in FIN 46R as those that have one or more of the following characteristics: (i) entities which equity investment at risk is not sufficient to finance their operations without requiring additional subordinated financing support provided by any parties, including the equity holders; and (ii) the equity investors lack one or more of the following attributes: a) the ability to make decisions about the entity's activities through voting or similar rights, b) the obligation to absorb the expected losses of the entity, and c) the right to reveive the expected residual returns of the entity. Among others, entities that are deemed to be a business according to FIN 46R, including operating joint ventures, need not be evalued to determine if they are VIE's under FIN 46R. Variable interests, among other factors, may be represented by operating losses, debt, contingent obligations or residual risks and may be assumed by means of loans, guarantees, management contracts, leasing, put options, derivatives, etc. A primary beneficiary is the entity that assumes the variable interests of a VIE, or the majority of them in the case of partnerships, directly or jointly with related parties, and is the entity that should consolidate the VIE. FIN 46R applies to financial statements for periods ending after March 15, 2004. As discussed in the preceding paragraph, CEMEX has an electricity supply long-term contract (note 22F), through which, an international partnership, which built and currently operates an electrical energy generating plant, will sell to CEMEX, starting in 2004, all the energy generated for a term of no less than 20 years. Under FIN 46R, after analysis of the provisions of the agreements, CEMEX believes that such partnership is not a VIE under the scope of the Interpretation, and, therefore, as of and for the years ended December 31, 2003 and 2004, CEMEX has not consolidated any asset, liability or operating result of such partnership.

(v) Newly Issued Accounting Pronouncements under U.S. GAAP

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS 123R, Share-Based Payment, a revision of Statement 123, "Accounting for Stock Issued to Employees", which establishes standards for the accounting of all share-based payment transactions, with a primary focus on schemes in which an entity obtains employee services in share-based payment transactions, also clarifies and expands guidance in several areas, including measuring fair

value, classifying an award as equity or as a liability, and attributing compensation cost to reporting periods. SFAS123R requires companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and eliminates the alternative to use APB Opinion 25's intrinsic value method of accounting, permitted by Statement 123 as originally issued (note 24(r)), under which, upon compliance of certain rules, issuing stock options to employees resulted in recognition of no compensation cost.

The cost under SFAS123R should be recognized over the period during which an employee is required to provide service in exchange for the award (usually the vesting period). The grant-date fair value of employee share awards will be estimated using option-pricing models, unless observable market prices for the same or similar instruments are available.

SFAS 123R will be effective for the Company as of January 1, 2006 and will apply to all awards granted after the required effective date and to awards modified, repurchased, or cancelled after that date. The cumulative effect of initially applying this statement, if any, will be recognized as of the required effective date. As of the required effective date, entities that used

the fair-value-based method for either recognition or disclosure under Statement 123 (note 24(r)) will apply SFAS123R using a modified version of prospective application. Under this transition method of adoption, compensation cost is recognized for the portion of outstanding awards for which the requisite service has not yet been rendered, based on the grant-date fair value of those awards calculated under Statement 123 for either recognition or pro forma disclosures. For periods before the required effective date, entities may elect to apply a modified version of retrospective application under which financial statements for prior periods are adjusted on a basis consistent with the pro forma disclosures required for those periods by Statement 123.

In connection with the adoption of SFAS 123R in 2006, if the Company elects to grant new equity awards to employees, SFAS 123R may have a material impact in the Company's net income under U.S. GAAP (see pro forma historical information in footnote 24(r)). In respect to expected non-vested awards as of the adoption date, the Company considers that their cost will not have a material effect given that they are very few after the restructuring of employee' stock option programs undertaken during 2004.

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

In December 2004, the FASB issued SFAS 153, Exchanges of Nonmonetary Assets, which eliminates an exception in APB 29 for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The exception provides that those exchanges should be measured based on the recorded amount of the nonmonetary assets relinquished, rather than on the fair values of the exchanged assets. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This statement will be effective for the Company for nonmonetary asset exchanges occurring on or after January 1, 2006. The Company does not expect any material impact from the adoption of this Statement.

(w) Recent Developments (unaudited)

On March 1, 2005, CEMEX completed the acquisition of RMC. The boards of directors of CEMEX and RMC, as well as RMC shareholders, European Union and U.S. regulators, and the High Court of Justice in England and Wales have approved the acquisition. Considering the assumption of debt for approximately U.S.$1.7 billion, the total purchase price of the transaction was approximately U.S.$5.8 billion. This amount includes the acquisition of the approximately 18.8% equity interest in RMC made during 2004.

With the integration of RMC, CEMEX will enhance its position as one of the world's largest building materials companies, with global presence in cement and aggregates and a leading position in ready mix concrete. With the integration of RMC, CEMEX will have an estimated production capacity of 97 million tons of cement, enhancing its position as the third largest company in the cement industry. CEMEX, with RMC, will be the largest ready mix

concrete company in the world, with an estimated production capacity of 77

million cubic meters of ready mix concrete. Additionally, the combined company will become the fourth largest aggregates company in the world.

For the year ended December 31, 2004, RMC's consolidated revenues from continuing operations, before revenues from unconsolidated joint ventures and associated entities of approximately (pound)351.7 million, were approximately (pound)4,121.1 million (U.S.$7,897.9 million or Ps87,982.1). From this amount, approximately 26% was generated in the United Kingdom, 14% in Germany, 33% in other European countries, 23% in the United States and 4% in the rest of the world. The revenues amount was determined under U.K. GAAP, which may differ from Mexican GAAP and U.S. GAAP. The Company is currently evaluating possible differences between these accounting standards that may modify the disclosed amounts but has not yet concluded its assessment.

At the 2004 annual shareholders' meeting held on April 28, 2005, in connection with their approval of a dividend for the 2004 fiscal year, the Company's shareholders approved an increase in the variable part of CEMEX's capital stock through the capitalization of retained earnings in an amount up to approximately Ps4,815.3 through the issuance of up to 240 million series A shares and 120 million series B shares, to be represented by CPOs. The final amount of the capital increase will be determined by the 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 the CPOs on the Mexican Stock Exchange, minus the 20% discount at which those CPOs will be issued. In addition, at the 2004 annual shareholders' meeting, our shareholders approved the cancellation of 249,133,670 series A treasury shares and 124,566,835 series B treasury shares.

In addition, at a general extraordinary meeting of shareholders held on April 28, 2005, CEMEX's shareholders approved a new stock split. For every one of our series A shares, two new series A shares will be issued, and for every one of our series B shares, two new series B shares will be issued. Concurrently with this stock split, shareholders authorized the amendment of the CPO trust agreement to provide for the substitution of two new CPOs for each of our existing CPOs, each new CPO will represent two new series A shares and one new series B share. After giving effect to the new stock split and the amendment to the CPO trust agreement, each of our ADSs will represent ten new CPOs. The proportional equity interest participation of the stockholders in our common stock will not change as a result of the stock split mentioned above. Earnings per share, the average number of shares outstanding, as well as the CPO numbers included throughout this financial statements and related notes for the years ended December 31, 2002, 2003 and 2004, were not adjusted to make the effect of the stock split retroactive.

Had the per share amounts and the average number of shares been restated in order to give retroactive effect to the stock split mentioned above, the pro forma information would had been as follows:

	For the years ended December 31, (unaudited)			
	2002	2003	2004	2004
Pro forma per share information under Mexican GAAP:				
Basic earnings per share..... Ps	0.71	0.79	1.46 U.S.$	0.13
Diluted earnings per share.....	0.71	0.78	1.45	0.13
Pro forma per share information under U.S. GAAP:				
Basic earnings per share..... Ps	0.69	0.92	1.80 U.S.$	0.16
Diluted earnings per share.....	0.69	0.90	1.79	0.16
Pro forma number of shares (millions):				
Basic average number of shares outstanding.....	8,975	9,456	9,987	-
Diluted average number of shares outstanding.....	8,992	9,674	10,039	-

(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 3C). These two companies, together with their subsidiaries, account for substantially all of the revenues and operating income of CEMEX's Mexican operations.

As mentioned in note 12C, as of December 31, 2003 and 2004, indebtedness of CEMEX in an aggregate amount of U.S.$3,145 million (Ps37,555.6) and U.S.$3,087.8 million (Ps34,398.1), respectively, is fully and unconditionally guaranteed, on a joint and several basis, by CEMEX Mexico and ETM.

As of December 31, 2002, 2003 and 2004, CEMEX owned a 100% equity interest in CEMEX Mexico, including, in 2002, a 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 15F), and CEMEX Mexico owned a 100% equity interest in ETM at the end of the three years.

For purposes of the accompanying condensed consolidated balance sheets, income statements and statements of changes in financial position under Mexican GAAP, the first column, "CEMEX," corresponds to the parent company issuer, which has no material operations other than its investments in subsidiaries and affiliated companies. The second column, "Combined guarantors", represents the combined amounts of CEMEX Mexico and ETM on a Parent Company-only basis, after adjustments and eliminations relating to their combination. The third column, "Combined non-guarantors", represents the amounts of CEMEX's international subsidiaries, CEMEX Mexico and ETM non-Guarantor subsidiaries, and other immaterial Mexican non-guarantor subsidiaries of CEMEX. The fourth column, "Adjustments and eliminations", includes all the amounts resulting from consolidation of CEMEX, the Guarantors and the non-guarantor subsidiaries, as well as the corresponding constant pesos adjustment as of December 31, 2004, for the years ended December 31, 2002 and 2003 described below. The fifth column, "CEMEX consolidated", represents CEMEX's consolidated amounts as reported in the consolidated financial statements. The amounts presented under the line item "investments in affiliates" for both the balance sheet and the income statement are accounted for by the equity method.

As mentioned in note 3B, under Mexican GAAP, the financial statements of those entities with foreign consolidated subsidiaries should be presented in constant pesos as of the latest balance sheet presented, considering the inflation of each country in which the entity operates, as well as the changes in the exchange rate between the functional currency of each country vis-a-vis the reporting currency (in this case, the Mexican peso). As a result of the aforementioned, for comparability purposes the condensed financial information of CEMEX, the "Combined Guarantors" and the "Combined non-guarantors" amounts have been adjusted to reflect constant pesos as of December 31, 2004, using the Mexican inflation index. Therefore, the corresponding inflation adjustment derived from the application of the weighted average inflation factor in the consolidated amounts is presented within the "Adjustments and eliminations" column.

The condensed consolidated financial information is as follows:

Condensed consolidated balance sheets:

As of December 31, 2003		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Current assets	Ps	1,808.7	6,436.0	78,173.0	(64,608.0)	21,809.7
Investment in affiliates		90,012.2	107,642.5	67,624.9	(257,930.3)	7,349.3
Other non-current assets		37,372.0	488.8	1,043.8	(36,705.5)	2,199.1
Property, machinery and equipment		1,820.0	31,425.1	76,543.7	853.1	110,641.9
Deferred charges		5,585.9	5,970.3	94,427.4	(56,733.0)	49,250.6
Total assets		136,598.8	151,962.7	317,812.8	(415,123.7)	191,250.6
Current liabilities		11,403.4	15,043.0	28,193.8	(20,854.0)	33,786.2
Long-term debt		48,844.3	8.9	35,449.4	(30,126.5)	54,176.1
Other non-current liabilities		1,906.3	50,374.4	14,792.6	(44,582.2)	22,491.1
Total liabilities		62,154.0	65,426.3	78,435.8	(95,562.7)	110,453.4
Majority interest stockholders' equity		74,444.8	86,536.4	172,318.2	(258,854.6)	74,444.8
Minority interest		-	-	67,058.8	(60,706.4)	6,352.4
Stockholders' equity under Mexican GAAP		74,444.8	86,536.4	239,377.0	(319,561.0)	80,797.2
Total liabilities and stockholders' equity	Ps	136,598.8	151,962.7	317,812.8	(415,123.7)	191,250.6

As of December 31, 2004		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Current assets	Ps	1,780.8	8,222.4	77,599.1	(65,861.0)	21,741.3
Investment in affiliates		103,554.6	119,214.5	70,828.8	(276,694.6)	16,903.3
Other non-current assets		33,916.0	459.5	17,467.6	(48,198.2)	3,644.9
Property, machinery and equipment		1,813.5	30,833.4	74,670.9	(224.0)	107,093.8
Deferred charges		4,135.3	6,129.0	87,619.3	(53,644.0)	44,239.6
Total assets		145,200.2	164,858.8	328,185.7	(444,621.8)	193,622.9
Current liabilities		10,319.2	28,004.2	42,870.0	(54,319.7)	26,873.7
Long-term debt		46,280.6	37.2	27,808.5	(19,686.8)	54,439.5
Other non-current liabilities		1,366.3	35,374.8	17,350.9	(33,349.1)	20,742.9
Total liabilities		57,966.1	63,416.2	88,029.4	(107,355.6)	102,056.1
Majority interest stockholders' equity		87,234.1	101,442.6	181,010.5	(282,453.1)	87,234.1
Minority interest		-	-	59,145.8	(54,813.1)	4,332.7
Stockholders' equity under Mexican GAAP		87,234.1	101,442.6	240,156.3	(337,266.2)	91,566.8
Total liabilities and stockholders' equity	Ps	145,200.2	164,858.8	328,185.7	(444,621.8)	193,622.9

Condensed consolidated income statements:

For the year ended December 31, 2002		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Sales	Ps	-	23,813.1	53,450.9	2,460.6	79,724.6
Operating income		(116.4)	3,513.7	5,942.0	6,627.4	15,966.7
Comprehensive financing result		(1,503.9)	(6,987.4)	(4,006.6)	8,484.7	(4,013.2)
Other income (expense), net		(369.3)	(359.6)	6,667.6	(10,681.9)	(4,743.2)
Income tax		2,418.1	(1,367.4)	(1,373.1)	(471.2)	(793.6)
Equity in income of affiliates		5,910.7	1,747.2	(2.5)	(7,281.3)	374.1
Consolidated net income		6,339.2	(3,453.5)	7,227.4	(3,322.3)	6,790.8
Minority interest		-	-	92.8	358.8	451.6
Majority interest net income	Ps	6,339.2	(3,453.5)	7,134.6	(3,681.1)	6,339.2

For the year ended December 31, 2003		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Sales	Ps	-	25,724.1	60,753.2	(924.7)	85,552.6
Operating income		(57.8)	3,566.3	4,315.6	9,553.0	17,377.1
Comprehensive financing result		(1,864.5)	(3,161.1)	1,055.5	776.2	(3,193.9)
Other income (expense), net		4,603.1	(515.5)	3,446.8	(12,988.4)	(5,454.0)
Income tax		832.8	397.1	(1,236.9)	(1,265.9)	(1,272.9)
Equity in income of affiliates		3,994.8	5,522.1	203.5	(9,305.2)	415.2
Consolidated net income		7,508.4	5,808.9	7,784.5	(13,230.3)	7,871.5

Minority interest	-	-	21.8	341.3	363.1
Majority interest net income	Ps 7,508.4	5,808.9	7,762.7	(13,571.6)	7,508.4

For the year ended December 31, 2004		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Sales	Ps	-	26,776.2	70,205.4	(6,197.7)	90,783.9
Operating income		(37.5)	3,669.1	4,403.3	12,592.8	20,627.7
Comprehensive financing result		1,225.5	493.8	6,623.7	(6,857.5)	1,485.5
Other income (expense), net		(1,172.6)	(463.8)	5,870.9	(9,624.7)	(5,390.2)
Income tax		304.0	354.2	(1,178.9)	(1,853.1)	(2,373.8)
Equity in income of affiliates		14,242.9	14,756.9	3,027.4	(31,580.9)	446.3
Consolidated net income		14,562.3	18,810.2	18,746.4	(37,323.4)	14,795.5
Minority interest		-	-	3,235.3	(3,002.1)	233.2
Majority interest net income	Ps	14,562.3	18,810.2	15,511.1	(34,321.3)	14,562.3

Condensed consolidated statements of changes in financial position:

For the year ended December 31, 2002		CEMEX	Combined guarantors	Combined non-guarantors	Adjustments and eliminations	CEMEX consolidated
Operating activities:						
Majority interest net income	Ps	6,339.2	(3,453.5)	7,134.6	(3,681.1)	6,339.2
Non-cash items		(6,591.9)	1,499.6	21,583.2	(7,221.3)	9,269.6
Resources provided by operations		(252.7)	(1,953.9)	28,717.8	(10,902.4)	15,608.8
Net change in working capital		1,193.1	5,508.9	(29,697.0)	27,657.0	4,662.0
Resources provided by operations, net		940.4	3,555.0	(979.2)	16,754.6	20,270.8
Financing activities:						
Bank loans and notes payable, net		7,990.7	69.9	(5,548.0)	181.5	2,694.1
Dividends paid		(3,984.1)	(2,377.1)	2.6	2,374.5	(3,984.1)
Issuance of common stock		3,456.3	-	15,875.2	(15,875.2)	3,456.3
Repurchase of preferred stock by subsidiaries		-	-	(4,880.8)	(39.4)	(4,920.2)
Others		377.1	(188.0)	59,358.3	(56,383.6)	3,163.8
Resources used in financing activities		7,840.0	(2,495.2)	64,807.3	(69,742.2)	409.9
Investing activities:						
Property, machinery and equipment, net		-	(1,164.3)	(3,043.8)	(304.3)	(4,512.4)
Acquisitions, net of cash acquired		(69,166.9)	12,636.3	615.7	52,704.0	(3,210.9)
Dividends received		2,546.1	-	-	(2,546.1)	-
Minority interest		-	-	(3,446.7)	(27.8)	(3,474.5)
Deferred charges and others		58,064.3	(11,673.0)	(57,008.9)	501.7	(10,115.9)
Resources used in investing activities		(8,556.5)	(201.0)	(62,883.7)	50,327.5	(21,313.7)
Change in cash and investments		223.9	858.8	944.4	(2,660.1)	(633.0)
Cash and investments initial balance		179.0	1,152.3	2,497.4	1,204.8	5,033.5
Cash and investments ending balance	Ps	402.9	2,011.1	3,441.8	(1,455.3)	4,400.5

For the year ended December 31, 2003		CEMEX	Combined guarantors	Adjustments Combined non-guarantors	and eliminations	CEMEX consolidated
Operating activities:						
Majority interest net income	Ps	7,508.4	5,808.9	7,762.7	(13,571.6)	7,508.4
Non-cash items		(2,240.1)	(3,307.7)	22,763.1	(6,135.1)	11,080.2
Resources provided by operations		5,268.3	2,501.2	30,525.8	(19,706.7)	18,588.6
Net change in working capital		19,089.0	14,619.3	(43,705.9)	10,113.0	115.4
Resources provided by operations, net		24,357.3	17,120.5	(13,180.1)	(9,593.7)	18,704.0
Financing activities:						
Bank loans and notes payable, net		(12,227.3)	(232.9)	10,517.1	(15.7)	(1,958.8)
Dividends paid		(4,210.3)	(5,945.0)	147.2	5,797.8	(4,210.3)

Issuance of common stock.....	3,944.7	-	-	-	3,944.7
Repurchase of preferred stock by subsidiaries.	-	-	(7,801.5)	-	(7,801.5)
Others.....	787.2	(8,843.2)	2,866.1	9,317.1	4,127.2
Resources used in financing activities.....	(11,705.7)	(15,021.1)	5,728.9	15,099.2	(5,898.7)
Investing activities:					
Property, machinery and equipment, net.....	-	(1,003.5)	(3,496.3)	(36.3)	(4,536.1)
Acquisitions, net of cash acquired.....	(7,397.9)	(2,097.2)	13,475.7	(4,954.1)	(973.5)
Dividends received.....	5,844.6	-	-	(5,844.6)	-
Minority interest.....	-	-	(906.0)	(7.3)	(913.3)
Deferred charges and others.....	(11,386.7)	665.3	7,006.0	(3,588.0)	(7,303.4)
Resources used in investing activities.....	(12,940.0)	(2,435.4)	16,079.4	(14,430.3)	(13,726.3)
Change in cash and investments.....	(288.4)	(336.0)	8,628.2	(8,924.8)	(921.0)
Cash and investments initial balance.....	402.9	2,011.1	3,441.8	(1,455.3)	4,400.5
Cash and investments ending balance..... Ps	114.5	1,675.1	12,070.0	(10,380.1)	3,479.5

For the year ended December 31, 2004	CEMEX	Combined guarantors	Adjustments Combined non-guarantors	and eliminations	CEMEX consolidated
Operating activities:					
Majority interest net income..... Ps	14,562.3	18,810.2	15,511.1	(34,321.3)	14,562.3
Non-cash items.....	(11,891.3)	(13,530.8)	13,700.2	24,359.5	12,637.6
Resources provided by operations.....	2,671.0	5,279.4	29,211.3	(9,961.8)	27,199.9
Net change in working capital.....	(862.7)	11,379.0	(9,374.3)	(3,513.5)	(2,371.5)
Resources provided by operations, net.....	1,808.3	16,658.4	19,837.0	(13,475.3)	24,828.4
Financing activities:					
Bank loans and notes payable, net.....	(1,526.2)	59.0	(11,357.5)	-	(12,824.7)
Bank loans acquisition of RMC Group.....	-	-	8,756.0	-	8,756.0
Appreciation warrants.....	(1,053.0)	-	-	-	(1,053.0)
Dividends paid.....	(4,319.4)	-	(283.4)	283.4	(4,319.4)
Issuance of common stock.....	4,224.0	-	-	-	4,224.0
Issuance (repurchase) of preferred stock by subsidiaries.....	-	-	(2,810.0)	2,019.0	(791.0)
Others.....	(540.0)	(14,311.8)	4,771.1	8,255.8	(1,824.9)
Resources used in financing activities.....	(3,214.6)	(14,252.8)	(923.8)	10,558.2	(7,833.0)
Investing activities:					
Property, machinery and equipment, net.....	-	(651.8)	(4,183.1)	709.3	(4,125.6)
Acquisitions, net of cash acquired.....	(1,358.9)	(1,364.5)	(186.4)	2,723.4	(186.4)
Investment in RMC Group.....	-	-	(8,756.0)	-	(8,756.0)
Dividends received.....	283.4	-	-	(283.4)	-
Minority interest.....	-	-	(1,461.9)	-	(1,461.9)
Deferred charges and others.....	2,471.8	(73.3)	(1,814.7)	(2,715.3)	(2,131.5)
Resources used in investing activities.....	1,396.3	(2,089.6)	(16,402.1)	434.0	(16,661.4)
Change in cash and investments.....	(10.0)	316.0	2,511.1	(2,483.1)	334.0
Cash and investments initial balance.....	114.5	1,675.1	12,070.0	(10,380.1)	3,479.5
Cash and investments ending balance..... Ps	104.5	1,991.1	14,581.1	(12,863.2)	3,813.5

The tables below present consolidated balance sheets as of December 31, 2003 and 2004, and income statements and statements of changes in financial position for each of the three-year periods ended December 31, 2004 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, 2003	Guarantors (Parent Company-only)			
Assets	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Current Assets				
Cash and investments	Ps 809.4	865.7	-	1,675.1
Trade accounts receivable, net	278.2	-	-	278.2
Other receivables and other current assets	887.1	106.6	(117.9)	875.8
Related parties receivables	2,137.6	4,740.7	(4,599.0)	2,279.3
Inventories	1,327.6	-	-	1,327.6
Total current assets	5,439.9	5,713.0	(4,716.9)	6,436.0
Other Investments				
Investments in subsidiaries and affiliates	127,448.1	30,075.9	(49,881.5)	107,642.5
Long-term related parties receivables	254.6	9,833.9	(9,833.9)	254.6
Other investments	234.2	-	-	234.2
Total other investments	127,936.9	59,715.4	(39,909.8)	127,936.4
Property, machinery and equipment	31,425.1	-	-	31,425.1
Deferred charges	1,633.9	4,353.7	(17.3)	5,970.3
Total Assets	Ps 166,435.8	49,976.5	(64,449.6)	151,962.7
Liabilities and Stockholders' Equity				
Current Liabilities				
Current maturities of long-term debt	Ps 7.2	-	-	7.2
Trade accounts payable	640.3	-	-	640.3
Other accounts payable and accrued expenses	1,319.6	5.5	(118.1)	1,207.0
Related parties payables	17,787.5	-	(4,599.0)	13,188.5
Total current liabilities	19,754.6	5.5	(4,717.1)	15,043.0
Total long-term debt	8.9	-	-	8.9
Other Noncurrent Liabilities				
Deferred income taxes	8,327.2	-	(17.3)	8,309.9
Others	102.0	89.9	-	191.9
Long-term related parties payables	51,706.7	-	(9,834.1)	41,872.6
Total other noncurrent liabilities	60,135.9	89.9	(9,851.4)	50,374.4
Total Liabilities	79,899.4	95.4	(14,568.5)	65,426.3
Stockholders' equity	80,727.5	48,050.0	(48,050.0)	80,727.5
Net income	5,808.9	1,831.1	(1,831.1)	5,808.9
Total stockholders' equity	86,536.4	49,881.1	(49,881.1)	86,536.4
Total Liabilities and Stockholders' Equity	Ps 166,435.8	49,976.5	(64,449.6)	151,962.7

Guarantors' Combined Balance Sheets:

December 31, 2004	Guarantors (Parent Company-only)			
Assets	CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Current Assets				
Cash and investments	Ps 831.9	1,159.2	-	1,991.1
Trade accounts receivable, net	93.0	-	-	93.0
Other receivables and other current assets	770.4	400.9	(301.4)	869.9
Related parties receivables	3,730.6	1,725.6	(1,792.1)	3,664.1
Inventories	1,604.3	-	-	1,604.3
Total current assets	7,030.2	3,285.7	(2,093.5)	8,222.4
Other Investments				
Investments in subsidiaries and affiliates	138,243.5	29,515.0	(48,544.0)	119,214.5
Long-term related parties receivables	145.0	34,100.0	(34,100.0)	145.0
Other investments	314.5	-	-	314.5
Total other investments	138,703.0	63,615.0	(82,644.0)	119,674.0

Property, machinery and equipment		30,833.4	-	-	30,833.4
Deferred charges		1,828.5	4,300.5	-	6,129.0
Total Assets	Ps	178,395.1	71,201.2	(84,737.5)	164,858.8
Liabilities and Stockholders' Equity					
Current Liabilities					
Current maturities of long-term debt		37.9	-	-	37.9
Trade accounts payable		745.0	-	-	745.0
Other accounts payable and accrued expenses		1,361.1	300.4	(301.4)	1,360.1
Related parties payables		27,582.4	70.9	(1,792.1)	25,861.2
Total current liabilities		29,726.4	371.3	(2,093.5)	28,004.2
Total long-term debt		37.2	-	-	37.2
Other Noncurrent Liabilities					
Deferred income taxes		7,580.6	72.8	-	7,653.4
Others		205.5	-	-	205.5
Long-term related parties payables		39,402.8	22,213.1	(34,100.0)	27,515.9
Total other noncurrent liabilities		47,188.9	22,285.9	(34,100.0)	35,374.8
Total Liabilities		76,952.5	22,657.2	(36,193.5)	63,416.2
Stockholders' equity		82,632.4	48,152.9	(48,152.9)	82,632.4
Net income		18,810.2	(391.1)	(391.1)	18,810.2
Total stockholders' equity		101,442.6	48,544.0	(48,544.0)	101,442.6
Total Liabilities and Stockholders' Equity	Ps	178,395.1	71,201.2	(84,737.5)	164,858.8

Guarantors' Combined Income Statements:

		Guarantors (Parent Company-only)			
For the year ended December 31, 2002		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	23,813.1	-	-	23,813.1
Cost of sales		(8,175.4)	-	-	(8,175.4)
Gross profit		15,637.7	-	-	15,637.7
Total operating expenses		(12,123.7)	(0.2)	(0.1)	(12,124.0)
Operating income		3,514.0	(0.2)	(0.1)	3,513.7
Net comprehensive financing result		(6,422.7)	(564.8)	0.1	(6,987.4)
Other income (expense), net		(352.2)	(7.3)	(0.1)	(359.6)
Income before IT, BAT, ESPS and equity in affiliates		(3,260.9)	(572.3)	(0.1)	(3,833.3)
Total IT, BAT and ESPS		(580.6)	(786.8)	-	(1,367.4)
Income before equity in income of affiliates		(3,841.5)	(1,359.1)	(0.1)	(5,200.7)
Equity in income of affiliates		388.0	(28.7)	1,387.9	1,747.2
Net income	Ps	(3,453.5)	(1,387.8)	1,387.8	(3,453.5)

		Guarantors (Parent Company-only)			
For the year ended December 31, 2003		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	25,724.1	-	-	25,724.1
Cost of sales		(9,240.8)	-	-	(9,240.8)
Gross profit		16,483.3	-	-	16,483.3
Total operating expenses		(12,916.6)	-	(0.4)	(12,917.0)

Operating income		3,566.7	-	(0.4)	3,566.3
Net comprehensive financing result		(4,299.0)	1,137.9	-	(3,161.1)
Other income (expense), net		(492.8)	(22.7)	-	(515.5)
Income before IT, BAT, ESPS and equity in affiliates		(1,225.1)	1,115.2	(0.4)	(110.3)
Total IT, BAT and ESPS		472.7	(75.6)	-	397.1
Income before equity in income of affiliates		(752.4)	1,039.6	(0.4)	286.8
Equity in income of affiliates		6,561.3	791.5	(1,830.7)	5,522.1
Net income	Ps	5,808.9	1,831.1	(1,831.1)	5,808.9

		Guarantors (Parent Company-only)			
For the year ended December 31, 2004		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Net sales	Ps	26,776.2	-	-	26,776.2
Cost of sales		(9,953.8)	-	-	(9,953.8)
Gross profit		16,822.4	-	-	16,822.4
Total operating expenses		(13,153.0)	(0.3)	-	(13,153.3)
Operating income		3,669.4	(0.3)	-	3,669.1
Net comprehensive financing result		17.7	476.1	-	493.8
Other income (expense), net		(406.4)	(57.4)	-	(463.8)
Income before IT, BAT, ESPS and equity in affiliates		3,280.7	418.4	-	3,699.1
Total IT, BAT and ESPS		733.9	(379.7)	-	354.2
Income before equity in income of affiliates		4,014.6	38.7	-	4,053.3
Equity in income of affiliates		14,795.6	(52.4)	391.1	14,756.9
Net income	Ps	18,810.2	(91.1)	391.1	18,810.2

Guarantors' Combined Statements of Changes in Financial Position:

		Guarantors (Parent Company-only)			
For the year ended December 31, 2002		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities					
Net income	Ps	(3,453.5)	(1,387.8)	1,387.8	(3,453.5)
Charges to operations which did not require resources		1,698.7	1,188.7	(1,387.8)	1,499.6
Resources provided by operating activities		(1,754.8)	(199.1)	-	(1,953.9)
Net change in working capital		5,060.4	(27.6)	476.1	5,508.9
Net resources provided by operating activities		3,305.6	(226.7)	476.1	3,555.0
Financing activities					
Bank loans and notes payable, net		13.5	56.4	-	69.9
Dividends		(2,377.1)	-	-	(2,377.1)
Long-term related parties receivables and payables, net		(56,521.2)	-	-	(56,521.2)
Other noncurrent assets and liabilities, net		56,333.2	-	-	56,333.2
Resources used in financing activities		(2,551.6)	56.4	-	(2,495.2)
Investing activities					
Property, plant and equipment, net		(1,164.3)	-	-	(1,164.3)
Investments in subsidiaries and affiliates		(11,355.0)	(24.5)	68.1	(11,311.4)
Deferred charges		(232.6)	(18.5)	(110.5)	(361.6)
Other investments		12,921.2	148.8	(433.7)	12,636.3
Resources used in investing activities		169.3	105.8	(476.1)	(201.0)
Change in cash and investments		923.3	(64.5)	-	858.8

Cash and investments initial balance.....		439.8	712.5	-	1,152.3
Cash and investments ending balance.....	Ps	1,363.1	648.0	-	2,011.1

		Guarantors (Parent Company-only)			
For the year ended December 31, 2003		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities					
Net income.....	Ps	5,808.9	1,831.1	(1,831.1)	5,808.9
Charges to operations which did not require resources.....		(5,238.6)	100.1	1,830.8	3,307.7
Resources provided by operating activities.....		570.3	1,931.2	(0.3)	2,501.2
Net change in working capital.....		40,445.3	1,112.7	(26,938.7)	14,619.3
Net resources provided by operating activities.....		41,015.6	3,043.9	(26,939.0)	17,120.5
Financing activities					
Bank loans and notes payable, net.....		(266.4)	33.5	-	(232.9)
Dividends.....		(5,945.0)	-	-	(5,945.0)
Long-term related parties receivables and payables, net...		(40,831.6)	-	31,951.1	(8,880.5)
Other noncurrent assets and liabilities, net.....		37.3	(6,808.2)	6,808.2	37.3
Resources used in financing activities.....		(47,005.7)	(6,774.7)	38,759.3	(15,021.1)
Investing activities					
Property, plant and equipment, net.....		(1,003.5)	-	-	(1,003.5)
Investments in subsidiaries and affiliates.....		5,774.6	(1,063.8)	(6,808.0)	(2,097.2)
Deferred charges.....		634.7	-	-	634.7
Other investments.....		30.6	5,012.3	(5,012.3)	30.6
Resources used in investing activities.....		5,436.4	3,948.5	(11,820.3)	(2,435.4)
Change in cash and investments.....		(553.7)	217.7	-	(336.0)
Cash and investments initial balance.....		1,363.1	648.0	-	2,011.1
Cash and investments ending balance.....	Ps	809.4	865.7	-	1,675.1

Guarantors' Combined Statements of Changes in Financial Position:

		Guarantors (Parent Company-only)			
For the year ended December 31, 2004		CEMEX Mexico	ETM	Adjustments and eliminations	Combined guarantors
Operating activities					
Net income.....	Ps	18,810.2	(391.1)	391.1	18,810.2
Charges to operations which did not require resources.....		(13,642.4)	279.5	(391.1)	(13,530.8)
Resources provided by operating activities.....		5,167.8	111.6	-	5,279.4
Net change in working capital.....		8,182.6	3,087.0	109.4	11,379.0
Net resources provided by operating activities.....		13,350.4	3,198.6	109.4	16,658.4
Financing activities					
Bank loans and notes payable, net.....		59.0	-	-	59.0
Long-term related parties receivables and payables, net...		(12,303.9)	22,213.1	(24,265.9)	(14,356.7)
Other noncurrent assets and liabilities, net.....		44.9	-	-	44.9
Resources used in financing activities.....		(12,200.0)	22,213.1	(24,265.9)	(14,252.8)
Investing activities					
Property, plant and equipment, net.....		(651.8)	-	-	(651.8)
Investments in subsidiaries and affiliates.....		(439.6)	(25,081.4)	24,156.5	(1,364.5)
Deferred charges.....		(177.4)	(36.8)	-	(214.2)
Other investments.....		140.9	-	-	140.9
Resources used in investing activities.....		(1,127.9)	(25,118.2)	24,156.5	(2,089.6)
Change in cash and investments.....		22.5	293.5	-	316.0
Cash and investments initial balance.....		809.4	865.7	-	1,675.1
Cash and investments ending balance.....	Ps	831.9	1,159.2	-	1,991.1

Guarantors--Restatement of certain amounts of year 2003

Until June 2003, CEMEX, the owner of 100% of the common stock of CEMEX Mexico, held an approximate 49% equity interest in CEMEX Trademarks Holdings, Ltd. ("CTH"), which in turn was the holding company of CEMEX Trademarks Worldwide Ltd. ("CTW"), the subsidiary that conducts the research and development efforts within the group, and that is the owner of the rights for most of CEMEX's intangible assets, including trademarks and commercial names. The remaining 51% equity interest in CTH was indirectly held by CEMEX Mexico. In June 2003, by means of an exchange of assets between related parties, CEMEX Mexico became the indirect majority owner of CTW, in exchange for the transfer to CEMEX, through CTH, of an equity interest of approximately 24% in the subsidiary of CEMEX Mexico that holds the international operations of the group. As a result of the exchange of assets, which was accounted for at historical cost, CEMEX Mexico reduced its investment in subsidiaries with a corresponding reduction in equity which was intended to represent the carrying value of the 24% interest transferred to CEMEX.

In connection with the preparation of the 2004 financial information for the separate CEMEX Mexico and Combined guarantors presentation, CEMEX recognized that the effect of the exchange of assets was not reflective of the transaction. As a result, during 2004, CEMEX Mexico and CTH entered into agreements pursuant to which CEMEX Mexico, through a subsidiary, has an option to acquire the equity interest of CTH in the holding company of the international operations, while CTH has an option to acquire, from a subsidiary of CEMEX Mexico, such subsidiary's equity interest in CTW.

The balance sheets of CEMEX Mexico-only and the Combined guarantors as of December 31, 2004, as well as the income statements of CEMEX Mexico-only and the Combined guarantors for the year ended December 31, 2004, reflect 100% of the interest of the subsidiaries of CEMEX Mexico. The line items "Investment in subsidiaries and affiliates" and "Stockholders' equity" in the balance sheet andn the line item "Equity in income of affiliates" in the income statement of both, CEMEX Mexico-only and the Combined guarantors, include the equity interest of CEMEX in CTH. CEMEX considers that is a more meaningful representation of the stockholders' equity of CEMEX Mexico-only and the pro forma stockholders' equity of the Combined guarantors, given that: i) CEMEX Mexico and CTH are directly and indirectly, respectively, wholly-owned subsidiaries of CEMEX, as a result of which, the majority equity interest of CTH, and majority and minority equity interests of, CEMEX Mexico and the Combined guarantors were under the common control of CEMEX for all periods presented; and ii) upon execution of the call option for the 24% minority interest entered into by CEMEX Mexico and CTH during 2004, a reduction in the carrying value of CEMEX Mexico's investment in subsidiaries would not be reflected. This presentation does not affect the consolidated financial information of CEMEX and subsidiaries.

For purposes of presenting the comparative Combined guarantors financial statements for the year 2003, on a basis consistent with that presented in 2004 as discussed above, CEMEX restated the previously filed balance sheet information of CEMEX Mexico-only and the Combined guarantors as of December 31, 2003, as well as the income statement information of CEMEX Mexico-only and the Combined guarantors for the year ended December 31, 2003, as if the option had been in effect at the date of the original exchange, thus reflecting 100% ownership of the Subsidiaries of CEMEX Mexico, and also corrected misclassifications in the 2003 presentation of amounts between guarantors and

non-guarantors. The restated items in the Combined guarantors' financial information are as follows:

As of and for the year ended December 31, 2003		As reported	Restated
Combined Guarantors			
Investment in subsidiaries and affiliated companies	Ps	97,698.3	107,642.5
Total assets		142,018.1	151,962.7
Stockholders' equity		76,591.8	86,536.4
Total liabilities and stockholders' equity		142,018.1	151,962.7
Equity in income of subsidiaries and affiliates		3,575.9	5,522.1
Net income		3,862.8	5,808.9

Guarantors--Cash and investments

At December 31, 2003 and 2004, ETM's temporary investments are primarily comprised of CEMEX CPOs. In June 2003 and 2004, CEMEX issued 817,515 CPOs and 325,212 CPOs, respectively, through dividends to ETM amounting to Ps30.6 and Ps 17.3, respectively.

Guarantors--Trade receivables

During December 2002, CEMEX Mexico and one of its subsidiaries established sales of trade accounts receivable program ("securitization program"). With this program, these companies effectively transferred control, risks and benefits related to some of the trade accounts receivable balances. As of December 31, 2003 and 2004, these balances amounted to Ps1,705.2 and Ps1,726.1 from CEMEX Mexico, respectively, and Ps909.4 and Ps1,417.1 from its subsidiary, respectively.

Guarantors--Investment in affiliates

At December 31, 2003 and 2004, of the Guarantors' total investment in affiliates, which are accounted for under the equity method, Ps108,098.2 and Ps118,969.9, respectively, correspond to investments in non-guarantors, and Ps241.8 in 2003 and Ps244.6 in 2004, are related to minority investments in third parties.

At December 31, 2004, the main Guarantors' investments in non-guarantors are in CEMEX Concretos, S.A. de C.V and CEMEX Internacional, S.A. de C.V., which together integrate the ready-mix concrete operations and export trading activities in Mexico; and CEDICE, which is the parent company of the international operations of CEMEX.

Guarantors--Indebtedness

At December 31, 2003 and 2004, the Guarantors had total indebtedness of U.S.$1.3 million (Ps16.1) and U.S.$6.7 million (Ps75.1), respectively. At December 31, 2003 and 2004, the average annual interest rate of this indebtedness was approximately 7.8% and 9.9%, respectively. Of the total indebtedness of the Guarantors at December 31, 2004, approximately U.S.$3.4 million (Ps37.9) matures in 2005 and U.S.$3.3 million (Ps.37.2) matures in 2006 and thereafter.

Guarantors--Balances and transactions with related parties

Balances with related parties result primarily from (i) the sale and purchase of cement and clinker to and from affiliates, (ii) the sale and/or acquisition of subsidiaries' shares within the CEMEX group, (iii) the invoicing of administrative and other services received or provided from and to affiliated companies, and (iv) the transfer of funds between the Guarantors, their respective parents and certain affiliates. The related parties balance detail is as follows:

Guarantors		Assets		Liabilities	
At December 31, 2003		Short-Term	Long-Term	Short-Term	Long-Term
CEMEX, S.A. de C.V.	Ps	141.3	-	-	32,270.5
CEMEX Central, S.A. de C.V.		703.5	-	-	-
CEMEX Concretos, S.A. de C.V.		257.9	-	-	-
Impra Cafe, S.A. de C.V.		502.1	-	-	-
CEMEX Trademarks Worldwide		-	-	5,122.3	-
Servicios CEMEX Mexico, S.A. de C.V.		272.7	-	-	-
Proveedora de Fibras Textiles, S.A. de C.V.		-	-	61.1	-
Inmobiliaria Rio la Silla, S.A. de C.V.		-	254.6	-	-
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	-	6,704.0
CEMEX International Finance Company		-	-	4,116.6	-
Petrocemex, S.A. de C.V.		-	-	1,185.5	2,898.1
CEMEX Internacional, S.A. de C.V.		-	-	641.2	-
Turismo CEMEX, S.A. de C.V..		-	-	269.0	-
Others		401.8	-	1,792.8	-
	Ps	2,279.3	254.6	13,188.5	41,872.6

Guarantors		Assets		Liabilities	
At December 31, 2004		Short-Term	Long-Term	Short-Term	Long-Term
CEMEX, S.A. de C.V.	Ps	912.0	-	-	27,515.9
CEMEX Central, S.A. de C.V.		1,344.8	-	-	-
CEMEX Concretos, S.A. de C.V.		240.0	-	-	-
Corporacion Gouda, S.A. de C.V.		127.1	-	-	-
Incalpa, S.A. de C.V.		625.3	-	-	-
Construmexcla, S.A. de C.V.		-	-	6,183.5	-
CEMEX Irish Investments Company Limited.		-	-	4,710.3	-
CEMEX Trademarks Worldwide		-	-	5,425.8	-
Servicios CEMEX Mexico, S.A. de C.V.		-	-	334.3	-
Inmobiliaria Rio la Silla, S.A. de C.V.		-	145.0	71.2	-
Centro Distribuidor de Cemento, S.A. de C.V.		-	-	2,618.3	-
Petrocemex, S.A. de C.V.		-	-	4,085.6	-
CEMEX Internacional, S.A. de C.V.		-	-	302.7	-
Turismo CEMEX, S.A. de C.V..		-	-	1,072.9	-
Others		414.9	-	1,056.6	-
	Ps	3,664.1	145.0	25,861.2	27,515.9

The principal transactions carried out with affiliated companies are as follows:

Guarantors		Years ended December 31, 2002	2003	2004
Net sales	Ps	3,681.7	3,848.1	4,556.6
Purchases		(1,079.2)	(1,380.5)	(1,381.7)
Selling and administrative expenses		(7,878.6)	(8,613.2)	(7,683.7)
Financial expense		(4,680.2)	(4,963.1)	(2,831.1)
Financial income		631.5	360.1	863.6
Other expense, net	Ps	(62.0)	295.3	580.8

Net sales--The Guarantors sell cement and clinker to affiliated companies in

arms-length transactions.

Purchases--The Guarantors purchase raw materials from affiliates in arms-length transactions.

Selling and administrative expenses--CEMEX allocates part of its corporate expense to the Guarantors, which also incur rental and trademark rights expenses payable to CEMEX.

Financial income and expense is recorded in receivables from and payables to affiliated companies as described above. Additionally, the Guarantors receive financial income on their temporary investment position, invested in the non-guarantor treasury company.

Guarantors--U.S. GAAP reconciliation of net income and stockholders' equity:

As discussed at the beginning of this note 24, 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,		
		2002	2003	2004
Net income reported under Mexican GAAP	Ps	(3,453.5)	5,808.9	18,810.2
Approximate U.S. GAAP adjustments:				
1. Deferred income taxes and ESPS (see note B)		2,117.1	(8.4)	(541.2)
2. Other employees' benefits (see note C)		(14.8)	36.5	10.9
3. Inflation adjustment of machinery and equipment (see note D)		(200.4)	(123.1)	(108.7)
4. Other U.S. GAAP adjustments (see note E)		331.7	(176.1)	1,159.9
5. Monetary position result (see note F)		541.1	118.4	181.0
Total approximate U.S. GAAP adjustments		2,774.7	(152.7)	701.9
Total approximate net income under U.S. GAAP	Ps	(678.8)	5,656.2	19,512.1

		At December 31,	
		2003	2004
Total stockholders' equity under Mexican GAAP	Ps	86,536.4	101,442.6
Approximate U.S. GAAP adjustments:			
1. Effect of pushdown of goodwill, net (see note A)		2,139.2	1,693.8
2. Deferred income taxes and ESPS (see note B)		(3,447.2)	(3,248.2)
3. Other employees' benefits (see note C)		(105.5)	(89.2)
4. Inflation adjustment for machinery and equipment (see note D)		2,279.5	1,805.3
5. Other U.S. GAAP adjustments (see note E)		581.0	6,656.4
Total approximate U.S. GAAP adjustments		1,447.0	6,818.1
Total approximate stockholders' equity under U.S. GAAP	Ps	87,983.4	108,260.7

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 Ps7,647.0, of which Ps3,955.4 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 Ps1,274.8 in 2003 and Ps829.4 in 2004.

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 Ps972.6. The net adjustment in the Guarantors' stockholders' equity reconciliation to U.S. GAAP arising from this pushed-down goodwill was Ps864.4 in 2003 and Ps864.4 in 2004.

As mentioned in note 24(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, 2003 and 2004, represented expense of Ps717.4 and expense of Ps405.9, respectively. In addition, deferred ESPS adjustment to U.S. GAAP was an expense of Ps2,729.8 in 2003 and an expense of Ps2,842.3 in 2004.

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. The Guarantors recognized, for purposes of the U.S. GAAP reconciliation, a liability for severance benefits for Ps105.5 in 2003 and Ps89.2 in 2004.

D. Inflation Adjustment of Machinery and Equipment

As previously mentioned in note 24(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 Ps294.3 for the year ended December 31, 2002. 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 Ps521.2 in February 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, 2003 and 2004 was income of Ps581.0 and income of Ps6,656.4, respectively. The effect on the net income reconciliation to U.S. GAAP was income of Ps626.0 in 2002 and

expense of Ps176.1 in 2003 and Ps1,159.9 in 2004, respectively. From the U.S. GAAP adjustments to subsidiary companies in the Guarantors' reconciliation of stockholders' equity, expense of Ps3,447.2 in 2003 and expense of Ps3,248.2 in 2004, are related to deferred IT and deferred ESPS.

Affiliates companies--In 2003, the investment in affiliates includes an effect of Ps682.4 corresponding to the cumulative effect of accounting change; see notes 24(k), with respect to asset retirement obligations, and 24(m) with respect to equity forward contracts.

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, 2002, 2003 and 2004, 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,		
	2002	2003	2004
Net cash provided by operating activities..... Ps	2,001.4	6,969.9	17,387.8
Net cash provided by (used in) financing activities.....	2,418.5	(5,886.0)	31.1
Net cash used in investing activities.....	(3,555.4)	(1,561.2)	(17,355.0)

Net cash flow from operating activities reflects cash payments for interests and income taxes as follows:

	Years ended December 31,		
	2002	2003	2004

Interest paid	Ps	263.5	149.7	0.1
Income taxes paid		-	-	0.7

Guarantors' non-cash activities are comprised of the following:

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, 2003.

Contingent liabilities of the Guarantors

As of December 31, 2003 and 2004, CEMEX Mexico and ETM guaranteed debt of CEMEX in the amount of U.S.$3,145 million (Ps37,555.6) and U.S.$3,087.8 million (Ps34,398.1) (note 12C).

Subsequent event

On March 7, 2005, at the extraordinary shareholders meeting of CEMEX Mexico, shareholders approved: 1) an increase in capital stock amounting to approximately U.S.$799.6 millions (Ps8,863.3) and, 2) a capital contribution to its subsidiary CEDICE amounting to U.S.$799.6 millions (Ps8,863.3).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON SCHEDULES

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

Under the date of January 15, 2005, we reported on the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2003 and 2004, and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for each of the years ended December 31, 2002, 2003 and 2004, which are included in this annual report on Form 20-F. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedules in the annual report. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

KPMG Cardenas Dosal, S.C.

/s/ Leandro Castillo Parada

Monterrey, N.L. Mexico
January 15, 2005

SCHEDULE I

CEMEX, S.A. DE C.V. (PARENT COMPANY ONLY)

Balance Sheets
(Millions of constant Mexican Pesos as of December 31, 2004)

Assets	December 31, 2003	December 31, 2004
Current Assets		
Cash and investments	Ps 114.5	104.5
Other receivables (note 3)	750.5	984.6
Related parties receivables (note 7)	943.7	691.7
Total current assets	1,808.7	1,780.8
Investments and Noncurrent Receivables		
Investments in subsidiaries and affiliated companies (note 4)	90,012.2	103,554.6
Other investments	75.6	77.2
Other noncurrent accounts receivable	1,003.8	793.1
Long-term related parties receivables (note 7)	36,292.6	33,045.7
Total investments and noncurrent receivables	127,384.2	137,470.6
Land and Buildings	1,820.0	1,813.5
Intangible Assets and Deferred Charges (note 5)	5,585.9	4,135.3
Total Assets	Ps 136,598.8	145,200.2
Liabilities and Stockholders' Equity		
Current Liabilities		
Bank loans (note 6)	Ps 770.0	1,541.5
Notes payable (note 6)	1,991.8	-
Current maturities of long-term debt (note 6)	743.0	1,759.7
Other accounts payable and accrued expenses (note 3)	2,968.6	654.8
Related parties payable (note 7)	4,930.0	6,363.2
Total current liabilities	11,403.4	10,319.2
Long-Term Debt		
Long-Term debt (note 6)	23,396.7	22,074.1
Long-term related parties payables (note 7)	25,447.6	24,206.5
Total long-term debt	48,844.3	46,280.6
Other long-term liabilities	1,906.3	1,366.3
Total Liabilities	62,154.0	57,966.1
Stockholders' Equity	74,444.8	87,234.1
Total Liabilities and Stockholders' Equity	Ps 136,598.8	145,200.2

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, 2004, except for earnings per share)

	Years ended December 31, 2002	2003	2004
Total revenues	Ps 5,910.7	3,994.8	14,242.9
Administrative expenses	(116.4)	(57.8)	(37.5)
Operating income	5,794.3	3,937.0	14,205.4
Net comprehensive financing result	(1,503.9)	(1,864.5)	1,225.5
Other income (expense), net	(369.3)	4,603.1	(1,172.6)
Income before income taxes	3,921.1	6,675.6	14,258.3
Income tax benefit and business assets tax, net (note 8)	2,418.1	832.8	304.0
Net income	Ps 6,339.2	7,508.4	14,562.3

Basic earnings per share	Ps	1.41	1.58	2.92
Diluted earnings per share	Ps	1.41	1.55	2.90

See accompanying notes to financial statements.

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, 2004)

		Years ended December 31,		
		2002	2003	2004
Operating activities				
Net income	Ps	6,339.2	7,508.4	14,562.3
Charges to operations which did not require resources (note 9)		(6,591.9)	(2,240.1)	(11,891.3)
Resources provided by (used in) operating activities		(252.7)	5,268.3	2,671.0
Net change in working capital		1,193.1	19,089.0	(862.7)
Net resources provided by operating activities		940.4	24,357.3	1,808.3
Financing activities				
Proceeds from bank loans (repayments), net		3,523.4	(9,901.0)	5,712.0
Notes payable, net		4,467.3	(2,326.3)	(7,238.2)
Liquidation of appreciation warrants		-	-	(1,053.0)
Dividends paid		(3,984.1)	(4,210.3)	(4,319.4)
Issuance of common stock from reinvestment of dividends		3,376.4	3,899.4	4,156.8
Issuance of common stock under stock option plan		79.9	45.3	67.2
Disposal (acquisition) of shares under repurchase program		(425.5)	407.9	-
Other financing activities, net		802.6	379.3	(540.0)
Resources (used in) provided by financing activities		7,840.0	(11,705.7)	(3,214.6)
Investing activities				
Long-term related parties receivables, net		58,037.6	(10,883.9)	2,005.8
Net change in investment in subsidiaries		(69,166.9)	(7,397.9)	(1,358.9)
Dividends received		2,546.1	5,844.6	283.4
Deferred charges		(103.1)	(50.1)	267.5
Other noncurrent accounts receivable		129.8	(452.7)	198.5
Resources (used in) provided by investing activities		(8,556.5)	(12,940.0)	1,396.3
Increase (decrease) in cash and investments		223.9	(288.4)	(10.0)
Cash and investments at beginning of year		179.0	402.9	114.5
Cash and investments at end of year	Ps	402.9	114.5	104.5

See accompanying notes to financial statements.

SCHEDULE I (Continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
December 31, 2002, 2003 and 2004
(Millions of constant Mexican Pesos as of December 31, 2004)

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	2003 to 2004
Restatement factor using Mexican inflation.....	1.0559	1.0387	1.0539

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)

Intangible assets acquired as well as costs incurred in the development stages of intangible assets are capitalized when associated future benefits are identified and the control over such benefits is 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 the period cannot be accurately established 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 the value cannot be reasonably estimated, in which case, such amounts are included as part of goodwill, which was amortized until December 31, 2004, in accordance with current accounting standards. Until that date, CEMEX amortized goodwill under the present worth or sinking fund method, which was intended to provide a better matching of goodwill amortization with the revenues generated from the acquired companies. Goodwill generated before 1992 was amortized over a maximum period of 40 years, while goodwill generated from 1992 to December 31, 2004 was amortized over a maximum period of 20 years. Starting January 1, 2005, goodwill balances will cease to be amortized but will remain subject to periodic impairment tests.

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, 2003 and 2004 consist of:

		2003	2004
Non-trade receivables	Ps	298.1	229.6
Prepayments and receivables from valuation of derivative instruments		115.9	391.2
Refundable income tax		8.4	-
Other refundable taxes		328.1	363.8
	Ps	750.5	984.6

Other accounts payable and accrued expenses as of December 31, 2003 and 2004 consist of:

		2003	2004
Other accounts payable and accrued expenses	Ps	1,563.1	1.2
Interest payable		336.8	206.3
Tax payable		511.8	173.1
Dividends payable		5.2	4.4
Provisions		7.3	-
Accounts payable from valuation of derivative instruments		544.4	269.8
	Ps	2,968.6	654.8

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, 2003 and 2004, investments in subsidiaries and affiliated companies accounted for by the equity method, are summarized as follows:

		2003	2004
Book value at acquisition date	Ps	67,530.2	65,187.8
Equity in income and other changes in stockholders' equity of subsidiaries and affiliated companies		22,482.0	38,366.8
	Ps	90,012.2	103,554.6

5. INTANGIBLE ASSETS AND DEFERRED CHARGES

At December 31, 2003 and 2004, intangible assets of indefinite life and deferred charges are summarized as follows:

		2003	2004
Intangible of indefinite useful life:			
Goodwill	Ps	2,088.7	2,080.6
Accumulated amortization		(157.9)	(187.2)
		1,930.8	1,893.4
Deferred Charges:			
Deferred financing costs		405.4	196.9
Deferred income taxes (note 8)		3,186.9	1,970.2
Others		438.0	379.0
Accumulated amortization		(375.2)	(304.2)
		3,655.1	2,241.9
	Ps	5,585.9	4,135.3

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

A total of 69.9% and 90.1% of the Parent Company-only short-term debt is denominated in dollars in 2003 and 2004, respectively.

Of the Parent Company-only long-term debt, approximately 89.0% and 84.0% is denominated in dollars in 2003 and 2004, respectively; the remaining debt in 2003 and 2004 is primarily denominated in Mexican pesos.

The maturities of long-term debt as of December 31, 2004 are as follows:

		Parent
2006	Ps	6,177.8
2007		10,104.2
2008		3,489.6
2009		2,302.5

2010 and thereafter		-
	Ps	22,074.1

In the Parent Company-only balance sheet at December 31, 2003 and 2004, there were short-term debt transactions amounting to U.S.$395 million ($4,716.8) and U.S.$847.2 million ($9,438.1), respectively, 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.

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2002, 2003 and 2004
(Millions of constant Mexican Pesos as of December 31, 2004)

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The main balances receivable and payable with related parties as of December 31, 2003 and 2004 are:

Parent Company	2003			
	Assets		Liabilities	
	Short-Term	Long-Term	Short-Term	Long-Term
CEMEX Mexico, S.A. de C.V.	$ 785.7	36,082.3	-	-
CEMEX International Finance Co.	-	-	41.7	21,203.6
Empresas Tolteca de Mexico, S.A. de C.V.	-	-	4,738.8	-
CEMEX Irish Investments Company Limited.	-	-	17.8	4,108.7
International Investors LLC	10.2	210.3	-	-
Centro Distribuidor de Cemento, S.A. de C.V.	2.8	-	-	135.3
CEMEX Asia Pte. Ltd.	-	-	125.0	-
CEMEX Manila Investments B.V.	58.6	-	-	-
Sunbelt Trading, S.A.	50.2	-	-	-
CEMEX Venezuela, S.A.C.A.	8.9	-	-	-
CEMEX Colombia, S.A.	7.1	-	-	-
Latin Asia Investments, Pte. Ltd.	5.9	-	-	-
Others	14.3	-	6.7	-
	$ 943.7	36,292.6	4,930.0	25,447.6

Parent Company	2004			
	Assets		Liabilities	
	Short-Term	Long-Term	Short-Term	Long-Term
CEMEX Mexico, S.A. de C.V.	$ -	10,832.6	6,245.5	267.2
CEMEX International Finance Co.	-	-	60.5	19,940.1
Empresas Tolteca de Mexico, S.A. de C.V.	70.9	22,213.1	-	-
CEMEX Irish Investments Company Limited.	-	-	22.7	3,863.9
Centro Distribuidor de Cemento, S.A. de C.V.	-	-	31.9	135.3
CEMEX Manila Investments B.V.	589.2	-	-	-
CEMEX Venezuela, S.A.C.A.	18.8	-	-	-
Latin Asia Investments, Pte. Ltd.	5.6	-	-	-
Others	7.2	-	2.6	-
	$ 691.7	33,045.7	6,363.2	24,206.5

The main transactions carried out during the last three years with related parties are:

		2002	2003	2004
Rental income	Ps	303.6	290.6	278.4
License fees		202.1	544.7	668.8
Financial expense		(879.0)	(835.5)	(939.7)
Management services expense		(2,299.3)	(1,503.5)	(930.2)
Financial income		3,406.9	3,233.2	1,488.7
Dividends received		2,546.1	5,844.6	283.4

SCHEDULE 1 (Continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2002, 2003 and 2004
(Millions of constant Mexican Pesos as of December 31, 2004)

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:

		2002	2003	2004
Received from subsidiaries.....	Ps	1,020.0	1,409.8	1,357.6
Deferred IT.....		1,398.1	(577.0)	(1,053.6)
	Ps	2,418.1	832.8	304.0

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
2000.....	Ps	360.0	2010
2001.....		3,527.9	2011
2002.....		4,053.6	2012
2003.....		811.7	2013
	Ps	8,753.2	

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, 2004 is as follows:

Year in which BAT exceeded IT	Amount of carryforwards	Year of expiration

1997.....	Ps	150.4	2007

SCHEDULE 1 (Continued)

CEMEX, S.A. DE C.V.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS--(Continued)
December 31, 2002, 2003 and 2004
(Millions of constant Mexican Pesos as of December 31, 2004)

9. ITEMS NOT AFFECTING CASH FLOWS

For the years ended December 31, 2002, 2003 and 2004, items charged or credited to the results of operations, which did not generated the use of resources, are summarized as follows:

	2002	2003	2004
Depreciation of properties.....Ps	5.5	5.5	6.5
Amortization of deferred charges and credits, net.....	205.7	336.9	344.3
Deferred income tax credited to results.....	(1,398.1)	577.0	
			1,053.6
Equity in income of subsidiaries and affiliates.....	(5,405.0)	(3,159.5)	(13,295.7)
Ps	(6,591.9)	(2,240.1)	(11,891.3)

10. CONTINGENCIES AND COMMITMENTS

As of December 31, 2003 and 2004, CEMEX has signed as guarantor of loans made to certain subsidiaries for approximately U.S.$1,322 million and U.S.$1,355 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.$55 million and U.S.$25.8 million, respectively.

SCHEDULE II

CEMEX, S.A. DE C.V. AND SUBSIDIARIES
December 31, 2002, 2003 and 2004
(Millions of constant Mexican Pesos as of December 31, 2004)

Valuation and Qualifying Accounts as of December 31, 2002, 2003 and 2004, 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, 2002:					
Allowance for doubtful accounts..... Ps	590.5	284.1	334.5	21.7	561.8
Year ended December 31, 2003:					
Allowance for doubtful accounts.....	561.8	373.1	298.7	35.3	671.5

Year ended December 31, 2004:					
Allowance for doubtful accounts.....	671.5	418.9	354.5	20.5	756.4

(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.

EXHIBIT 4.14

[EXECUTION COPY]

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CEMEX ESPANA FINANCE LLC

(Y)4,980,600,000 1.79% Senior Notes, Series 2004, Tranche 1, due 2010

(Y)6,087,400,000 1.99% Senior Notes, Series 2004, Tranche 2, due 2011

NOTE PURCHASE AGREEMENT

Dated as of April 15, 2004

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CEMEX ESPANA FINANCE LLC
c/o Cemex Espana, S.A.
Caleruega 67- 5(0)
28033 Madrid, Spain

1.79% Senior Notes, Series 2004, Tranche 1, due April 15, 2010

1.99% Senior Notes, Series 2004, Tranche 2, due April 15, 2011

as of April 15, 2004

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) (Y)4,980,600,000 aggregate principal amount of its 1.79% Senior Notes, Series 2004, Tranche 1, due April 15, 2010 (the "Tranche 1 Notes") and (ii) (Y)6,087,400,000 aggregate principal amount of its 1.99% Senior Notes, Series 2004, Tranche 2, due April 15, 2011 (the "Tranche 2 Notes") (the Tranche 1 Notes and the Tranche 2 Notes are collectively referred to herein as the "Notes", such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement). The Notes shall be substantially in the forms set out in Exhibit 1(a) and Exhibit 1(b), respectively, with such changes therefrom, if any, as

may be approved by the Purchasers and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

2. SALE AND PURCHASE OF NOTES.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 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 LLP, 1675 Broadway, New York, New York 10019, at 10:00 a.m., New York time, at a closing (the "Closing") on April 15, 2004 or on such other Business Day thereafter on or prior to April 15, 2004 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 (Y)50,000,000 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 JPY: ES29 1474 0000 1900 1102 2022 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 LLP, special New York counsel to the Obligors, covering the matters set forth in Exhibit 4.4(b) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or such Purchaser's counsel may reasonably request (and Cemex Espana and the Company hereby instruct such special counsel to deliver such opinion to such Purchaser), (c) from Warendorf, special Netherlands counsel for each Obligor that is organized in The Netherlands, covering the matters set forth in Exhibit 4.4(c) and covering such other matters as such Purchaser or such Purchaser's counsel may reasonably request (and Cemex Espana and the Company hereby instruct such counsel to deliver such opinion to such Purchaser), (d) from Latham & Watkins, 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 formation or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to on Schedule 5.5.

4.10 Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be reasonably satisfactory to such Purchaser and the Purchasers' special counsel, and such Purchaser and the Purchasers' special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser and the Purchasers' special counsel may reasonably request.

4.11 Note Guarantee.

Cemex Espana and each other Guarantor shall have executed and delivered to each Purchaser a counterpart of the Note Guarantee and the Note Guarantee shall be in full force and effect.

4.12 Agent for Service of Process.

CT Corporation System shall have accepted its appointment by the Company and each Guarantor as the agent for service of process for the Company and each Guarantor in the City of New York, State of New York, from the date of the Closing to and including April 15, 2012.

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, Banc of America Securities, has delivered to each Purchaser a copy of a Private Placement Memorandum, dated February 2004 (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 December 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) until September 1, 2004, and from and following September 1, 2004 Articles 90 and 91 of the Spanish Insolvency Law (Law 22/2003), Article 32 of the Spanish Workers' Statute (Estatuto de los Trabajadores), Article 71 of the Spanish General Taxation Law (Ley General Tributaria) and Article 22 of the Spanish General Law on Social Security (Ley General de la Seguridad Social) 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, such statements may be provided without notes attached thereto), and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations, subject to changes resulting from year-end adjustments;

(b) Annual Statements -- within 180 days after the end of each fiscal year of Cemex Espana, duplicate copies of,

(i) a consolidated balance sheet of Cemex Espana and its Subsidiaries as at the end of such year, and

(ii) consolidated statements of income, of changes in shareholders' equity and of source and application of funds of Cemex Espana and its Subsidiaries for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with Spanish GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized standing, which opinion shall state that such financial statements present

fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and of source and application of funds and have been prepared in conformity with Spanish GAAP, and that the examination by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards in Spain, and that such audit provides a reasonable basis for such opinion in the circumstances;

(c) SEC and Other Reports -- promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by Cemex Espana or any Subsidiary to public securities holders generally and (ii) each regular or periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by Cemex Espana or any Subsidiary with the Securities and Exchange Commission or with any other Governmental Authority of competent jurisdiction charged with the regulation of securities and of all press releases and other statements made available generally by Cemex Espana or any Subsidiary to the public concerning developments that are Material;

(d) Notice of Default or Event of Default -- promptly, and in any event within five days after a Senior Financial Officer becomes aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), 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 April 15, 2010.

(b) The entire principal amount of the Tranche 2 Notes shall become due and payable on April 15, 2011.

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 a minimum amount of (Y)100,000,000 and otherwise in multiples of (Y)10,000,000) at 100% of the principal amount so prepaid, together with interest accrued but unpaid thereon to the date of such prepayment, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5) and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date. In the event the Company shall incorrectly compute the Make-Whole Amount, if any, payable in connection with any Note to be 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 Japanese government bonds will be 0.25%). 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 or 8.3, 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.

"Recognized Yen Market Maker" means any financial institution that makes regular markets in Japanese Government Bonds and Japanese Government Bond-based securities and financial products, as shall be agreed between the Required Holders and Cemex Espana or, following the occurrence and continuance of an Event of Default, as reasonably determined by the Required Holders.

"Reinvestment Yield" meanswith respect to the Called Principal of any Note, the yield to maturity implied by the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the displays designated as Bloomberg Financial Markets News screen BTMM JN (or such other Bloomberg Financial Markets News display as may replace such BTMM JN screen) for actively traded Japanese Government Bonds having a maturity equal to the remaining life of such Called Principal as of such Settlement Date, provided that if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, such yield to maturity shall be implied by the average of the rates as determined by two Recognized Yen Market Makers. Such implied yields will be determined, if necessary, by (i) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between (x) the actively traded Japanese Government Bonds with a maturity closest to and greater than the remaining life and (y) the actively traded Japanese Government Bonds with a maturity closest to and less than the remaining life.

"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 (Y)100,000,000, 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 (Y)100,000,000. 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 Spain, The Netherlands, the United States or any jurisdiction from or through which any amount is paid by the Company pursuant to the terms of this Agreement or the Notes (or any political subdivision or taxing authority of or in any such jurisdiction) (a "Taxing Jurisdiction"), unless the withholding or deduction of any such Related Tax is required by law.

(b) Gross-Up, etc. If any deduction or withholding for any present or future Related Tax of a Taxing Jurisdiction shall at any time be required in respect of any amount to be paid by the Company under this Agreement or the Notes, the Company will promptly (i) pay over to the government or taxing authority of the Taxing Jurisdiction imposing such Related Tax the full amount required to be deducted or withheld by the Company (including the full amount required to be deducted or withheld from or otherwise paid by the Company in respect of any Additional Payment required to be made pursuant to clause (ii) of this Section 14.3(b)) and (ii) except as expressly provided below, pay to each holder entitled under this Agreement to receive the payment from which the amount referred to in the foregoing clause (i) has been so deducted or withheld such additional amount as is necessary in order that the amount received by such holder after any required deduction or withholding of Related Tax (including, without limitation, any required deduction, withholding or other payment of Related Tax on or with respect to such additional amount) shall equal the amount such holder would have received had no such deduction, withholding or other payment of Related Tax been paid (the "Additional Payment"), and if any holder pays any amount in respect of any Related Tax on any payment due from the Company hereunder or under the Notes, or penalties or interest thereon, then the Company shall reimburse such holder for that payment upon demand, provided that no payment of any Additional Payment, or of any such reimbursement in respect of any such payment made by any such holder, shall be required to be made for or on account of:

(A) any Related Tax that would not have been imposed but for the existence of any present or former connection between such holder and the Taxing Jurisdiction or any territory or possession or area subject to the jurisdiction of the Taxing Jurisdiction, other than the mere holding of the relevant Note, including, without limitation, such holder's being or having been a citizen or resident thereof, or being or having been present or engaged in a trade or business therein or having an establishment therein;

(B) any such holder that is not a resident of the United States of America or, with respect to any payment hereunder or under the Notes owing to such holder, all or any part of which represents income that is not subject to United States tax as income of a resident of the United States of America to the extent that, had such holder been a resident of the United States of America or had the payment been so subject to United States tax, or had the payment been made to a location within the United States of America, the provisions of a statute, treaty or regulation of the Taxing Jurisdiction would have enabled an exemption to be claimed from the Related Tax in respect of which an Additional Payment would otherwise have been payable; or

(C) any combination of the items or conditions described in clause (A) or clause (B) of this Section 14.3(b); and

provided further that the Company shall not be obliged to pay any Additional Payment to any holder of a Note in respect of Related Taxes to the extent such Related Taxes exceed the Related Taxes that would have been payable but for the delay or failure by such holder (after receiving a written request from Cemex Espana or the Company to make such filing and including copies (together with instructions in English) of forms, certificates, documents, applications or other reasonably required evidence (collectively, "Forms") to be filed) in the filing with an appropriate Governmental Authority or otherwise of Forms required to be filed by such holder to avoid or reduce such Related Taxes and that in the case of any of the foregoing would not result in any confidential income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, provided that such holder shall be deemed to have satisfied the requirements of this proviso upon the good faith completion and submission of such Forms as may be specified in a written request of the Company no later than 45 days after receipt by such holder of such written request.

(c) Official Receipt. If the Company shall make any such Additional Payment, it will promptly furnish each holder receiving such Additional Payment under this Section 14.3 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 therefor from the Company (which request shall specify in reasonable detail the Forms to be filed), file such Forms. If such Person subsequently receives such a Tax

Refund, and such Person is readily able to identify the Tax Refund as being attributable to the tax with respect to which an Additional Payment was made, then such Person shall reimburse the Company such amount as such Person shall determine acting in good faith to be the proportion of the Tax Refund, together with any interest received thereon, attributable to such Additional Payment as will leave such Person after the reimbursement (including such interest) in no better or worse position than it would have been if the Additional Payment had not been required. Nothing in this clause (e) shall obligate any holder to disclose any information regarding its tax affairs or computations to the Company.

(f) Survival. The obligations of the Company and the holders under this Section 14.3 shall survive the payment in full of the Notes and the termination of this Agreement.

14.4 Currency of Payment.

(a) Payment in Japanese Yen. All payments under the Notes shall be made in Japanese yen.

(b) Certain Expenses. Unless otherwise stated herein, 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 Japanese Yen. 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 (other than amounts due under Section 15.1) 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 Japanese yen 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 Japanese yen 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). Amounts payable pursuant to this Section 15.1 shall be payable in Dollars.

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 Puelles/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, and with a copy (which shall not constitute notice hereunder) to Mayer, Brown, Rowe & Maw LLP, 1675 Broadway, 19th Floor, New York, NY 10019, Facsimile number: 1-212-262-1910, to the attention of Peter V. Darrow, or at such other address as the Company or Cemex Espana shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually

received.

Each document, instrument, financial statement, report, notice, Form or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof, which translation shall be certified by a Responsible Officer.

The Financing Documents have been prepared and signed in English and the parties hereto agree that the English versions of this Agreement and the other Financing Documents shall be the only versions valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language of any Financing Document, whether official or otherwise or whether prepared in relation to any proceedings 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

Name: Hector Campa Martinez

Title: Attorney-in-Fact

CEMEX ESPANA FINANCE LLC

By: /s/ Hector Campa Martinez

Name: Hector Campa Martinez

Title: Attorney-in-Fact

The foregoing is hereby agreed to as of the date thereof.

JOHN HANCOCK LIFE INSURANCE COMPANY

By: /s/ David E. Johnson
David E. Johnson
Managing Director

NATIONWIDE MUTUAL INSURANCE COMPANY

By: /s/ Mark. W. Poeppelman
Name: Mark W. Poeppelman
Title: Authorized Signatory

MANULIFE LIFE INSURANCE COMPANY

By: /s/ John Shed
Name: John Shed
Title: Vice President & Managing Corporate Officer

METROPOLITAN LIFE INSURANCE COMPANY

By: /s/ Illegible
Name: Illegible
Title: Director

ALLSTATE LIFE INSURANCE COMPANY

By: /s/ Robert B. Bodett
Name: Robert B. Bodett

By: /s/ Jerry D. Zinkula

Name: Jerry D. Zinkula

Authorized Signatories

SCHEDULE A

INFORMATION RELATING TO PURCHASERS

TRANCHE 1 NOTES

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 or Tokyo, Japan 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, New York City or Tokyo, Japan 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 to be on a recourse basis));

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(c) the amount of any liability in respect of any lease or hire purchase contract that would, in accordance with Spanish GAAP, be treated as a Capital Lease;

(d) deferred purchase price of assets or the deferred payment of services, except trade accounts payable in the ordinary course of business;

(e) obligations of a Person under repurchase agreements for the stock issued by such person or another Person;

(f) obligations of a Person with respect to product invoices incurred in connection with exporting financing;

(g) all Financial Indebtedness of others secured by a Lien on any asset of a Person, regardless of whether such Financial Indebtedness is assumed by such person in an amount equal to the lower of (i) the net book value of such asset and (ii) the amount secured thereby; and

(h) Guaranties of Financial Indebtedness of other Persons.

"Financing Documents" mean this Agreement, the Notes and the Note Guarantee.

"Foreign Pension Plan" means any plan, fund or similar program (a) established or maintained outside the United States of America by any one or more of Cemex Espana and its Subsidiaries primarily for the benefit of employees (substantially all of whom are Persons not residing in the United States of America) of one or more of Cemex Espana and its Subsidiaries, which plan, fund or other similar program provides for retirement income for such employees or results in a deferral of income for such employees in contemplation of retirement and (b) not otherwise subject to ERISA.

"GAAP" means, in relation to an Obligor, the generally accepted accounting principles applicable to it in the country of its organization from time to time.

"Governmental Authority" means

(a) the government of

(i) the Kingdom of Spain, The Netherlands, the United States of America or any State or other political subdivision thereof, or

(ii) any jurisdiction in which Cemex Espana or any Subsidiary conducts all or any part of its business, or that asserts jurisdiction over any properties of Cemex Espana or any Subsidiary or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Guarantor" means (a) each of (i) Cemex Espana, (ii) Cemex Caracas Investments B.V., a limited liability company organized under the laws of The Netherlands, (iii) Cemex Caracas II Investments B.V., a limited liability company organized under the laws of The Netherlands, (iv) Cemex Egyptian Investments B.V., a limited liability company organized under the laws of The Netherlands, (v) Cemex Manila Investments B.V., a limited liability company organized under the laws of The Netherlands, 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 polycholorinated 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 (Y)500,000,000 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.

"Japanese yen" and the sign "(Y)" mean lawful currency of Japan.

"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 April 15, 2011; 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 document granted before either a Spanish public notary or a competent Spanish public employee observing the formalities of applicable Spanish law.

"Special Purpose Vehicle" means a trust, limited liability company, partnership or other special purpose Person established to implement a securitization of receivables, provided that the business of such Person is limited to acquiring, servicing and funding receivables and related assets and activities incidental thereto.

"Stake" means a number of shares in a Subsidiary held by Cemex Espana or held by another Subsidiary, the disposal of which would cause the first such Person to cease to be a Subsidiary of the second such Person.

"Subordinated Debt" means debt granted by Cemex or any of its Subsidiaries other than Cemex Espana or one of its Subsidiaries to Cemex Espana or any of its Subsidiaries on terms such that no payments of principal may be made thereunder (including but not limited to following any winding up, suspension de pagos or quiebra or other like event of Cemex Espana) until all Notes have been paid in full.

"Subsidiary" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership 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.

"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 February 29, 2004

COMPANY'S	PLACE OF	SHAREHOLDING

NAME	INCORPORATION	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 Y ASFALTOS CANARIOS, S.A.	Spain	100%
ARRENDAMIX DE VENEZUELA, S.A.	Venezuela	100%
ASSIUT CEMENT COMPANY	Egypt	80%
AYFER TEKSTIL LTD. STI.	Turkey	100%
BEDROCK HOLDINGS, INC.	Philippines	100%
C.A. VENCEMOS	Venezuela	100%*
CANADIAN MEDUSA CEMENT LIMITED	Ontario	100%
CARIBBEAN FUNDING LLC	Delaware	100%
CECAR INC.	Cayman Islands	100%
CEMAR INC.	Cayman Islands	100%
CEMENT TRANSIT COMPANY	Delaware	100%
CEMENTIFICIO DI MONTALTO SPA	Italy	100%
CEMENTILCE SRL	Italy	100%
CEMENTO BAYANO, S.A.	Panama	99%
CEMENTOS NACIONALES, S.A.	Dominican Republic	100%
CEMEX (CAMBODIA) CO. LTD.	Cambodia	100%
CEMEX (THAILAND) CO. LTD.	Thailand	100%
CEMEX ADMINISTRACIONES LTDA.	Colombia	100%
CEMEX ASIA HOLDINGS LTD.	Singapore	92%
CEMEX ASIA PACIFIC INVESTMENTS B.V.	Netherlands	100%
CEMEX ASIA PTE. LTD.	Singapore	100%
CEMEX ASIAN INVESTMENTS N.V.	Netherlands Antilles	100%
CEMEX BETON, S.A.S.	France	100%
CEMEX CALIFORNIA CEMENT LLC	Delaware	100%
CEMEX 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 COSTA RICA, S.A.	Costa Rica	99%
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 AFRICA AND MIDDLE EAST, A.p.S.	Denmark	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%
COMERCIALIZADORA FERREX, C.A.	Venezuela	100%
CONSTRUCCIONES E INVERSIONES DIAMANTE LTDA.	Colombia	100%
CONSTRUCTION FUNDING CORPORATION	Ireland	100%*
CX (THAILAND) LIMITED	Thailand	100%
DESARROLLOS MULTIPLES INSULARES, INC.	Puerto Rico	100%
DIAMANTE TRANSPORTES LIMITADA EN LIQUIDACION	Colombia	100%
DISTRIBUIDORA DE CEMENTO, S.A.	Panama	100%
EDGEWATER VENTURES CORPORATION	Philippines	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. EN LIQUIDACION	Colombia	98%
INMOBILIARIA VALLE DOS C.A.	Venezuela	100%
INMOBILIARIA Y ARRENDAMIENTO BAYANO, S.A.	Panama	100%
INTERNATIONAL COMPANY FOR SILOS LTD.	Egypt	70%
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 POLINDO PERKASA	Indonesia	95%
PT CEMEX INDONESIA	Indonesia	100%
PUERTO RICAN CEMENT COMPANY, INC.	Puerto Rico	100%
PUERTO RICO FINANCE LLC	Delaware	100%
READY MIX CONCRETE, INC.	Puerto Rico	100%
RIVENDELL HOLDINGS CORPORATION	Philippines	100%
RODNEY H. GREENWAY, INC.	Georgia	100%
SANDSTONE STRATEGIC HOLDINGS, INC.	Philippines	100%
SANDWORTH PLAZA HOLDING B.V.	Netherlands	100%(G)
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 February 29, 2004

BOARD OF DIRECTORS OF CEMEX ESPANA

LORENZO H. ZAMBRANO TREVINO
JOSE LUIS SAENZ DE MIERA ALONSO

IGNACIO MADRIDEJOS FERNANDEZ
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. PORTA

SCHEDULE 5.5

FINANCIAL STATEMENTS

1. Consolidated Annual Accounts December 31, 2002 and 2001 and 2002 Directors' Report (With Auditors' Report Thereon)

2. Balance Sheet and Statement of Profit and Loss for the year ended December 31, 2003

SCHEDULE 5.8

LITIGATION

None.

SCHEDULE 5.11

LICENSE, ETC. EXCEPTIONS

None.

SCHEDULE 5.15

EXISTING FINANCIAL INDEBTEDNESS

As of 03.31.04
Amounts in M (euro)*

BORROWER	INSTRUMENT	OUTSTANDING AMOUNT	FINAL MATURITY
CEMEX ESPANA	Bilateral Lines	478	April 2004-April 2006
	RCF (euro) 300 M(1)	220	October 2004
	Others	24	July 2005
	SUBTOTAL	722	
CEMEX INC.	Priv. Plac. ((euro) 50 M)	50	March 2006
	Priv. Plac. ((euro) 315 M)	256	March 2006
	Priv. Plac. ((euro) 396 M)	322	March 2006
	SBLC(2)	45	Dec 2004-April 2025
	Others	13	Between 2004-2009
	SUBTOTAL	685	
CEMEX ESPANA FINANCE LLC	Priv. Plac. ($103 M)	84	June 2010
	Priv. Plac. ($96 M)	78	June 2013
	Priv. Plac. ($201 M)	322	June 2015
	SUBTOTAL	327	
CEMEX FINANCE EUROPE B.V.	EMTN	158	July 2004-July 2006
	SUBTOTAL	158	
CEMEX COLOMBIA S.A.	5-year Term Loan	30	April 2004
	SUBTOTAL	30	
PUERTO RICAN CEMENT	$40 M Credit Line	24	May 2005
	$50 M Credit Line	28	January 2006
	SUBTOTAL	53	
ASSIUT CEMENT COMPANY	Bank loans	8	June 2005-July 2009
	Overdraft lines	2	May-June 2004
	SUBTOTAL	10	
APO CEMENT CORPORATION	ECA Loan	20	December 2004-March 2006
	ST Bank debt	0	March 2005
	SUBTOTAL	20	
CEMEX CEMENT BANGLADESH	Bilateral Line	2	August 2004
	SUBTOTAL	2	
CEMENTOS NACIONALES	Intercompany debt	12	September 2004
	Others	2	September 2007
	SUBTOTAL	14	
OTHER COMPANIES	Credit Lines	11	--
	SUBTOTAL	11	
	TOTAL	2,033	

* Exchange rates:
(euro)/USD=0.8121
JPY/(euro)=128.51

(1) To be prepaid on April 16 with the proceeds of a new EUR 400 million multicurrency loan signed on March 30, 2004 with final maturity in March 2009.
(2) Stand By Letters of Credit over tax-exempt bonds. Maturities shown correspond to these bonds SBLC renewed on an annual basis.

SCHEDULE 10.3

EXISTING LIENS

CONSOLIDATED GROUP
LIEN SCHEDULE (M (euro)) AS OF 03.31.04

COMPANY	LENDER	LIEN CONCEPT	BALANCE
CEMEX Construction Materials, L.P.	GE Capital 7964, 8069	Equipment related with the Credit	0.89
CEMEX Construction Materials, L.P.	City of Long Beach	Cement Terminal (Capital Lease Obligation)	7.90
CEMEX Construction Materials, L.P.	Hampton	Land related with Credit	0.23
CEMEX Construction Materials, L.P.	RIO	Land related with the credit	3.91
CEMEX Construction Materials, L.P.	Met-South, Inc.	Ash storage facility	0.17
			13.11

SCHEDULE 10.7

EXISTING NOTARIZATIONS

Type of Agreement	Borrower/Guarantor	Maturity date	Total Principal Amount of Indebtedness notarised as of March 31, 2004
Bilateral lines	Cemex Espana S.A./n.a.	Between Jan. 2005 and Dec. 2005	EUR 51,086,029 (1)
Deferred purchase price	Aricemex S.A./n.a.	July, 2005	EUR 961,619
5-year term loan	Cemex Colombia S.A. (formerly known as Cementos Diamante)/ Cemex Espana S.A.	April 22nd, 2004	US$ 37,172,250 (2)

(1) Corresponds to the total committed amount under the facilities. Amount drawn as of 03.31.04: EUR 8,110,266
(2) Approximately $20 million of principal is due and payable on April 22, 2004; Cemex intends to repay the remaining principal amount in full at that time

[FORM OF TRANCHE 1 NOTE]

CEMEX ESPANA FINANCE LLC

1.79% SENIOR NOTE, SERIES 2004, TRANCHE 1, DUE APRIL 15, 2010

No.[_____] [Date]
(Y)[_____] _____

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 [_____] JAPANESE YEN ((Y)_____) on April 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 1.79% per annum from the date hereof, payable semiannually, on the 15th day of April and October in each year, commencing with the April 15th or October 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) 3.79% 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 Japanese yen 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 April 15, 2004 (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]

EXHIBIT 1(b)

[FORM OF TRANCHE 2 NOTE]

CEMEX ESPANA FINANCE LLC

1.99% SENIOR NOTE, SERIES 2004, TRANCHE 2, DUE APRIL 15, 2011

No.[_____] [Date]
(Y)[_____] _____

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 [_____] JAPANESE YEN ((Y)_____) on April 15, 2011, 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 1.99% per annum from the date hereof, payable semiannually, on the 15th day of April and October in each year, commencing with the April 15th or October 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) 3.99% 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 Japanese yen 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 April 15, 2004 (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

EXHIBIT 4.4(b)

FORM OF OPINION OF SPECIAL NEW YORK
COUNSEL TO THE COMPANY

EXHIBIT 4.4(c)

FORM OF OPINION OF SPECIAL
NETHERLANDS COUNSEL

EXHIBIT 4.4(d)

FORM OF OPINION OF SPECIAL US COUNSEL
TO THE PURCHASERS

EXHIBIT 4.4(e)

FORM OF OPINION OF SPECIAL SPANISH COUNSEL
TO THE PURCHASERS

EXHIBIT 4.15

EXECUTION COPY

CREDIT AGREEMENT

among

CEMEX, S.A. de C.V.,as Borrower and CEMEX MEXICO, S.A. de C.V., as Guarantor and EMPRESAS TOLTECA de MEXICO, S.A. de C.V., as Guarantor and BARCLAYS BANK PLC, as Issuing Bank and Documentation Agent and ING BANK N.V., as Issuing Bank and The Several Lenders Party Hereto, as Lenders and BARCLAYS CAPITAL,THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, as Joint Bookrunner and ING CAPITAL LLC, as Joint Bookrunner and Administrative Agent

US$800,000,000

Dated as of June 23, 2004

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CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of June 23, 2004 among CEMEX, S.A. de C.V., a sociedad anonima de capital variable organized and existing pursuant to the laws of the United Mexican States (the "Borrower"), CEMEX MEXICO, S.A. de C.V., a sociedad anonima de capital variable organized and existing pursuant to the laws of the United Mexican States, EMPRESAS TOLTECA DE MEXICO, S.A. de C.V., a sociedad anonima de capital variable organized and existing pursuant to the laws of the United Mexican States (each a "Guarantor" and together, the "Guarantors"), BARCLAYS BANK PLC, NEW YORK BRANCH ("Barclays"), as an Issuing Bank and Documentation Agent, ING BANK N.V., as an Issuing Bank (together with Barclays in its capacity as an Issuing Bank, the "Issuing Banks"), the several Lenders party hereto, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, as a Joint Bookrunner and ING CAPITAL LLC, as a Joint Bookrunner and Administrative Agent.

RECITALS

WHEREAS, Barclays issued its letter of credit (the "CP Letter of Credit") in the maximum face amount of US$300,000,000 to provide for the repayment of outstanding promissory notes of the Borrower issued in the United States commercial paper market and issued certain standby letters of credit, each in accordance with the provisions of (i) a First Amended and Restated Reimbursement and Credit Agreement, dated as of August 8, 2003 (the "Prior Agreement"), among the Borrower, the Guarantors, Barclays, as issuing bank, documentation agent and administrative agent thereunder, the several lenders party thereto, Barclays Capital, the Investment Banking Division of Barclays, as a joint arranger thereunder and Banc of America Securities LLC, as a joint arranger and syndication agent thereunder, and (ii) an existing Depositary Agreement, dated as of August 8, 2003, by and among the parties thereto, upon the terms and subject to the conditions set forth therein.

WHEREAS, the Borrower proposes to terminate its existing commercial paper program (the "CP Program"), the CP Letter of Credit issued in connection therewith and the Prior Agreement and enter into a new three-year revolving credit facility.

NOW, THEREFORE, each of the Parties hereto hereby agrees as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Subsidiary" means any Subsidiary acquired by the Borrower or any other Subsidiary after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary of the Borrower or any one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, the Borrower or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Additional Commitment Lender" has the meaning specified in Section 4.02(f).

"Adjusted Consolidated Net Tangible Assets" means, with respect to any Person, the total assets of such Person and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), including any write-ups or restatements required under Mexican GAAP (other than with respect to items referred to in clause (ii) below), after deducting therefrom (i) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licenses, concessions, patents, unamortized debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Mexican GAAP.

"Administrative Agent" means ING Capital LLC, in its capacity as administrative agent for each of the Participating Lenders, and its successors in such capacity.

"Administrative Agent's Payment Office" means the Administrative Agent's address for payments set forth on the signature pages hereof or such other address as the Administrative Agent may from time to time specify to the other Parties hereto pursuant to the terms of this Agreement.

"Affected Lender" has the meaning specified in Section 4.10(a).

"Affiliate" 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 Available Standby L/C Sublimit" means, as of any date, the lesser of (a)(i) the aggregate amount of the Available Standby L/C Sublimit of each Issuing Bank minus (ii) the aggregate amount of the Standby L/C Exposure of each Issuing Bank at such time, and (b) the Available Commitments.

"Aggregate Committed Amount" means the aggregate amount of all of the Commitments.

"Aggregate Exposure" means the sum of (i) the Outstanding Borrowings under this Agreement and (ii) the Aggregate Standby L/C Exposure.

"Aggregate Standby L/C Sublimit" means, initially $200,000,000, as such amount may be reduced in accordance with Section 4.01.

"Aggregate Standby L/C Exposure" means the sum the Standby L/C Exposure of each Issuing Bank.

"Agreement" means this Credit Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable Margin" means, at any date, the applicable margin set forth below based upon the Borrowers latest twelve-month total Consolidated Net Debt/EBITDA Ratio as of such date (it being understood that measurement of the Consolidated Net Debt/EBITDA Ratio as of the most recent Measurement Date is sufficient for this purpose):

Applicable Margin

Consolidated Net Debt/EBITDA Ratio	Base Rate Loans	LIBOR Loans
3.00 to 1 or greater	0.70%	0.70%
2.99 to 1 or less, but greater than 2.50 to 1	0.60%	0.60%
2.49 to 1 or less, but greater than 2.00 to 1	0.55%	0.55%
2.00 to 1 or less	0.50%	0.50%

; provided, however, the initial Applicable margin shall be 0.55.

"Appropriate Issuing Bank" means, at any time, the Issuing Bank with the greatest Available Standby L/C Sublimit, or if the Available Standby L/C Sublimit for each Issuing Bank is equal, then the Issuing Bank designated as such in the Notice of Borrowing.

"Assignee" has the meaning specified in Section 15.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit D.

"Available Commitments" means, as of any date, the total amount of the Aggregate Committed Amount minus the Aggregate Exposure.

"Available Standby L/C Sublimit" means, with respect to each Issuing Bank, as of any date, the lesser of (a)(i) Standby L/C Sublimit for such Issuing Bank minus (ii) the Standby L/C Exposure for such Issuing Bank at such time, and (b) the Available Commitments.

"Base Rate" means, for any day, the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 1/2% per annum, in each case as in effect for

such day. Any change in the Prime Rate announced by the Reference Banks shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means any Loan made or maintained at a rate of interest calculated with reference to the Base Rate.

"Bookrunners" or "Joint Bookrunners" means Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and ING Capital LLC, in their capacity as joint bookrunners hereunder, and each of their successors in such capacity.

"Borrower" has the meaning specified in the preamble hereto.

"Borrowing" means the aggregate amount of Loans hereunder to be made to the Borrower pursuant to Article II on a particular date by each of the Lenders.

"Borrowing Request" means a Notice of Borrowing, a Swing Line Notice of Borrowing or a Standby L/C Request.

"Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City or The Netherlands Antilles are authorized or required by law to close.

"Capital Lease" means, as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under Mexican GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Mexican GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Commitment" means, with respect to each Lender, the aggregate principal amount set forth opposite the name of such Lender in Schedule 1.01(a) or in any Assignment and Assumption Agreement, as such amount may be reduced or increased from time to time in accordance with the provisions hereof.

"Commitment Percentage" means, with respect to each Lender, a fraction (expressed as a decimal) the numerator of which is the Commitment of such Lender at such time and the denominator of which is the Aggregate Committed Amount at such time. The initial Commitment Percentages are set out on Schedule 1.01(a).

"Commitment Period" means the period from and including the Effective Date to but excluding the earlier of (i) the Termination Date, or (ii) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"Confidential Information" means information that the Borrower or a Guarantor furnishes to the Administrative Agent, the Joint Bookrunners or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent or the Joint Bookrunners or such Lender from a source other than the Borrower or a Guarantor that is not, to the best of the Administrative Agent's, the Joint Bookrunners' or such Lender's knowledge, acting in violation of a confidentiality agreement with the Borrower or Guarantor or any other Person.

"Consolidated" refers to the consolidation of accounts in accordance with Mexican GAAP.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period, (b) mandatory dividend payments during such period in respect of preferred Capital Stock of the Borrower 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) EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Interest Expense" means, for any period, the total gross interest expense of the Borrower and its consolidated Subsidiaries allocable to such period in accordance with Mexican GAAP.

"Consolidated Leverage Ratio" means, at any time during any fiscal quarter, the ratio of (a) Consolidated Net Debt at such time to (b) EBITDA for the 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 Borrower and its Subsidiaries at such date, plus (b) to the extent not included in Debt the aggregate amount of all derivative financing in the form of equity swaps outstanding at such date plus (c) to the extent not included in Debt, all payment obligations of such Person under the 9.66% Puttable Capital Securities issued by CEMEX International Capital LLC on May 14, 1998, or under any transaction similar thereto, minus (d) all Temporary Investments of the Borrower 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 Letter of Credit" has the meaning set forth in the recitals.

"Credit Party" means any of the Borrower or the Guarantors.

"Debt" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing, and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person. For the avoidance of doubt, Debt does not include Derivatives. With respect to the Borrower and its subsidiaries, the aggregate amount of Debt outstanding shall be adjusted by the Value of Debt Currency Derivatives solely for the purposes of calculating the Consolidated Leverage Ratio. If the Value of Debt Currency Derivatives is a positive mark-to-market valuation for the Borrower and its subsidiaries, then Debt shall decrease accordingly, and if the Value of Debt Currency Derivatives is a negative mark-to-market valuation for the Borrower and its subsidiaries, then Debt shall increase by the absolute value thereof.

"Debt Currency Derivatives" means derivatives of the Borrower and its subsidiaries related to currency entered into for the purposes of hedging exposures under outstanding Debt of the Borrower and its subsidiaries, including but not limited to cross-currency swaps and currency forwards.

"Default" means any condition, event or circumstance which, with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default.

"Defaulting Lender" has the meaning specified in Section 2.01(d).

"Derivatives" means any type of derivative obligations, including but not limited to equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swaptions.

"Disbursement Date" means, with respect to a Drawing, the date on which such Drawing is paid by the relevant Issuing Bank and, with respect to a Loan, the date on which such Loan is made by the Participating Lender.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars", "$" and "U.S.$" each means the lawful currency of the United States.

"Dow Jones Page 3750" means the display designated as page "3750" on the Dow Jones Market Screen (formerly known as the Telerate Service) or such other page as may replace the "3750" page on that service or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for Dollar deposits.

"Drawing" means a drawing made under a Standby L/C.

"EBITDA" means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (a) operating income (utilidad de operacion), (b) cash interest income and (c) depreciation and amortization expense, in each case determined in accordance with Mexican GAAP consistently applied for such period. For the purposes of calculating EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if at any time during such Reference Period the Borrowers or any of its Subsidiaries shall have made any Material Disposition, the EBITDA for such Reference Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period and (ii) if at any time during such Reference Period the Borrower or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Debt) as if such Material Acquisition had occurred on the first day of such Reference Period. Additionally, if since the beginning of such Reference Period any Person that subsequently shall have become a Subsidiary or was merged or consolidated with the Borrower or any of its Subsidiaries as a result of a Material Acquisition occurring during such Reference Period shall have made any Disposition or Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Borrower or any of its Subsidiaries during such Reference Period, EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Disposition or Acquisition had occurred on the first day of such period.

"Effective Date" has the meaning specified in Section 5.01.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (norma tecnica or

norma oficial Mexicana), code, order, judgment, decree or judicial agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group that includes the Borrower and that is treated as a single employer under Sections 414(b) or (c) of the Code.

"Event of Default" has the meaning specified in Section 11.01.

"Federal Funds Rate" means, for any relevant day, the overnight Federal funds rate as published for such day in the Federal Reserve Statistical Release H.15 (519) or any successor publication, or, if such rate is not published for any day, the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotation for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotation" for such day under the caption "Federal Funds Effective Rate"). If on any relevant day the appropriate rate for such previous day is not yet published in either H.15 (519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of recognized standing of Federal funds transactions in New York City selected by the Administrative Agent.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letter" means any written agreement as to the payment of fees referred to in Section 4.03.

"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 195, Section I of the Mexican Income Tax Law.

"Funding Default" means a default by a Lender pursuant to Section 2.01(d).

"Governmental Authority" means any branch of power or government or any state, department or other political subdivision thereof, or any governmental body, agency, authority (including any central bank or taxing or environmental authority), any entity or instrumentality (including any court or tribunal) exercising executive, legislative, judicial, regulatory, administrative or investigative functions of or pertaining to government.

"Guarantor" has the meaning specified in the preamble hereto.

"Hazardous Materials" means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

"Indemnified Party" has the meaning specified in Section 15.05.

"Interest Payment Date" means (i) with respect to any Base Rate Loan, the last day of each March, June, September and December, the date of repayment of such Loan and the Termination Date and, (ii) with respect to any LIBOR Loan, the last day of each Interest Period for such Loan, the date of repayment of principal of such Loan and on the Termination Date, (iii) with respect to any Swing Line Loan, the Maturity Date thereof. If an Interest Payment Date falls on a date that is not a Business Day, such Interest Payment Date shall be deemed to be the next succeeding Business Day, except that in the case of LIBOR Loans where the next succeeding Business Day falls in the next succeeding calendar month, then on the next preceding Business Day.

"Interest Period" means, with respect to each Borrowing of LIBOR Loans, the period (i) commencing (A) on the date of such Borrowing or conversion of Base Rate Loans into LIBOR Loans or (B) in the case of the continuation of LIBOR Loans for a further Interest Period, on the last day of the immediately preceding Interest Period and

(ii) ending one, two, three or six months thereafter as the Borrower may elect in the applicable Notice of Borrowing or Notice of Continuation/Conversion; provided, however, that:

(1) any Interest Period which would otherwise end on a day which is not a LIBOR Business Day shall, subject to paragraph (3) below, be extended to the next succeeding LIBOR Business Day unless such LIBOR Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding LIBOR Business Day;

(2) any Interest Period which begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to paragraph (3) below, end on the last LIBOR Business Day of a calendar month;

(3) any Interest Period which would otherwise end after the last day of the Commitment Period shall end on the last day of the Commitment Period; and

(4) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Issuing Bank" means each of Barclays Bank PLC and ING Bank N.V., each in its capacity as issuer of Standby L/Cs, and its successors in such capacity.

"Lender" means each financial institution designated as such on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 4.02(c) or 15.06(b), each Substitute Lender and each of their respective successors or assigns.

"Lending Office" means, with respect to any Lender, (a) the office or offices of such Lender specified as its "Lending Office" or "Lending Offices" in Schedule 1.01(b) or (b) such other office or offices of such Lender as it may designate as its Lending Office by notice to the Borrower and the Administrative Agent and with the consent of the Issuing Banks (which shall not be unreasonably withheld).

"LIBOR", applicable to any Interest Period, means the rate for deposits in Dollars for a period equal to such Interest Period quoted on the second LIBOR Business Day prior to the first day of such Interest Period, as such rate appears on Dow Jones Page 3750 as of 11:00 a.m. (London time) on such date as determined by the Administrative Agent and notified to the Lenders and the Borrower on such second prior LIBOR Business Day. If LIBOR cannot be determined based on the Dow Jones Page 3750, LIBOR means the arithmetic mean (rounded upwards to the nearest 1/16%) of the rates per annum, as supplied to the Administrative Agent, quoted by the Reference Banks to prime banks in the London interbank market for deposits in Dollars at approximately 11:00 a.m. (London time) two LIBOR Business Days prior to the first day of such Interest Period in an amount approximately equal to the

principal amount of the Loans to which such Interest Period is to apply and for a period of time comparable to such Interest Period.

"LIBOR Business Day" means any Business Day on which commercial banks are open in London for the transaction of international business, including dealings in Dollar deposits in the international interbank markets.

"LIBOR Loan" means any Loan made or maintained at a rate of interest calculated with reference to LIBOR.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Borrower or any Subsidiary of the Borrower shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Loan" means any Revolving Loan or any Swing Line Loan.

"Material Acquisition" any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any Person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any of the Notes or the rights and remedies of the Administrative Agent or any Lender under this Agreement or any of the Notes or (c) the ability of the Borrower and/or the Guarantors to perform their Obligations under this Agreement or any other Transaction Document.

"Material Debt" means Debt (other than the Loans and the Standby L/C Exposure) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount outstanding exceeding U.S.$50,000,000 (or the equivalent thereof in other currencies).

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Subsidiary" means, at any date, (a) each Subsidiary of the Borrower (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute 5% or more of the consolidated assets of the Borrower and its Subsidiaries as of the end of the then most recently ended fiscal quarter or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis, without duplication, constitutes 5% or more of the consolidated operating profit of the Borrower and its Subsidiaries for the then most recently ended fiscal quarter and (b) each Guarantor.

"Measurement Date" means any of the dates specified in Section 8.13.

"Mexican GAAP" means, generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Section 9.01, Mexican GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 8.01. In

the event that any change in Mexican GAAP shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such change in Mexican GAAP with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such change as if such change had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such change in Mexican GAAP had not occurred.

"Mexico" means the United Mexican States.

"Ministry of Finance" means the Ministry of Finance and Public Credit of Mexico.

"Non-Extending Lender" means, in connection with extending the Termination Date and the Commitments in accordance with Section 4.02, (a) any Participating Lender that gives written notice to the Joint Bookrunners and Administrative Agent that it does not agree to extend its Commitment and (b) any Participating Lender that fails to give any notice within five Business Days prior to the effective date of such extension, whether or not such Participating Lender agrees to such extension, and shall, for purposes of the effectiveness of this Agreement, also include any lender under the Prior Agreement that elected not to extend its commitment under the Prior Agreement to be a Participating Lender hereunder.

"Notice of Borrowing" has the meaning specified in Section 2.01(c).

"Notice of Extension/Conversion" has the meaning specified in Section 2.01(e).

"Obligations" means, (a) with respect to the Borrower, all of its indebtedness, obligations and liabilities to the Participating Lenders, the Joint Bookrunners and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, due or to become due, and (b) with respect to each Guarantor, all of its indebtedness, obligations and liabilities to the Participating Lenders, the Joint Bookrunners and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, in each case whether direct or indirect, absolute or contingent, due or to become due.

"Obligors" means the Borrower and each Guarantor.

"OECD Bank" shall mean any bank organized under the laws of a member of the Organization for Economic Cooperation and Development.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges, imposts, duties, fees, or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery, registration, performance or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document and which are imposed, levied, collected or withheld by any Governmental Authority.

"Outstanding Borrowings" means the aggregate principal amount of all Loans outstanding.

"Participant" has the meaning specified in Section 15.06(d).

"Participating Lender" means any Lender, Swing Line Lender or Issuing Bank, or if used in the plural, all thereof.

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which any

Credit Party or any of its ERISA Affiliates has any liability.

"Permitted Liens" has the meaning specified in Section 9.02.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Prime Rate" means the average of the rate of interest publicly announced by each of the Reference Banks from time to time as its Prime Rate in New York City, the Prime Rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent or any Lender in connection with extensions of credit to debtors of any class, or generally.

"Prior Agreement" has the meaning specified in the Recitals hereto.

"Process Agent" has the meaning specified in Section 15.12(a).

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Borrower or any Subsidiary pursuant to which the Borrower or any Subsidiary may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by the Borrower or any other Seller) and any other person (in the case of a transfer by a Special Purpose Vehicle), or may grant a security interest in, any Receivables Program Assets (whether now existing or arising in the future); provided that:

(a) no portion of the indebtedness or any other obligations (contingent or otherwise) of a Special Purpose Vehicle (i) is guaranteed by the Borrower or any other Seller or (ii) is recourse to or obligates the Borrower or any other Seller in any way such that the requirements for off balance sheet treatment under Financial Accounting Standards Bulletin 140 are not satisfied; and

(b) the Borrower and the other Sellers do not have any obligation to maintain or preserve the financial condition of a Special Purpose Vehicle or cause such entity to achieve certain levels of operating results.

"Receivables" means all rights of the Borrower or any other Seller to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment of any interest or finance charges), which rights are identified in the accounting records of the Borrower or such Seller as accounts receivable.

"Receivables Documents" means (a) a receivables purchase agreement, pooling and servicing agreement, credit agreement, agreements to acquire undivided interests or other agreement to transfer, or create a security interest in, Receivables Program Assets, in each case as amended, modified, supplemented or restated and in effect from time to time entered into by the Borrower, another Seller and/or a Special Purpose Vehicle, and (b) each other instrument, agreement and other document entered into by the Borrower, any other Seller or a Special Purpose Vehicle relating to the transactions contemplated by the items referred to in clause (a) above, in each case as amended, modified, supplemented or restated and in effect from time to time.

"Receivables Program Assets" means (a) all Receivables which are described as being transferred by the Borrower, another Seller or a Special Purpose Vehicle pursuant to the Receivables Documents, (b) all Receivables Related Assets in respect of such Receivables, and (c) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses.

"Receivables Program Obligations" means (a) notes, trust certificates, undivided interests, partnership interests or other interests representing the right to be paid a specified principal amount from the Receivables Program Assets and (b) related obligations of the Borrower, a Subsidiary of the

Borrower or a Special Purpose Vehicle (including, without limitation, rights in respect of interest or yield hedging obligations, breach of warranty claims and expense reimbursement and indemnity provisions).

"Receivables Related Assets" means with respect to any "Receivables" (i) any rights arising under the documentation governing or relating to such Receivables (including rights in respect of liens securing such Receivables), (ii) any proceeds of such Receivables, (iii) other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Reference Banks" shall mean three banks in the London interbank market, initially Barclays Bank PLC, ING Bank N.V. and Citibank, N.A..

"Regulation T, U, or X" means Regulation T, U, or X, respectively, of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) whose Total Exposures, when aggregated, exceed 50% of the Aggregate Exposure minus the Total Exposure of any Defaulting Lenders at such time.

"Requirement of Law" means, as to any Person, any law, ordinance, rule, regulation or requirement of any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any Person means the Chief Financial Officer, the Corporate Planning and Finance Director, the Finance Director or the Comptroller of such Person.

"Revolving Loans" has the meaning specified in Section 2.01(a) hereof.

"Seller" means the Borrower and any Subsidiary or other affiliate of the Borrower (other than a Subsidiary or affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

"Special Purpose Vehicle" means a trust, partnership or other special purpose person established by the Borrower and/or its Subsidiaries to implement a Qualified Receivables Transaction.

"Standby L/C" means (i) a standby letter of credit issued by an Issuing Bank and substantially in the form of Exhibit G, as such may hereafter be amended or replaced from time to time pursuant to the terms of this Agreement, and (ii) any standby letter of credit of an Issuing Bank, issued and outstanding on the Effective Date pursuant to the terms of the Prior Agreement.

"Standby L/C Exposure" means, with respect to each Issuing Bank, at any time, the sum of (a) the aggregate undrawn amount at such time of all outstanding Standby L/Cs of such Issuing Bank plus (b) the aggregate unpaid amount at such time of all unreimbursed Drawings under all outstanding Standby L/Cs of such Issuing Bank.

"Standby L/C Facility" means the Standby L/Cs, any Drawing (including any unreimbursed Drawing), any obligations of the Borrower in respect of the foregoing and the payments received by the Issuing Banks in respect of any of the foregoing.

"Standby L/C Request" has the meaning specified in Section 3.01(c).

"Standby L/C Sublimit" means, with respect to each Issuing Bank, initially US$100,000,000, as such amount as may be reduced or increased in connection with an extension of the Termination Date and the Commitments in accordance with Section 3.01(c).

"Subsidiary" means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other

entity of which (or in which) more than 50% of (a) in the case of a corporation, the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the beneficial interest in such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person's other Subsidiaries. For purposes of determining whether a trust formed in connection with a Qualified Receivables Transaction is a Subsidiary, notes, trust certificates, undivided interests, partnership interests or other interests of the type described in clause (a) of the definition of Receivables Program Obligations shall be counted as beneficial interests in such trust.

"Substitute Lender" means a commercial bank or other financial institution, acceptable to the Borrower, the Participating Lenders and the Administrative Agent, each in its sole discretion, and approved by the Joint Bookrunners (including such a bank or financial institution that is already a Lender hereunder), which assumes all or a portion of the Commitment of a Lender pursuant to the terms of this Agreement.

"Swing Line Lenders" means Barclays Bank PLC and ING Bank N.V., each acting in the capacity of Lender of Swing Line Loans hereunder.

"Swing Line Loans" means, collectively, the loans outstanding pursuant to Section 2.02 from time to time.

"Swing Line Maturity Date" means, with respect to any Swing Line Loan, the later of (i) the Business Day set forth in the relevant Swing Line Request as the date upon which such Swing Line Loan matures; provided that such date shall be no later than the third Business Day following the relevant Borrowing or (ii) the date to which the Swing Line Loan has been extended pursuant to Section 2.02(c)(iv).

"Swing Line Request" means a request by the Borrower for a Swing Line Loan, which shall specify (i) the requested Borrowing Date, (ii) the requested date of maturity and (iii) the amount of such Swing Line Loan.

"Swing Line Sublimit" means, with respect to each Swing Line Lender individually, US$50,000,000 and in the aggregate, US$100,000,000.

"Taxes" means any and all present or future income, stamp, sales or other taxes, levies, imposts, duties, deductions, fees, charges or withholdings, and all liabilities with respect thereto collected, withheld or assessed by any Governmental Authority, excluding, (a) in the case of each Lender, each Issuing Bank 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, such 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 such Lender, such 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 Borrower at such date.

"Termination Date" means the date which is the earliest of (a) the date three years following the Effective Date, or if extended with the written consent of such Lender, such later date or (b) if no Loans or Standby L/Cs are outstanding, the date the Commitments are terminated in accordance with this Agreement.

"Total Exposure" means at any time, as to any Lender, the amount of its Commitment at such time, or, if the Commitments shall have terminated, it's Total Outstandings at such time.

"Total Outstandings" means at any time, as to any Lender, the sum of the aggregate outstanding principal amount of such Lender's Revolving Loans and its pro rata share of the aggregate outstanding Standby L/C Exposure and its pro rata share of the Swing Line Exposure.

"Transaction Documents" means a collective reference to this Credit Agreement, the Notes, any Assignment and Assumption Agreement, the Fee Letter, any Standby L/C, and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"Up-Front Fee" has the meaning specified in Section 4.03(e).

"Value of Debt Currency Derivatives" means, on any given date, the aggregate mark-to-market value of Debt Currency Derivatives, expressed as a positive number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed to the Borrower and its subsidiaries) or as a negative number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed by the Borrower and its subsidiaries).

"Welfare Plan" means a "welfare plan", as such term is defined in Section 3(1) of ERISA.

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to".

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days or LIBOR Business Days are expressly prescribed.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with Mexican GAAP.

ARTICLE II
THE LOAN FACILITIES

2.01 Revolving Loans.

(a) Commitment. During the Commitment Period, subject to the terms and conditions hereof, each Lender, severally and not jointly with the other Lenders, agrees to make revolving credit loans in Dollars (the "Revolving Loans") to the Borrower from time to time in an aggregate principal amount at any one time outstanding not to exceed such Lender's Commitment for the purposes hereinafter set forth; provided that (i) with regard to the Lenders collectively, the aggregate principal amount of Loans outstanding, together with the Aggregate Standby L/C Exposure, at any one time shall not exceed the Aggregate Committed Amount, and (ii) with regard to each Lender individually, the aggregate principal amount of such Lender's Commitment Percentage of all the Loans outstanding at any time, together with such Lender's Commitment Percentage of its Standby L/C Exposure, shall not exceed the Commitment of such Lender. Revolving Loans may consist of Base Rate Loans or LIBOR Loans, or a combination thereof, as the Borrower may request, and may be repaid, prepaid and reborrowed in accordance with the provisions hereof; provided that if any Revolving Loan shall be made on the Effective Date or within three (3) Business Days thereafter such Revolving Loan may be a LIBOR Loan only if the Borrower delivers to the Administrative Agent a funding indemnity letter in form and substance satisfactory to the Administrative Agent.

(b) Loans and Borrowings. Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their Commitment Percentage. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required.

(c) Revolving Loan Borrowings.

(i) Requests for Borrowings.

(A) To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone, not later than 12:00 p.m., New York City time, (1) in the case of a request for a Base Rate Loan, on the business day prior to the day the Borrower designates therein as the Disbursement Date or (2) in the case of a request for a LIBOR Loan, on the date that is no less than three LIBOR Business Days prior to the Disbursement Date. Each such telephonic Borrowing request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written notice (the "Notice of Borrowing") in the form attached as Exhibit B approved by the Administrative Agent and signed by the Borrower. Each such telephonic request and written Notice of Borrowing shall specify the following information in compliance with this Section 2.01:

(1) that a Revolving Loan is requested;

(2) the requested Disbursement Date, which shall be a Business Day;

(3) the aggregate principal amount to be borrowed; and

(4) whether the Borrowing shall be composed of Base Rate Loans, LIBOR Loans, or a combination thereof, and if LIBOR Loans are requested, the Interest Period(s) therefor.

(B) If the Borrower shall fail to specify in any such Notice

of Borrowing (i) an applicable Interest Period in the case of a LIBOR Loan, then such notice shall be deemed to be a request for an Interest Period of one (1) month, or (ii) the type of Revolving Loan requested, then such notice shall be deemed to be a request for a LIBOR Loan hereunder.

(C) Not later than 1:00 p.m. New York City time on the Business Day on which the Notice of Borrowing is received, the Administrative Agent shall promptly advise each Lender of the details thereof and shall advise each Lender of the amount of such Lender's Revolving Loan to be made as part of the requested Borrowing.

(ii) Minimum Amounts. Each Revolving Loan shall be in a minimum aggregate principal amount of $5,000,000, in the case of LIBOR Loans, or $1,000,000 (or the remaining Committed Amount, if less), in the case of Base Rate Loans, and integral multiples of $1,000,000 in excess thereof.

(d) Funding of Borrowings. Each Lender shall make each Revolving Loan to be made by it hereunder on the Disbursement Date by wire transfer of immediately available funds by 1:00 p.m., New York City time, to the account held by the Administrative Agent for such purpose most recently designated by it by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting on the same day the amounts so received, in like funds, to the account number 36964215 that the Borrower maintains with Citibank, NA. NY (ABA No. 021000089 Ref: CEMEX) in New York City (the "Funding Account") or any other account with such bank or any other financial institution designated by the Borrower in the applicable Notice of Borrowing. Unless the Administrative Agent shall have received notice from a Lender, prior to the time of any Borrowing, that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may, but shall not be required to, assume that such Lender has made such share available on such date in accordance with Section 2.01(c) and may in its sole discretion, but shall not be required to, in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender either does not make its share of the applicable Borrowing available to the Administrative Agent or delays in doing so past 4:00 p.m., New York City time, on the Disbursement Date (such Lender hereinafter referred to as a "Defaulting Lender"), then the Administrative Agent shall immediately notify the Borrower of such default. If the Administrative Agent has, in its sole discretion, made available to the Borrower an amount corresponding to such Defaulting Lender's share of the Borrowing, then the Defaulting Lender and the Borrower jointly and severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, on each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at:

(i) in the case of the Defaulting Lender, the Federal Funds Rate; or

(ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans.

If, with respect to the immediately preceding sentence, the Borrower pays such amount to the Administrative Agent, then the Defaulting Lender shall indemnify and hold harmless the Borrower from and against such amount, and if such Defaulting Lender pays such amount to the Administrative Agent, then such amount shall constitute such Defaulting Lender's Loan included in such Borrowing. If the Administrative Agent, in its discretion, does not make available to the Borrower an amount corresponding to the Defaulting Lender's share of the Borrowing then (x) the Defaulting Lender shall indemnify and hold harmless the Borrower from and against such amount as well as any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs, and expenses (including reasonable fees and disbursements for counsel including allocated cost of internal counsel) resulting from any failure on the part of the Defaulting Lender to provide, or

from any delay in providing, the Administrative Agent with such Defaulting Lender's pro rata share of the Borrowing, but no Lender shall be so liable for any such failure on the part of or caused by any other Lender or the Administrative Agent or the Borrower, and (y) such share of the applicable Borrowing that was not made available shall be disregarded for purposes of calculating the Commitment Fee pursuant to Section 4.03(a) and in the event such share has not been disregarded for such purposes, any amount paid by the Borrower in respect of such share shall be reimbursed to the Borrower by the applicable Defaulting Lender with interest thereon at the Federal Funds Rate for each day from and including the date such share of the Commitment Fee was paid by the Borrower to but excluding the date of reimbursement by the Defaulting Lender. The Administrative Agent, upon notice by the Borrower that such reimbursement is due from the applicable Defaulting Lender, shall notify such Defaulting Lender of the amount of the reimbursement due, including interest thereon, and shall forward such amount to the Borrower upon receipt from the Defaulting Lender. The Administrative Agent shall not, however, be liable to the Borrower for any failure by any Defaulting Lender to reimburse the Borrower for any amounts in respect of such Commitment Fee.

(e) Extension and Conversion. The Borrower shall have the option, on any Business Day, to extend existing Revolving Loans into a subsequent permissible Interest Period or to convert Revolving Loans into Revolving Loans of another interest rate type; provided, however, that (i) except as provided in Section 4.10, LIBOR Loans may be converted into Base Rate Loans only on the last day of the Interest Period applicable thereto unless the Borrower agrees to pay all Funding Losses, (ii) LIBOR Loans may be extended, and Base Rate Loans may be converted into LIBOR Loans, only if the conditions in Section 5.02 have been satisfied, (iii) Loans extended as, or converted into, LIBOR Loans shall be subject to the terms of the definition of "Interest Period" set forth in Section 1.01 and shall be in such minimum amounts as provided in Section 2.01(c)(ii), and (iv) any request for extension or conversion of a LIBOR Loan that shall fail to specify an Interest Period shall be deemed to be a request for an Interest Period of one month. Each such extension or conversion shall be effected by the Borrower by giving a written notice (or telephone notice promptly confirmed in writing) (a "Notice of Extension/Conversion") to the Administrative Agent prior to 10:00 a.m., New York City time, on the LIBOR Business Day of, in the case of the conversion of a LIBOR Loan into a Base Rate Loan, and on the third LIBOR Business Day prior to, in the case of the extension of a LIBOR Loan as, or conversion of a Base Rate Loan into, a LIBOR Loan, the date of the proposed extension or conversion, substantially in the form of Exhibit C hereto, specifying (A) the date of the proposed extension or conversion, (B) the Loans to be so extended or converted, (C) the types of Revolving Loans into which such Loans are to be converted, and, if appropriate, (D) the applicable Interest Periods with respect thereto. Each Notice of Extension/Conversion shall be irrevocable and shall constitute a representation and warranty by the Borrower of the matters specified in Sections 5.02(a) through (e). So long as there is no Default or Event of Default, in the event the Borrower does not request extension or conversion of any LIBOR Loan in accordance with this Section, or any such conversion or extension is not required by this Section, then such LIBOR Loan shall be continued as a Base Rate Loan at the end of each Interest Period applicable thereto, until the Borrower selects an alternate Interest Period or converts such Loans to LIBOR Loans. It being hereby understood and agreed that such failure by the Borrower to request such extension or conversion resulting in the automatic conversion of a LIBOR Loan into a Base Rate Loan shall also constitute a representation and warranty by the Borrower of the matters specified in Sections 5.02(a) through (e). In the event any LIBOR Loans are not permitted to be converted into another LIBOR Loan hereunder, such LIBOR Loans shall automatically be converted to Base Rate Loans at the end of the applicable Interest Period with respect thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed extension or conversion affecting any Loan.

(f) Repayment. The principal amount of all Revolving Loans shall be due and payable in full on the Termination Date. (g) Revolving Notes. Upon the request of any Lender, such Lender's Commitment Percentage of the Revolving Loans shall be evidenced by a duly executed revolving note in favor of such Lender in the form of Exhibit A attached hereto.

(h) Maximum Number of LIBOR Loans. The Borrower will be limited to a maximum number of ten (10) LIBOR Loans outstanding at any time. For purposes hereof, LIBOR Loans with separate or different Interest Periods will be considered as separate LIBOR Loans even if their Interest Periods expire on the same date.

(i) Notice. The Administrative Agent shall promptly advise each Lender of any change in Commitment Percentages made pursuant to Section 4.02. 2.02 Swing Line Loans.

(a) Swing Line Loans Commitments. During the Commitment Period, subject to the terms and conditions hereof, each Swing Line Lender hereby agrees to make Swing Line Loans to the Borrower in the aggregate amount up to but not exceeding the Swing Line Sublimit; provided, after giving effect to the making of any Swing Line Loan, in no event shall the aggregate amount of the Loans outstanding plus the aggregate amount of the Standby L/C Exposure exceed the Aggregate Committed Amount for the facility then in effect. Amounts borrowed pursuant to this Section 2.02 may be repaid, prepaid and reborrowed during the Commitment Period. Each Swing Line Lender's commitment to make Swing Line Loans shall expire on the Termination Date and all Swing Line Loans and all other amounts owed hereunder with respect to the Swing Line Loans and the Revolving Commitments shall be paid in full no later than such date. Subject to Section 2.02(c)(iv), each Swing Line Loan shall mature on the Swing Line Maturity Date.

(b) Loans and Borrowings. Each Swing Line Loan shall be made as part of a Borrowing consisting of Swing Line Loans made by the Swing Line Lenders on a pro rata basis. The failure of any Swing Line Lender to make any Swing Line Loan required to be made by it shall not relieve any other Swing Line Lender of its obligations hereunder; provided that the Commitments of the Swing Line Lenders are several and no Swing Line Lender shall be responsible for any other Swing Line Lender's failure to make Swing Line Loans as required.

(c) Borrowing Mechanics for Swing Line Loans.

(i) Swing Line Loans shall be made in an aggregate minimum amount of $5,000,000 and integral multiples of $1,000,000 in excess of that amount.

(ii) Whenever the Borrower desires that the Swing Line Lenders make a Swing Line Loan, the Borrower shall deliver to Administrative Agent, with a copy to each Swing Line Lender, a Swing Line Request no later than 11:00 a.m. (New York City time) on the proposed Disbursement Date. With respect to any Borrowing Date, the Borrower may deliver only a single Swing Line Request to the Administrative Agent. Any Swing Line Request, once delivered to the Administrative Agent in accordance with this Agreement, shall be irrevocable.

(iii) Each Swing Line Lender shall make its pro rata share of the amount of the requested Swing Line Loan available to the Administrative Agent by no later than 2:00 p.m. (New York City time) on the applicable Disbursement Date by wire transfer of same day funds in Dollars, at the account held by the Administrative Agent for such purpose most recently designated by it by notice to the Swing Line Lenders. Except as provided herein, upon satisfaction or waiver by the Swing Line Lenders of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Swing Line Loans available to the Borrower on the applicable Disbursement Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Swing Line Loans received by Administrative Agent from each Swing Line Lender to be credited to the account of the Borrower at the Administrative Agent's Payment Office, or to such other account as may be designated in writing to Administrative Agent by the Borrower.

(iv) The Borrower shall have the option, on any Business Day,

to extend an existing Swing Line Loan for a subsequent three Business Day period; provided, however, that in no event may a Swing Line Loan be extended for more that two consecutive three Business Day periods. Each such extension shall be effected by the Borrower by giving a written notice of such extension (or telephone notice promptly confirmed in writing) to the Administrative Agent prior to 10:00 a.m., New York City time, on the Business Day of such extension.

(d) Repayment and Participations.

(i) Swing Line Loans shall be repaid, together with all accrued and unpaid interest thereon on the earlier to occur of (i) the Swing Line Maturity date and (ii) the Commitment Termination Date.

(ii) With respect to any Swing Line Loans which have not been paid by the Borrower when due, each Swing Line Lender may at any time in its sole and absolute discretion, deliver to the Administrative Agent (with a copy to the Borrower), no later than 10:00 a.m. (New York City time) at least one (1) Business Day in advance of the proposed Disbursement Date, a notice (which shall be deemed to be a Notice of Borrowing given by the Borrower) requesting that the Lenders make Revolving Loans that are Base Rate Loans to the Borrower, or its designee, on such Disbursement Date in an amount equal to the aggregate amount of such Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date a Swing Line Lender gives such Notice requesting that Lenders make Revolving Loans. For purposes of this Section 2.02, the Borrower agrees that such Base Rate Loan to be made by the Lenders pursuant to the Notice of Borrowing shall be made to the accounts of each of the Swing Line Lenders, as Borrower's designee, on a pro rata basis. Anything contained in this Agreement to the contrary notwithstanding, (1) the proceeds of such Revolving Loans made by the Lenders other than the Lenders that are also Swing Line Lenders shall be immediately delivered by the Administrative Agent to each Swing Line Lender, as Borrower's designee, on a pro rata basis and applied to repay a corresponding portion of the Refunded Swing Line Loans and (2) on the day such Revolving Loans are made, each Swing Line Lender's pro rata share of the Refunded Swing Line Loans shall be deemed to be paid by such Swing Line Lender with the proceeds of a Revolving Loan deemed to be made by such Swing Line Lender to the Borrower, or its designee, and such portion of the Swing Line Loans deemed to be so paid shall no longer be outstanding as Swing Line Loans and shall no longer be due under any Swing Line Note of such Swing Line Lender but shall instead constitute part of such Swing Line Lender's outstanding Revolving Loans to the Borrower and shall be due under the revolving loan note, if any, issued by the Borrower to such Swing Line Lender in its capacity as Lender. The Borrower hereby authorizes the Administrative Agent and each Swing Line Lender to charge the Borrower's accounts with the Administrative Agent and each Swing Line Lender (up to the amount available in each such account) in order to immediately pay each Swing Line Lender the amount of the Refunded Swing Line Loans to the extent the proceeds of such Revolving Loans made by the Lenders, including the Revolving Loan deemed to be made by such Swing Line Lender, are not sufficient to repay in full the Refunded Swing Line Loans. If any portion of any such amount paid (or deemed to be paid) to any Swing Line Lender should be recovered by or on behalf of the Borrower from such Swing Line Lender in bankruptcy, by assignment for the benefit of creditors or otherwise, the loss of the amount so recovered shall be ratably shared among all Lenders in the manner contemplated by Section 4.13.

(iii) If for any reason Revolving Loans are not made pursuant to Section 2.01(d) in an amount sufficient to repay any amounts owed to such Swing Line Lenders in respect of any outstanding Swing Line Loans on or before the third (3rd) Business Day after demand is made for payment thereof by such Swing Line Lender, each Lender holding a Commitment shall be deemed to, and hereby agrees to, have purchased a participation in such outstanding Swing Line Loans, and in an amount equal to its pro rata share of the applicable unpaid amount together

with accrued interest thereon. Upon one (1) Business Day's notice from any Swing Line Lender, each Lender holding a Commitment shall deliver to each Swing Line Lender an amount equal to its respective participation in the applicable unpaid amount in same day funds at the domestic office of such Swing Line Lender. In order to evidence such participation, each Lender holding a Revolving Commitment agrees to enter into a participation agreement at the request of such Swing Line Lender in form and substance reasonably satisfactory to such Swing Line Lender. In the event any Lender holding a Revolving Commitment fails to make available to any Swing Line Lender the amount of such Lender's participation as provided in this paragraph, each Swing Line Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon for three Business Days at the rate customarily used by such Swing Line Lender for the correction of errors among banks and thereafter at the Base Rate, as applicable.

(iv) Notwithstanding anything contained herein to the contrary, (1) each Lender's obligation to make Revolving Loans for the purpose of repaying any Refunded Swing Line Loans pursuant to the second preceding paragraph and each Lender's obligation to purchase a participation in any unpaid Swing Line Loans pursuant to the immediately preceding paragraph shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation (A) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against any Swing Line Lender, any Credit Party or any other Person for any reason whatsoever; (B) the occurrence or continuation of a Default or Event of Default; (C) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Credit Party; (D) any breach of this Agreement or any other Credit Document by any party thereto; or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; provided, that such obligations of each Lender are subject to the condition that each Swing Line Lender believed in good faith that all conditions under Section 5.02 to the making of the applicable Refunded Swing Line Loans or other unpaid Swing Line Loans, were satisfied at the time such Refunded Swing Line Loans or unpaid Swing Line Loans were made, or the satisfaction of any such condition not satisfied had been waived by Requisite Lenders prior to or at the time such Refunded Swing Line Loans or other unpaid Swing Line Loans were made; and (2) no Swing Line Lender shall be obligated to make any Swing Line Loans (A) if it has elected not to do so after the occurrence and during the continuation of a Default or Event of Default or (B) at a time when a Funding Default exists unless such Swing Line Lender has entered into arrangements satisfactory to it and the Borrower to eliminate each such Swing Line Lender's risk with respect to the Defaulting Lender's participation in such Swing Ling Loan, including by cash collateralizing such Defaulting Lender's pro rata share of the outstanding Swing Line Loans.

2.03 Interest.

(a) Base Rate Loans. Revolving Loans constituting each Base Rate Borrowing shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) LIBOR Rate Loans. Revolving Loans constituting each LIBOR Rate Borrowing shall bear interest at a rate per annum equal to the LIBOR Rate for the Interest Period for such Borrowing plus the Applicable Margin.

(c) Swing Line Loans. Swing Line Loans shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(d) Default Interest. Notwithstanding the foregoing, if any principal of, or interest on, any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case

of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount, 2% plus the rate applicable to Base Rate Loans as provided in Section 2.03(a).

(e) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, upon termination of the Commitments; provided that (i) interest accrued on a Swing Line Loan shall be payable on the Swing Line Maturity Date, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of a Revolving Loan that is a Base Rate Loan prior to the Termination Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any LIBOR Rate Borrowing prior to the end of the Interest Period therefore, accrued interest on such Borrowing shall be payable on the effective date of such conversion.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Base Rate at times when the Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Base Rate or LIBOR Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

ARTICLE III

THE STANDBY L/C FACILITY

3.01 Issuance of the Standby L/C.

(a) Subject to the terms and conditions set forth herein, including but not limited to the conditions precedent specified in Section 5.02, and so long as no Default or Event of Default shall have occurred and be continuing, the Borrower may request the Issuing Banks to issue, in support of certain obligations of the Borrower and any of its Subsidiaries including but not limited to, contingent liabilities arising in connection with forward sales contracts, leases, insurance contracts and arrangements, service contracts, equipment contracts, financing transactions and other payment obligations, and each Issuing Bank agrees to issue on the terms set out in this Section 3.01 below, from time to time during the period from and including the Effective Date to but excluding the date that is five Business Days prior to the Termination Date, a Standby L/C denominated in Dollars for the Borrower's own account, and having a stated amount not exceeding the Available Standby L/C Sublimit at the time of issuance; provided, however, that the issuance of such requested Standby L/C shall not cause the Issuing Bank to violate any law or regulation to which it is or may be subject. The Standby L/C shall be substantially in the form indicated in Exhibit G-1 or G-2, as determined by the Borrower or in any other form that may be reasonably agreed upon by the Appropriate Issuing Bank and the Borrower.

(b) The Borrower, the Guarantors and the Participating Lenders hereby acknowledge and agree that, as of the date hereof, Standby L/Cs issued pursuant to the Prior Agreement are outstanding, and the outstanding amount of each issued Standby L/C is set forth on Schedule 3.01 hereto. From and after the date hereof and upon fulfillment of the conditions specified in Section 5.02 hereof, each such existing letter of credit, as such may have been amended, shall be deemed and treated for all purposes hereof as a "Standby L/C" hereunder, and each Lender, without further action on its part, shall be deemed to have purchased a participation in each such Standby L/C as provided in Section 3.04 hereof in accordance with its Commitment.

(c) To request the issuance of a Standby L/C, the Borrower shall deliver notice (a "Standby L/C Request") to the Appropriate Issuing Bank requesting the issuance of a Standby L/C, specifying the date of issuance (which shall be a Business Day that is no earlier than either (i) the Business Day following the Business Day on which the Appropriate Issuing Bank shall have

received the request for the issuance of the Standby L/C, if such request is received by the Appropriate Issuing Bank prior to 11:00 a.m. (New York City time), or (ii) the Business Day that is two (2) Business Days following the Business Day on which the Appropriate Issuing Bank shall have received the request for the issuance of the Standby L/C, if such request is received is by the Appropriate Issuing Bank after 11:00 a.m. (New York City time) but before 5:00 p.m. (New York City time); provided however, that the Appropriate Issuing Bank, in its sole discretion and on a request by request basis, may elect to accept a request for issuance of a Standby L/C specifying an issuance date not complying with the terms of this parenthetical), the date on which such Standby L/C is to expire, the amount of such Standby L/C, the name and address of the beneficiary thereof and any such other information as shall be necessary to prepare such Standby L/C. On the requested date of issuance, the Appropriate Issuing Bank shall, subject to the terms and conditions set forth herein and so long as no Default or Event of Default shall have occurred or be continuing, issue a Standby L/C in accordance with the Borrower's request pursuant to this paragraph (c).

(d) Each Standby L/C shall have a minimum stated amount equal to U.S.$5,000,000 and shall expire at or prior to the close of business on the earlier of (i) the date that is 360 days after the date of issuance of such Standby L/C and (ii) the date that is five Business Days prior to the Termination Date.

(e) Notwithstanding Clause (d) of this Section 3.01, if the Borrower is requesting a Standby L/C that is less than the Aggregate Available Standby L/C Sublimit, but greater than the Available Standby L/C Sublimit for each Issuing Bank, the Borrower may request a Standby L/C from each Issuing Bank in an amount up to the Available Standby L/C Sublimit for such Issuing Bank, on a pro rata basis determined on the basis of each Issuing Bank's Standby L/C Exposure, after giving effect to the requested Standby L/C, and each Issuing Bank shall be deemed to be the Appropriate Issuing Bank for the purposes of Section 3.01(c) hereof.

(f) Each Lender hereby irrevocably authorizes the Issuing Banks to issue Standby L/Cs under and in accordance with this Agreement, to pay the amount of any draft presented under any Standby L/C in accordance with the terms and conditions thereof, to receive from the Borrower reimbursement for Standby L/C Drawings and to take such action on its behalf under the provisions of this Agreement and the other Transaction Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Issuing Bank by the terms hereof or thereof, together with such powers as are reasonably incidental thereto.

3.02 Reimbursement Obligations.

(a) The Borrower agrees to reimburse the Issuing Banks for the full amount of any Drawing paid by an Issuing Bank on a Disbursement Date; provided, however, that in no event shall such reimbursement be made prior to the time such Drawing is paid by such Issuing Bank.

(b) If the amount of any Drawing is not reimbursed in full on the Disbursement Date by the Borrower, then the amount thereof which is not so reimbursed shall bear interest from (and including), the Disbursement Date until (but excluding) the date of actual payment thereof at a rate per annum equal to the Base Rate plus 2.00%, payable on demand.

3.03 Obligations to Reimburse Standby L/C Drawing Absolute.

(a) The obligations of the Borrower to reimburse an Issuing Bank for any Drawing shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including the following circumstances:

(i) any lack of validity or enforceability of any Transaction Document;

(ii) any amendment to or waiver of or any consent to departure

from the terms of any Transaction Document;

(iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the beneficiary of any Standby L/C or any transferee of any Standby L/C (or any Person for whom any such transferee may be acting), the Administrative Agent, any Participating Lender or any other Person, whether in connection with this Agreement, any other Transaction Document or any unrelated transaction;

(iv) any draft, statement or any other document presented under a Standby L/C proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or

(v) payment by an Issuing Bank under a Standby L/C against presentation of a draft or document which does not comply with the terms of such Standby L/C.

(b) The Issuing Banks shall not be responsible to any Person:

(i) for the validity, genuineness or legal effect of any document submitted to an Issuing Bank by any Person in connection with the issuance of, or any Drawing under, any Standby L/C; provided, however, that nothing in this clause (i) shall relieve an Issuing Bank from its obligations to honor a Drawing under a Standby L/C that strictly complies with the terms of such Standby L/C;

(ii) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher;

(iii) for any loss or delay in the transmission or otherwise of any document required in order to make a Drawing under a Standby L/C or of the proceeds thereof;

(iv) for the misapplication by the beneficiary of a Standby L/C of the proceeds of a Drawing under such Standby L/C; or (v) for any consequences arising from causes beyond the control of an Issuing Bank (including, any acts of any Governmental Authority);

provided, however, that the provisions of this Section 3.03 shall not limit any right or claim the Borrower may have against an Issuing Bank to the extent of any direct, as opposed to consequential or special, damages suffered by the Borrower which the Borrower proves were caused by such Issuing Bank's gross negligence or willful misconduct, it being understood that the existence of any such right or claim shall not in any way affect the obligation of the Borrower to reimburse such Issuing Bank for all Drawings under Standby L/Cs.

3.04 Participating Interests.

(a) Without further action on the part of the Issuing Banks and the Lenders, each Lender severally purchases from the Issuing Banks, without recourse to the Issuing Banks, and the Issuing Banks hereby sell to each such Lender, an undivided interest, to the extent of such Lender's Commitment Percentage, in each Standby L/C issued or to be issued hereunder or issued pursuant to the Prior Agreement, all Drawings, all interest thereon and all other rights, costs and expenses of the Issuing Banks hereunder and under such Standby L/C with respect thereto.

(b) As promptly as practicable upon becoming aware that the Borrower has not reimbursed or will not reimburse the relevant Issuing Bank in full for a Drawing under any Standby L/C in accordance with Section 3.02(a) or (b) on any applicable Disbursement Date, such Issuing Bank shall notify the Administrative Agent which shall promptly notify each Lender to such effect and each Lender shall (i) not later than 4:30 p.m. (New York City time) on the Business Day such notice is received from the Administrative Agent (if such notice is received at or prior to 12:00 noon (New York City time)) or (ii) not

later than 11:00 a.m. (New York City time) on the Business Day following receipt of such notice (if such notice is received after 12:00 noon (New York City time)) pay to the Administrative Agent, at the Administrative Agent's Payment Office, for the account of such Issuing Bank, an amount equal to such Lender's Commitment Percentage of such unreimbursed Drawing. Notwithstanding clause (ii) of this paragraph (b), if a Lender does not make available to the Administrative Agent on the applicable Disbursement Date such Lender's Commitment Percentage of any unreimbursed Drawing, such Lender shall be required to pay interest to the Administrative Agent for the account of such the Issuing Bank on its Commitment Percentage of the amount of such unreimbursed Drawing at the Federal Funds Rate from such Disbursement Date until the date payment is received by the Administrative Agent; provided, however, that if the Federal Funds Rate does not cover such Issuing Bank's cost of funds, the applicable rate of interest shall be such rate as determined by such Issuing Bank, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after receipt of notice, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent for the account of such Issuing Bank at a rate per annum equal to the Federal Funds Rate (or such other rate as may be determined by such Issuing Bank as set forth herein) plus 2.00%. Upon receipt of any such funds, the Administrative Agent shall promptly pay such funds to such Issuing Bank.

(c) If the Administrative Agent receives a Lender's Commitment Percentage of an unreimbursed Drawing on the corresponding Disbursement Date therefor, or if the Administrative Agent receives such payment together with interest thereon in accordance with the provisions of the preceding paragraph (b), such Lender shall be entitled to receive interest on its Commitment Percentage of such Standby L/C Drawing, as provided in Section 3.04(d)(ii) below, from the applicable Disbursement Date. (d) The payment obligations of each Lender to the relevant Issuing Bank as described in this Section 3.04 shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever and shall not be affected by any circumstance, including:

(i) any set-off, counterclaim, defense or other right which such Lender or any other Person may have against the Administrative Agent, an Issuing Bank or any other Person for any reason whatsoever;

(ii) the occurrence or continuance of a Default or Event of Default or the termination of the Commitments or the expiration the applicable Standby L/C;

(iii) any adverse change in the condition (financial or otherwise) of the Borrower;

(iv) any breach of any Transaction Document by any party thereto;

(v) any violation or asserted violation of law by any Lender or any affiliate thereof;

(vi) the failure of any Lender to perform its obligations hereunder;

(vii) any amendment to or extension of an issued and outstanding Standby L/C; or

(viii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing;

provided, however, that no Lender shall be liable for any portion of such liability resulting from such Issuing Bank's gross negligence or willful misconduct.

(e) The relevant Issuing Bank agrees to pay promptly upon receipt to the Administrative Agent for the account of each Lender (i) first, such Lender's Commitment Percentage of all amounts received from the Borrower in

payment, in whole or in part, of an unreimbursed Standby L/C Drawing, but only to the extent that such Lender has paid in full its Commitment Percentage of such Standby L/C Drawing to the Administrative Agent for the account of such Issuing Bank pursuant to Section 3.04(c) above and (ii) second, such Lender's Commitment Percentage of any interest received from the Borrower with respect to any such unreimbursed Standby L/C Drawing, but only to the extent such Lender has paid in full its Commitment Percentage of such Standby L/C Drawing to the Administrative Agent for the account of such Issuing Bank pursuant to Section 3.04(c) above.

(f) If, on account of the bankruptcy, insolvency, concurso mercantil or governmental intervention (or similar event) of the Borrower, an Issuing Bank or the Administrative Agent is required at any time (whether before or after the Termination Date) to return to the Borrower or to a trustee, receiver, liquidator, custodian or other similar official or any other Person, any portion of the payments made by (or on behalf of) the Borrower to the Administrative Agent for the account of an Issuing Bank (or directly to an Issuing Bank) in reimbursement of any unreimbursed Drawing and interest thereon, each Lender shall, on demand of such Issuing Bank or the Administrative Agent, forthwith return to such Issuing Bank or the Administrative Agent for the account of such Issuing Bank any amounts transferred to such Lender by such Issuing Bank or the Administrative Agent in respect thereof pursuant to the terms hereof plus such Lender's pro rata share of any interest on such payments required to be paid to the Person recovering such payments plus interest on all amounts so demanded from the day such amounts are returned by such Issuing Bank or the Administrative Agent, as the case may be, to the day such amounts are returned by such Lender to such Issuing Bank or the Administrative Agent at a rate per annum for each day equal to the Federal Funds Rate; provided, however, that if the Federal Funds Rate does not cover such Issuing Bank's or the Administrative Agent's cost of funds, the applicable rate of interest shall be such rate as determined by such Issuing Bank or the Administrative Agent, in good faith, to be equal to its cost of funds; and provided, further, that if any amount remains unpaid by any Lender for more than five Business Days after demand, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to such Issuing Bank or the Administrative Agent, as the case may be, at a rate per annum equal to the Federal Funds Rate plus 2.00%. In any case when an amount is returned to any Person pursuant to this paragraph (f), the reimbursement obligation of the Borrower contained in Section 3.02(a) will be reinstated as of the original date such reimbursement obligation arose.

(g) The Borrower hereby confirms and acknowledges that each Lender shall have a direct claim against the Borrower for the principal of and interest on each portion of any unreimbursed Standby L/C Drawing advanced by such Lender to an Issuing Bank and that each Lender shall to the extent applicable be entitled to all the rights of the Issuing Bank against the Borrower (to the extent not exercised by such Issuing Bank) as if such Lender had funded its Commitment Percentage of the Standby L/C Drawing directly to the beneficiary of the applicable Standby L/C.

(h) Each Issuing Bank and each Lender, with respect to the amounts payable to it in respect of any unreimbursed Standby L/C Drawing, and the Administrative Agent, with respect to all amounts payable in respect of unreimbursed Standby L/C Drawings, shall maintain on its books in accordance with its usual practice, loan accounts, setting forth its Commitment Percentage of each Standby L/C Drawing, the applicable interest rate and the amounts of principal and interest paid and payable by the Borrower from time to time hereunder with respect thereto; provided, however, that the failure by an Issuing Bank, any Lender or the Administrative Agent to record any such amount on its books or any error in such recordation shall not affect the obligations of the Borrower with respect thereto. In the case of any dispute, action or proceeding relating to any amount payable in respect of any unreimbursed Standby L/C Drawings, the entries in each such account shall be prima facie evidence of such amount. In the case of any discrepancy between the entries in an Issuing Bank's books and any Lender's books or the Administrative Agent's books, an Issuing Bank's books shall be considered correct in the absence of manifest error.

3.05 Limited Liability of the Issuing Banks. As between an Issuing Bank on the one hand, and the Borrower on the other, the Borrower assumes all risks of any acts or omissions of the beneficiaries of Standby L/Cs with respect to their use of the Standby L/Cs or the proceeds thereof. Neither of the Issuing Banks nor any of its employees, officers, directors or agents shall be liable or responsible for any acts or omissions of the beneficiaries in connection therewith.

ARTICLE IV
TERMINATION AND REDUCTION OF COMMITMENTS; FEES, TAXES, PAYMENT PROVISIONS

4.01 Termination or Reduction of Commitments.

(a) Mandatory Termination. Subject to Section 4.02, the Commitments shall terminate on the Termination Date.

(b) Voluntary Termination. Upon at least five Business Days' notice to the Administrative Agent, the Joint Bookrunners and the Issuing Banks, but no sooner than six months after the Effective Date, in which case such termination may occur at any time upon five Business Days, the Borrower may terminate the existing Commitments by instructing each beneficiary of a Standby L/C to surrender such Standby L/C to the relevant Issuing Bank for cancellation; and provided, further, however, that the existing Commitments may not be terminated so long as (i) any Standby L/C is outstanding or (ii) any Loan is outstanding or (iii) any Drawing, interest, fee or expenses remain unpaid. Upon at least five Business Days prior notice to the Administrative Agent and the Issuing Banks, the Borrower may terminate any Standby L/C, in accordance with its terms, by surrendering, or causing the beneficiary thereof to surrender, such Standby L/C to the relevant Issuing Bank for cancellation.

(c) Reduction of Standby L/C. Upon at least five Business Days prior notice to the Administrative Agent and each Issuing Bank, the Borrower may reduce the stated amount of any Standby L/C to be reduced, in accordance with its terms, by surrendering, or causing the beneficiary thereof to surrender, such Standby L/C to the relevant Issuing Bank for cancellation in exchange for a new Standby L/C having the reduced stated amount and otherwise having the same terms as the Standby L/C being cancelled; provided, however, that the stated amount of any Standby L/C shall not as a result of such reduction be reduced below U.S.$3,000,000.

(d) Any reduction of the Commitments shall reduce the Commitment of each Lender pro rata except as otherwise specified in Section 4.02(e).

(e) No reduction or termination of the Commitments shall in any event release any Lender from any of its direct or indirect obligations to the Issuing Banks in respect of (i) any Standby L/Cs issued prior to such termination or reduction or (ii) any Drawing.

4.02 Extension of Termination Date.

(a) Extension of Termination Date/Reduction of Standby L/C. Upon at least five Business Days' prior notice to the Administrative Agent and each Issuing Bank, but no sooner than six months after the Effective Date, the Borrower may permanently reduce the amount of the Aggregate Standby L/C Sublimit and the Standby L/C Sublimit for each Issuing Bank by a minimum amount of U.S.$5,000,000 or any integral multiple of U.S.$1,000,000 in excess thereof; provided, however, the Standby L/C Sublimit for any Issuing Bank may not be reduced below the Standby L/C Exposure of such Issuing Bank and any reductions in the Standby L/C Sublimit for the Issuing Banks must be made on a pro rata basis. The Borrower may, within 90 days, but not less than 45 days, prior to each anniversary date of the original Effective Date (each anniversary date being referred to as an "Anniversary Date"), by notice to the Administrative Agent, the Issuing Banks and the Lenders, make a written request of the Participating Lenders to extend the Termination Date for an additional period of one (1) year. The Administrative Agent will give prompt notice to each of the Participating Lenders of its receipt of any such request for extension of

the Termination Date. Each Participating Lender shall make a determination not later than 30 days prior to the then applicable Anniversary Date (the "Extension Consent Date") as to whether or not it will agree to extend the Termination Date as requested (such approval of an extension shall be an "Extension Consent"); provided, however, that failure by any Participating Lender to make a timely response to the Borrower's request for extension of the Termination Date shall be deemed to constitute a refusal by such Participating Lender to an extension of the Termination Date.

(b) Lender Not Consenting. If by any Extension Consent Date the Borrower and the Administrative Agent have not received an Extension Consent from any Participating Lender, the Termination Date, as it relates to such Participating Lender, shall not be extended, the Commitment of such Participating Lender shall terminate on the Termination Date applicable to it and any Loans or Standby L/C, as applicable, made by such Participating Lender and all accrued and unpaid interest thereon shall be due and payable on such Termination Date. Upon the termination of the Commitment of any such Lender, unless this Agreement is amended as provided in Sections 4.02(e) or 4.02(f), the aggregate amount of the Commitments shall be reduced by the amount of such terminated Commitment, and the Commitment Percentage of each other Lender shall be adjusted to that percentage obtained by dividing the Commitment of such Lender by the aggregate amount of the Commitments after giving effect to such reduction as provided in the definition of "Commitment Percentage".

(c) Other Lenders. No refusal by any one Participating Lender to consent to any extension of the Termination Date shall affect the extension of the Termination Date as it may relate to the Commitment and Loans of any Participating Lender that consents to such extension as provided in Section 4.02(b), and one or more Participating Lenders may consent to the extension of the Termination Date as it relates to them notwithstanding any refusal by any other Lenders so to consent; provided that even as to the consenting Lenders, the Termination Date will be extended only upon consent to such an extension by the Required Lenders.

(d) Termination of Commitment. If any Participating Lender does not deliver an Extension Consent as provided in Section 4.02(b) and no Loans or Standby L/Cs, as applicable are then outstanding, the Borrower may upon at least three (3) Business Days' prior notice to such Participating Lender and to the Administrative Agent terminate the Commitment of such Lender. Upon any such termination, the Commitment Percentage of each other Lender shall be adjusted, if necessary, to that percentage obtained by dividing the Commitment of such Lender by the aggregate amount of the Commitments after giving effect to such termination and any increases in the aggregate amount of the Commitments under the provisions of Section 4.02(e) or Section 4.02(f).

(e) Increase in Commitment of Other Lender or Lenders. If any Lender does not deliver an Extension Consent as provided in Section 4.02(b), upon the expiration of the Commitment of such Lender, or upon its termination as provided in Section 4.02(d), the Borrower may offer each Lender that has delivered an Extension Consent as provided in Section 4.02(b) a reasonable opportunity to increase its Commitment by an amount equal to its pro rata share (based on its Commitment before giving effect to such increase) of the Commitment of the Lender that does not deliver an Extension Consent as provided in Section 4.02(b). After giving such Lenders such an opportunity, the Borrower may with the approval of the Administrative Agent amend this Agreement to increase the Commitment of any other Lender or Lenders with the consent of such Lender or Lenders; provided that such increase does not increase the aggregate amount of the Commitments to an amount greater than the Aggregate Committed Amount in effect immediately before such expiration or termination.

(f) Additional Lender or Lenders. If any Lender does not deliver an Extension Consent as provided in Section 4.02(b), upon the expiration of the Commitment of such Lender, or upon its termination as provided in Section 4.02(d), the Borrower may with the approval of the Administrative Agent amend this Agreement as provided herein to add one or more other Lenders (each an "Additional Commitment Lender") as parties, with such Commitments as may be agreed to by the Administrative Agent and such other Lender or Lenders; provided that such additions do not increase the Aggregate Committed Amount to

an amount greater than the aggregate amount of Commitments in effect immediately before such expiration or termination.

4.03 Fees.

(a) Commitment Fee. The Borrower agrees to pay to the Administrative Agent, quarterly in arrears commencing on September 30, 2004, for the account of the Lenders ratably in accordance with their Commitment Percentage a commitment fee (the "Commitment Fee") at the rate of 40% of the Applicable Margin per annum for the relevant quarterly period on the Available Commitments as from time to time in effect]. The Commitment Fee shall accrue from the Effective Date to the Termination Date and shall be payable in arrears on the last day in each of March, June, September, and December and on the Termination Date provided that if any day or the Termination Date is not a Business Day, then the Commitment Fee shall be payable on the next preceding Business Day.

(b) Standby L/C Fees. The Borrower will pay to each Issuing Bank Standby L/C documentation fees (the "Standby L/C Fees") in the amounts and at the times agreed to by the Issuing Banks and the Borrower in the Fee Letter.

(c) Letter of Credit Utilization Fees. A letter of credit utilization fee, at a rate per annum equal to the Applicable Margin for the relevant quarterly period from time to time in effect, calculated on a per annum basis on the daily amount of Aggregate Standby L/C Exposure from time to time, payable to the Administrative Agent for the account of the Lenders in arrears on (i) the last day of each calendar quarter, commencing on the first such date after the Borrowing Date, and (ii) the Termination Date.

(d) Joint Bookrunners Fees. The Borrower will pay to the Joint Bookrunners, for the sole account of the Joint Bookrunners, the arrangement fees (the "Joint Bookrunners Fees") and other fees in the amounts and at the times agreed to by the Joint Bookrunners and the Borrower in the Fee Letter.

(e) Up-Front Fee. The Borrower will pay to the Administrative Agent, for the account of the Lenders, an up-front fee (the "Up-front Fee") in accordance with the Summary of Terms and Conditions agreed to by the Borrower and the Joint Bookrunners on May 10, 2004.

4.04 Computation of Fees. All fees calculated on a per annum basis shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed.

4.05 Taxes.

(a) Any and all payments by the Borrower or the Guarantor, as the case may be, to any Lender, any Issuing Bank, the Joint Bookrunners or the Administrative Agent under this Agreement and the other Transaction Documents shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes. In addition, the Borrower shall promptly pay all Other Taxes.

(b) Except as otherwise provided in Section 4.05(c), the Borrower and the Guarantors agree to indemnify and hold harmless each Lender, each 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 4.05) paid by or assessed against any Lender, any Issuing Bank or the Administrative Agent in respect of any sum payable hereunder and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, 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, any 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 Borrower or the Guarantors, as the case may be, shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any Lender, any Issuing Bank or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 4.05, but excluding in each case United States backup withholding Taxes imposed because of payee underreporting) such Lender, such Issuing Bank or the Administrative Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made; provided, that, the Borrower shall not be required to increase any amounts payable to such Lender, Issuing Bank or the Administrative Agent to the extent such increased amounts would be in excess of the 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 Section 4.05(f);

(ii) the Borrower or the Guarantors, as the case may be, shall make such deductions and withholdings; and

(iii) the Borrower or the Guarantors, as the case may be, shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law.

(d) Within 30 days after the date of any payment by the Borrower or the Guarantors, as the case may be, of Taxes or Other Taxes, the Borrower or the Guarantors, as the case may be, shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to the Administrative Agent.

(e) If the Borrower or the Guarantors, as the case may be, is required to pay additional amounts to any Lender or any Issuing Bank pursuant to Section 4.05(c) other than amounts related to the withholding of Mexican tax at the rate applicable to interest payments received by foreign financial institutions registered with the Secretaria de Hacienda y Credito Publico as a Foreign Financial Institution for the purposes of Article 195, Section I of the Mexican Income Tax law, then such Lender or such 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 or reduce the obligation of the Borrower or the Guarantor, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify such Lender or the Issuing Bank in the future, if such change in the reasonable judgment of such Lender or such Issuing Bank is not otherwise disadvantageous to such Lender or such Issuing Bank.

(f) Each Issuing Bank, each Lender and the Administrative Agent shall, from time to time at the request of the Borrower or the Administrative Agent (as the case may be), promptly furnish to the Borrower and the Administrative Agent (as the case may be), such forms, documents or other information (which shall be accurate and complete) as may be reasonably required to establish any available exemption from, or reduction in the amount of, applicable Taxes; provided, however, that none of any Issuing Bank, any Lender or the Administrative Agent shall be obliged to disclose information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f). Each of the Borrower and the Administrative Agent shall be entitled to rely on the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have became payable by such Person had such documentation been accurate.

(g) If any Issuing Bank, the Administrative Agent or any Lender receives a refund or credit in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower or a Guarantor, as the case may be,

pursuant to Section 4.05(b) and such refund or credit is directly and clearly attributable to this Agreement, it shall notify the Borrower or such Guarantor, as the case may be, of the amount of such refund or credit and shall return to the Borrower or such Guarantor, as the case may be, such refund or the benefit of such credit; provided, however, that (A) such Issuing Bank, the Administrative Agent or such Lender, as the case may be, shall not be obligated to make any effort to obtain such refund or credit or to provide the Borrower or the Guarantors with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Borrower, the Guarantors or any other Person any information that it considers to be proprietary or confidential, and (B) the Borrower or such Guarantor, as the case may be, upon the request of such Issuing Bank, the Administrative Agent or such Lender, as the case may be, shall return the amount of such refund or the benefit of such credit to such Issuing Bank, the Administrative Agent or such Lender, as the case may be, if such Issuing Bank, the Administrative Agent or such Lender, as the case may be, is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six years of the date the Borrower or such Guarantor, as the case may be, is paid such amount by such Issuing Bank, the Administrative Agent or such Lender, as the case may be.

4.06 General Provisions as to Payments.

(a) All payments to be made by the Borrower or the Guarantors, as the case may be, shall be made without set-off, counterclaim or other defense. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Administrative Agent for the account of the Lenders, the Swing Line Lenders or the Issuing Banks, as the case may be, at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 3:30 p.m. (New York City time) (but not earlier than 11:30 a.m. (New York City time) in respect of any Drawing under a Standby L/C), on the dates specified herein but in no event prior to the payment by the relevant Issuing Bank of such Drawing, as the case may be, to be reimbursed. The Administrative Agent will promptly distribute to the relevant Issuing Bank or to each Lender its Commitment Percentage (or other applicable share as expressly provided herein) of each payment in like funds as received. Any payment received by the Administrative Agent later than 3:30 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(b) Except and to the extent otherwise specifically provided herein, whenever any payment to be made hereunder is due on a day which is not a Business Day, the date for payment thereof shall be extended to the immediately following Business Day and, if interest is stated to be payable in respect thereof, interest shall continue to accrue to such immediately following Business Day.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to an Issuing Bank or the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, cause to be distributed to the relevant Issuing Bank or each Lender, as the case may be, on such due date an amount equal to the amount then due to such Issuing Bank or such Lender. If and to the extent that the Borrower shall not have made such payment, the relevant Issuing Bank or each Lender, as the case may be, shall repay to the Administrative Agent forthwith on demand such amount distributed to such Issuing Bank or such Lender together with accrued interest thereon, for each day from the date such amount is distributed to such Issuing Bank or such Lender until the date such Issuing Bank or such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by the relevant Issuing Bank or any Lender for more than five Business Days after the Administrative Agent has made a demand for such amount, such Issuing Bank or such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 1%, and, provided further, that if any such amount remains unpaid by the relevant Issuing Bank or

any Lender for more than ten Business Days, such Issuing Bank or such Lender shall, commencing on the day next following such tenth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 2.00%.

4.07 Funding Losses. If the Borrower makes any payment of principal with respect to any LIBOR Loan on any day other than the last day of the Interest Period applicable thereto, or if the Borrower fails to borrow any LIBOR Loans after notice has been given to any Lender in accordance with Section 2.01 or to convert or continue a Loan as a LIBOR Loan after a Notice of Extension/Conversion has been delivered by the Borrower pursuant to Section 2.01(e), or if the Borrower fails to prepay any LIBOR Loans after notice has been given pursuant to Section 2.01, the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it, including any loss incurred in obtaining, liquidating or reemploying deposits bearing interest by reference to LIBOR from third parties ("Funding Losses"), provided such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the computations for the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

4.08 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any LIBOR Loan:

(a) the Administrative Agent determines that by reason of circumstances affecting the London interbank market, reasonably adequate means do not exist for ascertaining LIBOR applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market for such Interest Period, or

(b) the Required Lenders advise the Administrative Agent that LIBOR as determined by the Administrative Agent will not adequately and fairly reflect the cost to any Lender of making or maintaining its Loan for such Interest Period,

(c) then the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders. In the event of any such determination or advise, until the Administrative Agent shall have notified the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Loan of the affected amount or Interest Period, or a conversion to or continuation of a Loan of the affected amount or Interest Period shall be deemed rescinded and such request shall instead be considered a request for a Base Rate Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

4.09 Capital Adequacy.

If any Participating Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule, or regulation regarding capital adequacy, or compliance by such Participating Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of increasing such Participating Lender's cost of maintaining its Commitment or Standby L/C, as the case may be, or making or maintaining any Loans or any Standby L/C, as the case may be, or reducing the rate of return on such Participating Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Participating Lender could have achieved but for such adoption, effectiveness, change, or compliance (taking into consideration such Lender's policies with respect to capital adequacy), then, upon notice from such Participating Lender to the Borrower, the Borrower shall be obligated to pay to such Participating Lender such additional amount or amounts as will compensate such Participating Lender for such increased cost or reduction in amount received. Each determination by any such Lender of amounts owing under this Section shall,

absent manifest error, be conclusive and binding on the parties hereto. The relevant Lender will, upon request, provide a certificate in reasonable detail as to the amount of such increased cost or reduction in amount received and method of calculation.

Upon any Participating Lender's making a claim for compensation under this Section 4.09, (i) such Participating Lender shall use commercially reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its lending office or assign its rights and obligations hereunder to another of its offices, branches or affiliates so as to eliminate or reduce any such additional payment by the Borrower which may thereafter accrue, if such change is not otherwise disadvantageous to such Lender, and (ii) the Borrower may replace such Lender in accordance with Section 4.12.

4.10 Illegality.

(a) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Effective Date shall make it unlawful for any Lender to make or maintain any Commitment or any Loan as contemplated by this Credit Agreement, then such Lender, together with Lenders giving notice under Section 4.08(c), shall be an "Affected Lender" and by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that such Loans will not thereafter (for the duration of such unlawfulness or impossibility) be made by such Lender hereunder, whereupon, in the case of any request for a LIBOR Loan, as to such Lender, such request shall only be deemed a request for a Base Rate Loan (unless it should also be illegal for the Affected Lender to provide a Base Rate Loan, in which case such Loan shall bear interest at a commensurate rate to be agreed upon by the Administrative Agent and the Affected Lender, and so long as no Event of Default shall have occurred and be continuing, the Borrower), unless such declaration shall be subsequently withdrawn;

(ii) such Lender may require that all outstanding LIBOR Loans, made by it be converted to Base Rate Loans, in which event all such LIBOR Loans shall be automatically converted to Base Rate Loans as of the effective date of such notice as provided in paragraph (b) below; and

(iii) if it is also illegal for the Affected Lender to make Base Rate Loans, such Lender may declare all amounts owed to them by the Borrower to the extent of such illegality to be due and payable; provided, however, the Borrower has the right, with the consent of the Administrative Agent to find an additional Lender to purchase the Affected Lenders' rights and obligations.

In the event any Lender shall exercise its rights under (i) or (ii) above with respect to any Loans, all payments and prepayments of principal that would otherwise have been applied to repay the LIBOR Loans that would have been made by such Lender or the converted LIBOR Loans of such Lender shall instead be applied to repay the Base Rate Loans made by such Lender in lieu of, or resulting from the conversion, of such LIBOR Loans.

(b) For purposes of this Section 4.10, a notice to the Borrower by any Lender shall be effective as to each such Loan, if lawful, on the last day of the Interest Period currently applicable to such Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

4.11 Requirements of Law.

If, after the date hereof, the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Effective Date (or,

if later, the date on which such Lender becomes a Lender):

(a) shall impose, modify, or hold applicable any reserve, special deposit, compulsory loan, or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans, or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the LIBOR hereunder; or

(b) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender reasonably deems to be material, of making, converting into, continuing, or maintaining LIBOR Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice delivered to the Borrower from such Lender, through the Administrative Agent, in accordance herewith, the Borrower shall be obligated to promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable; provided that, in any such case, the Borrower may elect to convert the LIBOR Loans made by such Lender hereunder to Base Rate Loans by giving the Administrative Agent at least one (1) Business Day's notice of such election. If any Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall provide notice thereof to the Borrower, promptly upon occurrence of such event, but in any case within three (3) days from the date of such event, through the Administrative Agent, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive and binding on the parties hereto in the absence of manifest error. This covenant shall survive the termination of sthi Agreement and the payment of the Loans and all other amounts payable hereunder. If any Lender becomes aware of a proposed change in any Requirement of Law that would entitle it to claim any additional amounts pursuant to this Section it shall promptly, upon the Lender becoming aware of such event, provide notice to the Borrower through the Administrative Agent.

4.12 Substitute Lenders. If any Lender has demanded compensation pursuant to Sections 4.09, 4.10 or to 4.11, and such Lender does not waive its right to future additional compensation pursuant to Section, 4.09, 4.10 or 4.11, the Borrower shall have the right (i) to replace such Lender with a Substitute Lender or Substitute Lenders that shall succeed to the rights of such Lender under this Agreement upon execution of an Assignment and Assumption Agreement and payment by the Borrower of the related processing fee of U.S.$3,500 to the Administrative Agent and a fee of U.S.$1,500 payable directly to each Issuing Bank; or (ii) to remove such Lender, reduce the Commitments by the amount of the Commitment of such Lender, and adjust the Commitment Percentage of each Lender such that the percentage of each other Lender shall be increased to equal the percentage equivalent of a fraction. The numerator of which is the Commitment of such other Lender and the denominator of which is the Commitments of the Lenders minus the Commitments of the Lender who demanded payment pursuant to Sections 4.09, 4.10 or 4.11; provided, however, that such Lender shall not be replaced or removed hereunder until such Lender has been repaid in full all amounts owed to it pursuant to this Agreement and the other Transaction Documents (including Sections 4.09) unless any such amount is being contested by the Borrower in good faith.

4.13 Sharing of Payments, Etc.

(a) If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Obligations owing to it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Commitment Percentage of payments on account of the Obligations obtained by all the Participating Lenders (an "excess payment"),

such Lender shall forthwith (i) notify the Administrative Agent of such fact, and (ii) purchase from the other Lenders such participations in such Obligations owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's Commitment Percentage (according to the proportion of (A) the amount of such paying Lender's required repayment to (B) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of demonstrable error) of participations purchased pursuant to this Section 4.13 and will in each case notify the Lenders following any such purchases.

(b) If any Lender shall commence any action or proceeding in any court to enforce its rights hereunder after consultation with the other Lenders and, as a result thereof or in connection therewith, it shall receive any excess payment, then such Lender shall not be required to share any portion of such excess payment with any Lender which has the legal right to, but does not, join in any such action or proceeding or commence and diligently prosecute a separate action or proceeding to enforce its rights in another court.

(c) The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 4.13 may exercise all its rights of set-off with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE V
CONDITIONS PRECEDENT

5.01 Conditions to Effectiveness. The obligations of the Participating Lenders under this Agreement are subject to the satisfaction or waiver of the following conditions precedent (the date on which all such conditions precedent are satisfied or waived being the "Effective Date"):

(a) Agreement. The Administrative Agent shall have received counterparts of this Agreement duly executed by each party hereto and if requested by a Lender, there shall have been delivered to the Administrative Agent for the account of such Lender, a Note, executed by the Borrower.

(b) Opinions of Borrower's and each Guarantor's Counsel. The Administrative Agent shall have received (i) the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Borrower and the Guarantors, in substantially the form of Exhibit E, and (ii) the opinion of Lic. Ramiro G. Villareal Morales, Mexican counsel to the Borrower, in substantially the form of Exhibit F.

(c) Opinion of Counsel to the Administrative Agent. The Administrative Agent shall have received (i) a favorable opinion of Ritch, Heather y Mueller, S.C., special Mexican counsel to the Administrative Agent and the Participating Lenders, and (ii) the opinion of Sullivan & Cromwell LLP, New York counsel to the Participating Lenders.

(d) Governmental Approvals. The Administrative Agent shall have received certified copies of any and all necessary approvals, authorizations, or consents of, or notices to, or registrations with any Governmental Authority required for the Borrower and each Guarantor to enter into, or perform its obligations under, the Transaction Documents.

(e) Organizational Documents of the Borrower and the Guarantors. The Administrative Agent shall have received certified copies of (i) the acta constitutiva and estatutos sociales in effect on the Effective Date of the Borrower and each Guarantor, (ii) the powers-of-attorney of each Person

executing any Transaction Document on behalf of the Borrower and each Guarantor, together with specimen signatures of such Person and (iii) all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the authorization for the execution, delivery and performance of each such Transaction Document and the transactions contemplated hereby and thereby. All certificates shall state that the resolutions or other information referred to in such certificates have not been amended, modified, revoked or rescinded as of the date of such certificates (which shall not be earlier than five Business Days before the Effective Date).

(f) Agent for Service of Process. The Administrative Agent shall have received a power of attorney, notarized under Mexican law, granted by the Borrower and each Guarantor to the Process Agent in respect of the Transaction Documents together with evidence that the Process Agent has accepted its appointment as Process Agent pursuant to Section 15.12.

(g) Fees and Expenses. The Borrower shall have paid all fees and expenses owing to the Participating Lenders, the Joint Bookrunner and the Administrative Agent to the extent of and payable on or before the Effective Date of the Agreement, and all other fees and expenses owing hereunder and under the Fee Letter to the extent due and payable on or before the Effective Date of the Agreement.

(h) No Default. No Default or Event of Default shall have occurred and be continuing either prior to or after giving effect to the transactions contemplated on the Effective Date, and the Borrower and each Guarantor shall have provided a certificate from a Responsible Officer of the Borrower to such effect to the Administrative Agent.

(i) Representations and Warranties. The representations and warranties of the Borrower and of each Guarantor contained in this Agreement and each other Transaction Document shall be true on and as of the Effective Date, and the Borrower and each Guarantor shall have provided a certificate to such effect to the Administrative Agent.

(j) No Material Adverse Effect. No Material Adverse Effect shall have occurred since December 31, 2003 and there shall have occurred no circumstance and/or event of a financial, political or economic nature in Mexico that has a reasonable likelihood of having a material adverse effect on the ability of the Borrower or the Guarantors to perform their obligations under this Agreement and the other Transaction Documents.

(k) Other Documents. The Administrative Agent shall have received such other certificates, powers of attorney and other documents and undertakings relating to the authority for, and the execution, delivery and validity of, the Transaction Documents, as may be reasonably requested by the Administrative Agent or any Participating Lender through the Administrative Agent.

(l) Fees, Costs and Expenses under the Prior Agreement. The Borrower 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.

(m) Prior Agreement. The Prior Agreement shall have been cancelled or terminated in accordance with its respective terms, any promissory notes issued thereunder shall have been cancelled or returned to the Borrower, all outstanding loans issued under the Prior Agreement, other than the existing Standby L/C set forth on Schedule 3.01, shall have been repaid or reimbursed. The parties hereto agree that a Notice of Borrowing may be given under this Agreement simultaneously to repay or reimburse all outstanding obligations under the Prior Agreement.

(n) Termination of the U.S. Commercial Paper Program. The Administrative Agent shall have received evidence that all outstanding amounts under the CEMEX U.S. Commercial Paper program, dated as of August 8, 2003, shall have been, or will be with the proceeds of a Borrowing hereunder, paid in full and all commitments shall have been or will on the same day be

terminated or cancelled.

5.02 Conditions Precedent to Borrowings, Continuation or Conversion of the Loans and Issuances of Standby L/Cs. The obligation of any Lender to make a Loan on the occasion of any Borrowing or to continue or convert any Loan or for an Issuing Bank to issue a Standby L/C is subject to the satisfaction of the following conditions:

(a) Notices. In the case of Borrowings, continuance or conversion of Loans, the Administrative Agent shall have received a Notice of Borrowing, Swing Line Request or a Notice of Extension/Conversion as required by Section 2.01(c), 2.02(c) or 2.01(e), respectively, and, in the case of issuances of Standby L/Cs, the Appropriate Issuing Bank shall have received a Standby L/C Request as required by Section 3.01(c);

(b) Availability. (i) Immediately after such Borrowing (after giving effect to the payment of any unreimbursed Drawing with the proceeds of such Borrowing), the continuation or conversion of any Loan or the issuance of the Standby L/C, as the case may be, the Total Outstandings shall not exceed the Aggregate Committed Amount; and

(ii) in the case of issuances of Standby L/Cs, the stated amount of the Standby L/C subject of such issuance shall not exceed the Available Standby L/C Sublimit.

(c) No Default. Immediately before and after giving effect to such Borrowing or the continuation or conversion of any Borrowing or the issuance of such Standby L/C, no Default or Event of Default shall have occurred and be continuing and such Borrowing or continuation or conversion of any Loan or issuance of a Standby L/C thereof will not cause or result in a Default or Event of Default; and

(d) Representations and Warranties. The representations and warranties of the Borrower contained in this Agreement and in each other Transaction Document and of each Guarantor contained in this Agreement shall be true and correct in all material respects on and as of the date of any Borrowing, continuation or conversion of any Loan or issuance of a Standby L/C thereof.

(e) Fees. In the case of issuances of Standby L/Cs, the Borrower shall have paid to the Issuing Banks all of the Standby L/C Fees due and payable on or before the issuance of such Standby L/C.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

6.01 Corporate Existence and Power.

(a) The Borrower is a corporation (sociedad anonima de capital variable) duly incorporated, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Borrower has been validly issued and is fully paid and non-assessable.

6.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Borrower of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Borrower's corporate powers and have been duly authorized by all necessary corporate

action pursuant to the estatutos sociales of the Borrower.

(b) This Agreement and the other Transaction Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

6.03 Compliance with Law and Other Instruments. The execution, delivery of and performance under this Agreement and each of the other Transaction Documents to which the Borrower is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Borrower pursuant to, any Contractual Obligation of the Borrower or (b) result in any violation of the estatutos sociales of the Borrower or any provision of any Requirement of Law applicable to the Borrower.

6.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Borrower of this Agreement and the other Transaction Documents to which the Borrower is a party or the taking of any action contemplated hereby or by any other Transaction Document.

6.05 Financial Information.

(a) The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2003, and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, and the consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2004, and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the three months then ended, duly certified by the chief financial officer of the Borrower, copies of which have been furnished to each Lender, fairly present, subject, in the case of said balance sheet as at March 31, 2004, and said statements of income and cash flows for the three months then ended, to year-end audit adjustments, the consolidated financial condition of the Borrower and its Subsidiaries as at such dates and the consolidated results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with Mexican GAAP, consistently applied.

(b) Since December 31, 2003 there has been no development or event which has had or is reasonably likely to have a Material Adverse Effect.

6.06 Litigation. Except as set forth in Schedule 6.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the litigation described in Schedule 6.06.

6.07 No Immunity. The Borrower is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by the Borrower constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither the Borrower nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of

execution).

6.08 Governmental Regulations. The Borrower is not, and is not controlled by, (a) an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) a "holding company", or of a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.09 Direct Obligations; Pari Passu; Liens.

(a) (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Borrower, and (ii) the Loans, when made, will constitute direct, unconditional unsubordinated and unsecured obligations of the Borrower.

(b) The obligations of the Borrower under this Agreement and the Loans rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of the Borrower.

(c) There are no Liens on the property of the Borrower or any of its Subsidiaries other than Permitted Liens.

6.10 Subsidiaries. All Material Subsidiaries of the Borrower are listed on Schedule 6.10.

6.11 Ownership of Property. (a) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except Permitted Liens and (b) each Credit Party maintains insurance as required by Section 8.05.

6.12 No Recordation Necessary.

(a) This Agreement and the Notes are in proper legal form under the law of Mexico for the enforcement thereof against the Borrower under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement, unless such stamp or similar taxes have been paid by the Borrower; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(b) It is not necessary (i) in order for the Administrative Agent or any Participating Lender to enforce any rights or remedies under the Transaction Documents or (ii) solely by reason of the execution, delivery and performance of this Agreement by the Administrative Agent or any Participating Lender, that the Administrative Agent or such Participating Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

6.13 Taxes.

(a) Each Obligor has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by the Borrower, except where the same may be contested in good faith by appropriate proceedings and as to which such Obligor maintains reserves to the extent it is required to do so by law or pursuant to Mexican GAAP. The charges, accruals and reserves on the books of each Obligor in respect of taxes or other governmental charges are, in the

opinion of the Borrower, adequate.

(b) Except for tax imposed by way of withholding on interest, fees and commissions remitted from Mexico, there is no tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by or in Mexico or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or any of the other Transaction Documents or (ii) on any payment to be made by the Borrower pursuant to this Agreement or any of the other Transaction Documents. The Borrower is permitted to pay any additional amounts payable pursuant to Section 4.05.

6.14 Compliance with Laws. The Borrower and its Subsidiaries are in compliance in all material respects with all applicable Requirements of Law (including with respect to the licenses, certificates, permits, franchises, and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, antitrust laws or Environmental Laws and the rules and regulations and laws with respect to social security, workers' housing funds, and pension funds obligations), except where the failure to so comply would not have a Material Adverse Effect.

6.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

6.16 Full Disclosure. All information heretofore furnished by the Borrower to the Administrative Agent, the Joint Bookrunners or any Participating Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by the Borrower) is, and all such information hereafter furnished by the Borrower to the Administrative Agent, the Joint Bookrunners or any Participating Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Borrower has disclosed to the Participating Lenders in writing any and all facts which may have a Material Adverse Effect.

6.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Borrower arising out of or relating to this Agreement in any Mexican court or tribunal, any Participating Lender, the Joint Bookrunners and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 15.10, 15.11 and 15.13.

6.18 Total Outstandings. The Total Outstandings do not exceed the aggregate amount of the Commitments.

6.19 Existing Standby L/C's. Attached hereto as Schedule 3.01 is a complete and accurate list of the outstanding Standby L/C's under the Prior Agreement, listed by number, stated amount, date of issue and expiry.

6.20 Pension and Welfare Plans. During the consecutive twelve-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Borrowing hereunder, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan which would reasonably be expected to result in the incurrence by any Credit Party, any of its Subsidiaries, or any its ERISA Affiliates of any material liability (other than liabilities incurred in the ordinary course of maintaining the Pension Plan), fine or penalty. No Credit Party, nor any of its Subsidiaries, has any contingent liability with respect to any post-retirement benefit under a Welfare Plan which would reasonably be expected to have a Material Adverse Effect, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

6.21 Environmental Matters.

Except as would not have or be reasonably expected to have a Material Adverse Effect:

(a) Each of the properties owned or leased by a Credit Party or any of its Subsidiaries (the "Real Properties") and all operations at the Real Properties are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Real Properties or the businesses operated by the Credit Parties or any of their Subsidiaries (the "Businesses"), and there are no conditions relating to the Businesses or Real Properties that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) No Credit Party has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance or liability regarding Hazardous Materials or compliance with Environmental Laws with regard to any of the Real Properties or the Businesses, nor, to the knowledge of a Credit Party or any of its Subsidiaries, is any such notice being threatened.

(c) Hazardous Materials have not been transported or disposed of from the Real Properties, or generated, treated, stored or disposed of at, on or under any of the Real Properties or any other location, in each case by, or on behalf or with the permission of, a Credit Party or any of its Subsidiaries in a manner that would give rise to liability under any applicable Environmental Laws.

(d) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of a Credit Party or any of its Subsidiaries, threatened, under any Environmental Law to which a Credit Party or any of its Subsidiaries is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to a Credit Party or any of its Subsidiaries, the Real Properties or the Businesses.

(e) There has been no release (including, without limitation, disposal) or to the Borrower's knowledge, threat of release of Hazardous Materials at or from the Real Properties, or arising from or related to the operations of a Credit Party or any of its Subsidiaries in connection with the Real Properties or otherwise in connection with the Businesses where such release constituted a violation of, or would give rise to liability under, any applicable Environmental Laws.

(f) None of the Real Properties contains any Hazardous Materials at, on or under the Real Properties in amounts or concentrations that, if released, constitute a violation of, or could give rise to liability under, Environmental Laws.

(g) No Credit Party, nor any of its Subsidiaries, has assumed any liability of any Person (other than another Credit Party or one of its Subsidiaries) under any Environmental Law.

(h) This Section 6.21 constitutes the only representations and warranties of the Credit Parties with respect to any Environmental Law or Hazardous Substance.

6.22 Margin Regulations. No part of the proceeds of the Loans hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulation U, or for the purpose of purchasing or carrying or trading in any securities. If requested by any Participating Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Participating Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U. No indebtedness being reduced or retired out of the proceeds of the Loans hereunder was or will be incurred

for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U or any "margin security" within the meaning of Regulation T. "Margin stock" within the meaning of Regulation U does not constitute more than 25% of the value of the consolidated assets of the Borrower and its Subsidiaries. Neither the execution and delivery hereof by the Borrower, nor the performance by it of any of the transactions contemplated by this Agreement (including, without limitation, the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or regulations issued pursuant thereto, or Regulation T, U, or X.

ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

7.01 Corporate Existence and Power.

(a) Such Guarantor is a corporation (sociedad 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.

7.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by such Guarantor of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within such Guarantor's corporate powers and have been duly authorized by all necessary corporate action pursuant to the estatutos sociales of such Guarantor.

(b) This Agreement and the other Transaction Documents to which such Guarantor is a party have been duly executed and delivered by such Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable in accordance with their respective terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principals.

7.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which such Guarantor is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of such Guarantor pursuant to, any Contractual Obligation of such Guarantor or (b) result in any violation of the estatutos sociales of such Guarantor or any provision of any Requirement of Law applicable to such Guarantor.

7.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by such Guarantor of this Agreement and the other Transaction Documents to which such Guarantor is a party or the taking of any action contemplated hereby or by any other Transaction Document.

7.05 Litigation; Material Adverse Effect. (a) Except as set forth in Schedule 7.05, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the

Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the litigation described in Schedule 7.05.

(b) Since December 31, 2003 there has been no development or event which has had or is reasonably likely to have a Material Adverse Effect.

7.06 No Immunity. Such Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by such Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither such Guarantor nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

7.07 Governmental Regulations. Such Guarantor is not, and is not controlled by, (a) an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

7.08 Direct Obligations; Pari Passu.

(a) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of such Guarantor.

(b) The obligations of such Guarantor under this Agreement rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of such Guarantor.

7.09 No Recordation Necessary. This Agreement is in proper legal form under the law of Mexico for the enforcement thereof against such Guarantor under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by the Borrower or the Guarantors; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

7.10 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving such Guarantor arising out of or relating to this Agreement in any Mexican court or tribunal, the Participating Lenders, the Joint Bookrunners and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 15.10, 15.11 and 15.13.

ARTICLE VIII
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid, any Standby L/Cs remain outstanding or any Lender has any Commitment hereunder:

8.01 Financial Reports and Other Information. The Borrower will deliver to the Administrative Agent (with a copy for each Participating Lender):

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries containing consolidated and consolidating balance sheets of the Borrower and its Subsidiaries, as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries, for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognized standing acceptable to the Required Lenders, together with (i) a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Mexican GAAP, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and (ii) a certificate of a Responsible Officer of the Borrower, stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; provided that in the event of any change in the Mexican GAAP used in the preparation of such financial statements, the Borrower shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Mexican GAAP consistent with those applied in the preparation of the financial statements referred to in Section 6.05 and provided further that all such documents will be prepared in English; and

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, consolidated balance sheets of the Borrower and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by any Responsible Officer of the Borrower as having been prepared in accordance with Mexican GAAP and together with a certificate of a Responsible Officer of the Borrower, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; provided that in the event of any change in the Mexican GAAP used in the preparation of such financial statements, the Borrower shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Mexican GAAP consistent with those applied in the preparation of the financial statements referred to in Section 6.05 and provided further that all such documents will be prepared in English.

8.02 Notice of Default and Litigation. The Borrower will furnish to the Administrative Agent (and the Administrative Agent will notify each Participating Lender):

(a) as soon as practicable and in any event within five days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default or Event of Default and the action that the Borrower has taken and proposes to take with respect thereto; and

(b) promptly after the commencement thereof, notice of all litigation, actions, investigations and proceedings before any court, Governmental Authority or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 6.06 or the receipt of written notice by the Borrower or any of its subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or

regulation (including but not limited to Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

8.03 Compliance with Laws and Contractual Obligations, Etc. The Borrower will comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable Requirements of Law (including with respect to the licenses, approvals, certificates, permits, franchises, notices, registrations and other governmental authorizations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all material Contractual Obligations, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

8.04 Payment of Obligations. The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Lien upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

8.05 Maintenance of Insurance. The Borrower will maintain, and cause each of its Subsidiaries to maintain, insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

8.06 Conduct of Business and Preservation of Corporate Existence. The Borrower will continue to engage in business of the same general type as now conducted by the Borrower and will preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that neither the Borrower nor any of its Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 9.03; and provided, further that neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise if the Borrower or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of the Borrower or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

8.07 Books and Records. The Borrower will keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with Mexican GAAP, consistently applied.

8.08 Maintenance of Properties, Etc. The Borrower will:

(a) maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and

(b) maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of the Borrower or its Subsidiaries, provided neither paragraph (a) nor this paragraph (b) shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of

its properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.09 Use of Proceeds.

(a) The Borrower will use the proceeds of all Loans made hereunder for general corporate purposes, including but not limited to the repayment of short term debt.

(b) The Borrower will ensure that at no time shall the Aggregate Exposure of the Participating Lenders exceed the Aggregate Committed Amount then in effect.

8.10 Pari Passu Ranking. The Borrower will ensure that at all times the Obligations of the Borrower and each of the Guarantors under the Transaction Documents constitute unconditional general obligations of such Obligor ranking in priority of payment at least pari passu with all other senior unsecured, unsubordinated Debt of such Obligor.

8.11 Transactions with Affiliates. The Borrower will conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of its Affiliates on terms that are commercially reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

8.12 Maintenance of Governmental Approvals. The Borrower will maintain in full force and effect at all times all approvals of and filings with any Governmental Authority or third Party required under applicable law for the conduct of its business (including, without limitation, antitrust laws or Environmental Laws) and the performance of the Obligors' obligations hereunder and under the other Transaction Documents by the Borrower and/or the Guarantors, as applicable, and for the validity or enforceability hereof and thereof, except where failure to maintain any such approvals or filings could not reasonably be expected to have a Material Adverse Effect.

8.13 Measurement Date. The Borrower shall provide to the Administrative Agent a certificate of a Responsible Officer detailing the latest twelve month total Consolidated Net Debt/EBITDA Ratio (i) on the date a Notice of Borrowing is submitted by the Borrower, (ii) one Business Day following the date any Responsible Officer obtains actual knowledge of a change in the Consolidated Net Debt/EBITDA Ratio, (iii) one Business Day following the date the Administrative Agent or any Participating Lender requests such ratio and (iv) as soon as practicable, but in no event later than the 20th Business Day following the last day of every quarter, in each case calculated as of the date of such event or occurrence based on the most recently available consolidated financial statements of the Borrower and its Subsidiaries for the corresponding fiscal quarter prior to such date and calculated (for purposes of event (i) above) after giving effect to the Borrowing, obligation or conversion requested under the Notice of Borrowing.

8.14 Inspection of Property. At any reasonable time during normal business hours and from time to time with at least ten Business Days prior notice, or at any time if a Default or Event of Default shall have occurred and be continuing, permit the Administrative Agent or any of the Participating Lenders or any agents or representatives thereof to examine and make abstracts from the records and books of account of, and visit the properties of, each of the Borrower or the Guarantors, and to discuss the affairs, finances and accounts of the Borrower or such Guarantor with any of its officers or directors and with its independent certified public accountants. All expenses associated with such inspection shall be borne by the inspecting Participating Lenders; provided that if a Default or an Event of Default shall have occurred and be continuing, any expenses associated with such inspection shall be borne jointly and severally by the Borrower and the Guarantors.

ARTICLE IX
NEGATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid, any Standby L/C remains outstanding or any Lender has any Commitment hereunder:

9.01 Financial Conditions.

(a) The Borrower shall not permit the Consolidated Leverage Ratio at any time to exceed 3.5 to 1.

(b) The Borrower shall not permit the Consolidated Fixed Charge Coverage Ratio for any period of four consecutive fiscal quarters to be less than 2.5 to 1.

(c) Concurrently with the delivery by the Borrower of any financial statements pursuant to Section 8.01 the Borrower shall deliver to the Administrative Agent (with a copy to each Participating Lender) a certificate from a Responsible Officer containing all information and calculations necessary for determining compliance by the Borrower with Sections 9.01 (a) and (b) above.

9.02 Liens. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of the Borrower or any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which 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 9.02 hereto;

(f) any Lien on property acquired by the Borrower after the date hereof that was existing on the date of acquisition of such property; provided that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price, of property acquired by the Borrower or any of its Subsidiaries after the date hereof; provided, further, that (A) any such Lien permitted pursuant to this clause (f) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the voting stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired

property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

(g) any Lien renewing, extending or refunding any Lien permitted by clause (f) above; provided that the principal amount of Debt secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced and such Lien is not extended to other property;

(h) any Liens created on shares of capital stock of the Borrower or any of its Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares constitute the sole assets; provided that (A) any shares of Subsidiary stock held in such trust, corporation or entity could be sold by the Borrower; and (B) proceeds from the deposit or transfer of such shares into such trust, corporation or entity and from any transfer of or distributions in respect of the Borrower's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Section 9.04; and provided, further that such Liens may not secure Debt of the Borrower or any Subsidiary (unless permitted under another clause of this Section 9.02);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any Receivables Program Assets which are or may be sold or transferred pursuant to a Qualified Receivables Transaction; and

(k) in addition to the Liens permitted by the foregoing clauses (a) through (j), Liens securing Debt of the Borrower and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of the Borrower and its Subsidiaries;

unless, in each case, the Borrower has made or caused to be made effective provision whereby the Obligations hereunder are secured equally and ratably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

9.03 Consolidations and Mergers. The Borrower 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 Borrower 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 Borrower 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 Borrower shall be Mexico, the United States, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof, (ii) in the case of a Successor to the Borrower, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the Obligations of the Borrower pursuant to this Agreement and the performance of every covenant on part of the Borrower to be performed and observed and (iii) in the case of a Successor to any Guarantor, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the performance of every covenant of this Agreement on part of such Guarantor to be performed and observed;

(b) in the case of any such transaction involving the Borrower or any

Guarantor, the Borrower or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Participating Lender and the Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Participating Lender and/or the Administrative Agent solely as a consequence of such transaction with respect to payments under the Transaction Documents;

(c) immediately after giving effect to such transaction, including for purposes of this clause (c) the substitution of any Successor to the Borrower for the Borrower or the substitution of any Successor to a Subsidiary for such Subsidiary and treating any Debt or Lien incurred by the Borrower or any Successor to the Borrower, or by a Subsidiary of the Borrower 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; and

(d) the Borrower shall have delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a written agreement is required in connection with such transaction, such written agreement comply with the relevant provisions of this Article IX and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

9.04 Sales of Assets, Etc. The Borrower will not, and will not permit any of its Material Subsidiaries to, sell, lease or otherwise dispose of any of its assets (including the capital stock of any Subsidiary), other than (a) inventory, trade receivables and assets surplus to the needs of the business of the Borrower or any Subsidiary sold in the ordinary course of business and (b) assets not used, usable or held for use in connection with cement operations and related operations, unless the proceeds of the sale of such assets are retained by the Borrower or such Subsidiary, as the case may be, and, as promptly as practicable after such sale (but in any event within 180 days of such sale), the proceeds are applied to (i) expenditures for property, plant and equipment usable in the cement industry or related industries; (ii) the repayment of senior Debt of the Borrower or any of its Subsidiaries, whether secured or unsecured; or (iii) investments in companies engaged in the cement industry or related industries.

9.05 Change in Nature of Business. The Borrower shall not make, or permit any of its Material Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

9.06 Margin Regulations. The Borrower shall not use any part of the proceeds of the Loans or any Standby L/C for any purpose which would result in any violation (whether by the Borrower, the Administrative Agent, any Issuing Bank or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. The Borrower shall not engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

ARTICLE X
OBLIGATIONS OF GUARANTORS

10.01 The Guaranty. Each of the Guarantors jointly and severally hereby unconditionally and irrevocably guarantee (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Borrower to each Participating Lender, the Administrative Agent and the Joint Bookrunners under this Agreement and the other Transaction Documents and the Fee Letter, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

10.02 Nature of Liability. The obligations of the Guarantors hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full, and shall not be affected in any way by the absence of any action to

obtain such amounts from the Borrower or by any variation, extension, waiver, compromise or release of any or all Obligations from time to time therefor. Each Guarantor waives all requirements as to promptness, diligence, presentment, demand for payment, protest and notice of any kind with respect to this Agreement and the other Transaction Documents.

10.03 Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction other than the State of New York, the obligations of each of the Guarantors hereunder shall be unconditional, irrevocable and absolute and, without limiting the generality of the foregoing, shall not be impaired, terminated, released, discharged or otherwise affected by the following:

(a) the existence of any claim, set-off or other right which either of the Guarantors may have at any time against the Borrower, the Administrative Agent, the Issuing Banks, any Lenders or any other Person, whether in connection with this transaction or with any unrelated transaction;

(b) any invalidity or unenforceability of this Agreement or any other Transaction Document relating to or against the Borrower or either of the Guarantors for any reason (including for the reason that the obtaining of the Standby L/Cs may be in excess of the powers of the Borrower or of its officers, directors or other agents, acting or purporting to act on its behalf, or be in any way irregular or defective);

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the Borrower under this Agreement or any of the other Transaction Documents or the payment, observance, fulfillment or performance of any other Obligations;

(d) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of the Borrower; or

(e) any other act or omission to act or delay of any kind by the Borrower, the Administrative Agent, the Participating Lenders or any other Person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to either of the Guarantors' obligations hereunder.

10.04 Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Borrower's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Administrative Agent and the Participating Lenders may neglect or forbear to enforce payment hereunder, under any Transaction Document or under any guaranty or security, without in any way affecting or impairing the liability of each Guarantor hereunder. The Administrative Agent or the Participating Lenders shall not be obligated to exhaust recourse or take any other action against the Borrower or under any agreement to purchase or security which the Administrative Agent or the Participating Lenders may hold before being entitled to payment from the Guarantors of the obligations hereunder or proceed against or have resort to any balance of any deposit account or credit on the books of the Administrative Agent or the Participating Lenders in favor of the Borrower or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent or the Participating Lenders shall have the right to bring suit directly against either of the Guarantors, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower and/or the other Guarantor.

10.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this ARTICLE X and notice of any liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any such liability, suit or the taking of other action by the Administrative Agent or the Participating Lenders against, and any other notice, to the Guarantors.

10.06 Waiver of Defenses. To the extent permitted by New York law and notwithstanding any contrary principles under the laws of any other

jurisdiction, each of the Guarantors hereby waives any and all defenses to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this ARTICLE X, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Borrower, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for any additional endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Administrative Agent and the Participating Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part, (a) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this ARTICLE X shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Borrower or others (including the Guarantors) or otherwise act or refrain from acting, (c) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of the Borrower to creditors of the Borrower other than the Administrative Agent and the Participating Lenders and the Guarantors, (d) apply any sums by whomsoever paid or howsoever realized, other than payments of the Guarantors of the Obligations, to any liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Administrative Agent and the Participating Lenders regardless of which of such liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantors under this ARTICLE XI, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof. Furthermore, each of the Guarantors hereby waives to the extent permitted by law any right to which it may be entitled to under Articles 2830, 2836, 2842, 2845, 2846, 2848 and 2849 of the Mexican Federal Civil Code and related Articles contained in the Civil Codes of the States in Mexico. The Guarantors further expressly waive the benefits of order, excusion y division contained in Articles 2814, 2815, 2817, 2818, 2820, 2821, 2822, 2823, 2837, 2838, 2840, 2841 and other related Articles of the Mexican Federal Civil Code and related Articles contained in other Civil Codes of the States of Mexico. The Guarantors hereby represent that the terms of each such provision of each such civil code as known of form and substance to each such Guarantor

10.07 Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, each of the Guarantors shall not, without the prior written consent of the Administrative Agent (acting with the consent of the Required Lenders), commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization, concurso mercantil or insolvency proceedings of, or against, the Borrower.

(b) If acceleration of the time for payment of any amount payable by the Borrower under this Agreement or the Notes is stayed upon the insolvency, bankruptcy, reorganization, concurso mercantil or any similar event of the Borrower or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Participating Lenders.

(c) The obligations of each of the Guarantors under this ARTICLE X shall not be reduced, limited, impaired, discharged, deferred, suspended or

terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, concurso mercantil, receivership, reorganization, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of the Borrower or similar proceedings or actions or by any defense which the Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantors' liability shall extend to all amounts and obligations that constitute the Obligations and would be owed by the Borrower but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

(d) Each of the Guarantors acknowledges and agrees that any interest on any portion of the Obligations which accrues after the commencement of any proceeding or action referred to above in Section 10.07(c) (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of the Obligations if said proceedings or actions had not been commenced) shall be included in the Obligations, it being the intention of the Guarantors, the Administrative Agent, and the Participating Lenders that the Obligations which are to be purchased by the Guarantors pursuant to this ARTICLE X shall be determined without regard to any rule of law or order which may relieve the Borrower of any portion of such Obligations. The Guarantors will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Administrative Agent, or allowing the claim of the Administrative Agent, for the benefit of the Administrative Agent, and the Participating Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the Obligations are paid by or on behalf of the Borrower, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Administrative Agent and/or the Participating Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this ARTICLE X, to the extent permitted by applicable law.

10.08 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by the Administrative Agent or any Participating Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Participating Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Participating Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Participating Lenders by the Borrower on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by such Guarantor in trust for the Issuing Bank, the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

10.09 Right of Contribution. Subject to Section 10.08, each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor

hereunder who has not paid its proportionate share of such payment. The provisions of this Section 10.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Joint Bookrunners and the Participating Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Joint Bookrunners and the Participating Lenders for the full amount guaranteed by such Guarantor hereunder.

10.10 General Limitation on Guaranty. In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganization, concurso mercantil or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Section 10.10 would otherwise, taking into account the provisions of Section 10.09, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 10.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Participating Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

10.11 Covenants of the Guarantors. Each Guarantor hereby covenants and agrees that, so long as any Obligations under this Agreement and any other Transaction Document remains unpaid, any Standby L/C remains outstanding or any Participating Lender has any Commitment hereunder, it shall comply with the covenants contained or incorporated by reference in this Agreement to the extent applicable to it as a Subsidiary of the Borrower.

ARTICLE XI
EVENTS OF DEFAULT

11.01 Events of Default. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Borrower shall (i) fail to reimburse any Drawing or fail to pay any principal of any Loan when due in accordance with the terms hereof or

(ii) fail to pay any interest on any Drawing, or any Loan, any fee or any other amount payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Representation and Warranties. Any representation or warranty made by the Borrower herein or in any other Transaction Document 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 Borrower or such Guarantor, as the case may be, becomes aware of such incorrectness or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent; or

(c) Specific Defaults. The Borrower or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in Section 8.01, 8.02(a), 8.06 (with respect to the Borrower's and each Guarantor's existence only), 8.09(b) or 8.10 or ARTICLE IX; or

(d) Other Defaults. The Borrower or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in this Agreement or 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 Borrower becomes aware of such failure or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent at the request of any Lender; or

(e) Defaults under Other Agreements. The occurrence of a default or event of default under any indenture, agreement or instrument relating to any Material Debt of the Borrower or any of its Subsidiaries, and (unless any principal amount of such Material Debt is otherwise due and payable) such default or event of default results in the acceleration of the maturity of any principal amount of such Material Debt prior to the date on which it would otherwise become due and payable; or

(f) Voluntary Bankruptcy. The Borrower or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization, concurso mercantil or other relief with respect to itself or its debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing or the equivalent thereof under Mexican law (including the Ley de Concursos Mercantiles); or

(g) Involuntary Bankruptcy. An involuntary case or other proceeding shall be commenced against the Borrower or any Material Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, concurso mercantil or other similar law now or hereafter in effect (including but not limited to the Ley de Concursos Mercantiles) or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days; or an order for relief shall be entered against the Borrower or any Material Subsidiaries under any bankruptcy, insolvency suspension de pagos or other similar law as now or hereafter in effect; or

(h) Monetary Judgment. A final judgment or judgments or order or orders not subject to further appeal for the payment of money in an aggregate amount in excess of U.S.$50,000,000 shall be rendered against the Borrower and/or any of its one or more Subsidiaries of the Borrower that are neither discharged nor bonded in full within 30 days thereafter; or

(i) Pari Passu. The Obligations of the Borrower under this Agreement or of any Guarantor under this Agreement shall fail to rank at least pari passu with all other senior unsecured Debt of the Borrower or such Guarantor, as the case may be; or

(j) Validity of Agreement. The Borrower shall contest the validity or enforceability of any Transaction Document or shall deny generally the liability of the Borrower under any Transaction Documents or either Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of either Guarantor under ARTICLE X hereof shall not be (or is claimed by either Guarantor not to be) in full force and effect;

(k) Governmental Authority. Any governmental or other consent, license, approval, permit or authorization which is now or may in the future be necessary or appropriate under any applicable Requirement of Law for the execution, delivery, or performance by the Borrower or either Guarantor of any Transaction Document to which it is a party or to make such Transaction Document legal, valid, enforceable and admissible in evidence shall not be obtained or shall be withdrawn, revoked or modified or shall cease to be in full force and effect or shall be modified in any manner that would have an adverse effect on the rights or remedies of the Administrative Agent or the Participating Lenders; or

(l) Expropriation, Etc. Any Governmental Authority shall condemn, nationalize, seize or otherwise expropriate all or any substantial portion of the property of, or capital stock issued or owned by, the Borrower or either Guarantor or take any action that would prevent the Borrower or either

Guarantor from performing its obligations under the Transaction Documents; or

(m) Moratorium; Availability of Foreign Exchange. A moratorium shall be agreed or declared in respect of any Debt of the Borrower or either Guarantor or any restriction or requirement not in effect on the date hereof shall be imposed, whether by legislative enactment, decree, regulation, order or otherwise, which limits the availability or the transfer of foreign exchange by the Borrower or either Guarantor for the purpose of performing any material obligation under 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 Borrower or either Guarantor to perform its obligations under this Agreement or any of the other Transaction Documents; or

(o) Change of Ownership or Control. The beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended) of 20% or more in voting power of the outstanding voting stock of the Borrower or either Guarantor is acquired by any Person; provided that the acquisition of beneficial ownership of capital stock of the Borrower or either Guarantor by Lorenzo H. Zambrano or any member of his immediate family shall not constitute an Event of Default.

11.02 Remedies. If any Event of Default has occurred and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders or the relevant Issuing Bank, as applicable:

> declare by notice to the Borrower the principal amount of all outstanding Loans and Standby L/Cs to be forthwith due and payable, whereupon such principal amount, together with accrued interest thereon and any fees and all other Obligations accrued hereunder, shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; provided, however, that in the case of any Event of Default specified in Section 11.01(f) or (g), without notice or any other act by the Lenders, the Loans and Standby L/Cs (together with accrued interest thereon) and all other Obligations of the Borrower hereunder shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

provided, however, that nothing in this Section 11.02 shall (x) impair the obligation of any Issuing Bank to make payments in accordance with the Standby L/Cs or (y) impair the obligation of the Borrower to reimburse each Issuing Bank for, or the obligation of any Lender to fund its participation in, any Drawing, made subsequent to the time any remedy provided in this paragraph shall have been exercised.

11.03 Notice of Default. The Administrative Agent shall give notice to the Borrower of any event occurring under Section 11.01(a), (b), (c) or (d) promptly upon being requested to do so by any Participating Lender and shall thereupon notify all the Participating Lenders thereof.

11.04 Default Interest. In the event of default by the Borrower in the payment on the due date of any sum due under this Agreement, the Borrower shall pay interest on demand on such sum from the date of such default to the day of actual receipt of such sum by the Administrative Agent (as well after as before judgment) at the rate specified in Section 2.03(d). So long as the default continues, the default interest rate shall be recalculated on the same basis at intervals of such duration as the Administrative Agent may select, provided that the amount of unpaid interest at the above rate accruing during the preceding period (or such longer period as may be the shortest period permitted by applicable law for the capitalization of interest) shall be added to the amount in respect of which the Borrower is in default.

ARTICLE XII

THE ADMINISTRATIVE AGENT

12.01 Appointment and Authorization. Each Participating Lender hereby irrevocably designates and appoints ING Capital LLC as the Administrative Agent of such Participating Lender under this Agreement, and each Participating Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement or any other Transaction Document, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Participating Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent.

12.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

12.03 Liability of Administrative Agent. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action taken or omitted to be taken by it or any such Person under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby (except for its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Participating Lenders for any recital, statement, representation or warranty made by the Borrower, the Guarantors or any officer thereof contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Transaction Document, or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document, or for any failure of the Borrower, the Guarantors or any other party to any Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Administrative Agent shall not be under any obligation to any Participating Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower or the Guarantors.

12.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or teletype message, statement, order or other document or telephone conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders or the relevant Issuing Bank, as the case may be, as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders or the relevant Issuing Bank, as the case may be, against any and all liability and expense which may be incurred by it by reason of failing to take, taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Lenders (or when expressly required hereby, all the

Lenders), or the relevant Issuing Bank, as the case may be, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders or such Issuing Bank, as the case may be.

(b) For purposes of determining compliance with the conditions specified in Section 5.01, each Participating Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter sent by the Administrative Agent to such Participating Lender for consent, approval, acceptance or satisfaction on or before the Effective Date.

12.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of each Issuing Bank and the Lenders) unless the Administrative Agent shall have received written notice from a Lender, an Issuing Bank or the Borrower referring to this Agreement and describing such Default or Event of Default and stating that such notice is a "Notice of Default". The Administrative Agent shall promptly notify each Issuing Bank and the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders and the Issuing Banks.

12.06 Credit Decision. Each Participating Lender expressly acknowledges that neither the Administrative Agent nor any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, the Guarantors, or any of their Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Participating Lender. Each Participating Lender acknowledges to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Participating Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Guarantors, and their Affiliates and all applicable Participating Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Participating Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Participating Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors. Except for notices, reports and other documents expressly herein required to be furnished to the Participating Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Participating Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or the Guarantors which may come into the possession of the Administrative Agent or any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact.

12.07 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand the Administrative Agent and its Affiliates, directors, officers, agents and employees (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to the respective amounts of their Commitment Percentages in effect on the date the cause for indemnification arose, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs,

expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the Obligations or the Termination Date) be imposed on, incurred by or asserted against the Administrative Agent (or any of its Affiliates, directors, officers, agents and employees) in any way relating to or arising out of this Agreement or any other Transaction Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for the payment of any portion of such claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent it results from the gross negligence or willful misconduct of the Administrative Agent or its Affiliates, directors, officers, agents or employees. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any reasonable and documented costs or out-of-pocket expenses (including legal fees) incurred by the Administrative Agent in connection with the preparation, execution, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower.

12.08 Administrative Agent in Individual Capacity. ING Capital LLC may make loans to, issue letters of credit for the account of, accept deposits from and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower, the Guarantors or any of their Affiliates as though ING Capital LLC were not the Administrative Agent hereunder and without notice to or consent of the Participating Lenders. The Participating Lenders acknowledge that, pursuant to such activities, ING Capital LLC, New York Branch or its Affiliates may receive information regarding the Borrower, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrower or the Guarantors) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to the Obligations, ING Capital LLC shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include ING Capital LLC in its individual capacity.

12.09 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders and/or the Issuing Banks shall, resign as Administrative Agent upon 30 days' notice to the Participating Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders and/or the Issuing Banks shall appoint from among the Participating Lenders a successor agent for the Participating Lenders, which appointment shall be subject to the approval of the Borrower, such approval not to be unreasonably withheld (unless a Default or Event of Default shall have occurred and be continuing, in which case such approval shall not be required). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Participating Lenders and the Borrower, a successor agent from among the Participating Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act on the part of such retiring Administrative Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this ARTICLE XII and Sections 15.04 and 15.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor Administrative Agent has accepted the appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and either the Borrower or the retiring Administrative Agent may, on behalf of the Participating Lenders, appoint a successor Administrative Agent,

which shall be a commercial bank organized or licensed under the laws of the United States or of any State thereof and having a combined capital and surplus of at least U.S.$400,000,000.

ARTICLE XIII
THE ISSUING BANKS

13.01 Appointment. Each Lender hereby irrevocably designates and appoints each of Barclays Bank PLC, New York Branch and ING Bank N.V., as an Issuing Bank under this Agreement, and each Lender hereby irrevocably authorizes each of Barclays Bank PLC, New York Branch and ING Bank N.V., as an Issuing Bank, to take such action under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Issuing Banks by the terms of this Agreement or any other Transaction Document, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or in any other Transaction Document, the Issuing Banks shall not have any duties or responsibilities, except those expressly set forth herein or in any other Transaction Document, nor shall the Issuing Banks have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Issuing Banks; provided, however, that nothing contained in this ARTICLE XIII shall be deemed to limit or impair the rights and obligations of the Issuing Banks under the Standby L/Cs issued hereunder.

13.02 Liability of Issuing Bank. Neither of the Issuing Banks nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action taken or omitted to be taken by it or any such Person under or in connection with this Agreement or any other Transaction Document (except for its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Borrower or any officer thereof contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Issuing Banks under or in connection with, this Agreement or any other Transaction Document, or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document, or for any failure of the Borrower or any other party to any Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, and except for the obligation to examine all documents stipulated in any Standby L/C issued hereunder, in accordance with the Uniform Customs and Practice for Documentary Credits and applicable law, the Issuing Banks shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower or the Guarantors.

13.03 Reliance by Issuing Banks. Each of the Issuing Banks shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or teletype message, statement, order or other document or telephone conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel, independent accountants and other experts selected by an Issuing Bank. Except for the issuance of any Standby L/Cs issued hereunder, in accordance with the terms of this Agreement and the payment of Drawings, as the case may be, thereunder, each of the Issuing Banks shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders as such Issuing Bank deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of failing to take, taking or continuing to take any such action. Each Issuing Bank shall in all cases be fully protected in

acting, or in refraining from acting, under this Agreement and the other Transactions Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

13.04 Credit Decision. Each Lender expressly acknowledges that neither of the Issuing Banks nor any of either of their respective Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by any Issuing Bank hereafter taken, including any review of the affairs of the Borrower, the Guarantors or any of their Affiliates, shall be deemed to constitute any representation or warranty by any Issuing Bank to any Lender. Each Lender acknowledges to the Issuing Banks that it has, independently and without reliance upon the Issuing Banks, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Guarantors and their Affiliates and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Issuing Banks, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects operations, property, financial and other condition and creditworthiness of the Borrower and the Guarantors.

13.05 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand from an Issuing Bank or its Affiliates, directors, officers, agents and employees (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so in accordance with Section 15.05), ratably according to the respective amounts of their Commitment Percentages in effect on the date the cause for indemnification arose, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the Obligations or the Termination Date) be imposed on, incurred by or asserted against such Issuing Bank (or any of its Affiliates, directors, officers, agents or employees) in any way relating to or arising out of this Agreement or any other Transaction Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by such Issuing Bank under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for (a) the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent it results from such Issuing Bank's gross negligence or willful misconduct or (b) any untrue statement of a material fact in the material furnished in writing by such Issuing Bank to the Borrower for inclusion in any offering statement or any omission in such offering statement to state a material fact required to be stated therein in light of the circumstances under which they were made. Notwithstanding the foregoing, no Lender shall be required to fund any other Lender's portion of an unreimbursed Drawing or Standby L/C Drawing, as the case may be, which such other Lender fails to fund hereunder.

13.06 Issuing Banks in their Individual Capacities. Each of Barclays Bank PLC and ING Bank N.V. and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower or any of its Affiliates as though it was not an Issuing Bank hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, each Issuing Bank or its Affiliates may receive information regarding the Borrower, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrower or the Guarantors) and acknowledge that each Issuing Bank shall be under no obligation to provide such information to them. With respect to the Obligations, each of Barclays Bank PLC, New York Branch and ING Bank N.V. shall have the same rights and powers under this

Agreement as any other Lender and may exercise the same as though it were not an Issuing Bank, and the terms "Lender" and "Lenders" shall include each of ING Bank N.V. and Barclays Bank PLC, New York Branch in its individual capacity.

13.07 Notice of Default. Neither of Issuing Banks shall be deemed to have knowledge or notice of any Default or Event of Default unless such Issuing Bank shall have received written notice from the Administrative Agent, any Participating Lender, the Borrower or a Guarantor referring to this Agreement and describing such Default or Event of Default.

ARTICLE XIV
THE JOINT BOOKRUNNERS

14.01 The Joint Bookrunners. The Borrower hereby confirms the designation of Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and ING Capital LLC, as arrangers and Joint Bookrunners for the Revolving Facility and the Standby L/C Facility. The Joint Bookrunners assume no responsibility or obligation hereunder for servicing, enforcement or collection of the Obligations, or any duties as agent for the Participating Lenders. The title "Joint Bookrunner" or "Book-runner" implies no fiduciary responsibility on the part of the Joint Bookrunners to the Administrative Agent, or the Participating Lenders and the use of either such title does not impose on the Joint Bookrunners any duties or obligations under this Agreement except as may be expressly set forth herein.

14.02 Liability of Joint Bookrunners. Neither the Joint Bookrunners nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by them or any such Person under or in connection with this Agreement or any other Transaction Document (except for such Joint Bookrunner's own gross negligence or willful misconduct), or (b) responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Borrower or any officer thereof, contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Arrangers under or in connection with, this Agreement or any other Transaction Document or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document or for any failure of the Borrower or any other party to any other Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Joint Bookrunners shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower.

14.03 Joint Bookrunners in their respective Individual Capacities. Each of Barclays Capital, the Investment Banking Division of Barclays Bank PLC and its Affiliates, 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 Borrower or any of its Affiliates as though they were not the Joint Bookrunners hereunder.

14.04 Credit Decision. Each Lender expressly acknowledges that neither the Joint Bookrunners nor any of their respective Affiliates, officers, directors, employees, agents or attorneys-in-fact have made any representation or warranty to it, and that no act by the Joint Bookrunners hereafter taken, including any review of the affairs of the Borrower or the Guarantors, shall be deemed to constitute any representation or warranty by the Joint Bookrunners to any Lender. Each Lender acknowledges to the Joint Bookrunners that it has, independently and without reliance upon the Joint Bookrunners, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors and their Affiliates and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Joint Bookrunners, and based on such documents and

information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors. The Joint Bookrunners shall not have any duty or responsibility to provide any Lender with any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of the Arrangers or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XV
MISCELLANEOUS

15.01 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder shall be in writing (including facsimile transmission) and shall be sent by an overnight courier service, transmitted by facsimile or delivered by hand to such party: (i) in the case of the Borrower, the Guarantors, the Issuing Banks, the Joint Bookrunners or the Administrative Agent, at its address or facsimile number set forth on 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 Borrower, the Issuing Banks, the Joint Bookrunners and the Administrative Agent.

(b) Unless otherwise expressly provided for herein, each such notice, request, demand or other communication shall be effective (i) if sent by overnight courier service or delivered by hand, upon delivery, (ii) if given by facsimile, when transmitted to the facsimile number specified pursuant to paragraph (a) above and confirmation of receipt of a legible copy thereof is received, or (iii) if given by any other means, when delivered at the address specified pursuant to paragraph (a) above; provided, however, that notices to the Administrative Agent under ARTICLE II, III, IV, V or XII shall not be effective until received.

15.02 Amendments and Waivers. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower or any Guarantor from the terms of this Agreement, shall in any event be effective unless the same shall be in writing, consented to by the Borrower or the applicable Guarantors, as the case may be, and acknowledged by the Administrative Agent (which shall be a purely ministerial action), and signed or consented to by the Required Lenders, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall:

(a) (i) except as specifically provided herein, increase or decrease the Commitment of any Participating Lender;

(ii) extend the maturity of any of the Obligations, extend the time of payment of interest thereon, or, other than as provided in Section 4.02, extend the Termination Date;

(iii) forgive any Obligation, reduce the principal amount of the Obligations, reduce the rate of interest thereon, reduce the amount or change the method of calculation of any Fee hereunder (other than the Standby L/C Fees, Agency Fees or Arrangement Fees), or change the provisions of 4.06(a);

in each case without the consent of the Borrower and each Participating Lender

directly affected thereby;

(b) (i) amend, modify or waive any provision of this Section 15.02;

(ii) change the percentage specified in the definition of Required Lenders or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement (except as provided in Article V for Non-Extending Lenders); or

(iii) amend, modify or waive any provision of Section 5.01;

(iv) amend or modify the definition of "Available Standby L/C Sublimit" in Section 1.01 hereof;

(v) amend, modify or waive any provision of Section 5.02; or

(vi) amend, modify or waive any provision of Section 15.06;

in each case without the consent of the Borrower and all the Participating Lenders;

(c) amend, modify or waive any provision of ARTICLE XII without the written consent of the Administrative Agent;

(d) amend, modify or waive any provision of ARTICLE XIV without the consent of the Joint Bookrunners;

(e) amend, modify or waive any provision of ARTICLE III and XIII without the consent of the Required Lenders and the Issuing Bank; and

(f) amend, modify or waive any provision of Section 2.02, without the consent of the Required Lenders and the Swing Line Lenders.

15.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Participating Lender, any right, remedy, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

15.04 Payment of Expenses, Etc. The Borrower agrees to pay on demand

(a) all reasonable and documented out-of-pocket costs and expenses (including reasonable legal fees and disbursements of special Mexican counsel to the Administrative Agent, English and New York counsel to the Issuing Banks and the allocated cost of in-house counsel to the Administrative Agent), syndication (including printing, distribution and bank meetings), travel, telephone and duplication expenses and other reasonable and documented costs and out of- pocket expenses in connection with the arrangement, documentation, negotiation and closing of the Transactions Documents, subject to the maximum amount set forth in a letter agreement between the Borrower and the Joint Bookrunners;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent and the Issuing Banks in connection with any amendment to, waiver of, or consent to any Transaction Document or the transactions contemplated hereby, including the reasonable fees and reasonable and documented out-of-pocket expenses of counsel for the Administrative Agent and the Issuing Banks 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 or any Participating Lender in connection with the enforcement of and/or preservation of any rights under this Agreement or any other Transaction Document (whether through negotiations, legal proceedings or otherwise), including the reasonable fees and reasonable and

documented out-of-pocket expenses of counsel for the Administrative Agent, such Participating Lender and the allocated costs of in-house counsel thereof.

15.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Joint Bookrunners, the Administrative Agent, each Issuing Bank and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel and the allocated cost of in-house counsel), but excluding taxes that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (a) the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Loans or (b) or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 15.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim against the Joint Bookrunners, the Administrative Agent, an Issuing Bank, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. Neither the Joint Bookrunner, the Administrative Agent, an Issuing Bank nor any Lender shall be deemed to have any fiduciary relationship with the Borrower or the Guarantor.

15.06 Successor and Assigns.

(a) The provisions of this Agreement shall be binding upon the Borrower, the Guarantors, their successors and assigns and shall inure to the benefit of the Issuing Bank, the Joint Bookrunners, the Administrative Agent and the Lenders and their respective successors and assigns, except that the Borrower and the Guarantors may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of all Lenders except pursuant to the terms of this Agreement.

(b) Any Lender (other than an Issuing Bank in its capacity as such) may at any time, and any Lender, if demanded by the Borrower or an Issuing Bank pursuant to Section 2.01(d) or Section 4.11 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 Borrower and the Administrative Agent (which consents shall not be unreasonably withheld or delayed, and if a Default or Event of Default has occurred and is continuing, the consent of the Borrower shall not be required) and the Issuing Bank (which consent may be withheld for any reason; except that where such Assignee is an OECD Bank, consent may not be unreasonably withheld); provided, however, that if an Assignee is an Affiliate of such transferor Lender, which Affiliate is registered as a Foreign Financial Institution and meets the tax residence and

qualification requirements of clause (ii) above and, at the time of such assignment, the additional amounts payable with respect to Taxes to such Assignee will not exceed such amounts payable to the transferor Lender, no such consent shall be required other than from the relevant Issuing Bank; and provided further that, in the case of an assignment of only part of such rights and obligations, the Assignee shall acquire a Total Exposure of not less than U.S.$3,000,000 and integral multiples of U.S.$1,000,000 in excess thereof. Upon execution and delivery of an Assignment and Assumption Agreement and payment by the Assignee to the transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such instrument of assumption (in addition to any Commitment previously held by it), and the transferor Lender shall be released from its obligations hereunder to a corresponding extent (except to the extent the same arose prior to the assignment), and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this paragraph (b), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that a new Note is issued to the Assignee at the expense of the Assignee. In connection with any such assignment (other than a transfer by a Lender to one of its Affiliates), the transferor Lender (or in the case of Section 2.06(b) or 4.11, the Borrower), without prejudice to any claims the Borrower may have against any Defaulting Lender, shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of U.S.$2,000 and to the Issuing Bank a fee of U.S.$1,000.

(c) Nothing herein shall prohibit any Lender from pledging or assigning any Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 15.06; provided, however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

(d) Any Lender may, without any consent of the Borrower, the Administrative Agent, the Issuing Banks or any other third party at any time grant to one or more banks or other institutions (i) registered as a Foreign Financial Institution and (ii) resident (or having its principal office as a resident, if lending through a branch or agency) for tax purposes in a jurisdiction that is a party to an income tax treaty to avoid double taxation with Mexico on the date of such assignment and qualified to receive the benefits of said treaty and having (at the time such Lender or financial institution becomes a Participant) a withholding tax rate under such treaty applicable to payments hereunder no higher than that applicable to payments to such Lender (each a "Participant") participating interests in its Commitment or any or all of its Loans or its share of the Standby L/C Exposure. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower, the Issuing Banks and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder, including the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement extending the maturity of any Obligation in respect of which the participation was granted, or reducing the rate or extending the time for payment of interest thereon or reducing the principal thereof, or reducing the amount or basis of calculation of any fees to accrue in respect of the participation, without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 4.07 and 4.10 with respect to its participating interest as if it were a Lender named herein; provided, however, that the Borrower shall not be required to pay any greater amounts pursuant to such Sections than it would have been required to pay but for the sale to such Participant of such Participant's participation interest. An assignment or other transfer which is not permitted by paragraph (b) or (c) above shall be

given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this paragraph (d).

(e) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 15.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the Assignee or Participant or proposed Assignee or Participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

15.07 Right of Set-off. In addition to any rights and remedies of the Participating Lenders provided by law, each such Participating Lender shall have the right, without prior notice to the Borrower or the Guarantors, any such notice being expressly waived by the Borrower and the Guarantors to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower or the Guarantors hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Participating Lender, or any branch or agency thereof to or for the credit or the account of the Borrower or the Guarantors. Each Participating Lender agrees promptly to notify the Borrower, or such Guarantor, as the case may be, and the Administrative Agent after any such set-off and application made by such Participating Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

15.08 Confidentiality. Neither the Administrative Agent nor any Participating Lender shall disclose any Confidential Information to any other Person without the prior written consent of the Borrower, other than (a) to the Administrative Agent's, or such Participating Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 15.06(e), to actual or prospective Assignees and Participants, and then only on a confidential basis, (b) as required by any law, rule or regulation (including as may be required in connection with an audit by the Administrative Agent's, or such Participating Lender's independent auditors, and as may be required by any self-regulating organizations) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking. Notwithstanding the foregoing or anything contained in any Transaction Document to the contrary, the parties (and each employee, representative, or other agent of the parties) may disclose to any and all persons, without limitation of any kind, the tax treatment and any facts that may be relevant to the tax structure of the transactions contemplated by this Agreement, provided, however, that no party (and no employee, representative, or other agent thereof) shall disclose any other information that is not relevant to understanding the tax treatment and tax structure of such transactions (including the identity of any party and any information that could lead another to determine the identity of any party), or any other information to the extent that such disclosure could result in a violation of any federal or state securities law.

15.09 Use of English Language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language (other than the documents required to be provided pursuant to Section 5.01(e)(iii), Section 8.01 and Section 8.02 which shall be in the English language or in the Spanish language accompanied by an English translation or summary). Except in the case of the laws of, or official communications of, Mexico, the English language version of any such document shall control the meaning of the matters set forth therein.

15.10 GOVERNING LAW. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

15.11 Submission to Jurisdiction

(a) Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court located in the Borough of Manhattan in New York City and any appellate court thereof and, with respect to the Borrower 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 Borrower and the Guarantors, as well as in the competent court of their own corporate domicile.

(b) Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such federal or New York State court or, with respect to the Borrower 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.

15.12 Appointment of Agent for Service of Process.

(a) The Borrower and each Guarantor hereby irrevocably appoints CT Corporation System, with an office on the date hereof at 111 Eighth Avenue, 13th Floor, New York, New York 10011, as its agent (the "Process Agent") to receive on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding brought in any New York State or federal court sitting in New York City. Such service may be made by delivering a copy of such process to the Borrower or the Guarantor, as the case may be, in care of the Process Agent at its address specified above, and the Borrower 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 Borrower and each Guarantor, further agrees to promptly appoint a successor Process Agent in New York City prior to the termination for any reason of the appointment of the initial Process Agent.

(b) Nothing in Section 15.11 or in this Section 15.12 shall affect the right of any party hereto to serve process in any manner permitted by law or limit any right that any party hereto may have to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

15.13 Waiver of Sovereign Immunity. To the extent that the Borrower or a Guarantor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, or otherwise) with respect

to itself or its property, the Borrower or the Guarantor, as the case may be, hereby irrevocably waives such immunity in respect of its obligations hereunder to the extent permitted by applicable law. Without limiting the generality of the foregoing, the Borrower and each Guarantor agrees that the waivers set forth in this Section 15.13 shall have force and effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

15.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower in Dollars into another currency, the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent, each Issuing Bank or each Lender, as the case may be, could purchase Dollars with such currency at or about 11:00 a.m. (New York City time) on the Business Day preceding that on which final judgment is given.

(b) The Obligations in respect of any sum due to any Lender, an Issuing Bank or the Administrative Agent hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than Dollars, be discharged only to the extent that on the Business Day following receipt by such Lender, such Issuing Bank or the Administrative Agent of any sum adjudged to be so due in such other currency such Lender, such Issuing Bank or the Administrative Agent may in accordance with normal banking procedures purchase Dollars with such other currency. If the amount of Dollars so purchased is less than the sum originally due to such Issuing Bank, such Lender or the Administrative Agent, the Borrower and each of the Guarantors agree, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Issuing Bank, such Lender or the Administrative Agent against such resulting loss.

15.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

15.16 USA PATRIOT Act. The Participating Lenders, to the extent that they are subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notify the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Issuing Banks to identify the Borrower in accordance with the Act.

15.17 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

15.18 Survival of Agreements and Representations.

(a) All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) The covenants and agreements contained in Sections 4.05, 4.07, 4.09, 4.10, 15.04, 15.05, 15.08, 15.09, 15.11 and 15.12, and the obligations of

the Lenders under Sections 12.07 and 13.05, shall survive the termination of the Commitments, the expiration of Standby L/Cs and, in the case of any Lender that may assign any interest in its Commitment or obligations hereunder, with respect to matters occurring before such assignment, shall survive the making of such assignment to the extent any claim arising thereunder relates to any period prior to such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder.

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF JUNE 23, 2004, AMONG CEMEX, AS BORROWER, CEMEX MEXICO, S.A. DE C.V. AND EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTORS, BARCLAYS BANK PLC, AS ISSUING BANK AND DOCUMENTATION AGENT, ING BANK N.V., AS ISSUING BANK, THE SEVERAL LENDERS PARTY THERETO, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT BOOKRUNNER AND ING CAPITAL LLC, AS A JOINT BOOK RUNNER AND ADMINISTRATIVE AGENT.

CEMEX, S.A. DE C.V.,
as Borrower

By /s/ Humberto Lozano
_____
Name: Humberto Lozano
Title: Attorney-in-Fact

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CEMEX MEXICO, S.A. DE C.V.,
as Guarantor

By /s/ Hector Vega
_____
Name: Hector Vega
Title: Attorney-in-Fact

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EMPRESAS TOLTECA DE MEXICO,
S.A. DE C.V.,
as Guarantor

By /s/ Hector Vega

_____

Name: Hector Vega
Title: Attorney-in-Fact

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ING CAPITAL LLC, as Administrative Agent

By /s/ Michele M. Mangav

_____

Name: Michele M. Mangav
Title: Director

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BARCLAYS BANK PLC
as Issuing Bank, Documentation Agent and Lender

By /s/ Nicholas A. Bell

_____

Name: Nicholas A. Bell
Title: Director
Loan Transaction Management

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ING Bank, N.V. (acting through its Curacao Branch), as Issuing bank

and Lender

By /s/ A. C. Zulia
_____
Name: A. C. Zulia
Title: Senior Manager Transaction Processing

By /s/ A. B. Rosaria
_____
Name: A. B. Rosaria
Title: Vice President Risk Manager

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BANCO SANTANDER CENTRAL HISPANO, S.A., New York Branch, as Lender

By /s/ Ruben Perez-Romo
_____
Name: Ruben Perez-Romo
Title: Vice President
____ Corporate Banking

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BBVA BANCOMER, S.A., INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO BBVA-BANCOMER, as Lender

By /s/ Carlo David Velazquez Thierry
_____
Name: Carlo David Velazquez Thierry
Title: Apoderado

By /s/ Sergio Antonio del Rio Herrera

_____
Name: Sergio Antonio del Rio Herrera
Title: Apoderado

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MIZUHO CORPORATE BANK, LTD.,
as Lender

By /s/ Takeo Kada
_____
Name: Mr. Takeo Kada
Title: Deputy General Manager

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THE BANK OF NOVA SCOTIA,
as Lender

By /s/ Kevin C. Clark
_____
Name: Kevin C. Clark
Title: Managing Director,
International Banking

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THE BANK OF TOKYO-MITSUBISHI LTD.,

as Lender

By /s/ Hiroshi Azuma

_____

Name: Hiroshi Azuma
Title: VP & Manager

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ABN AMRO BANK N.V.,
as Lender

By /s/ Michel van Schaurdenbur

_____

Name: Michel van Schaurdenbur
Title: Senior Managing Director

By /s/ Oscar Herrera

_____

Name: Oscar Herrera
Title: Business Manager CPM NA

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BANK OF AMERICA, N.A.
as Lender

By /s/ Ernesto Alatorre

_____

Name: Ernesto Alatorre
Title: Vice President

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CALYON NEW YORK BRANCH,
as Lender

By /s/ Attila Coach
_____
Name: Attila Coach
Title: Managing Director

By /s/ Phillippe Soustra
_____
Name: Phillippe Soustra
Title: Executive Vice President

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CITIBANK, N.A. NASSAU, Bahamas
Branch, as Lender

By /s/ Margaret A. Butler
_____
Name: Margaret A. Butler
Title: Vice President

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STANDARD CHARTERED BANK,
as Lender

By /s/ Monica Molina

_____
Name: Monica Molina A2385
Title: Assistant Vice President

By /s/ Ana M. Marchan
_____
Name: Ana M. Marchan
Title: Assistant Vice President
A2380

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BAYERISCHE LANDESBANK,
Cayman Islands Branch, as Lender

By /s/ Dietmar Rieg
_____
Name: Dietmar Rieg
Title: Senior Vice President

By /s/ James H. Boyle
_____
Name: James H. Boyle
Title: Vice President

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HSBC MEXICO, S.A., INSTITUCION
DE BANCA MULTIPLE, GRUPO
FINANCIERO HSBC, as Lender

By /s/ Jorge Casas De La Torre
_____
Name: Jorge Casas De La Torre
Title: Corporate Banking

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WACHOVIA BANK, NATIONAL
ASSOCIATION, as Lender

By /s/ Laura McInnes
_____
Name: Laura McInnes
Title: Director

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WESTLB AG, New York Branch,
as Lender

By /s/ Richard J. Pearse
_____
Name: Richard J. Pearse
Title: Executive Director

By /s/ Daniel Hitchcock
_____
Name: Daniel Hitchcock
Title: Director
Credit Americas

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BANCO DE CREDITO B
INVERSIONES,
as Lender

By /s/ Roberto Gatica

_____

Name: Roberto Gatica
Title: V.P. Commercial Lending

By /s/ Maria Grisel Vega

_____

Name: Maria Grisel Vega
Title: First Vice President,
Comptroller
Bci Miami Branch

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COMERICA BANK, as Lender

By /s/ Robert J. Hurley

_____

Name: Robert J. Hurley
Title: Assistant Vice President

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DEUTSCHE BANK AG New York Branch,
as Lender

By /s/ Bettina Maier

_____

Name: Bettina Maier
Title: Vice President

By /s/ Frank Farsi

_____

Name: Frank Farsi
Title: Director

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DRESDNER BANK AG, acting through
its Lending Offices at Dresdner Bank AG,
New York and Grand Cayman Branches,
as Lender

By /s/ Brian K. Schneider
_____
Name: Brian K. Schneider
Title: Vice President

By /s/ Enrique Bustamante
_____
Name: Enrique Bustamante
Title: Managing Director

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BAYERISCHE HYPO-UND
VEREINSBANK AG., as Lender

By /s/ Maria Lago
_____
Name: Maria Lago
Title: Associate Director

By /s/ Lara Cunha
_____
Name: Lara Cunha
Title: Associate Director

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PLC, AS JOINT BOOKRUNNER AND ING CAPITAL LLC, AS A JOINT BOOK RUNNER AND ADMINISTRATIVE AGENT.

SANPAOLO IMI S.p.A., as Lender

By /s/ Benato Carducci
_____
Name: Benato Carducci
Title: General Manager

By /s/ Barbara Bassi
_____
Name: Barbara Bassi
Title: Vice President

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BANCO DI ROMA, S.p.A., New York Branch, as Lender

By /s/ Alessandro Paoli
_____
Name: Alessandro Paoli
Title: Vice President

By /s/ Claudio Perna
_____
Name: Claudio Perna
Title: Exec. Vice President

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BNP PARIBAS PANAMA BRANCH, as Lender

By /s/ Christian Giraudon
_____
Name: Christian Giraudon
Title: General Manager

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JPMORGAN CHASE BANK,
as Lender

By /s/ Linda M. Meyer
_____
Name: Linda M. Meyer
Title: Vice President

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SOCIETE GENERALE
as Lender

By /s/ Alejandro Grenier
_____
Name: Alejandro Grenier
Title: Vice President

SCHEDULE 1.01(a)

Commitments

Lender	Commitment Amount	Commitment Percentage
Barclays Bank PLC	$50,000,000	6.25%
ING Bank N.V.	$50,000,000	6.25%
Banco Santander Central Hispano, S.A., New York Branch	$50,000,000	6.25%

BBVA Bancomer, S.A., Institucion de Banca Multiple, Grupo Financiero BBVA- Bancomer	$50,000,000	6.25%
Mizuho Corporate Bank, LTD.	$50,000,000	6.25%
The Bank of Nova Scotia	$50,000,000	6.25%
The Bank of Tokyo-Mitsubishi, Ltd.	$50,000,000	6.25%
ABN Amro Bank N.V.	$35,000,000	4.375%
Bank of America, N.A.	$35,000,000	4.375%
Calyon New York Branch	$35,000,000	4.375%
Citibank, N.A. Nassau, Bahamas Branch	$35,000,000	4.375%
Standard Chartered Bank	$35,000,000	4.375%
Bayerische Landesbank	$30,000,000	3.75%
HSBC Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero HSBC	$30,000,000	3.75%
Wachovia Bank, National Association	$30,000,000	3.75%
WestLB AG, New York Branch	$25,000,000	3.125%
Banco de Credito e Inversiones	$20,000,000	2.5%
Comerica Bank	$20,000,000	2.5%
Deutsche Bank AG New York Branch	$20,000,000	2.5%
Dresdner Bank AG, acting through its Lending Offices at Dresdner Bank AG, New York and Grand Cayman Branches	$20,000,000	2.5%
Bayerische Hypo-und Vereinsbank AG	$20,000,000	2.5%
SANPAOLO IMI S.p.A.	$20,000,000	2.5%
Banca di Roma, S.p.A., New York Branch	$10,000,000	1.25%
BNP Paribas Panama Branch	$10,000,000	1.25%
JPMorgan Chase Bank	$10,000,000	1.25%
Societe Generale	$10,000,000	1.25%

SCHEDULE 1.01(b)

Lending Offices

Lender	Lending Offices

Barclays Bank PLC	200 Park Avenue New York, New York 10166 Attention: Thomas Janson Telephone: (212) 412-6888 Fax: (212) 412-7600 Email: Thomas.janson@barcap.com
ING Bank N.V.	1325 Avenue of the Americas, 8th Floor New York, New York 10019 Attention: Vicente Leon Telephone: (646) 424-6054 Email: vicente.leon@americas.ing.com
Banco Santander Central Hispano, S.A., New York Branch	45 East 53rd Street New York, New York 10022 Attention: Ruben Perez-Romo Telephone: (212) 350-0645 Fax: (212) 407-1141
BBVA Bancomer, S.A., Institucion de Banca Multiple, Grupo Financiero BBVA-Bancomer	Ave. Vasconcelos #101 Ote. Piso 1 Col. Residencial San Agustin 66260 Garza Garcia, N.L. Attention: Jesus Villarruel Ruvalcaba Telephone: (52-81) 8368-6937 Fax: (52-81) 8368-6980
Mizuho Coroporate Bank, LTD.	1251 Avenue of the Americas, 32nd Floor New York, New York 10020 Attention: David Costa Telephone: (212) 282-4964 Fax: (212) 282-4385
The Bank of Nova Scotia	Calzada del Valle 202, Ote, Piso 1 Col. Del Valle Garza Garcia Nuevo Leon, Mexico 66220 Attention: Armando Contel Telephone: (52-81) 8318-3099 Fax: (52-81) 8318-3072
The Bank of Tokyo-Mitsubishi, Ltd.	1251 Avenue of the Americas New York, New York 10020-1104 Attention: Hiroshi Azuma Telephone: (212) 782-4184 Fax: (212) 782-6400 E-mail: hazuma@btmna.com
ABN Amro Bank N.V.	Prolongacion Reforma 600-320 Col. Santa Fe Pena Blanca Mexico D.F., 01210 Mexico Attention: Rosalia Noble Telephone: (52-55) 5257-7842 Fax: (52-55) 5257-7829
Bank of America, N.A.	100 SE 2nd St., 31st Floor Miami, FL 33131 Attention: Ana Kube Telephone: (305) 533-2486 Fax: (52-55) 5230-6317
Calyon New York Branch	1301 Avenue of the Americas New York, New York 10019 Attention: Ronald Finn Telephone: (212) 261-7050
Citibank, N.A. Nassau, Bahamas Branch	Ave. Roble 701, 5o. Piso Col. Valle del Campestre 66260 Garza Garcia NL Attention: Ines Vargas Telephone: (52-81) 1226-8525 Fax: (52-81) 1226-8538
Standard Chartered Bank	One Madison Avenue New York, New York 10010 Attn: Larry Fitzgerald Phone : (212) 667-0107 Fax: (212) 667-0568
Bayerische Landesbank	550 Lexington Ave. New York, New York 10022 Attention: Dietmar Rieg Telephone: (212) 310-9842 Fax: (212) 230-9166
HSBC Mexico, S.A., Institucion de Banca Multiple, Grupo Financiero HSBC	Arq. Pedro Ramirez Vazquez 200-10, Piso 1

	San Pedro Garza Garcia, NL CP 66269 Attention: Cordelia Gonzalez Flores Telephone: (52-81) 8133-4528 Fax: (52-81) 8133-4558 E-mail: cordelia.gonzalez@hsbc.com.mx
Wachovia Bank, National Association	191 Peachtree St., NE Internal Mail Code: GA8o88 Atlanta, GA 30303 Attention: Kay Reedy Telephone (404) 332-5262 Fax: (404) 332-5905 E-mail: kathleen.reedy@wachovia.com
WestLB AG, New York Branch	1211 Avenue of the Americas New York, New York 10036 Attention: Ricardo Fernandez Telephone: (212) 852-6122 Fax: (212) 597-1428
Banco de Credito e Inversiones	701 Brickell Ave. Suite 1450 Miami, FL 33131-2813 Attention: Roberto Gatica Telephone: (305) 347-3330 Fax: (305) 347-3332
Comerica Bank	500 Woodward Ave. International Dept., MC 3330 Detroit, Michigan 48226 Attention: Andres Cueva Telephone: (52-81) 8368 0316 Fax: (52-81) 8368 0048
Deutsche Bank AG New York Branch	60 Wall Street New York, New York 10005 Attention: Bettina Maier Tel: (212) 250-5035 Fax: (212) 797-0510
Dresdner Bank AG, acting through its Lending Offices at Dresdner Bank AG, New York and Grand Cayman Branches	75 Wall Street New York, New York 10005 Attention: Brian Schneider Phone: (212) 895-1674 Fax: (212) 895-1560
Bayerische Hypo-und Vereinsbank AG	New York Branch / IBF Branch 150 East 42nd St, 31st Floor New York, New York 10017 Attention: Lara Cunha / Maria Lago Telephone: (212) 672-5442 / 5899 Fax: (212) 672-5597 E-mail: Lara_Cunha@hvbamericas.com Maria_Lago@hvbamericas.com
SANPAOLO IMI S.p.A.	245 Park Avenue, 35th Floor New York, New York 10167 Attention: Barbara Bassi Telephone: (213) 692-3141 Fax: (213) 599-5307 E-mail: barbara.bassi@sanpaoloimi.com
Banca di Roma, S.p.A., New York Branch	34 East 5151 Street New York, New York 10022 Attention: Alessandro Paoli Telephone: (212) 407-1746 Fax: (212) 407-1740
BNP Paribas Panama Branch	Via Espana No. 200, Edificio Omanco P.O. Box 0816-07547, Panama 1 Panama, Republic of Panama Attention: Efrain Rosas / Yoel Alveo Telephone: (507) 263-1867 / 269-6802 Fax: (507) 263-6559 / 223-5529 E-mail: efrain.rosas@americas.bnpparibas.com yoel.alveo@americas.bnpparibas.com
JPMorgan Chase Bank	277 Park Avenue, 2nd Floor New York, New York 10172 Attention: Linda M. Meyer Telephone: (212) 622-7447 Fax: (646) 534-0839
Societe Generale	1221 Ave. of the Americas New York, New York 10020 Attention: Alejandro Garcia Telephone: (212) 278-5988

Schedule 3.01

Existing Standby L/Cs

CEMEX Outstanding Standby L/Cs				
BENEIFICARY	AMOUNT	REFERENCE	ISSUANCE	MATURITY
Bank of American, NA	$50,000,000.00	SB00282	13-Jan-04	13-Jul-04
Total Outstanding	$50,000,000.00			

Schedule 6.06

Litigation

A description of material regulatory and legal matters affecting CEMEX and its Subsidiaries is provided below.

U.S. Anti-Dumping Sunset Reviews

Under the U.S. anti-dumping and countervailing duty laws, the Commerce Department and the International Trade Commission 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.

On January 31, 2003, the Government of Mexico requested consultations with the United States regarding the final determinations of the United States Department of Commerce and the United States International Trade Commission concerning various administrative reviews and sunset reviews of the anti-dumping order on gray portland cement from Mexico; the Commission's dismissal of a request to initiate a changed circumstances review; and certain US laws, regulations, procedures and administrative provisions. Mexico and the US held consultations on April 2, 2003, but did not resolve the dispute. On July 29, 2003, Mexico requested the establishment of a WTO Panel. The Panel was established by the WTO's Dispute Settlement Body on August 29, 2003, and the case is in progress.

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.

On June 15, 2004 the Commerce Department issued the Preliminary Results of the thirteenth review, which preliminarily reduce the antidumping

margin to 55.01% ad valorem, and the cash deposit rate to $32.86 per metric ton. The rates established by the twelfth review will remain in place until the final results of the thirteenth review are issued later this year.

The status of each period still under review or appeal is as follows:

Period	Cash Deposits	Status
8/1/95-7/31/96	61.85% (effective 5/5/1997)	37.49% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/97-7/31/98	73.69%, 35.88% and 37.49% (effective 5/4/1998)	45.98% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/98-7/31/99	37.49%, 49.58% (effective 3/17/1999)	38.65% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/99-7/31/00	49.58%, 45.98% (effective 3/16/2000)	50.98% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/00-7/31/01	49.58%, 38.65% (effective 5/14/2001)	73.74% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/01-7/31/02	38.65%, 50.98% (effective 3/19/2002)	80.75% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/02 - 7/31/03	50.98%, 73.74% (effective 1/14/2003)	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 International Trade Commission, or 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.

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 ITCMOEA 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.

As of December 31, 2003, the Philippine Bureau of Internal Revenue, or BIR, assessed APO Cement Corp. 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 Cement Corp'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 Cement Corp.'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 Cement Corp.'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 Cement Corp.'s 1998 tax year and APO Cement Corp.'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 Ibague, 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 Ibague, 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 Ibague for review.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for 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 Puerto Rican Cement Company. Inc. 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 Cemex Asia Holdings Ltd. or 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.

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.

Schedule 6.10

Subsidiaries

Name	Jurisdiction of Incorporation
Cemex Mexico, S.A. de C.V.	Mexico
Empresas Tolteca de Mexico, S.A. de C.V.	Mexico
Cemex Concretos, S.A. de C.V.	Mexico
Sunward Acquisitions N.V.	Netherlands
Cemex Espana, S.A.	Spain
Cemex, Inc.	Louisiana
Cemex Colombia, S.A.	Colombia
Cementos Nacionales, S.A.	Dominican Republic

Schedule 7.05

Litigation

A description of material regulatory and legal matters affecting CEMEX and its Subsidiaries is provided below.

U.S. Anti-Dumping Sunset Reviews

Under the U.S. anti-dumping and countervailing duty laws, the Commerce Department and the International Trade Commission 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.

On January 31, 2003, the Government of Mexico requested consultations with the United States regarding the final determinations of the United States Department of Commerce and the United States International Trade Commission concerning various administrative reviews and sunset reviews of the anti-dumping order on gray portland cement from Mexico; the Commission's dismissal of a request to initiate a changed circumstances review; and certain US laws, regulations, procedures and administrative provisions. Mexico and the US held consultations on April 2, 2003, but did not resolve the dispute. On July 29, 2003, Mexico requested the establishment of a WTO Panel. The Panel was established by the WTO's Dispute Settlement Body on August 29, 2003, and the case is in progress.

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.

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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.

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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.

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In addition, Solid Cement Corp.'s 1998 tax year and APO Cement Corp.'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 Ibague, 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 Ibague, 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 Ibague for review.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for 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 Puerto Rican Cement Company, Inc. 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 Cemex Asia Holdings Ltd. or 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.

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.

CEMEX, S.A. de C.V.
LIEN SCHEDULE
(Figures in millions of US Dollars)

COMPANY	LENDER	LIENS CONCEPT	BALANCE
CEMEX, Inc.	GE Capital 279,280	Equipment related with the credit	1.03
CEMEX, Inc.	City of Long Beach	Cement Terminal (Capital Lease Obligation)	0.00
CEMEX, Inc.	Hampton	Land related with the credit	0.28
CEMEX, Inc.	RIO	Land related with the credit	0.00
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	0.20
Centro Distribuidor de Cemento, S.A. de C.V.	Bank of America	Cash Collateral	2.10
			3.61

EXHIBIT A

FORM OF NOTE

U.S.$_____ Date_____
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 Ave. Ricardo Margain Zozoya #325, Col. Valle Del Campestre, Garza Garcia, N.L. 66265, Mexico (the "Borrower"), unconditionally promises to pay, without setoff or counterclaim, to the order of _____ (the "Lender") on the Maturity Date, as defined in the Credit

Agreement (as defined below), at the office of [ING Capital LLC, 1325 Avenue of the Americas, New York, New York 10019,] 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 Credit Agreement which are then due and payable to the Lender pursuant thereto. The undersigned further unconditionally 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 Credit Agreement. The Lender is authorized to record the date, type and amount of each Loan made by the Lender pursuant to the Credit 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 Credit 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 is such recordation) shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in the Credit Agreement dated as of _____, among the Borrower, the Guarantors, the several Lenders party thereto, Barclays Bank PLC, as Issuing Bank and Documentation Agent, ING Bank N.V., as Issuing Bank, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Bookrunner and ING Capital LLC, as Joint Bookrunner and Administrative Agent (as the same may from time to time be amended, supplemented or otherwise modified, the "Credit 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 Credit 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 Borrower 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 Credit Agreement and this Note.

The Borrower 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 Borrower 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, 13th Floor, New York, New York 10011, U.S.A. (the "Process Agent"), and the Borrower 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 Borrower shall not impair or affect the validity of such service or of any judgment based thereon.

The obligations of the Borrower 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 Borrower 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 effectively received by the Lender pursuant to any such tender or recovery. The Lender's determination of amounts effectively received by it shall be presumptively correct in the absence of manifest error.

To the extent that the Borrower 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, execution or otherwise) with respect to itself or its property, the Borrower hereby irrevocably waives such immunity in respect of its obligations under this Note and the other Transaction Documents. The foregoing waiver and consent are intended to be effective to the fullest extent now or hereafter permitted by applicable law of any jurisdiction in which any suit, action or proceeding with respect to this Note may be commenced.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

CEMEX, S.A. de C.V.

By:_____
Title:_____

Guaranteed:

CEMEX MEXICO, S.A. de C.V.,
in its capacity as Guarantor
Under Article X of the Credit Agreement

By:_____
Title:_____

Guaranteed:

EMPRESAS TOLTECA DE MEXICO,
S.A. de C.V., in its capacity as
Guarantor under Article X of the Credit
Agreement

By:_____
Title:_____

Schedule 1 to Note

BASE RATE LOANS

Date	Amount of Base Rate Loans Made or Converted from LIBOR Loans	Amount of Principal Repaid	Amount Converted to LIBOR Loans	Updated Principal Balance of Base Rate Loans	Notation Made by

Schedule 2 to Note

LIBOR LOANS

Date	Amount of LIBOR Loans Made or Converted from Base Rate Loans	Interest Period and Interest Rate with Respect Thereto	Amount of Principal Repaid	Amount Converted to Base Rate Loans	Unpaid Principal Balance of LIBOR Loans	Notation Made By

EXHIBIT B

FORM OF NOTICE OF BORROWING

ING CAPITAL LLC,
as Administrative Agent
1325 Avenue of the Americas
New York, New York 10019
Attention: [Client Services Unit]

Reference is made to the Credit Agreement, dated as of _____, 2004, among Cemex, S.A. de C.V., as Borrower (the "Borrower"), Cemex Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as Guarantor, Barclays Bank PLC, as Issuing Bank and Documentation Agent, ING Bank N.V., as Issuing Bank, Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Bookrunner, ING Capital LLC, as Joint Bookrunner and Administrative Agent, and certain other lenders party thereto (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms used but not otherwise defined herein shall have the meanings provided in the Credit Agreement. The undersigned hereby gives notice pursuant to Section 2.01 of the Credit Agreement of its request for [a] Revolving Loan[s] with the following terms:

(A)	Requested Disbursement Date (which is a Business Day)	_____
(B)	Principal amount of Borrowing	_____
(C)	Interest rate basis	
(D)	(If a LIBOR loan is requested) Interest Period and the last date thereof	_____

The disbursement shall be deposited in the account specified in and in accordance with the requirements of Section 2.01(d) of the Credit Agreement.

The Borrower hereby represents and warrants that each condition specified in Section 5.02 of the Credit Agreement has been satisfied or waived.

IN WITNESS WHEREOF, the undersigned has hereto set his name on this _____ day of _____, ____.

CEMEX, S.A. DE C.V.
as Borrower

By:_____
Name:_____
Title:_____

EXHIBIT C

FORM OF NOTICE OF EXTENSION/CONVERSION

ING CAPITAL LLC,
as Administrative Agent
1325 Avenue of the Americas
New York, New York 10019
Attention: [Client Services Unit]

Reference is made to the Credit Agreement, dated as of _____, 2004, among Cemex, S.A. de C.V., as Borrower (the "Borrower"), Cemex Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as Guarantor, Barclays Bank PLC, as Issuing Bank and Documentation Agent, ING Bank N.V., as Issuing Bank, Barclays Capital, The Investment Banking Division of Barclays Bank PLC, as Joint Bookrunner, ING Capital LLC, as Joint Bookrunner and Administrative Agent, and certain other lenders party thereto (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms used but not otherwise defined herein shall have

the meanings provided in the Credit Agreement. The undersigned hereby gives notice pursuant to Section 2.01(e) of the Credit Agreement that it requests an extension or conversion of [a] Revolving Loan[s] outstanding under the Credit Agreement, and in connection therewith sets forth below the terms on which such extension or conversion is requested to be made:

(A)	Date of Extension or Conversion	_____
(B)	The Loan[s] to be Extended/ Converted and the Principal Amount thereof	_____
(C)	Interest rate basis	_____
(D)	(If a LIBOR loan) Interest Period and the last date thereof	_____

The Borrower hereby represents and warrants that each condition specified in Section 5.02 of the Credit Agreement has been satisfied or waived.

IN WITNESS WHEREOF, the undersigned has hereto set his name on this _____day of _____, ___.

CEMEX, S.A. DE C.V.. as Borrower

By: _____
Name:_____
Title:_____

EXHIBIT D

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 "Borrower"), 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, ING CAPITAL N.V. as Issuing Bank (together with Barclays Bank PLC, each in such capacity, the "Issuing Banks") and ING CAPITAL LLC 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 Credit Agreement dated as of _____ among the Borrower, the Guarantors, the Assignor and the other Lenders party thereto, the Issuing Banks, the Administrative Agent, Barclays Bank PLC, as Documentation Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as a Joint Bookrunner and ING Capital LLC, as a Joint Bookrunner (as from time to time further amended, supplemented or otherwise modified, the "Credit Agreement");

WHEREAS, as provided in the Credit 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 Borrower 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 Standby L/C Drawings in an aggregate principal amount of U.S.$_____ outstanding on the date hereof] [Loans made to the Borrower by the Assignor under the Credit Agreement in the aggregate principal amount of U.S.$_____ are outstanding on the date hereof];

WHEREAS, the Assignor proposes to assign to the Assignee all of the rights of the Assignor under the Credit 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 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 Credit Agreement.

SECTION 2. Assignment. The Assignor hereby irrevocably assigns and sells to the Assignee all of the rights of the Assignor under the Credit Agreement [to the extent of the Assigned Amount], and the Assignee hereby irrevocably accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Credit Agreement [to the extent of the Assigned Amount][, including the purchase from the Assignor of the corresponding portion of the principal amount of the [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 Borrower,] 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 Credit 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 Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. Payments. As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them.* 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 Credit Agreement that is for the account of the other party, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

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* 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 Borrower,] The Issuing Banks [And The Administrative Agent]. This Agreement is conditioned upon the consent of [the Borrower,] the Issuing Banks [and the Administrative Agent] pursuant to

Section 4.12 of the Credit 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 Appropriate Issuing Bank. The execution of this Agreement by [the Borrower,] the Issuing Banks [and the Administrative Agent] is evidence of this consent. Pursuant to Section 16.06(b) of the Credit Agreement, the Borrower agrees to execute and deliver a new Note to the Assignee.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

(a) The Assignor (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, the Guarantors, any of their Affiliates or any other obligor or the performance or observance by the Borrower, the Guarantors, any of their Affiliates or any other obligor of any of their respective obligations under the Credit Agreement or any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto.

(b) The Assignee (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements delivered pursuant to Section 8.01 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 Banks or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; (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 Credit 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 Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

SECTION 6. NON-RELIANCE ON ASSIGNOR. The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition or statements of the Borrower and the Guarantors, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement, 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 Borrower.

SECTION 7. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successor and assigns.

SECTION 8. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the law of the State of New York.

SECTION 9. COUNTERPARTS. This Agreement may be signed in any

number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By:_____
Title:_____

[ASSIGNEE]

By:_____
Title:_____

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

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,
as Issuing Bank

By:_____
Title:_____

By:_____
Title:_____

ING BANK N.V.,
as Issuing Bank

By:_____
Title:_____

By:_____
Title:_____

ING CAPITAL LLC,
as Administrative Agent

By:_____
Title:_____

EXHIBIT E

FORM OF OPINION OF SPECIAL NEW YORK COUNSEL
TO THE ISSUER AND GUARANTORS

EXHIBIT F

FORM OF OPINION OF MEXICAN COUNSEL
TO THE BORROWER AND THE GUARANTORS

EXHIBIT G

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 CREDIT AGREEMENT, DATED _____ 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, ING BANK N.V., BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, ING CAPITAL 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)].

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* Optional.

** Optional.

*** must have a minimum stated amount equal to U.S.$5,000,000.

**** must expire on the ealier 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 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. 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.

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.

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* Insert Appropriate Language

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:

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: [_____]

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)

EXHIBIT 4.16

C L I F F O R D
C H A N C E

CONFORMED COPY

US$1,250,000,000

FACILITIES AGREEMENT

dated 24 September 2004

for

NEW SUNWARD HOLDING B.V.

as Borrower

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

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

as Guarantors

arranged by

CITIGROUP GLOBAL MARKETS LIMITED

and

GOLDMAN SACHS INTERNATIONAL

with

CITIBANK INTERNATIONAL PLC

acting as Agent

TERM AND REVOLVING FACILITIES AGREEMENT

CONTENTS

THIS TERM AND REVOLVING FACILITIES AGREEMENT is dated 24 September 2004 and made between:

(1) NEW SUNWARD HOLDING B.V. (the "Borrower");

(2) THE COMPANIES listed in Part IB of Schedule 1 (The Obligors) as original guarantors (the " Original Guarantors");

(3) CITIGROUP GLOBAL MARKETS LIMITED and GOLDMAN SACHS INTERNATIONAL as mandated lead arrangers and joint bookrunners (whether acting individually or together the "Arranger");

(4) THE FINANCIAL INSTITUTIONS listed in Part II of Schedule 1 (The Original Parties) as lenders (the "Original Lenders"); and

(5) CITIBANK INTERNATIONAL PLC as agent of the other Finance Parties (the "Agent").

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Accession Letter" means a document substantially in the form set out in Schedule 9 (Form of Accession Letter).

"Acquired Subsidiary" means any Subsidiary acquired by any Obligor or by any Subsidiary of any Obligor after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary formed by any Obligor or by a Subsidiary of any Obligor solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, any Obligor or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Additional Cost Rate" has the meaning given to it in Schedule 4 (Mandatory Cost Formulae).

"Additional Guarantor" means a company which becomes an Additional Guarantor in accordance with Clause 25 (Changes to the Obligors).

"Adjusted Consolidated Net Tangible Assets" means, with respect to any Person, the total assets of such Person and its Subsidiaries (less applicable depreciation, amortisation and other valuation reserves), including any write-ups or restatements required under Applicable GAAP (other than with respect to items referred to in clause (b) below), minus (a) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (b) all goodwill, trade names, trademarks, licenses, concessions, patents, un-amortised debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Applicable GAAP.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agent's Spot Rate of Exchange" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market as of 11:00 a.m. on a particular day.

"Applicable GAAP" means, with respect to any Person, Mexican GAAP or other generally accepted accounting principles required to be applied to such Person in the jurisdiction of its incorporation or organisation and used in preparing such Person's financial statements.

"Authorisation" means an authorisation, consent, approval, resolution,

licence, exemption, filing, notarisation or registration.

"Authorised Signatory" means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and confirming such person's authority to act.

"Availability Period" means the period from and including the date of this Agreement to and including:

(a) the Termination Date in respect of Facility B1; and

(b) the day which is 180 days after the date of the posting of the first Offer Document, in the case of Facility B2.

"Available Commitment" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date,

other than, in relation to any proposed Utilisation under Facility B1 only, any participation in Facility B1 Loans which are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Facility" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"Base Currency" means US dollars.

"Base Currency Amount" means in relation to a Utilisation, the amount specified in the Utilisation Request delivered by the Borrower for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date) as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation.

"Bidco" means Cemex UK Limited, a special purpose subsidiary of the Borrower incorporated in England and Wales with company number 05196131 and having its registered office at 2 Lambs Passage, London EC1Y 8BB.

"Board" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Break Costs" means the amount (if any) by which:

(a) the interest (excluding the applicable Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant

Interbank Market for a period starting on the day of receipt or recovery if a Business Day and if received or recovered before 2 pm London time (or, if not, on the Business Day following receipt or recovery) and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Amsterdam and:

(a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

"Capital Lease Obligations" means, as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under Applicable GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalised amount thereof at such time determined in accordance with Applicable GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cemex Facilities Agreements" means the Cemex Facility A Agreements and the Cemex Facility C Agreement.

"Cemex Facility A Agreements" means both, the US$500,000,000 A1 term loan facility agreement and the Mexican Pesos equivalent of US$250,000,000 A2 term loan facility agreement, each made between (amongst others) Cemex Parent and Citigroup Global Markets Limited and Banco Nacional de Mexico, S.A., Integrante del Grupo Financiero Banamex on or about the date hereof.

"Cemex Facility C Agreement" means the US$3,800,000,000 multicurrency term and revolving credit facility made between (amongst others) Cemex Spain and Citigroup Global Markets Limited and Goldman Sachs International on or about the date hereof.

"Cemex Parent" means CEMEX, S.A. de C.V., a company (sociedad anonima de capital variable) incorporated in Mexico.

"Cemex Spain" means Cemex Espana, S.A., a company (sociedad anonima) incorporated under the laws of Spain, No. Hoja-Registro Mercantil, Madrid: M -156542, NIF A46/004214.

"Certain Funds Period" bears the meaning given to it in the Cemex Facility C Agreement.

"Clean-Up Date" means the date falling 180 days after the Unconditional Date.

"Clean-Up Period" means the period commencing on the Unconditional Date and ending on the Clean-Up Date.

"Code" means the City Code on Takeovers and Mergers.

"Commitment" means a Facility B1 Commitment and/or Facility B2

Commitment.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 6 (Form of Compliance Certificate).

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 7 (Form of LMA Confidentiality Undertaking) or in any other form agreed between the Borrower and the Agent.

"Consolidated EBITDA" means, for any period, the sum for Cemex Parent and its Subsidiaries, determined on a consolidated basis of (a) operating income (utilidad de operacion), (b) cash interest income and (c) depreciation and amortisation expense (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 Parent 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 (but when the Material Disposition is by way of a lease, income received by any member of the Group under such lease shall be included in Consolidated EBITDA) and (ii) if at any time during such Reference Period Cemex Parent 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 Parent or was merged or consolidated with Cemex Parent or any of its Subsidiaries as a result of a Material Acquisition occurring during such Reference Period shall have made any Disposition or Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by Cemex Parent 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" means, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period, (b) mandatory dividend payments during such period in respect of preferred Capital Stock of Cemex Parent 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" means, for any period, the total gross interest expense of Cemex Parent and its consolidated Subsidiaries allocable to such period in accordance with Mexican GAAP.

"Consolidated Leverage Ratio" means, at any time during any fiscal quarter, the ratio of (a) Consolidated Net Debt at such time to (b) 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 Cemex Parent and its Subsidiaries at such date, plus (b) to the extent not included

in Debt, the aggregate amount of all derivative financing in the form of equity swaps outstanding at such date (save to the extent cash collateralised), plus (c) to the extent not included in Debt, all payment obligations of Cemex Parent or any of its Subsidiaries under the 9.66% Puttable Capital Securities issued by CEMEX International Capital LLC on 14 May 1998 or under any similar instrument, minus (d) all Temporary Investments of Cemex Parent and its Subsidiaries at such date.

"Contractual Obligation" as to any Person, any provision of any security issued or guaranteed by such Person or of any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Person is a party or by which it or any of its property is bound.

"Conversion Request" has the meaning given to it in Clause 8.1. (Request for Conversion)

"Costs and Expenses Letter" means the costs and expenses letter dated on or about the date of this Agreement between the Arranger, the Borrower, Cemex Spain and Cemex Parent.

"CTW" means Cemex Trademarks Ltd., a commercial company organised and existing under the laws of Switzerland.

"Debt" means, as to any Person at any time, without duplication:

(a) all obligations of such Person for borrowed money;

(b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) all obligations of such Person for the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;

(d) all Capital Lease Obligations of such Person;

(e) all Debt of others secured by a Lien on any asset or property of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet;

(f) all obligations of such Person with respect to product invoices incurred in connection with export financing;

(g) all obligations of such Person under repurchase agreements for stock issued by such Person or another Person; and

(h) all obligations, contingent or otherwise, of such Person directly or indirectly guaranteeing obligations of any other Person of the kind referred to in paragraphs (a) to (g) above.

"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.

"Derivatives Obligations" means, 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" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dutch Banking Act" means the Dutch Act of the Supervision of Credit System of 1992 (Wet toezicht kredietwezen 1992), as amended or re-enacted from time to time.

"Dutch Central Bank" means the central bank of The Netherlands (De Nederlandsche Bank).

"Dutch Exemption Regulation" means the Exemption Regulation of the Dutch Minister of Finance of 26 June 2002 (Vrijstellingsregeling Wtk 1992), as amended or re-enacted from time to time.

"Dutch Policy Guidelines" means the Dutch Central Bank's policy guidelines of 10 July 2002 issued in relation to the Dutch Exemption Regulation (beleidsregel kernbegrippen markttoetreding en handhaving Wtk 1992), as amended or restated from time to time.

"Environmental Laws" means 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.

"EURIBOR" means, in relation to any Loan in euro:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in euro for a period comparable to the Interest Period of the relevant Loan.

"Event of Default" means any event or circumstance specified as such in Clause 23 (Events of Default).

"Exchange Act" means the U.S. Securities Exchange Act of 1943, as amended.

"Facility" means Facility B1 or Facility B2.

"Facility B1" means the 364-day multicurrency revolving loan facility with a term-out option made available under this Agreement as described in paragraph (a) of Clause 2.1 (The Facilities).

"Facility B1 Commitment" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility B1 Commitment" in Part II of Schedule 1 (The Original Parties) and the amount of any other Facility B1 Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base

Currency of any Facility B1 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility B1 Loan" means a loan made or to be made under Facility B1 or the principal amount outstanding for the time being of that loan.

"Facility B1 Note" means a promissory note of the Borrower substantially in the form of Schedule 12 (Form of Promissory Note) relating to amounts to be drawn under Facility B1 and reflecting the terms of this Agreement.

"Facility B1 Repayment Date" means the day falling 364 days after the date of this Agreement.

"Facility B2" means the multicurrency term loan facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (The Facilities).

"Facility B2 Commitment" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility B2 Commitment" in Part II of Schedule 1 (The Original Parties) and the amount of any other Facility B2 Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility B2 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility B2 Loan" means a loan made or to be made under Facility B2 or the principal amount outstanding for the time being of that loan.

"Facility B2 Note" means a promissory note of the Borrower substantially in the form of Schedule 12 (Form of Promissory Note) relating to amounts to be drawn under Facility B2 and reflecting the terms of this Agreement.

"Facility B2 Repayment Date" means the day falling 36 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.

"FAS 140" means Financial Accounting Standards Board Statement No. 140 or any Statement replacing the same, in each case as amended, modified or supplemented from time to time.

"Final B1 Termination Date" means, in relation to Facility B1, the date which is 6 Months after the Termination Date relating thereto.

"Finance Document" means this Agreement, any Note, any Accession Letter, the Syndication and Fees Letter, the Sub Underwriter Fee Letter, the Costs and Expenses Letter and any other document designated as a "Finance Document" by the Agent and the Borrower.

"Finance Party" means the Agent, the Arranger or a Lender.

"First Utilisation Date" means the date on which the first Utilisation

is made under this Agreement.

"Funds Flow Statement" means the funds flow statement in agreed form delivered to the Agent (as amended from time to time prior to the Unconditional Date provided that such amendments:

(a) have been approved by the Lenders; or

(b) do not affect the interests of the Lenders in relation to the Facilities).

"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.

"Group" means the Borrower and each of its Subsidiaries for the time being.

"Guarantors" means the Original Guarantors and any Additional Guarantor other than any such Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 25.3 (Resignation of Guarantor) and has not subsequently become an Additional Guarantor pursuant to Clause 25.2 (Additional Guarantors) and "Guarantor" means any of them.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Information Memorandum" means the document in the form approved by the Borrower (and as updated from time to time with the approval of the Borrower) concerning Cemex Parent, the Group and the Target Group which, at the request of the Borrower and on its behalf is to be prepared in relation to the transaction contemplated by this Agreement, approved by the Borrower and distributed by the Arranger in connection with the syndication of the Facilities.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under Mexican, multinational or foreign laws or otherwise, including copyrights, copyright licences, patents, patent licences, trademarks, trademark licences, technology, know-how and processes, trade secrets, any applications associated with the foregoing, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 11 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (Default interest).

"International Accounting Standards" means the accounting standards approved by the International Accounting Standards Board from time to time.

"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 arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan. "Lien" means 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 member of the Group shall be deemed to own, subject to a Lien, any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

"LMA" means the Loan Market Association.

"Loan" means a Facility B1 Loan or a Facility B2 Loan.

"Loan Notes" means the loan notes (if any) issued to the shareholders of the Target Shares pursuant to the Offer.

"Major Breach" means in respect of the Borrower and its Subsidiaries (including Bidco) only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance), an outstanding breach of any paragraph of Clause 3.1 (Purpose) arising from the failure of the Borrower or Bidco to apply the proceeds of a Utilisation for the purposes for which it was advanced, Clauses 22.10 (Pari passu ranking), 22.13 (Liens) (other than any breach in respect of an attachment or judgment lien), 22.14 (Consolidation and mergers), 22.15 (Sales of assets, etc.), 22.16 (Restricted Payments), 22.22 (Ownership of Cemex Spain), 22.23 (Ownership of the Borrower) and 22.24 (Ownership of Trademark Companies).

"Major Default" means (a) any outstanding Event of Default in respect of the Borrower and its Subsidiaries (including Bidco) only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance) under any of paragraphs (a), (b), (c) (but only in relation to a Major Representation), (d) (but only in relation to a Major Breach), (g), (h), (k) and (l); or (b) any failure by the Borrower to comply with the requirements of Clause 4.1 (Initial Conditions Precedent) other than paragraphs 2(a), 2(b) and 2(c) of Part I of Schedule 2 (Conditions Precedent).

"Major Representation" means in respect of the Borrower and its Subsidiaries (including Bidco) only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance), any of the representations contained in paragraph (a) of Clause 20.1 (Status), Clause 20.2 (Binding Obligations) and Clause 20.3 (Non-conflict with other obligations) (inclusive) where, in each case, breach would lead to a Material Adverse Effect.

"Majority Lenders" means:

(a) if there are no Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than 51% of the Total

Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 51% of the Total Commitments immediately prior to the reduction); or

(b) at any other time, a Lender or Lenders whose undrawn Commitments and participations in the Loans then outstanding aggregate more than 51% of all the undrawn Commitments and Loans then outstanding.

"Mandatory Cost" means the percentage rate per annum calculated in accordance with Schedule 4 (Mandatory Cost Formulae).

"Margin" means:

(a) subject to paragraph (c) below, in relation to any Loan the percentage rate per annum determined pursuant to the table set out below:

Facility	Margin % p.a.
Facility B1	0.825
Facility B2	0.925

(b) in relation to any Unpaid Sum the percentage rate per annum specified above applicable to the Facility in relation to which the Unpaid Sum arises, or if such Unpaid Sum does not arise in relation to a particular Facility, the rate per annum specified above applicable to the Facility to which the Agent reasonably determines the Unpaid Sum most closely relates, or if none, the highest rate per annum specified above,

but if at any time after the First Utilisation Date following the Unconditional Date:

(i) no Default has occurred and is continuing; and

(ii) the Consolidated Leverage Ratio in respect of the most recently completed Relevant Period is within a range set out below,

then the Margin for each Loan under each Facility (and for any Unpaid Sum related to that Facility) will be the percentage rate per annum set out below opposite that range:

Consolidated Leverage Ratio	Margin % p.a.	
	Facility B1	Facility B2
Greater than or equal to 3.3:1	1.025	1.150
Less than 3.3:1 but greater than or equal to 3.0:1	0.825	0.925
Less than 3.0:1 but greater than or equal to 2.7:1	0.725	0.825
Less than 2.7:1 but greater than or equal to 2.4:1	0.625	0.725
Less than 2.4:1	0.525	0.625

However any increase or decrease in the Margin shall take effect on the date (the "reset date") which is five Business Days after receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 21.2 (Compliance Certificate) and in the case of a then current Interest Period will apply to the whole of such Interest Period unless any payments of interest have already been made in which case any adjustments to the Margin will apply only from the date of such payment.

"Material Acquisition" means any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary of Cemex Parent or any Person which becomes a Subsidiary of Cemex Parent or is merged or consolidated with any member of the Group, in each case which involves the payment of aggregate consideration by any one or more members of the Group in excess of US$25,000,000 (or the equivalent thereof in other currencies).

"Material Adverse Effect" means a material adverse effect on:

(a) the business, condition (financial or otherwise), or operations of the Group taken as a whole;

(b) the rights and remedies of any Finance Party under the Finance Documents; or

(c) the ability of any Obligor to perform its obligations under Finance Documents.

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields aggregate gross proceeds to any one or more members of the Group in excess of US$25,000,000 (or the equivalent thereof in other currencies).

"Materials of Environmental Concern" means 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.

"Material Subsidiary" means, at any date:

(a) Cemex Spain, each Trademark Company and each Obligor that is a Subsidiary of Cemex Parent; and

(b) each other Subsidiary of any Obligor (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute five per cent. or more of the consolidated assets of Cemex Parent and its Subsidiaries as of the end of the then most recently ended fiscal quarter or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis without duplication, constitutes five per cent. or more of the consolidated operating profits of Cemex Parent and its Subsidiaries for the then most recently ended fiscal quarter.

"Mexican Bank" means any bank incorporated under the laws of Mexico and duly authorised 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" means generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of

Clause 22.12 (Financial condition covenants), Mexican GAAP shall be determined on the basis of such principles in effect as of the date of, and applied in the preparation of, the audited financial statements of Cemex Parent and its consolidated Subsidiaries as of and for the year ended 31 December 2003. In the event that any change in Mexican GAAP shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such change in Mexican GAAP with the desired result that the criteria for evaluating the financial condition of Cemex Parent and its consolidated Subsidiaries shall be the same after such change as if such change had not been made. Until such time an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such change in Mexican GAAP had not occurred.

"Mexico" means the United Mexican States.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. "Monthly" shall be construed accordingly.

"Moody's" means Moody's Investors Service Inc..

"New Lender" has the meaning set out in Clause 24.1 (Assignments and transfers by Lenders).

"Note" means a Facility B1 Note or a Facility B2 Note as the case may be.

"Obligations" means:

(a) as to the Borrower, all of the Debt, obligations and liabilities of the Borrower to the Lenders and the Agent now or in the future existing under or in connection with the Finance Documents, whether direct or indirect, absolute or contingent, due or to become due; and

(b) as to each Guarantor, all the Debt, obligations and liabilities of such Guarantor to the Lenders and the 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.

"Obligors" means the Borrower and the Guarantors and "Obligor" means any of them.

"Off-Balance-Sheet Transaction" means any financing transaction of any Person not reflected as Debt on the balance sheet of such Person, but being structured in a way that may result in payment obligations by such Person.

"Offer" means the offer proposed to be made by Bidco, substantially on the terms set out in the Press Release, to acquire all of the Target Shares not already owned by Bidco (whether by way of offer to purchase or scheme of arrangement), as such Offer may from time to time be amended, added to, revised, renewed or waived as permitted in accordance with the terms of this Agreement.

"Offer Document" means the offer (or scheme) document delivered or to be delivered to the shareholders of the Target in relation to the Offer.

"Optional Currency" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.4 (Conditions relating to Optional Currencies).

"Original Financial Statements" means:

(a) in relation to the Borrower, its audited unconsolidated financial statements for its financial year ended 31 December 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 2003; and

(c) in relation to any other Obligor, its most recent audited financial statements prior to its becoming a Party.

"Participating Member State" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Party" means a party to this Agreement.

"Permitted Lien" has the meaning given to that term in Clause 22.13 (Liens).

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other business entity, or Governmental Authority, whether or not having a separate legal personality.

"Press Release" means a press announcement to be released by Bidco announcing the terms of the Offer.

"Process Agent" means Bidco.

"Professional Market Party" means a professional market party (professionele marktpartij) as defined from time to time under the Dutch Exemption Regulation. As of the date hereof, only the following are Professional Market Parties:

(a) banks, insurance companies, securities firms, investment institutions and pension funds that are (i) supervised or licensed under Dutch law or (ii) established and acting under supervision in a European Union member state (other than The Netherlands), Hungary, Monaco, Poland, Puerto Rico, Saudi Arabia, Slovakia, Czech Republic, Turkey, South Korea, the United States, Japan, Australia, Canada, Mexico, New Zealand or Switzerland;

(b) investment institutions that offer their participation rights exclusively to professional market parties and are not required to be supervised or licensed under Dutch law;

(c) the State of The Netherlands, the Dutch Central Bank, a foreign central government body, a foreign central bank, Dutch regional and local governments and comparable foreign de-centralised government bodies, international treaty organisations and supranational organisations;

(d) enterprises or entities with total assets of at least (euro)500,000,000 (or the equivalent thereof in other currencies) as per the balance sheet of such entity as of the year-end preceding the date of the making of, or acceptance of an assignment of (as the case may be), any Loan hereunder;

(e) enterprises, entities or individuals with net assets (eigen vermogen) within the meaning of the Dutch Exemption Regulation of at least (euro)10,000,000 (or the equivalent thereof in other currencies) as of the year-end preceding the date of the making of, or acceptance of an assignment of (as the case may be), any Loan hereunder and who or which have been active in the financial markets on average twice a month over a period of at least two consecutive years preceding such date;

(f) subsidiaries of the entities referred to under paragraph (a) above, provided that such subsidiaries are subject to supervision; and

(g) an enterprise or institution that has a rating from or that issues securities having a rating from a rating agency recognised for such purposes by the Dutch Central Bank.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by any member of the Group pursuant to which such member of the Group may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by Cemex Parent or any other Seller) and any other Person (in the case of a transfer by a Special Purpose Vehicle), or may grant a security interest in, any Receivables Program Assets (whether now existing or arising in the future); provided that:

(a) no portion of the Debt or any other obligations (contingent or otherwise) of a Special Purpose Vehicle (i) is guaranteed by Cemex Parent or any other Seller or (ii) is recourse to or obligates Cemex Parent or any other member of the Group in any way such that the requirements for off balance sheet treatment under FAS 140 are not satisfied; and

(b) Cemex Parent and the other Sellers do not have any obligation to maintain or preserve the financial condition of a Special Purpose Vehicle or cause such entity to achieve certain levels of operating results.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is sterling) the first day of that period;

(b) (if the currency is euro) two TARGET Days before the first day of that period; or

(c) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Rating" means at any time the solicited long term credit rating or the senior implied rating of Cemex Parent or an issue of securities of or guaranteed by Cemex Parent, where the rating is based primarily on the senior unsecured credit risk of Cemex Parent and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by a Rating Agency.

"Rating Agency" means S&P or Moody's.

"Receivables" means all rights of Cemex Parent or any other Seller to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment of any interest or finance charges), which rights are identified in the accounting records of Cemex Parent or such Seller as accounts receivable.

"Receivables Documents" means:

(a) a receivables purchase agreement, pooling and servicing agreement, credit agreement, agreement to acquired undivided interests in or other agreement to transfer, or create a security interest in, Receivables Program Assets, in each case as amended, modified, supplemented or restated and in effect from time to time entered into by Cemex Parent, another Seller and/or a Special Purpose Vehicle, and

(b) each other instrument, agreement and other document entered into by Cemex Parent, any other Seller or a Special Purpose Vehicle relating to the transactions contemplated by the items referred to in clause (a) above, in each case as amended, modified, supplemented or restated and in effect from time to time.

"Receivables Program Assets" means:

(a) all Receivables which are described as being transferred by Cemex Parent, another Seller or a Special Purpose Vehicle pursuant to the Receivables Documents;

(b) all Receivables Related Assets in respect of such Receivables; and

(c) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses.

"Receivables Program Obligations" means:

(a) notes, trust certificates, undivided interests, partnership interests or other interests representing the right to be paid a specified principal amount from the Receivables Program Assets; and

(b) related obligations of Cemex Parent, a Subsidiary of Cemex Parent or a Special Purpose Vehicle (including, without limitation, rights in respect of interest or yield hedging obligations, breach of warranty or covenant claims and expense reimbursement and indemnity provisions).

"Receivables Related Assets" means with respect to any "Receivables":

(a) any rights arising under the documentation governing or relating to such Receivables (including rights in respect of Liens securing such Receivables);

(b) any proceeds of such Receivables; and

(c) other assets which are customarily transferred or in respect of which security interests are customarily granted in

connection with asset securitization transactions involving accounts receivable.

"Reference Banks" means, the principal London offices of Citibank N.A., Deutsche Bank AG and Banco Bilbao Vizcaya Argentaria, S.A.or such other banks as may be appointed by the Agent in consultation with the Borrower.

"Regulation U" means Regulation U of the Board as in effect from time to time.

"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 20.1 (Status) to Clause 20.5 (Governing law and enforcement), Clause 20.7 (No Default), Clause 20.9 (Financial statements/condition) and Clause 20.10 (Pari passu ranking).

"Requirement of Law" means, as to any Person, the charter, statuten and estatutos sociales or other organisational 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.

"Restricted Payments" has the meaning given to that term in Clause 22.16 (Restricted Payments).

"Restricted Subsidiary" means at any time, any of:

(a) Cemex Mexico, S.A. de C.V.;

(b) Empresas Tolteca de Mexico, S.A. de C.V.;

(c) any Trademark Company;

(d) any Material Subsidiary of Cemex Parent that, as of the date hereof, (i) is incorporated or organised in Mexico, (ii) has its principal place of business in Mexico or (iii) conducts a majority of its business or holds a majority of its assets in Mexico; and

any Subsidiary of Cemex Parent that at such time owns or operates any portion, beyond a de minimis amount, of the assets owned or operated as of the date hereof by the Persons described in clauses (a) through (d).

"Rollover Loan" means one or more Facility B1 Loans:

(a) made or to be made on the same day that a maturing Facility B1 Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the maturing Facility B1 Loan;

(c) in the same currency as the maturing Facility B1 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 B1 Loan.

"S&P" means Standard & Poors Corporation.

"Scheme" means a scheme of arrangement under section 425 of the

Companies Act 1985 between the Target, Bidco and the holders of the Target Shares (as outlined in the Press Release).

"Scheme Effective Date" means, where Bidco elects to use a Scheme to acquire the Target Shares, the date on which an office copy of the order of the High Court of Justice sanctioning the Scheme is filed with the registrar of companies for registration under section 425(3) of the Companies Act 1985.

"Screen Rate" means:

(a) in relation to LIBOR, the British Bankers' Association Interest Settlement Rate for the relevant currency and period; and

(b) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period.

displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

"SEC" means the U.S. Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Selection Notice" means a notice substantially in the form set out in Part II of Schedule 3 (Selection Notice) given in accordance with Clause 11 (Interest Periods) in relation to Facility B2.

"Seller" means Cemex Parent or any Subsidiary of Cemex Parent or other Affiliate of Cemex Parent (other than a Subsidiary or Affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

"Special Purpose Vehicle" means a trust, partnership or other special purpose Person established by any member of the Group to implement a Qualified Receivables Transaction.

"Specified Time" means a time determined in accordance with Schedule 8 (Timetables).

"Sub Underwriter Fee Letter" means the sub underwriter fee letter dated on or about the date of this Agreement between the Arranger, the Borrower, Cemex Spain and Cemex Parent.

"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 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

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) to (b) above. For purposes of determining whether a trust formed in connection with a Qualified Receivables Transaction is a Subsidiary, any and all 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.

"Syndication and Fees Letter" means the syndication and fees letter dated on or about the date of this Agreement between the Arranger and the Borrower detailing certain agreed arrangements and principles regarding syndication of the Facilities and setting out certain of the fees referred to in Clause 12 (Fees).

"Target" means RMC Group PLC, a company incorporated under the laws of England and Wales.

"Target Group" means Target and its Subsidiaries.

"Target Shares" means the ordinary shares of 25 pence each in the Target.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means any day on which TARGET is open for the settlement of payments in euro.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Taxes Act" means the Income and Corporation Taxes Act 1988.

"Temporary Investments" means, at any date, all amounts that would, in conformity with Mexican GAAP consistently applied, be set forth opposite the captions "cash and cash equivalents" ("efectivo y equivalentes de efectivo") and/or "temporary investments" ("inversiones temporales") on the consolidated balance sheet of Cemex Parent at such date.

"Termination Amount" means 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 Majority 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 Date" means:

(a) in relation to Facility B1, the day which is 364 days after the date of this Agreement;

(b) in relation to Facility B2, the day which is 36 Months after the date of this Agreement,

or, in each case, if such day would not be a Business Day, the first succeeding Business Day, unless such day would fall into the next month, in which case the immediately preceding Business Day.

"Total Commitments" means the aggregate of the Total Facility B1 Commitments, the Total Facility B2 Commitments.

"Total Facility B1 Commitments" means the aggregate of the Facility B1

Commitments, being US$500,000,000 at the date of this Agreement.

"Total Facility B2 Commitments" means the aggregate of the Facility B2 Commitments, being US$750,000,000 at the date of this Agreement.

"Total Borrowings" means, without duplication, in respect of any Person, the amount of all Debt of such Person plus the aggregate amount of all payment obligations, contingent or otherwise, of such Person in respect of Off-Balance-Sheet Transactions entered into by such Person.

"Total Net Worth of Cemex Spain" means, at any date, the shareholders' equity of Cemex Spain and its Subsidiaries (including minority interests) at such date, in accordance with Spanish GAAP.

"Trademark Companies" means collectively, CTW and any other Person at any time conducting business or servicing a purpose similar to the business and purposes of CTW as of the date hereof, with respect to Intellectual Property owned or held under license by CTW as of the date hereof, and any of their Successors or transferees in the event of a merger or consolidation of any such Person or the transfer, conveyance, sale, lease or other disposition of all or substantially all of its properties or assets in accordance with Clause 22.14 (Consolidations and mergers).

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 5 (Form of Transfer Certificate) or any other form agreed between the Agent and the Borrower.

"Transfer Date" means, in relation to a transfer, the later of:

(a) the proposed Transfer Date specified in the Transfer Certificate; and (b) the date on which the Agent executes the Transfer Certificate.

"Unconditional Date" means the date on which the Offer is declared or becomes unconditional in all respects.

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"U.S.", "US" or "United States" means the United States of America.

"Utilisation" means a utilisation of a Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"Utilisation Request" means a notice substantially in the form set out in Part I of Schedule 3 (Utilisation Request).

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

"Verifiable Professional Market Party" means a Professional Market Party whose status as such may be determined on the basis of:

(a) its entry in a public register (including on-line registers available on the internet) of the Dutch Central Bank;

(b) its rating as provided by a rating agency 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 regulatory (other than the Dutch Central Bank) of a country as referred to in Section 1(e)(11) of the Dutch Exemption Regulation, exercising supervision over the Professional Market Party.

1.2 Construction

(a) Unless a contrary indication appears any reference in this Agreement to:

(i) the "Agent", the "Arranger", any "Finance Party", any "Lender", any "Obligor" or any "Party" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) a document in "agreed form" is a document which is initialled by or on behalf of the Borrower and the Agent or the Arranger;

(iii) "assets" includes present and future properties, revenues and rights of every description;

(iv) the "European interbank market" means the interbank market for euro operating in Participating Member States;

(v) a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended or novated;

(vi) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a "participation" of a Lender in a Loan, means the amount of such Loan which such Lender has made or is to make available and thereafter that part of the Loan which is owed to such Lender;

(viii) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, with which persons who are subject thereto are accustomed to comply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(ix) the "winding-up", "dissolution", "administration" or "reorganisation" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings (such as, in Spain, suspension de pagos, quiebra, concurso or any other situacion concursal and, in The Netherlands faillissement and surseance van betaling) under the laws and regulations of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, bankruptcy, dissolution, administration, arrangement, adjustment, protection or relief of debtors;

(x) a provision of law is a reference to that provision as amended or re-enacted without material modification;

(xi) a time of day is a reference to London time; and

(xii) a reference to a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause, a paragraph of or a schedule to this Agreement.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (including an Event of Default) is "continuing" if it has not been remedied or waived but, for the avoidance of doubt, no breach of any of the financial covenants set out in Clause 22.12 (Financial condition covenants) shall be capable of being or be deemed to be remedied by virtue of the fact that upon any subsequent testing of such covenants pursuant to Clause 22.12 (Financial condition covenants), there is no breach thereof.

(e) As used herein and in the other Finance Documents and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any member of the Group not defined in Clause 1.1 (Definitions) and accounting terms partly defined in Clause 1.1 (Definitions), to the extent not defined, shall have the respective meanings given to them under the Applicable GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume or otherwise become liable in respect of (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and rights, and (v) reference to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified form time to time.

(f) In this Agreement, whenever pro forma effect is to be given to any Material Acquisition or Material Disposition by any member of the Group for purposes of including or excluding (as the case may be) the amount of income or earnings or other amounts relating thereto in any calculation under the definition of Consolidated EBITDA, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Borrower; provided that such pro forma calculations shall not include any pro forma expense or cost reductions except to the extent calculated on a basis consistent with Regulation S-X under the U.S. Securities Act of 1933, as amended.

1.3 Currency Symbols and Definitions

"(pound)" and "sterling" denotes lawful currency of the United Kingdom, "(euro)", "EUR" and "euro" means the single currency unit of the Participating Member States and "US$", "$" and "dollars" denote lawful currency of the United States of America.

1.4 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of any Finance Document.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

SECTION 2
THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available to the Borrower:

(a) a 364 day multicurrency revolving loan facility in an aggregate amount equal to the Total Facility B1 Commitments; and

(b) a three year multicurrency term loan facility in an aggregate amount equal to the Total Facility B2 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

(a) The Borrower shall apply all amounts borrowed by it under each Facility immediately in accordance with the Funds Flow Statement and shall ensure that Bidco applies such funds immediately upon receipt in payment for Target Shares by way of market purchases made prior to the Unconditional Date, by way of settlement under the Offer or by way of payment of amounts due under the Loan Notes; and

(b) Utilisations after the Unconditional Date may only be made if the facilities provided under the Cemex Facility A Agreements have been fully utilised or will be fully utilised simultaneously with such Utilisation and the conditions precedent set out in paragraph 5 of Part 1 of Schedule 2 (Conditions Precedent) of the Cemex Facility C Agreement have

been satisfied.

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 being so satisfied.

4.2 Further conditions precedent

Subject to the provisions of Clause 4.3 (Certain Funds), the Lenders will only be obliged to comply with Clause 5.4 (Lenders' participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation;

(b) the Repeating Representations which are or which are deemed to be made or repeated by each Obligor on such date pursuant to Clause 20.17 (Repetition) are true in all material respects; and

(c) save for Utilisations to fund market purchases of Target Shares prior to the Unconditional Date, confirmation from the facility agent under the Cemex Facility A Agreement that the facilities provided thereunder are fully drawn or that it ahs received irrevocable Utilisation Request thereunder such that they will be fully drawn simultaneously with the first Utilisation under this Agreement being made.

The Lenders will only be obliged to comply with Clause 29.9 (Change of currency) if, on the first day of an Interest Period, no Default is continuing or would result from the change of currency and the Repeating Representations to be made by each Obligor are true in all material respects.

4.3 Certain Funds

Notwithstanding any term of the Finance Documents (other than Clause 3.1 (Purpose)), each Finance Party agrees that during the Certain Funds Period, the Finance Parties shall not:

(a) be entitled to refuse to participate in or make available any Utilisation, whether by cancellation, rescission or termination or similar right or remedy (whether under the Finance Documents or under any applicable law) which it may have in relation to a Utilisation of the Facilities or otherwise (including by invoking any conditions set out in Clause 4.1 (Initial Conditions Precedent) and Clause 4.2 (Further Conditions Precedent)); or

(b) make or enforce any claims they may have under the Finance Documents if the effect of such claim or enforcement would prevent or limit the making of any Utilisation during the Certain Funds Period; or

(c) otherwise exercise any right of set-off or counterclaim or similar right or remedy if to do so would prevent or limit the making of any Utilisation; or

(d) cancel, accelerate or cause repayment or prepayment of any Facility,

in each case unless (a) a Major Default has occurred and is continuing or would result from the making of a Utilisation, (b) a Major Representation is incorrect or misleading when made or deemed to be made or (c) a Lender is entitled to do so by virtue of the provisions of Clause 9.1 (Illegality) provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Lenders (subject to Clause 22.2 (Clean Up Period)) notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

4.4 Conditions relating to Optional Currencies

(a) A currency will constitute an Optional Currency in relation to a Utilisation if:

(i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation; and

(ii) it is sterling or euro or has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.

(b) The Lenders will only be obliged to comply with Clause 29.9 (Change of currency) if, on the first day of an Interest Period, no Default is continuing or would result from the change of currency and the Repeating Representations to be made by each Obligor are true in all material respects.

(c) If the Agent has received a written request from the Borrower for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Borrower by the Specified Time:

(i) whether or not the Lenders have granted their approval; and

(ii) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency.

4.5 Maximum number of Loans

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(a) 10 or more Facility B1 Loans would be outstanding; or

(b) 5 or more Facility B2 Loans would be outstanding.

4.6 Promissory Notes

Each Loan made by each Lender shall be evidenced by a Facility B1 Note or Facility B2 Note, as the case may be, executed by the Borrower and each Guarantor, as "avalista," and representing the obligation of the Borrower to pay to such Lender the unpaid principal amount of such Loan, plus interest thereon as provided in Clause 10 (Interest). 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

Finance Documents (other than such Note) or the making of Loans. In addition, the Borrower and each Guarantor shall, from time to time at its expense, execute and/or deliver to each Lender such amendments to the Notes, or replacement Notes, that may, in the judgment of such Lender, be necessary and desirable in order to ensure that the Notes duly reflect the terms of this Agreement. In addition, and without limiting the foregoing, in the event that (i) any Interest Period of a different duration from the prior Interest Period shall be selected with respect to any Facility pursuant to Clause 11 (Interest Periods) or (ii) the Termination Date of any Facility shall be extended for any reason or (iii) any Lender assigns any of its rights and benefits in respect of any Utilisation or transfers by novation any of its rights, benefits and obligations in respect of any Utilisation pursuant to Clause 24 (Changes to the Lenders), the Borrower and each Guarantor shall, at its expense, execute and deliver to each Lender under such Facility a replacement Note, which shall be subscribed in the same manner and on the same terms and conditions as the Note theretofore held by such Lender, and shall be delivered to each such Lender no later than date on which any such change shall become effective.

SECTION 3
UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Borrower may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the currency and amount of the Loan complies with Clause 5.3 (Currency and amount); and

(iv) the proposed Interest Period complies with Clause 11 (Interest Periods).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) Unless the Agent otherwise agrees, the amount of the proposed Utilisation must be an amount whose Base Currency Amount is not more than the Available Facility (adjusted, where applicable, to take account of any additional Utilisations which are scheduled to take place on or before the relevant Utilisation Date) and which is:

(i) if the currency selected is the Base Currency, a minimum of US$20,000,000 or, if less, the relevant Available Facility; or

(ii) if the currency selected is sterling or euros, a

minimum of (pound)15,000,000 or, as the case may be, EUR25,000,000 or, if less, the relevant Available Facility; or

(iii) if the currency selected is an Optional Currency other than sterling or euros, the minimum amount specified by the Agent pursuant to paragraph (c)(ii) of Clause 4.4 (Conditions relating to Optional Currencies) or, if less, the relevant Available Facility.

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the relevant Available Facility immediately prior to making the Loan.

(c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

6. OPTIONAL CURRENCIES

6.1 Selection of currency

The Borrower shall select the currency of each Loan in a Utilisation Request.

6.2 Unavailability of a currency

If before the Specified Time on any Quotation Day:

(a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required, and provides in writing an objectively justified reason therefor; or

(b) a Lender notifies the Agent that compliance with its obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the Borrower to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this Clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

6.3 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (Lenders' participation).

REPAYMENT, PREPAYMENT AND CANCELLATION

7. REPAYMENT

7.1 Repayment of Facility B1 Loan

The Borrower shall repay each Facility B1 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, provided that all Facility B1 Loans shall be repaid on, or prior to, the Termination Date relating thereto.

7.2 Rollover of Facility B1 Loans before Unconditional Date

All Facility B1 Loans utilised prior to the Unconditional Date shall be refinanced in full with Rollover Loans on the last day of each relevant Interest Period ending prior to the Unconditional Date.

7.3 Repayment of Facility B2 Loan

The Borrower shall repay the Facility B2 Loan in two equal instalments on the day falling 24 months after the date of this Agreement and on the Termination Date for Facility B2.

8. CONVERSION OF FACILITY B1

8.1 Request for Conversion

(a) The Company shall be entitled to request that:

(i) all or part (being an amount or an integral multiple of US$50,000,000 of the Base Currency Amount) of each Facility B1 Loan (pro rata amongst the Lenders) forming part of a Utilisation and outstanding on the Termination Date relating to Facility B1 be converted on such Termination Date into term loans maturing on the Final B1 Termination Date; and

(ii) all or part of the Facility B1 Commitments which have not been drawn down prior to the Termination Date be drawn down by way of term loan by the Company on or before the Termination Date,

by delivering to the Agent a request (a "Conversion Request"), not less than 10 days nor more than 30 days prior to the Termination Date.

(b) The Conversion Request shall be unconditional and irrevocable and, in the case of a Conversion Request for the making of term loans under paragraph (a)(ii) of this Clause 8.1, shall be accompanied by a Utilisation Request.

(c) Any outstandings not requested to be converted shall be repaid in full on the Termination Date.

(d) All undrawn Facility B1 Commitments not the subject of a Conversion Request shall be cancelled on the Termination Date.

(e) The Agent shall forward a copy of the Conversion Request to each Lender as soon as practicable after receipt.

8.2 Conversion of Existing Facility B1 Loans

If:

(a) the Company has delivered a conversion Request under Clause 8.1 (Request for Conversion); and

(b) the conditions in Clause 4.2 (Further Conditions Precedent) would have been met if the Facility B1 Loan to be converted had been a new Term Loan,

then all or a part of each Facility B1 Loan which is outstanding on the relevant Termination Date (equal to the amount specified in the Conversion Request as being converted) shall automatically be converted into a Term Loan in the currency in which the relevant outstanding Facility B1 Loan is denominated at the time of the Conversion Request and shall not be repayable on the original Termination Date pursuant to Clause 7.1 (Repayment of Facility B1 Loan) but shall instead be repayable on the Final B1 Termination Date.

8.3 Conversion of Undrawn Commitment

If:

(a) the Company has delivered a Conversion Request and Utilisation Request for the making of Term Loans under paragraph (a)(ii) and (b) of Clause 8.1 (Request for conversion); and

(b) the conditions in Clause 4.2 (Further Conditions Precedent) would have been met if such Loan had been a new Term Loan,

then a Term Loan shall be made to the Company and shall not be repayable on the original Termination Date under Clause 7.1 (Repayment of Facility B1 Loan) but shall instead be repayable on the Final B1 Termination Date.

8.4 Interest

The first Interest Period for each Term Loan made pursuant to Clauses 8.2 (Conversion of Existing Facility B1 Loans) and Clause 8.3 (Conversion of Undrawn Commitment) shall commence on the original Termination Date, and shall be of a duration determined in accordance with Clause 10 (Interest Periods).

9. PREPAYMENT AND CANCELLATION

9.1 Illegality of a Lender

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event and in any event at a time which permits the Borrower to repay that Lender's participation on the date such repayment is required to be made;

(b) upon the Agent notifying the Borrower, the Commitment of that Lender will be immediately cancelled; and

(c) the Borrower shall on the last day of the Interest Period for each Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) repay that Lender's participation in the Loans together with accrued interest on and all other amounts owing to that Lender under the Finance Documents.

9.2 Voluntary cancellation

Provided that the Borrower shall not cancel the Facility to the extent it would, as a result of such cancellation, not have certain funds (as

required under Rule 24.7 of the Code) for the purpose of the Offer, the Borrower may if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders in respect of the Facility to which such cancellation relates may agree) prior notice, cancel the whole or any part (being a minimum amount of US$15,000,000 and, if more, an integral multiple of US$5,000,000) of any Facility. Any cancellation under this Clause 9.2 shall reduce rateably the Commitments of the Lenders under that Facility.

9.3 Automatic Cancellation

At the close of business on the last day of the Availability Period in respect of each Facility, the Available Commitment of each Lender under such Facility shall be (if it has not already been) cancelled and reduced to zero.

9.4 Voluntary prepayment of Loans

The Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders in respect of the relevant Facility may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the Base Currency Amount of that Loan by a minimum amount of US$15,000,000 and, if more, an integral multiple of US$5,000,000).

9.5 Right of repayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (Tax gross-up); or

(ii) any Lender claims indemnification from an Obligor under Clause 14.3 (Tax indemnity) or Clause 15.1 (Increased costs),

the Borrower may, whilst the circumstance giving rise to the requirement or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans.

(b) On receipt of a notice referred to in paragraph (a) above, the relevant Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loans to which such Interest Period relates.

9.6 Capital Markets Proceeds

(a) For the purposes of this Clause 9.6:

"Capital Markets Proceeds" means:

(i) the net cash proceeds received by any member of the Group from any capital markets financing (including convertible debt instruments but excluding bank loans) with a maturity of more than one year (after deducting any fees and expenses incurred by any member of the Group in relation to such financings) other than any financing to the extent used to redeem the Loan Notes; and

(ii) 50% of net cash proceeds of any equity issuance in the capital markets by any member of the Group (after deducting any fees and expenses incurred by any member of the Group in relation to such financings) other than any equity issuance contemplated in the Funds Flow Statement and capital contributions made by Cemex Parent or any of its subsidiaries in a company which is a subsidiary of the contributor.

(b) If:

(i) in respect of Cemex Spain, the Net Borrowings to Adjusted EBITDA ratio (each as defined in the Cemex Facility C Agreement) is at any time greater than 2.25:1; or

(ii) in respect of the Borrower, the Consolidated Leverage Ratio was greater than 2.5:1 when last tested pursuant to Clause 22.12 (Financial Condition Covenants),

the Borrower shall procure that on receipt by any member of the Group of Capital Market Proceeds such Capital Market Proceeds are applied as soon as practicable (with a view to avoiding any prepayment, repayment or broken funding costs and expenses) in the repayment of Debt owed by the Borrower or any of its Subsidiaries (including under this Agreement and the Cemex Facility C Agreement).

(c) The Debt to be repaid pursuant to paragraph (b) above shall be Utilisations (or utilisations under the Cemex Facility C Agreement) unless the originally scheduled repayment date of any other Debt is to occur prior to the scheduled repayment date for the next repayable Utilisation (or utilisation under the Cemex Facility C Agreement), in which event, the Borrower may elect to repay such earlier repayable Debt first.

9.7 Application of mandatory prepayments

A prepayment of Utilisations (or utilisations under the Cemex Facility C Agreement) made under Clause 9.6 (Capital Markets Proceeds) shall be applied as the Borrower elects.

9.8 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 9 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

(c) The Borrower may not reborrow any part of Facility B2 nor any Facility B1 Loan (or part thereof) outstanding after any conversion under Clause 8 (Conversion of Facility B1) which is prepaid.

(d) Unless a contrary indication appears in the Agreement, any part of Facility B1 which is prepaid may be re-borowed 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 9 it shall promptly forward a copy of that notice to either the Borrower or the affected Lenders, as appropriate.

SECTION 5
COSTS OF UTILISATION

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin;

(b) LIBOR or, in relation to any Loan in euro, EURIBOR; and

(c) Mandatory Cost, if any.

10.2 Payment of interest

On the last day of each Interest Period relating to a Loan, the Borrower shall pay accrued interest on the Loan to which that Interest Period relates (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of that Interest Period).

10.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration of one Month. Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

(a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Facility B2 Loan and has already been borrowed) in a Selection Notice.

(b) Each Selection Notice is irrevocable and must be delivered to the Agent by the Borrower not later than the Specified Time.

(c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be one Month.

(d) Subject to this Clause 11, the Borrower may select an Interest Period of one, two, three or six Months, or any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders participating in the relevant Facility).

(e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility (or, in the case of any Facility B1 Loan which is converted to a term loan under Clause 8 (Conversion of Facility B1), the Final B1 Termination Date).

(f) Each Interest Period for a Facility B2 Loan shall start on the Utilisation Date or (if a Loan has already been made) on the last day of its preceding Interest Period.

(g) Prior to any conversion under Clause 8 (Conversion of Facility B1) a Facility B1 Loan has one Interest Period only.

11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11.3 Consolidation and division of Facility B2 Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods relate to Facility B2 Loans:

(i) in the same currency;

(ii) of the same period; and

(iii) ending on the same date,

those Facility B2 Loans will, unless the Borrower specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and be treated as, a single Facility B2 Loan on the last day of the Interest Period.

(b) Subject to Clause 4.5 (Maximum number of Loans), and Clause 5.3 (Currency and amount) if the Borrower requests in a Selection Notice that a Facility B2 Loan be divided into two or more Facility B2 Loans, that Facility B2 Loan will, on the

last day of its Interest Period, be so divided into the Base Currency Amounts specified in that Selection Notice, being an aggregate Base Currency Amount equal to the Base Currency Amount of the Facility B2 Loan immediately before its division.

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Absence of quotations

Subject to Clause 12.2 (Market disruption), if LIBOR or, if applicable EURIBOR, is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

12.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the rate per annum which is the sum of:

(i) the Margin;

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and

(iii) the Mandatory Cost, if any, applicable to that Lender's participation in that Loan.

(b) In this Agreement "Market Disruption Event" means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate not being available and none or only one of the Reference Banks supplying a rate to the Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receiving notifications from a Lender or Lenders (in either case whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it or them of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR or, if applicable, EURIBOR.

12.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest in respect of the relevant Loan.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders participating in the relevant Loan and the Borrower, be binding on all Parties.

12.4 Break Costs

(a) The Borrower shall, within three Business Days of demand by a Lender, pay to that Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming in reasonable detail the amount of its Break Costs for any Interest Period in which they accrue.

13. FEES

13.1 Arrangement fee

The Borrower shall pay to the Arranger an arrangement fee in the amount and at the times agreed in the Syndication and Fees Letter.

13.2 Agency fee

The Borrower shall pay to (or procure payment to) the Agent (for its own account) an agency fee in the amount and at the times agreed in the Syndication and Fees Letter.

13.3 Commitment fee

(a) The Borrower shall pay to the Agent (for the account of each Lender) a commitment fee computed at the rate of:

(i) 30 per cent. of the applicable Margin from time to time in relation to Facility B1; and

(ii) for the period of 90 days after the date of this Agreement, 30 per cent. and thereafter 35 per cent. of the applicable Margin from time to time in relation to Facility B2,

on that Lender's Available Commitment for the Availability Period.

(b) The accrued commitment fees are payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

13.4 Term-out fee

The Company shall pay the Agent (for the account of each Lender participating in Facility B1) a term-out fee of 0.1 per cent. flat calculated on the Facility B1 Commitments termed-out pursuant to Clause 8 (Conversion of Facility B1). The term-out fee is payable on the exercise by the Company of the term-out option pursuant to Clause 8 (Conversion of Facility B1).

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

14. TAX GROSS UP AND INDEMNITIES

14.1 Definitions

(a) In this Clause 14:

"Protected Party" means a Finance Party which is or will be subject to any liability or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment made under a Finance Document.

"Tax Payment" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (Tax gross-up) or a payment under Clause 14.3 (Tax indemnity).

(b) Unless a contrary indication appears, in this Clause 14 a reference to "determines" or "determined" means a determination made in the absolute good faith discretion of the person making the determination.

14.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law or regulation.

(b) The Borrower or a Lender shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.

(c) If a Tax Deduction is required by law or regulation to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due and payable if no Tax Deduction had been required.

(d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law or regulation.

(e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment an original receipt (or certified copy thereof) or if unavailable such other evidence as is reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.3 Tax indemnity

(a) The Borrower shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the amount of any Tax assessed on that Protected Party (together with any interest, costs or expenses payable, directly or indirectly, or incurred in connection therewith) in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

(b) Paragraph (a) of this Clause 14.3 shall not apply with respect to any Tax assessed on a Finance Party:

(i) under the laws and regulations of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in

which that Finance Party is treated as resident for tax purposes; or

(ii) under the laws and regulations of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income (but not on any sum deemed to be received or receivable in respect of any payment made under Clause 14.2 (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 14.3 shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 Tax Exemptions

A Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or under any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Agent), upon the Borrower's reasonable request, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced withholding tax rate; provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's reasonable judgment such completion, execution or submission would not cause such Lender or its lending office(s) to suffer any economic, legal or regulatory disadvantage.

14.5 Stamp taxes

The Borrower shall pay and, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document except for any such tax payable in connection with the entry into of a Transfer Certificate.

14.6 Value added tax

(a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT and such Finance Party shall promptly provide an appropriate VAT invoice to such Party.

(b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify that Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment of the VAT.

15. INCREASED COSTS

15.1 Increased costs

(a) Subject to Clause 15.2 (Increased Cost Claims) and Clause 15.3 (Exceptions) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation,

in each case made after the date of this Agreement.

(b) In this Agreement "Increased Costs" means, without duplication:

(i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitments or funding or performing its obligations under any Finance Document.

15.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 15.1 (Increased costs) shall notify the Agent of the event giving rise to the claim and a calculation evidencing in reasonable detail the amount of such Increased Costs to be claimed by such Finance Party, following which the Agent shall promptly notify the Borrower and provide the Borrower with such calculations.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

15.3 Exceptions

(a) Clause 15.1 (Increased costs) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law or regulation to be made by an Obligor;

(ii) compensated for by Clause 14.3 (Tax indemnity) (or would have been compensated for under Clause 14.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (Tax indemnity) applied);

(iii) compensated for by the payment of the Mandatory Cost; or

(iv) attributable to the breach by the relevant Finance Party or its Affiliates of any law or regulation.

(b) In this Clause 15.3, a reference to a "Tax Deduction" has the

same meaning given to the term in Clause 14.1 (Definitions).

16. OTHER INDEMNITIES

16.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "Sum"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "First Currency") in which that Sum is payable into another currency (the "Second Currency") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

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 the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

16.3 Indemnity to the Agent

The Borrower shall (or shall procure that another Obligor will) promptly indemnify the Agent against any cost, loss or liability directly related to this Agreement incurred by the Agent (acting reasonably and otherwise than by reason of the Agent's gross negligence or wilful misconduct) as a result of:

(a) investigating any event which it reasonably believes (acting prudently and, if possible, following consultation with the

Borrower) is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

17. MITIGATION BY THE LENDERS

17.1 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 9.1 (Illegality of a Lender), Clause 14 (Tax gross-up and indemnities), Clause 15 (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.

17.2 Limitation of liability

(a) The Borrower shall (or shall procure that another Obligor will) indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (Mitigation).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 Transaction expenses

The Borrower shall pay the Agent and the Arranger the amount of all transaction costs and expenses as set out in the Costs and Expenses Letter.

18.2 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.

18.3 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

19. GUARANTEE AND INDEMNITY

19.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by 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.

19.2 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.

19.3 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.

19.4 Waiver of defences

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, 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.

19.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under this Clause 19. This waiver applies irrespective of any law or regulation or any provision of a Finance Document to the contrary.

Each Guarantor also waives any right to be sued jointly with other Guarantors and to share liability resulting from any claim against it.

19.6 Appropriations

Until all amounts which may be or become payable by the Borrower under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any monies received from a Guarantor or on account of such Guarantor's liability under this Clause 19,

provided that the operation of this Clause 19.6 shall not be deemed to create any Liens.

19.7 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.

19.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by

any other guarantee or security now or subsequently held by any Finance Party.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

20. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 20 to each Finance Party.

20.1 Status

(a) Each member of the Group:

(i) is a corporation, duly organised and validly existing under the law of its jurisdiction of incorporation;

(ii) has the power to own its assets, operate its property, lease the property it operates as a lessee and carry on its business as it is being conducted;

(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 paragraphs (ii), (iii) and (iv) above, 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.

20.2 Binding obligations

Each Obligor has the power and authority, and the legal right, to make, deliver and perform each of the Finance Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Obligor has taken all necessary corporate or other organisational action to authorise the execution, delivery and performance of the Finance Documents to which it is a party and, in the case of the Borrower, to authorise the extensions of credit on the terms and conditions of this Agreement. This Agreement has been and as of the First Utilisation Date each Finance Document to which any Obligor is a party will have been duly executed and delivered on behalf of such Obligor. This Agreement constitutes, and each Finance Document upon execution by such Obligor will constitute, a legal, valid and binding obligation of such Obligor, enforceable against each such Obligor in accordance with its terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganisation, 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).

20.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not:

(a) 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 member of the Group pursuant to, any material Contractual Obligation (including, for the avoidance of doubt and without limitation, any Contractual Obligation involving payment obligations in excess of US$5,000,000); or

(b) result in any violation of the statuten, estatutos sociales or other organisation or governing documents of any member of the Group or any provision of any Requirement of Law applicable to any such member of the Group.

20.4 Governmental Approvals

No consent or authorisation 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 Finance Documents.

20.5 Governing law, enforcement, no filing and stamp taxes

(a) This Agreement and each of the other Finance Documents are in proper legal form under the law of Mexico and of The Netherlands for the enforcement thereof against the Finance Parties under such law. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement or any other Finance Documents in Mexico or The Netherlands, it is not necessary that this Agreement or any other Finance Document be filed or recorded with any Governmental Authority in Mexico or 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 Finance Document are brought in the courts of Mexico, a Spanish translation of the documents required in such proceedings, including such Finance 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 the Agent or any Lender to enforce any rights or remedies under any of the Finance Documents or (ii) solely by reason of the execution, delivery or performance of this Agreement by the Agent or any Lender, that the 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.

(c) In any action or proceeding involving any Finance Party arising out of or relating to any Finance Document in any Mexican or Dutch court or tribunal, the Lenders and the Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Clause 36 (Governing Law), Clause 37.1 (Jurisdiction of English Courts) and Clause 38 (Waiver of Sovereign Immunity).

20.6 Deduction of Tax

(a) Each member of the Group 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 member of the Group. No material tax Lien has been filed and, to the knowledge of any Obligor, 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 Obligor 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 Finance Documents or (ii) on any payment to be made by such Obligor pursuant to this Agreement or any of the other Finance 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 Obligor is permitted to pay any additional amounts payable pursuant to Clause 14.2 (Tax gross-up).

20.7 No default

No member of the Group 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.

20.8 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 (which prior to the Unconditional Date, in the case of Target will consist of publicly available 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) So far as the Borrower is aware, after reasonable enquiry, nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.

(d) All material 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 material respect.

20.9 Financial statements/condition

(a) The financial statements delivered pursuant to Clause 21.1 (Financial statements) are complete and correct in all material respects and present fairly (i) the consolidated financial condition of each of Cemex Parent and its Subsidiaries and Cemex Spain and its Subsidiaries as at the dates thereof, and the consolidated results of its operations and its consolidated cash flows for the periods then ended (subject, in the case of quarterly financial statements, to normal year-end audit adjustments) and (ii) the financial condition of the Borrower and each of the Guarantors other than Cemex Parent as at the dates thereof, and the results of each of their operations and cash flows for the periods then ended, subject, in the case of quarterly financial statements, to normal year-end audit adjustments. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with Applicable GAAP applied consistently throughout the periods involved.

(b) No member of the Group has any guarantee obligations, contingent liabilities, liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including without limitation any interest rate or foreign currency swap or exchange transaction or other obligation in respect of Derivatives Obligations, which is material and is not reflected in the most recent financial statements referred to in paragraph (a) above.

(c) Since 31 December 2003, (i) there has been no development or event that has had or would reasonably be expected to have a Material Adverse Effect and (ii) there has been no Disposition by any member of the Group which has had or would reasonably be expected to have a Material Adverse Effect.

20.10 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 applying to companies generally.

20.11 No proceedings pending or threatened

Except as disclosed by Cemex Parent in its filings with the SEC, no action, suit, investigation, litigation or proceeding before any arbitrator or Governmental Authority is pending or, to the knowledge of any member of the Group, threatened by or against any member of the Group or against any member of the Group's properties or revenues that (a) is likely to be adversely determined and 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 Finance Document or the consummation of any transaction contemplated thereby.

20.12 Ownership of Property; Liens

Each member of the Group 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 other than a Permitted Lien.

20.13 Intellectual Property

Each member of the Group owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently

conducted free and clear of Liens, conditions, adverse claims or other restrictions. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property or the validity, enforceability or effectiveness of any Intellectual Property owned by any member of the Group, nor does any Obligor know of any valid basis for any such claim. The use of Intellectual Property by each member of the Group does not infringe on the rights of any Person in any material respect.

20.14 Federal Reserve Regulations

No part of the proceeds of any Loan, 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.

20.15 Labour Matters

There are no strikes pending or threatened against any member of the Group, and the hours worked and payments made to employees of each member of the Group 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 member of the Group, or for which any claim may be made against any member of the Group, 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 member of the Group. The execution, delivery and performance of the Finance Documents by any of the Obligors 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 member of the Group (or any predecessor) is a party or by which any member of the Group (or any predecessor) is bound.

20.16 Mutual Benefits

Each Guarantor represents and warrants to each Finance Party as follows: having taken into account the financial interdependence and mutual reliance between each Guarantor, its subsidiaries, and the Borrower, the continuing financial and other assistance from time to time given by each Guarantor to the Borrower and the other Obligors and vice versa, each Guarantor expects to derive material benefits, directly or indirectly (through the financing provided to its subsidiaries), from the financing obtained under this Facility, both in its separate capacity, as sole shareholder in various subsidiaries and as member of the Group, since the successful operation and condition of each Guarantor is dependent on the continued successful performance of the functions of the Group as a whole.

20.17 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:

(a) the date of each Utilisation Request and the first day of each Interest Period; and

(b) in the case of an Additional Guarantor, the day on which the company becomes (or it is proposed that the company becomes) an Additional Guarantor.

21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial statements

The Borrower shall supply to the Agent:

(a) as soon as the same become available, but in any event within:

(i) 120 days after the end of each of the financial years of Cemex Parent:

(A) the audited consolidated financial statements of Cemex Parent for that financial year; and

(B) the audited unconsolidated financial statements of each Guarantor (other than Cemex Parent) for that financial year; and

(ii) 183 days after the end of the financial year of the Borrower, its audited unconsolidated financial statements for that financial year; and

(iii) 183 days after the end of the financial year of Cemex Spain, its audited consolidated financial statements for that financial year; and

(b) as soon as the same become available, but in any event within:

(i) 60 days after the end of each of the first three quarterly periods of each of the financial years of Cemex Parent:

(A) its consolidated financial statements for that period; and

(B) the unconsolidated financial statements of each Guarantor (other than Cemex Parent) for that period; and

(ii) 90 days after the end of each of the first three quarterly periods of each of the financial years of the Borrower, its unconsolidated financial statements for that period; and

(iii) 90 days after the end of each of the first three quarterly periods of each of the financial years of Cemex Spain, its consolidated financial statements for that period.

21.2 Compliance Certificate

(a) The Borrower shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (a)(i)(A), (a)(ii), (a)(iii), (b)(i)(A), (b)(ii) or (b)(iii) of Clause 21.1 (Financial statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22.12 (Financial condition covenants) as at the date as at which those financial statements were drawn up.

(b) Each Compliance Certificate shall be signed by an Authorised Signatory of Cemex Parent or the Borrower or Cemex Spain, as the case may be.

21.3 Requirements as to financial statements

(a) Each set of financial statements delivered by the Borrower pursuant to Clause 21.1 (Financial statements) shall be certified by an Authorised Signatory of the relevant company

as fairly representing its financial condition as at the date as at which those financial statements were drawn up.

(b) The Borrower shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 21.1 (Financial statements) is prepared using Applicable GAAP and accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in Applicable GAAP or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (c) of this Clause 21.3 its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:

(i) a description of any change necessary for those financial statements to reflect the Applicable GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 22.12 (Financial condition covenants) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

(c) If the Borrower adopts International Accounting Standards or, subject to paragraph (b) above, there are changes to the Applicable GAAP, or the accounting practices or reference periods the Borrower and the Agent shall, at the Borrower's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 22.12 (Financial condition covenants) and the ratios used to calculate the Margin and, in each case, the definitions used therein as may be necessary to ensure that the criteria for evaluating the Group's financial condition grant to the Lenders protection equivalent to that which would have been enjoyed by them had the Borrower not adopted International Accounting Standards or there had not been a change in the Applicable GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the Borrower subject to the consent of the Majority Lenders. If no such agreement is reached within 90 days of the Borrower's request, the Borrower will remain subject to the obligation to deliver the information specified in paragraph (b) of this Clause 21.3.

21.4 Information: miscellaneous

The Borrower shall supply to the Agent:

(a) within five days after the same are sent, copies of all financial statements and reports that Cemex Parent sends to the holders of any class of its debt securities or public equity securities and, within five days after the same are filed, copies of all financial statements and reports that any Obligor may make to, or file with, the SEC or any other securities exchange or securities regulator; and

(b) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request.

21.5 Notification of default

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the 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).

21.6 "Know your client" checks

(a) Each Obligor shall promptly upon the request of the Agent or any Lender and each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the transactions contemplated in the Finance Documents.

(b) The Borrower shall, by not less than 5 Business Days' written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 25 (Changes to the Obligors).

(c) Following the giving of any notice pursuant to paragraph (b) above, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the accession of such Additional Obligor to this Agreement.

21.7 Notices

Give notice to the Agent and each Lender as soon as practicable after the occurrence of:

(a) any (i) default or event of default under any Contractual Obligation of any member of the Group or (ii) litigation, investigation or proceeding that may exist at any time between any member of the Group and any Governmental Authority that, in ether case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(b) any litigation or proceeding affecting any member of the Group

(i) which, if adversely determined, would reasonably be expected to have a Material Adverse Effect, or (ii) which relates to any Finance Document;

(c) any development or event that has had or could reasonably be expected to have a Material Adverse Effect;

(d) any increase of the ratio of Total Borrowings of the Borrower to Total Net Worth of Cemex Spain above 0.35 to 1.00, or any event or change resulting in any senior unsecured long-term foreign currency denominated Debt of Cemex Spain being rated less than BBB- by S&P or not being rated by S&P.

Each notice pursuant to this Clause 21.7 shall be accompanied by a certificate signed by an Authorised Signatory setting forth details of the occurrence referred to therein and stating what action the relevant member of the Group proposes to take with respect thereto.

22. GENERAL UNDERTAKINGS

The Borrower and the Guarantors hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or Agent hereunder, the Borrower and the Guarantors shall:

22.1 Compliance with laws and contractual obligations, etc.

(a) Comply with all applicable Requirements of Law (including with respect to the licences, approvals, certificates, permits, franchises, notices, registrations and other governmental authorisations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all 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 New Lender becomes a Lender hereunder, that the Borrower has verified that on such date such New Lender is either (i) a Professional Market Party or (ii) exempted from the requirement to be a Professional Market Party because it forms a closed circle (besloten kring), within the meaning of the Dutch Exemption Regulation, with the Borrower.

22.2 Payment of obligations

Pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Lien upon its property, except where the failure to make such payments or effect such discharges would not reasonably be expected to have a Material Adverse Effect; provided that no member of the Group shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to

its property and becomes enforceable against its other creditors.

22.3 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 member of the Group operates where such insurance is available on reasonable commercial terms.

22.4 Conduct of business and preservation of corporate existence

Continue to engage in business of the same general type as now conducted by members of the Group and preserve and maintain its corporate existence, rights (charter and statutory), licences, consents, permits, notices or approvals and franchises deemed material to its business; provided that no member of the Group shall be required to maintain its corporate existence in connection with a merger or consolidation permitted by Clause 22.14 (Consolidations and Mergers), and provided further that no Subsidiary of Cemex Parent, other than any Obligor, shall be required to preserve any right or franchise if the Obligors 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.

22.5 Inspection of property

At any reasonable time during normal business hours and from time to time with at least ten Business Days' prior notice, or at any time if a Default or Event of Default shall have occurred and be continuing, permit the Agent or any of the Lenders or any agents or representatives thereof to examine and make abstracts from the records and books of account of, and visit the properties of, such member of the Group, and to discuss the affairs, finances and accounts of such member of the Group 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.

22.6 Books and records

Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of such member of the Group in accordance with Applicable GAAP, consistently applied.

22.7 Maintenance of properties, etc.

Maintain and preserve all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and maintain, preserve and protect all Intellectual Property and all necessary governmental and third party approvals, franchises, licences and permits; provided that none of the foregoing shall prevent any member of the Group from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licences or permits the discontinuance of which is desirable in the conduct of its business and which discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

22.8 Environmental laws

(a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and sub-tenants, if any,

with all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and sub-tenants obtain and comply in all material respects with and maintain, any and all licences, 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.

22.9 Maintenance of Government 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 Obligor of its obligations hereunder and under the other Finance Documents and for the validity or enforceability hereof and thereof.

22.10 Pari passu ranking

Take all actions to ensure that at all times the Obligations of each Obligor under the Finance Documents constitute unconditional general obligations of such Obligor ranking at least pari passu in all respects with all other present and future senior unsecured, unsubordinated Debt of such Obligor.

22.11 Further assurances

From time to time, do and perform any and all acts and execute any and all documents as may be necessary or as reasonably requested by any Lender in order to effect the purposes of this Agreement or to protect the rights or interests of the Lenders under any of the Finance Documents.

Negative Covenants

The Borrower and the Guarantors hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Agent hereunder, the Borrower and the Guarantors shall not, and shall not permit any of their Subsidiaries to, directly or indirectly:

22.12 Financial condition covenants

(a) Permit the Consolidated Leverage Ratio of Cemex Parent at any time to exceed 3.50 to 1.00.

(b) Permit the Consolidated Fixed Charge Coverage Ratio of Cemex Parent for any period of four consecutive fiscal quarters of Cemex Parent to be less than 2.50 to 1.00.

(c) 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 Spain exceeds 0.35 to 1.00 or (ii) any senior unsecured long-term foreign currency denominated Debt of Cemex Spain is

rated less than BBB- by S&P or is not rated by S&P.

22.13 Liens

Create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any member of the Group, whether now owned or held or hereafter acquired, other than the following ("Permitted Liens"):

(a) Liens existing on the date of this Agreement described in Schedule 11(Permitted Liens) 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 Parent

or any of its Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares constitute the sole assets; provided that (i) any shares of Subsidiary stock held in such trust or special purpose vehicle could be sold by Cemex Parent 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 member of the Group's interest in such trust or special purpose vehicle are applied as provided under Clause 22.15 (Sales of Assets, etc.); and provided further that such Liens may not secure Debt of Cemex Parent or any of its Subsidiaries (unless permitted under another paragraph of this Clause 22.13);

(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;

(k) any Liens created in order to undertake the steps contemplated in the Funds Flow Statement; and

(l) in addition to the Liens permitted by the foregoing paragraphs (b) through (k), Liens (including any existing Liens described under paragraph (a) above) securing Debt of Cemex Parent 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 Parent as of the date of the most recent consolidated balance sheet of Cemex Parent 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 rateably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

22.14 Consolidations and mergers

In one or more related transactions (a) consolidate with or merge into any other Person or permit any other Person to merge into it, or (b) (save as contemplated in the Funds Flow Statement) 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 member of the Group 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 Obligor or such Subsidiary (any such Person, a "Successor") shall be a company organised and validly existing under the laws of its place of incorporation or organisation, 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 Majority Lenders, all of the obligations of the Borrower, such Guarantor or such Subsidiary, as the

case may be, under each of the Finance Documents to which it is party;

(b) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Lender and the Agent against any tax, levy, assessment or governmental charge payable by withholding, deduction or otherwise thereafter imposed on such Lender or the Agent solely as a consequence of such transaction with respect to any payments to such Lender or the Agent under the Finance Documents;

(c) immediately after giving effect to such transaction, including for purposes of this paragraph (c), the substitution of any Successor to any Obligor for such Obligor or the substitution of any Successor to a Subsidiary for such Subsidiary (treating any Debt or Lien incurred by any Obligor or any Successor to such Obligor, or by a Subsidiary of any Obligor 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 Agent a certificate signed by an Authorised Signatory of such Guarantor and an opinion of reputable counsel acceptable to the Agent and the Majority Lenders, each in form and substance satisfactory to the Agent and the Majority 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.

22.15 Sales of assets, etc.

(a) Sell, lease or otherwise dispose of any assets (including the Capital Stock of any Subsidiary) unless the proceeds of the sale of such assets or property are retained by such Obligor 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 Obligor or any of its Subsidiaries, whether secured or unsecured or (iii) investments in companies engaged in the cement industry or related industries.

(b) The restrictions of paragraph (a) of this Clause 22.15 shall not apply to sales or other dispositions:

(i) of inventory, trade receivables and assets surplus to the needs of the business of any member of the Group sold in the ordinary course of business;

(ii) of assets not used, usable or held for use in connection with cement operations and related operations; and

(iii) as contemplated in the Funds Flow Statement.

22.16 Restricted payments

In the case of Cemex Parent only, declare or pay any dividend (other than dividends payable solely in common stock of Cemex Parent) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of Cemex Parent (other than any cash payment in respect of pre-existing scheduled obligations under forward purchase agreements for stock of Cemex Parent entered into by Cemex Parent or its Subsidiaries with third-party financial institutions) whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or obligations of any Person (collectively, "Restricted Payments") (a) while any Event of Default described in paragraph (a) or (b) of Clause 23 (Events of Default) or any Default or Event of Default described in paragraph (d) of Clause 23 (Events of Default) (but only with respect to Clause 22.12 (Financial condition covenants)) shall have occurred and be continuing or (b) if any Default or Event of Default would exist after giving effect to such Restricted Payment.

22.17 Transactions with Affiliates

Save as contemplated in the Funds Flow Statement, 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 favourable to the relevant member of the Group than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

22.18 Accounting changes

(a) Make or permit any change in accounting policies or reporting practices, except as required or permitted by Applicable GAAP or (b) permit the fiscal year of any Obligor to end on a day other than 31 December or change any Obligor's method of determining fiscal quarters, unless, in the case of paragraph (b), the Borrower shall have entered into negotiations with the Agent in order to amend the relevant provisions of this Agreement so as to equitably reflect such change in the Borrower's fiscal year end or method of calculating fiscal quarters with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such change as if such change had not been made (and until such time as such an amendment shall have been executed and delivered by the Borrower, the Agent and the 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).

22.19 Clauses restricting Subsidiary distributions

Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Debt owed to, any Obligor or any other such Restricted Subsidiary, (b) make loans or advances to, or other investments in, any Obligor or any other such Restricted Subsidiary or (c) transfer any of its assets to any Obligor or any other such Restricted Subsidiary, except for such encumbrances or restrictions existing under or by reason of any restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary.

22.20 Change in nature of business

With respect to the Borrower, any Guarantor and any Material Subsidiary of Cemex Parent, make any material change in the nature of its business as carried on at the date hereof.

22.21 Margin regulations

Use any part of the proceeds of the Loans for any purpose which would result in any violation (whether by the Borrower, any Guarantor, the Agent or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose, or engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

22.22 Ownership of Cemex Spain

Permit the Borrower at any time to own less than an 80% direct (or indirect if solely through intermediate holding companies which have no indebtedness and no restrictions on their ability to pay dividends) voting and equity ownership interest in Cemex Spain, or its successors or transferees in the event of the merger or consolidation of Cemex Spain or the transfer, conveyance, sale, lease or other disposition of all or substantially all its properties and assets in Clause 22.14 (Consolidations and mergers).

22.23 Ownership of the Borrower

Permit Cemex Parent at any time to cease to control, or to own less than a 90% direct or indirect equity ownership interest in, the Borrower, or its Successors or transferees in the event of the merger or consolidation of the Borrower or the transfer, conveyance, sale, lease or other disposition of all or substantially all its properties and assets in accordance with Clause 22.14 (Consolidations and mergers).

22.24 Ownership of Trademark Companies

(a) Permit the Borrower, at any time after 31 December 2003, to own less than a 99.9% direct voting and equity ownership interest in CTW and each other Trademark Company, provided that such interest may be indirect in the case of any Trademark Company in which CTW owns a 99.9% direct voting and equity ownership interest.

(b) Permit Cemex Parent at any time to own less than 99.9% direct or indirect voting and equity ownership interest in each Trademark Company.

22.25 Incurrence of Debt by Trademark Companies

Permit any Trademark Company at any time to assume, incur or suffer to exist any Debt or other monetary liability of any kind to any Person other than any member of the Group except, in the case of any monetary liability not constituting Debt, in the ordinary course pursuant to its day to day business activities.

23. EVENTS OF DEFAULT

23.1 Events of Default

If any of the following specified events (each an "Event of Default") shall occur:

(a) any principal of any Loan is not paid when due in accordance with the terms hereof; or

(b) any interest on any Loan, or any fee or other amount payable hereunder or under any other Finance Document, is not paid within three Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(c) any representation or warranty made or deemed made by any Obligor herein or in any other Finance Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Finance 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 director of any Obligor becomes aware of such incorrectness and (ii) written notice thereof shall have been given to the Borrower or any other Obligor by the Agent; or

(d) any Obligor shall default in the observance or performance of any agreement contained in Clause 21.1 (Financial Statements), Clause 22.4 (Conduct of business and preservation of corporate existence) (with respect to the Borrower's or any Guarantor's existence only), Clause 22.5 (Inspection of Property), paragraph (a)(i) of Clause 21.7 (Notices), Clause 3 (Purpose), Clause 22.10 (Pari passu ranking) or Clauses 22.12 (Financial condition covenants) to Clause 22.25 (Incurrence of debt by trademark companies) (but only insofar as the default results from the assumption, incurrence or suffering to exist of Debt) of this Agreement; or

(e) any Obligor shall default in the observance or performance of any other agreement contained in this Agreement or any other Finance Document (other than as provided in paragraphs (a) to (d) of this Clause), and such default shall continue unremedied for a period of 30 days after the earlier of (i) notice to the Borrower or any other Obligor from the Agent or the Majority Lenders and (ii) a director of any Obligor becoming aware of such failure; or

(f) (i) one or more members of the Group shall fail to pay any principal amount of Debt (excluding the Loans) and/or shall fail to meet any payment or collateralisation 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 US$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 US$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 Derivative 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, reorganisation, concurso mercantil or other relief with respect to itself or its debts under any bankruptcy, insolvency, reorganisation or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay, 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, reorganisation or other relief with respect to it or its debts under any bankruptcy, insolvency, concurso mercantil or other similar law now or hereafter in effect (including but not limited to the Ley de Concursos Mercantiles) or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days; or an order for relief shall be entered against any member of the Group 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 members of the Group for the payment of money in excess of US$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 member of the Group 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 order shall not be in effect; or

(k) the obligations of the Borrower or of any Guarantor under this Agreement or any other Finance 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 Finance 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 Obligor; or

(m) any governmental or other consent, licence, approval, permit or authorisation which is now or may in the future be

necessary or appropriate under any applicable Requirement of Law for the execution, delivery, or performance by, any Obligor of any Finance Document to which it is a party or to make such Finance Document legal, valid, enforceable and admissible in evidence shall not be obtained or shall be withdrawn, revoked or modified or shall cease to be in full force and effect or shall be modified in any manner that would have an adverse effect on the rights or remedies of the Agent or the Lenders; or

(n) any Governmental Authority shall (i) condemn, nationalise, seize or otherwise expropriate all or any substantial portion of the property of, or Capital Stock of any Obligor, any Material Subsidiary or, if such could reasonably be expected to have a Material Adverse Effect, any other Subsidiary of the Borrower or (ii) take any action that would adversely affect the ability of any Obligor to perform its obligations under the Finance Documents; or

(o) a moratorium shall be agreed or declared in respect of any Debt of any Obligor 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 Obligor for the purpose of performing any payment obligation under any Finance Document to which it is party; or

(p) 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; 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 Parent 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 Parent by any member of the Group (provided that beneficial ownership by Cemex Parent 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:

(i) if such event is an Event of Default specified in paragraphs (h) or (i) above with respect to any Obligor, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Finance Documents shall immediately become due and payable; and

(ii) if such event is any other Event of Default, either of the following actions may be taken:

(A) with the consent of the Majority Lenders, the Agent may, or upon the request of the Majority Lenders, the Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; and

(B) with the consent of the Majority Lenders, the Agent may, or upon the request of the Majority Lenders, the Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Finance Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable.

Except as expressly provided above in this Clause, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

23.2 Clean Up Period

If during the Clean-Up Period a matter or circumstance exists in respect of the Target and/or any member of the Target Group which would constitute a breach under the Finance Documents including (i) a breach of any representation or warranty made in Clause 20 (Representations), or (ii) a breach of any covenant set out in Clause 22 (General Undertakings) or (iii) a Default, such matter or circumstance will not constitute a Default until after the end of the Clean-Up Period, provided that reasonable steps are being taken to cure such matter or circumstance (following Bidco or Cemex Parent becoming aware of the same), unless such matter or circumstance (1) could reasonably be expected to have a Material Adverse Effect (assuming for this purpose that the definition thereof is deemed to be adjusted such that sub paragraph (c) thereof refers solely to payment obligations and financial covenant obligations) or (2) has been procured by, or approved by, Cemex Parent or Bidco.

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 and benefits in respect of any Utilisation; or

(b) transfer by novation any of its rights, benefits and obligations in respect of any Commitment or Utilisation,

to another bank or financial institution or to a securitisation trust or fund or (subject to paragraph (a) of Clause 24.2 (Conditions of assignment or transfer)) other entity (the "New Lender").

24.2 Conditions of assignment or transfer

(a) The Borrower must be given prior notification of any assignment or transfer becoming effective under Clause 24.1 (Assignments and transfers by the Lenders) and the consent of the Borrower is required for an assignment or transfer to an entity which is not a bank or financial institution or a securitisation trust or fund.

(b) The consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly

refused by the Borrower within that time.

(c) An assignment will only be effective on:

(i) receipt by the Agent of written confirmation from the New Lender that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and

(ii) the satisfaction of the Agent with the results of all "know your client" or other checks relating to the identity of any person that it is required by law to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) A transfer will only be effective if the procedure set out in Clause 24.5 (Procedure for transfer) is complied with.

(e) An assignment or transfer will be effective upon surrender for registration of assignment or transfer, by way of an endorsement (endoso) and delivery of the Notes held by the Existing Lender evidencing such Loan accompanied by a duly executed Transfer Certificate, and thereupon one or more new Notes shall be issued to the New Lender.

(f) If:

(i) a Lender assigns or transfers any of its rights, benefits or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (Tax gross-up and indemnities) or Clause 15 (Increased costs),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.

(g) Notwithstanding any of the preceding provisions of this Clause 24 to the contrary, for so long as it is a requirement of Dutch law that each Lender be a Professional Market Party (i) any Existing Lender shall, at least five Business Days prior to the date of any proposed assignment, provide to the Borrower and the Agent information in respect of the prospective New Lender sufficient to enable the Borrower to verify the Professional Market Party status of such New Lender and (ii) no such assignment shall be permitted unless the New Lender is a Verifiable Professional Market Party or unless the Borrower determines that such New Lender qualifies as a Professional Market Party; provided that the Borrower shall be deemed to have made such determination if, on or prior to the fifth Business Day after the Existing Lender has provided the information described in section (i) above, the Borrower has not made a good faith determination, based on an opinion of reputable Dutch counsel, and notified the Agent and the Existing Lender thereof (together with a copy of such opinion of counsel) in writing, that (x) the Assignee does not qualify as a Professional Market Party or (y) the Borrower is unable to determine whether the New Lender qualifies as a Professional Market Party.

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 $2,000, except no such fee shall be payable in connection with an assignment or transfer to a New Lender upon primary syndication of the Facilities.

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 in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, as

soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and send a copy to the Borrower.

(b) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "Discharged Rights and Obligations");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arranger, the New Lender and the other Lenders, shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

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 the Finance Documents;

(b) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation (provided that, for so long as it is a requirement of Dutch law, such sub-participant qualifies as a Professional Market Party) in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents; or

(c) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about any Obligor, the Group and the Finance Documents as that Lender shall consider appropriate provided that the person to whom the information is to be given has entered into a Confidentiality Undertaking.

24.8 Interest

All interest accrued in the Interest Period in which a transfer is effective shall be paid to the Existing Lender.

24.9 Existing Lenders

No person may become a Lender under this Agreement until it has confirmed at the date of this Agreement that it is either (i) a Professional Market Party or (ii) exempted from the requirement to be a Professional Market Party because it forms a closed circle (besolten kring), within the meaning of the Dutch Exemption Regulation, with the Borrower.

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) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.6 ("Know your client" checks), the Borrower may request that any of its wholly owned Subsidiaries become an Additional Guarantor.

(b) The Borrower shall procure that in respect of (i) each of its Subsidiaries to whom a sale, lease, transfer or other disposal is made by an Obligor in accordance with the terms of this Agreement; (ii) each of its Subsidiaries which is or which is deemed to be a Material Subsidiary in accordance with the terms of this Agreement, such Subsidiary or the Holding Company of such Material Subsidiary (at the election of the Borrower) or such person respectively become an Additional Guarantor (unless such Subsidiary or such Material Subsidiary (in the case of (i) and (ii) respectively) is already a Guarantor) by:

(A) the Borrower delivering to the Agent a duly completed and executed Accession Letter; and

(B) the Agent receiving from the Borrower all of the documents and other evidence referred to in Part II of Schedule 2 (Conditions Precedent required to be delivered by an Additional Guarantor) in relation to that Additional Guarantor.

(c) The Agent shall notify the Guarantors and the Lenders promptly upon being satisfied that it has received all the documents and other evidence listed in Part II of Schedule 2 (Conditions Precedent required to be delivered by an Additional Guarantor).

(d) For the purposes of this Clause 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:

(i) such Resigning Guarantor also, if applicable, ceases concurrently to be a guarantor in respect of any other indebtedness of the Group or of any member of the Group;

(ii) such Resigning Guarantor notifies the Agent of any sale, lease, transfer or other disposal in accordance with paragraph (a) of this Clause 25.3; and

(iii) the Borrower may not resign as a Guarantor without the consent of all Lenders.

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 of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arranger and the Lenders, authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

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 and/or the Arranger, as a trustee or fiduciary of any other person.

(b) Neither the Agent nor the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

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 paragraphs (a) or (b) of Clause 23 (Events of Default));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and

(iii) any notice or request made by the Borrower (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger is obliged to do or omit to do anything if it would or might in its

reasonable opinion constitute a breach of any law and regulation or a breach of a fiduciary duty or duty of confidentiality.

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, neither the Agent nor the Arranger will be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct or wilful breach of any Finance Document.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause 26 subject to Clause 1.4 (Third Party Rights) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any checks pursuant to any laws or regulations relating to money laundering in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

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.

(c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent and the Arranger are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

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 order to calculate the Mandatory Cost in accordance with Schedule 4 (Mandatory Cost Formulae).

26.14 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Finance Party confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of the Information Memorandum and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

26.15 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent

shall (in consultation with the Borrower) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

26.16 Agent's Management Time

Any amount payable to the Agent under Clause 16.3 (Indemnity to the Agent) 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 13 (Fees).

26.17 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

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 way of set-off or otherwise) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 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 the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

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 the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London).

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 is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

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 rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

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 or (in accordance with Clause 31.5 (Electronic Communication)) by email.

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. The Borrower may make and/or deliver as agent of each Obligor notices and/or requests on behalf of each Obligor.

(d) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.

31.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 31.2 (Addresses) or changing its own address or fax number, the Agent shall notify the other Parties.

31.5 Electronic communication

(a) Any communication to be made between the Agent and a Lender and/or any member of the Group under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Lender and/or member of the Group:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender and/or any member of the Group will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender and/or any member of the Group to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

31.6 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English or Spanish; or

(ii) if not in English or Spanish and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

31.7 Obligor Agent

(a) Each Obligor (other than the Borrower) by its execution of this Agreement or an Accession Letter (as the case may be) irrevocably appoints the Borrower to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests, Renewal Requests or Selection Notices), to execute on its behalf any documents required hereunder and to make such agreements capable of being given or made by any Obligor notwithstanding that they may affect such Obligor, without further reference to or consent of such Obligor; and (ii) each Finance Party to give any notice, demand or other communication to such Obligor pursuant to the Finance Documents to the Borrower on its behalf, and in each case such Obligor shall be bound thereby as though such Obligor itself had given such notices and instructions (including, without limitation, any Utilisation Requests, Renewal Requests or Selection Notices) or executed or made such agreements or received any notice, demand or other communication.

(b) Every act, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Borrower, or given to the Borrower, in its capacity as agent in accordance with paragraph (a) of this Clause 31.7, in connection with this Agreement shall be binding for all purposes on such Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Borrower and any other Obligor, those of the Borrower shall prevail.

31.8 Use of Websites

(a) The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "Website Lenders") who accept this method of communication by posting this information onto an electronic website designated by the Borrower and the Agent (the "Designated Website") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Borrower and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Borrower and the Agent.

If any Lender (a "Paper Form Lender") does not agree to the delivery of information electronically then the Agent shall notify the Borrower accordingly and the Borrower shall supply the information to the Agent in paper form. In any event the Borrower shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Borrower and the Agent.

(c) The Borrower shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Borrower becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Borrower notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Borrower under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Borrower shall comply with any such request within ten Business Days.

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 where the interest, commission or fee is to accrue in respect of any amount denominated in sterling, 365 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

32.4 No personal liability

If an individual signs a certificate on behalf of any member of the Group and the certificate proves to be incorrect, the individual will incur no personal liability as a result, unless the individual acted fraudulently in giving the certificate. In this case any liability of the individual will be determined in accordance with applicable law.

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 or 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 Borrower and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause.

(c) The Borrower may effect, as agent of each Obligor, any amendment or waiver permitted by this Clause 35.

35.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definition of "Majority Lenders", "Optional Currency" or "Certain Funds Period" in Clause 1.1 (Definitions);

(ii) an extension to the date of payment of any scheduled payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) a change in currency of payment of any amount under the Finance Documents;

(v) an increase in or an extension of any Commitment;

(vi) a change to the Borrower or any of the Guarantors other than in accordance with Clause 25 (Changes to the Obligors);

(vii) any provision which expressly requires the consent of all the Lenders; or

(viii) Clause 2.2 (Finance Parties' rights and obligations), Clause 19 (Guarantee and Indemnity), Clause 24 (Changes to the Lenders), Clause 25 (Changes to the Obligors) or this Clause 35,

shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger, may not be effected

without the consent of the Agent or the Arranger at such time.

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 the Borrower or any of the Original Guarantors is represented by an attorney or attorneys in connection with the signing and/or execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power or powers of attorney is or are expressed to be governed by the laws and regulations of a particular jurisdiction, it is hereby expressly acknowledged and accepted by the other parties hereto that such laws and regulations shall govern the existence and extent of such attorney's or attorney's authority and the effects of the exercise thereof.

38. ENFORCEMENT

38.1 Jurisdiction of English Courts

(a) Each of the parties hereto irrevocably submits to the jurisdiction of the courts of England and to the jurisdiction of the courts of its own domicile with respect to any action initiated against it, to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "Dispute").

(b) the Parties agree that such courts are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) To the extent allowed by law or regulation, the Finance Parties may take proceedings related to a Dispute in any other courts with jurisdiction or concurrent proceedings in any number of jurisdictions.

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 the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document and Bidco by its execution of this Agreement accepts that appointment; and

(b) agrees that failure by the Process Agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
THE ORIGINAL PARTIES

Part I
The Original Obligors

Part IA

Name of Borrower	Registration number (or equivalent, if any)
New Sunward Holding B.V.	34133556

Address for delivery of Notices:

Amsteldijk 166,
1079LH Amsterdam,
The Netherlands

Tel: (31) 20 642-2048
Fax: (31) 20 644-4095
Attn: Managing Director(s)

Part IB

Name of Original Guarantors	Registration numbers (or equivalent, if any)
CEMEX, S.A. de C.V.	numero 21, folios 157 a 186 vuelta, volumen 16, Libro No. 3, Segundo Auxiliar Escrituras de Sociedades Mercantiles, Seccion de Comercio, 11 de junio de 1920, Registro Publico de la Propiedad y del Comercio de Monterrey, Nuevo Leon

Address for delivery of Notices:

Ave. Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico, 66265

Tel: (52 81) 8888-4115
Fax: (52 81) 8888-4415
Attn: Humberto Lozano

Cemex Mexico, S.A. de C.V.	numero 55, folio 127, volumen 186, Libro No. 3, Segundo Auxiliar Escrituras de Sociedades Mercantiles, Seccion de Comercio, 23 de agosto de 1968, Registro Publico de la Propiedad y del Comercio de Monterrey, Nuevo Leon

Address for delivery of Notices:

Ave. Ricardo Margain Zozaya #325
Col. Valle del Campestre
San Pedro Garza , N.L.
Mexico, 66265

Tel: (52 81) 8888-4115
Fax: (52 81) 8888-4415

Attn: Humberto Lozano

Empresas Tolteca de Mexico, S.A. de C.V. Numero 1508, folio 241, volumen 321, Libro No. 3, Segundo Auxiliar Escrituras de Sociedades Mercantiles, Seccion de Comercio, 22 de septiembre de 1989, Registro Publico de la Propiedad y del Comercio de Monterrey, Nuevo Leon

Address for delivery of Notices:

Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Tel: (52 81) 8888-4115
Fax: (52 81) 8888-4415
Attn: Humberto Lozano

Part II
The Original Lenders

Name of Original Lender	Facility B1 Commitment US$	Facility B2 Commitment US$
Citibank, N.A.	250,000,000	375,000,000
Goldman Sachs Credit Partners L.P.	250,000,000	375,000,000
TOTALS	500,000,000	750,000,000

SCHEDULE 2

CONDITIONS PRECEDENT

Part I
Conditions Precedent to initial Utilisation

1. Obligors

(a) A copy of the current constitutional documents of each Obligor including copies certified by one director of the relevant company below of:

(i) the akte van oprichting and statuten of the Borrower and a copy of the extract from the trade register of Chamber of Commerce of Amsterdam;

(ii) the estatutos sociales in effect on the First Utilisation Date of each Guarantor; and

(iii) the power-of-attorney of each Person executing any Finance Document on behalf of any Obligor, together

with specimen signatures of such Person.

(b) A power of attorney granting a specific individual or individuals sufficient power to sign the Finance Documents on behalf of each Original Obligor and in relation to the Borrower and Cemex Parent, a copy of a resolution of the board of directors of the Borrower and Cemex Parent:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution or power of attorney referred to in paragraph (b) above in relation to the Finance Documents.

(d) A certificate of each of the Obligors (signed by an Authorised Signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Obligor to be exceeded.

(e) A certificate of an Authorised Signatory of the relevant Obligor certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Legal opinions

(a) A legal opinion from Clifford Chance LLP, legal advisers to the Arranger and the Agent in England, as to English law substantially in the form distributed to the Original Lenders prior to signing this Agreement satisfactory to the Lenders.

(b) An opinion with respect to the laws and regulations of The Netherlands from Warendorf, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(c) An opinion with respect to the laws and regulations of Mexico from Ritch, Heather & Mueller, S.C., substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(d) An opinion from in-house counsel of the Borrower, substantially in the form distributed to the Original Lenders prior to signing the Agreement.

3. Other documents and evidence

(a) A copy of this Agreement, duly executed and delivered by each Party.

(b) A copy of the Notes evidencing the Loans to be made on the First Utilisation Date, executed and delivered by the Borrower

and each Guarantor, in favour of each Lender.

(c) The Funds Flow Statement

(d) A copy of the Syndication and Fees Letter and the Sub Underwriter Fee Letter executed by all parties thereto.

(e) True and current copies of:

(i) audited consolidated financial statements of each of Cemex Parent and its Subsidiaries and Cemex Spain and its Subsidiaries for the 2003 fiscal year;

(ii) audited unconsolidated financial statements of the Borrower and each Guarantor other than Cemex Parent for the 2003 fiscal year; and

(iii) unaudited unconsolidated interim financial statements of the Borrower and each Guarantor other than Cemex Parent for the quarter ended 30 June 2004.

Part II
Conditions Precedent required to be delivered by an Additional Guarantor

1. Obligors

(a) An Accession Letter, duly executed by the Additional Guarantor and the Borrower.

(b) A copy of the constitutional documents of the Additional Guarantor.

(c) A copy of a resolution of the board of directors of the Additional Guarantor:

(i) approving the terms of, and the transactions contemplated by, the Accession Letter and this Agreement and resolving that it execute the Accession Letter;

(ii) authorising a specified person or persons to execute the Accession Letter on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with this Agreement.

(d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (c) above.

(e) Should the legal advisers of the Lenders consider it advisable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party.

(f) A certificate of the Additional Guarantor (signed by an Authorised Signatory) confirming that guaranteeing the Total Commitments would not cause any guaranteeing or similar limit binding on it to be exceeded.

(g) A certificate of an Authorised Signatory of the Additional Guarantor certifying that each copy document listed in this

Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

2. Legal opinions

(a) A legal opinion of the legal advisers to the Additional Guarantor in form and substance reasonably satisfactory to the legal advisers of the Lenders.

(b) A legal opinion of Clifford Chance, or other firm that can opine for the Additional Guarantor if not Clifford Chance, legal advisers to the Lenders.

3. Other documents and evidence

(a) Evidence that any process agent referred to in Clause 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: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Cemex - $1,250,000,000 Term and Revolving Facilities Agreement dated _____ 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 B1]/[Facility B2]*
Currency of Loan:	[ ]
Amount:	[ ] or, if less, the Available Facility
Interest Period:	[ ]

3. We confirm that, to the extent applicable, each condition specified in Clause 4.2 (Further conditions precedent) is satisfied or waived on the date of this Utilisation Request.

4. The proceeds of this Loan should be credited to [account].

5. This Utilisation Request is irrevocable.

6. Terms used in this Utilisation Request which are not defined in this Utilisation Request but are defined in the Agreement shall have the meaning given to those terms in the Agreement.

Yours faithfully

---

authorised signatory for
[New Sunward Holding B.V.]

NOTES:

* delete as appropriate

Part II

Selection Notice

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Cemex - $1,250,000,000 Term and Revolving Facilities Agreement
dated _____ 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 B2 Loan with an Interest Period ending on [ ].

3. [We request that the above Facility B2 Loan be divided into [O] term loans with the following Interest Periods:]

or

[We request that the next Interest Period for the Facility B2 Loan is [ ].]

4. This Selection Notice is irrevocable.

5. Terms used in this Selection Notice which are not defined in this Selection Notice but are defined in the Agreement shall have the meaning given to those terms in the Agreement.

Yours faithfully

---

authorised signatory for
[New Sunward Holding B.V.]

SCHEDULE 4

MANDATORY COST FORMULAE

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

(a) in relation to a sterling Loan:

$$\frac{AB + C(B - D) + E \times 0.01}{100 - (A + C)} \text{ per cent. per annum.}$$

(b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum.}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 10.3 (Default interest)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 6 below and

expressed in pounds per (pound)1,000,000.

5. For the purposes of this Schedule:

(a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per (pound)1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Agent may from time to time, after consultation with the Borrower and the Lenders, determine and if so requested by any Lender, notify to all Parties any amendments which are required by such Lender to be made to this Schedule in order to comply with any change in law or regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [Agent]

From: [The Existing Lender] (the "Existing Lender") and [The New Lender] (the "New Lender")

Dated:

Cemex - $1,250,000,000 Term and Revolving Facilities Agreement
dated _____ 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 to this certificate 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 to this certificate.

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. We confirm that we have carried out and are satisfied with the results of all compliance checks we consider necessary in relation to our participation in the Facilities.

6. This Transfer Certificate is governed by English law.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]
[Facility Office address, email, fax number and attention details for notices and account details for payments,]

[Existing Lender] [New Lender]
By: By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [o].

[Agent]

SCHEDULE 6
FORM OF COMPLIANCE CERTIFICATE

To: [Agent]

From: [Borrower]

Dated:

Dear Sirs

Cemex - $1,250,000,000 Term and Revolving Facilities Agreement dated _____ 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 22.12 (Financial condition covenants) the financial condition of the Group as of [ ] evidenced by the consolidated financial statements for the financial year/first half/second half of the financial year then ended comply with the following conditions:

[o]

(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 New Sunward Holding B.V.

SCHEDULE 7
FORM OF LMA CONFIDENTIALITY UNDERTAKING

[Letterhead of Existing Bank]

To:

==========
[insert name of Potential Lender]

==========

Re: The Facility

==========
Borrower:

Date:

Amount:

Agent:
==========

Dear Sirs

We understand that you are considering participating in the Facility. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. Confidentiality Undertaking

(a) You undertake to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2 below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;

(b) to keep confidential and not disclose to anyone the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facility;

(c) to use the Confidential Information only for the Permitted Purpose;

(d) to use all reasonable endeavours to ensure that any person to whom you pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it, and

(e) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facility.

2. Permitted Disclosure

We agree that you may disclose Confidential Information:

(a) to members of the Participant Group and their officers,

directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Participant Group;

(b) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group;

(c) with the prior written consent of us and the Borrower.

3. Notification of Required or Unauthorised Disclosure

You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 2(b)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(b)3 above.

5. Continuing Obligations

The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if you become a party to or otherwise acquire (by assignment or sub-participation) an interest, direct or indirect, in the Facility or (b) twelve months after you have returned all Confidential Information supplied to you by us and destroyed or permanently erased all copies of Confidential Information made by you (other than any such Confidential Information or copies which have been disclosed under paragraph 2 above (other than sub-paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. No Representation; Consequences of Breach, etc.

You acknowledge and agree that:

(a) neither we, [nor our principal] nor any member of the Group nor any of our or their respective officers, employees or advisers (each a "Relevant Person") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect to the Confidential Information or

any such information; and

(b) we [or our principal] or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. No Waiver; Amendments, etc.

This letter sets out the full extent of your obligations of confidentiality owed to us in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges hereunder. The terms of this letter and your obligations hereunder may only be amended or modified by written agreement between us.

8. Inside Information

You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose.

9. No Front Running

(a) You agree that until primary syndication of the Facility has been completed and allocations released, you will not, and will procure that no other member of the Participation Group will:

(i) undertake any Front Running;

(ii) enter into (or agree to enter into) any agreement with any bank, financial institution or other third party which to your knowledge may be approached to become a syndicate member, under which that bank, financial institution or other third party shares any risk or participates in any exposure of any Lender under the Facility; or

(iii) offer to make any payment or other compensation of any kind to any bank, financial institution or third party for its participation (direct or indirect) in the Facility.

(b) Neither you nor any other member of the Participant Group has engaged in any Front Running:

(i) if you or any other member of the Participant Group engages in any Front Running before the close of primary syndication we may suffer loss or damage and your position in future financings with us and the Borrower may be prejudiced; and

(ii) if you or any other member of the Participant Group engages in any Front Running before the close of primary syndication we retain the right not to allocate to you a commitment under the Facility.

For the purpose "Front Running" means the process of:

(c) communicating with any bank, financial institution or third

party which, to its knowledge, may be approached to become a syndicate member with a view of encouraging, or with the result that such bank or financial institution is encouraged, to await the secondary market in respect of participation in the Facility; and/or

(d) actually making a price (generally or to a specific bank, financial institution or third party) in respect of a participation in the Facility.

10. Nature of Undertakings

The undertakings given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of [our principal,]4 the Borrower and each other member of the Group.

11. Third Party Rights

(a) Subject to paragraph 6 and paragraph 9 the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") is excluded.

(b) Notwithstanding any provisions of this letter, any Relevant Person or any member of the Group may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.

(c) The parties to this letter do not require the consent of the Relevant Persons to rescind or vary this letter at any time.

12. Governing Law and Jurisdiction

(a) This letter (including the agreement constituted by your acknowledgement of its terms) is governed by English law.

(b) The parties submit to the non-exclusive jurisdiction of the English courts.

13. Definitions

In this letter (including the acknowledgement set out below) terms defined in the Agreement shall, unless the context otherwise requires, have the same meaning and:

"Confidential Information" means any information relating to the Borrower, the Group, the Agreement and the Facility including, without limitation, the information memorandum, provided to you by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you thereafter, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

"Group" means the Borrower and each of its holding companies and subsidiaries and each subsidiary of each of its holding companies (as each such term is defined in the Companies Act 1985);

"Participant Group" means you, each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as

each such term is defined in the Companies Act 1985; and

"Permitted Purpose" means considering and evaluating whether to enter into the Facility.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

For and on behalf of
[Existing Lender]

To: [Existing Lender]

The Borrower and each other member of the Group

We acknowledge and agree to the above:

For and on behalf of
[Potential New Lender]

SCHEDULE 8

TIMETABLE

	Loans in euro or dollars	Loans in sterling
Agent notifies the Borrower if a currency is approved as an Optional Currency in accordance with Clause 4.4 (Conditions relating to Optional Currencies)	-	-
Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request)) or a Selection Notice (Clause 11.1 (Selection of Interest Periods))	U-3 11.00am	U-1 11.00am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under paragraph (c) of Clause 5.4 (Lenders' participation) and notifies the Lenders of the Loan in accordance with Clause 5.4 (Lenders' participation)	U-3 3.00pm	U-1 3.00pm
Agent receives a notification from a Lender under Clause 6.2 (Unavailability of a currency)	U-2 9.30am	U 9.30am
Agent gives notice in accordance with Clause 6.2 (Unavailability of a currency)	U- 2 10.30am	U 10.30am
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 9
FORM OF ACCESSION LETTER

To: [Agent]
From: [Borrower]

Dated:

Dear Sirs

Cemex - $1,250,000,000 Term and Revolving Facilities Agreement
dated _____ 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. [Additional Guarantor's] administrative details are as follows:

Address:

Fax No:

Attention:

3. This Accession Letter is governed by English law and is entered into by deed.

Signed: _____
[Authorised Signatory of Additional Guarantor]

Signed: _____
[Authorised Signatory of New Sunward Holding BV]

[o]

SCHEDULE 10
PERMITTED LIENS

(Figures in millions of US Dollars)

COMPANY	LENDER	LIEN CONCEPT	BALANCE
CEMEX Construction Materials, L.P.	GE Capital (FKIT 279,280)	Equipment related with the Credit	1.035
CEMEX Construction Materials, L.P.	Hampton	Land related with the Credit	0.277
Kosmos Cement Company	First Corp (FKIT 101649)	Equipment related with the Credit	0.029
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage	0.203
Centro Distribuidor de Cemento, S.A. De C.V.	Bank of America	Cash Collateral	2.100

SCHEDULE 11
FORM OF PROMISSORY NOTE

Part I

FORM OF TRANCHE B1 NOTE

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 principal sum of [US$]/[euro]/[insert currency]* _____ (_____, [currency of the United States of America,]/[currency of a member state of the European Union adopted in accordance with the legislation relating to the Economic and Monetary Union]/[other - please describe]* ___/100) on _____ _____, 20__, (the "Maturity Date"), 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 Borrower further promises to pay interest on the principal amount outstanding hereunder for each day during each Interest Period (as hereinafter defined) at a rate per annum equal to the Screen Rate (as hereinafter defined) for such Interest Period plus [0.825%] [(zero point eight two five per cent.)]. Interest shall be payable on the Maturity Date.

The Borrower also promises to pay, to the fullest extent permitted by applicable law, default interest on any amount payable hereunder that is not paid when due, payable on demand, at a rate per annum equal to the Screen Rate then in effect plus [0.825]% (zero point eight two five per cent.) plus 2.00% (two point zero per cent.).

All computations of interest hereunder shall be made on the basis of a year of 360 days for the actual number of days elapsed in the period for which any such interest is payable (including the first day but excluding the last day).

All payments to be made on or in respect of this Promissory Note shall be made not later than 10:00 a.m., London time, to the account number _____, ABA number _____, Ref.:_____ in _____, maintained by the Agent (as hereinafter defined), in [Dollars]/[euro]/[insert currency]* and in immediately available funds.

All payments hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (as hereinafter defined) ("Taxes"). If any Taxes are required to be deducted or withheld from

PAGARE

US$_____

Por valor recibido, la suscrita NEW SUNWARD HOLDING B.V. (el "Deudor"), por este Pagare promete incondicionalmente pagar a la orden de _____ , la suma principal de US$/[euro]/[incluir moneda]*_____ (_____, [moneda de los Estados Unidos de America,]/ [moneda de un estado miembro que la Union Europea ha adoptado de conformidad con la legislacion respecto a la Union Economica y Monetaria]/[otra - por favor describir]* ___/100) el ____ de _____ del 20__ (la "Fecha de Vencimiento"), en el entendido que si dicho dia no es un Dia Habil, la Fecha de Vencimiento sera en el siguiente Dia Habil salvo que dicho siguiente Dia Habil sea del siguiente mes del calendario, en cuyo caso la Fecha de Vencimiento sera el Dia Habil inmediato anterior.

El Deudor asimismo promete pagar intereses ordinarios sobre la suma principal insoluta conforme al presente Pagare por cada dia durante cada Periodo de Intereses (segun dicho termino se define mas adelante) a una tasa de interes anual equivalente a la Tasa de Pantalla (segun dicho termino se define mas adelante) para dicho Periodo de Intereses mas [0.825%] [(cero punto ochocientos veinticinco por ciento)]. Los intereses seran pagaderos en la Fecha de Vencimiento.

El Deudor tambien promete pagar, en la medida permitida por la legislacion aplicable, intereses moratorios sobre cualesquiera cantidades pagaderas conforme al presente y que no fueren pagadas a su vencimiento, pagaderos a la vista, a una tasa de interes anual equivalente a la Tasa de Pantalla aplicable mas [0.825]% [(cero punto ochocientos veinticinco por ciento)] mas 2.00% (dos punto cero por ciento).

Todos los intereses pagaderos conforme al presente Pagare seran calculados sobre la base de un ano de 360 dias por el numero de dias efectivamente transcurridos durante el periodo en el cual dichos intereses sean pagaderos (incluyendo el primer dia pero excluyendo el ultimo dia).

Todos los pagos que deban hacerse conforme al presente Pagare deberan hacerse antes de las 10:00 a.m., hora de Londres, a la cuenta numero _____, ABA numero _____, Ref.: _____ del Agente (segun dicho termino se define mas adelante), en [Dolares] /[euro]/[incluir moneda]* en fondos inmediatamente disponibles.

Todos los pagos conforme al presente Pagare, se haran libres de, y sin deduccion o retencion por o a cuenta de, cualesquier impuestos, derechos, cargos, gravamenes, contribuciones, deducciones o retenciones, presentes o futuros que sean establecidos, cobrados, retenidos o impuestos por cualquier Autoridad Gubernamental (segun dicho termino se define mas adelante) ("Impuestos"). En

any amounts payable hereunder, the amounts so payable to the holder hereof shall be increased to the extent necessary so that the holder hereof receives all the amount it would have received had no such deduction or withholding been made.

el caso que se deba de realizar cualquier deduccion o retencion por Impuestos respecto de cualquier pago a realizarse conforme al presente Pagare, las cantidades pagaderas conforme al presente se incrementaran en la medida que sea necesario para que el tenedor reciba las cantidades que hubiera recibido de no haberse realizado dicha deduccion o retencion.

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).

Las suscritas convienen en rembolsar a la vista, en la misma forma y fondos, cualesquier perdidas, costos y gastos razonables del tenedor de este Pagare, si los hubiere, incurridos en relacion con la exigibilidad de este Pagare (incluyendo, sin limitacion, todos los costos y gastos legales razonables).

For purposes of this Note, the following terms shall have the following meanings:

Para efectos de este Pagare, los siguientes terminos tendran los siguientes significados:

"Agent" means Citibank International plc

"Agente " significa Citibank International plc.

"Business Day" means a [day (other than a Saturday or Sunday) on which banks are open for general business in London, England and in Amsterdam, The Netherlands.]/[TARGET Day]*

"Dia Habil" significa cualquier [dia (distinto de un Sabado o Domingo) en el que los bancos esten abiertos para celebrar operaciones en Londres, Inglaterra y Amsterdam, Holanda.]/ [Dia TARGET]*

["TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

["TARGET" significa es sistema de pagos Automatico en Tiempo Real con Compensacion Total Express Trans- Europeo (Trans-European Automated Real-time Gross Settlement Express Transfer).

"TARGET Day" means any day on which TARGET is open for the settlement of payments in euro.]**

["Dia TARGET" significa un dia en el cual TARGET abra para celebrar operaciones de pago y compensaciones en euros.]

"Interest Payment Date" means the last day of each Interest Period.

"Fecha de Pago de Intereses" significa el ultimo dia de cada Periodo de Intereses.

"Interest Period" means the period commencing on the execution date of this Promissory Note and ending on the Maturity Date.

"Periodo de Intereses" significa, el periodo que inicia en la fecha de firma de este Pagare y termina en la Fecha de Vencimiento.

"Screen Rate" means, with respect to each day during each Interest Period, the rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) determined on the basis of [the rate determined by the Banking Federation of the European Union]**/[the British Bankers' Association Interest Settlement Rate]*** for a period equal to such Interest Period appearing on the relevant page of the Reuters 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 Reuters screen, the "Screen Rate" shall be the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks (as hereinafter defined) to leading banks in the London interbank market for the offering of deposits in Dollars for a period comparable to such Interest Period at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period.

"Tasa de Pantalla " significa, respecto de cada dia durante cada Periodo de Intereses, la tasa anual (redondeada hacia arriba, de ser necesario, al 1/100 mas cercano de 1%) que se determine con base en [la tasa determinada por la Federacion Bancaria (Banking Federation) de la Union Europea]** / [la Tasa de Interes de Liquidacion de la Asociacion Britanica de Banqueros (British Bankers' Association Interest Settlement Rate)]*** para un periodo equivalente a dicho Periodo de Intereses que aparezca en la correspondiente pagina de Reuters a las 11:00 a.m., hora de Londres, dos Dias Habiles antes del inicio de dicho Periodo de Intereses. En caso de que dicha tasa no aparezca en la pantalla Reuters, la "Tasa de Pantalla" sera el promedio aritmetico (redondeado hacia arriba a cuatro decimales) de las tasas notificadas al Agente que ofrezcan los Bancos de Referencia (segun dicho termino se define mas adelante) a los bancos principales en el mercado interbancario de Londres para depositos en Dolares con vencimiento comparable a dicho Periodo de Intereses, a las o alrededor de las 11:00 a.m., hora de Londres, dos Dias Habiles antes del inicio de dicho Periodo de Intereses.

"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.

"Autoridad Gubernamental" significa cualquier agencia gubernamental, o que ejerza actos de poder o cualquier estado, departamento o cualquier subdivision politica de los mismos, ya sea nacional o extranjero, o cualquier cuerpo gubernamental, agencia, autoridad (incluyendo cualquier banco central o autoridad fiscal), nacional o extranjero, cualquier entidad o instrumentalidad (incluyendo cualquier corte o tribunal) que ejerza, o tenga jurisdiccion para ejercer, funciones ejecutivas, legislativas, judiciales, regulatorias, administrativas o de gobierno.

"Reference Banks" means the principal London offices of Citibank, N.A. and .

"Bancos de Referencia" significa las oficinas principales en Londres de Citibank, N.A. y

_____ _____.

This Promissory Note shall in all respects be governed by, and construed in accordance with, the laws of England, 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.

Este Pagare se regira e interpretara de conformidad con las leyes de Inglaterra, en el entendido que, si cualquier accion o procedimiento en relacion con el presente Pagare es iniciado ante cualquier tribunal de los Estados Unidos Mexicanos, el presente Pagare se regira por las leyes de los Estados Unidos Mexicanos.

Any legal action or proceeding arising out of or relating to this Promissory Note may be brought, in the competent courts of England, or in the courts located in the City of Mexico, Federal District, United Mexican States. The undersigned waive the jurisdiction of any other courts that may correspond for any other reason.

Cualquier accion o procedimiento legal relacionado con o derivado del presente Pagare podra ser iniciado ante los tribunales competentes de Inglaterra o en los tribunales ubicados en la Ciudad de Mexico, Distrito Federal, Estados Unidos Mexicanos. Las suscritas renuncian a la jurisdiccion de cualesquiera otros tribunales que pudiere corresponderles por cualquier otra razon.

The undersigned hereby waive diligence, presentment, protest or notice of total or partial non-payment or dishonor with respect to this Promissory Note.

Las suscritas por medio del presente renuncian a todo requisito de presentacion, protesto o notificacion de incumplimiento total o parcial, o cualquier otro requisito similar con respecto al presente Pagare.

This Promissory Note has been executed in both English and Spanish versions, both of which shall bind the undersigned; 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.

El presente Pagare se firma en ingles y en espanol, obligando ambas versiones a las suscritas, en el entendido que la version en ingles prevalecera, excepto en el caso de que se inicie cualquier accion, demanda o procedimiento ante los tribunales de los Estados Unidos Mexicanos, en cuyo caso la version en espanol prevalecera.

This Promissory Note consists of ____ pages.

Este Pagare consta de ____ paginas.

_____, [LUGAR DE FIRMA] a _____ de _____ de 2004.

[PLACE OF EXECUTION], 2004.

NEW SUNWARD HOLDING B.V.

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

GUARANTORS

POR AVAL

CEMEX, S.A. DE C.V.

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

CEMEX, S.A. DE C.V.

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

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

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

Part II
FORM OF TRANCHE B2 NOTE

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 principal sum of [US$]/[euro]/[insert currency]* _____ (_____, [currency of the United States of America,]/[currency of a member state of the European Union adopted in accordance with the legislation relating to the Economic and Monetary Union]/[other - please describe]*___/100) on _____ _____, 20__, (the "Maturity Date"), 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 Borrower further promises to pay interest on the principal amount outstanding hereunder for each day during each Interest Period (as hereinafter defined) at a rate per annum equal to the Screen Rate (as hereinafter defined) for such Interest Period plus [0.925%] [(zero point nine two five per cent.)]. Interest shall be payable on each Interest Payment Date (as hereinafter defined).

The Borrower also promises to pay, to the fullest extent permitted by applicable law, default interest on any amount payable hereunder that is not paid when due, payable on demand, at a rate per annum equal to the Screen Rate then in effect plus [0.925]% [(zero point nine two five per cent.)] plus 2.00% (two point zero per cent.).

All computations of interest hereunder shall be made on the basis of a year of 360 days for the actual number of days elapsed in the period for which any such interest is payable (including the first day but excluding the last day).

All payments to be made on or in respect of this Promissory Note shall be made not later than 10:00 a.m., London time, to the account number _____, ABA number _____, Ref.:_____ in _____, maintained by the Agent (as hereinafter defined), in [Dollars]/[euro]/[insert currency]* and in immediately available funds.

All payments hereunder shall be made free and clear

PAGARE

US$_____

Por valor recibido, la suscrita NEW SUNWARD HOLDING B.V. (el "Deudor"), por este Pagare promete incondicionalmente pagar a la orden de _____ , la suma principal de [US$]/[euro]/[incluir moneda]*_____ (_____, [moneda de los Estados Unidos de America,]/[moneda de un estado miembro que la Union Europea ha adoptado de conformidad con la legislacion respecto a la Union Economica y Monetaria]/[otra - por favor describir]* ___/100) el ____ de _____ del 20__ (la "Fecha de Vencimiento"), en el entendido que si dicho dia no es un Dia Habil, la Fecha de Vencimiento sera en el siguiente Dia Habil sea del siguiente mes del calendario, en cuyo caso la Fecha de Vencimiento sera el Dia Habil inmediato anterior.

El Deudor asimismo promete pagar intereses ordinarios sobre la suma principal insoluta conforme al presente Pagare por cada dia durante cada Periodo de Intereses (segun dicho termino se define mas adelante) a una tasa de interes anual equivalente a la Tasa de Pantalla (segun dicho termino se define mas adelante) para dicho Periodo de Intereses mas [0.925]% [(cero punto novecientos veinticinco por ciento)]. Los intereses seran pagaderos en forma vencida, en la Fecha de Pago de Intereses (segun dicho termino se define mas adelante).

El Deudor tambien promete pagar, en la medida permitida por la legislacion aplicable, intereses moratorios sobre cualesquiera cantidades pagaderas conforme al presente y que no fueren pagadas a su vencimiento, pagaderos a la vista, a una tasa de interes anual equivalente a la Tasa de Pantalla aplicable mas [0.925]% [(cero punto novecientos veinticinco por ciento)] mas 2.00% (dos punto cero por ciento).

Todos los intereses pagaderos conforme al presente Pagare seran calculados sobre la base de un ano de 360 dias por el numero de dias efectivamente transcurridos durante el periodo en el cual dichos intereses sean pagaderos (incluyendo el primer dia pero excluyendo el ultimo dia).

Todos los pagos que deban hacerse conforme al presente Pagare deberan hacerse antes de las 10:00 a.m., hora de Londres, a la cuenta numero _____, ABA numero _____, Ref.: _____ del Agente (segun dicho termino se define mas adelante), en Dolares en fondos inmediatamente disponibles.

Todos los pagos conforme al presente Pagare, se

of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority (as hereinafter defined) ("Taxes"). If any Taxes are required to be deducted or withheld from any amounts payable hereunder, the amounts so payable to the holder hereof shall be increased to the extent necessary so that the holder hereof receives all the amount it would have received had no such deduction or withholding been made.

haran libres de, y sin deduccion o retencion por o a cuenta de, cualesquier impuestos, derechos, cargos, gravamenes, contribuciones, deducciones o retenciones, presentes o futuros que sean establecidos, cobrados, retenidos o impuestos por cualquier Autoridad Gubernamental (segun dicho termino se define mas adelante) ("Impuestos"). En el caso que se deba de realizar cualquier deduccion o retencion por Impuestos respecto de cualquier pago a realizarse conforme al presente Pagare, las cantidades pagaderas conforme al presente se incrementaran en la medida que sea necesario para que el tenedor reciba las cantidades que hubiera recibido de no haberse realizado dicha deduccion o retencion.

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).

Las suscritas convienen en rembolsar a la vista, en la misma forma y fondos, cualesquier perdidas, costos y gastos razonables del tenedor de este Pagare, si los hubiere, incurridos en relacion con la exigibilidad de este Pagare (incluyendo, sin limitacion, todos los costos y gastos legales razonables).

For purposes of this Note, the following terms shall have the following meanings:

Para efectos de este Pagare, los siguientes terminos tendran los siguientes significados:

"Agent" means Citibank International plc

"Agente " significa Citibank International plc.

"Business Day" means a [day (other than a Saturday or Sunday) on which banks are open for general business in London, England and in Amsterdam, The Netherlands.]/[TARGET Day]*

"Dia Habil" significa cualquier [dia (distinto de un Sabado o Domingo) en el que los bancos esten abiertos para celebrar operaciones en Londres, Inglaterra y Amsterdam, Holanda.]/[Dia TARGET]*

["TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

["TARGET" significa es sistema de pagos Automatico en Tiempo Real con Compensacion Total Express Trans- Europeo (Trans-European Automated Real-time Gross Settlement Express Transfer).

"TARGET Day" means any day on which TARGET is open for the settlement of payments in euro.]**

["Dia TARGET" significa un dia en el cual TARGET abra para celebrar operaciones de pago y compensaciones en euros.]

"Interest Payment Date" means the last day of each Interest Period.

"Fecha de Pago de Intereses" significa el ultimo dia de cada Periodo de Intereses.

"Interest Period" shall mean, the period commencing on the execution date of this Promissory Note and ending [one] [two] [three] [six] months thereafter and thereafter, each period commencing on the last day of the immediately preceding Interest Period and ending [one] [two] [three] [six] months thereafter; provided that (i)-if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such extension would carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; (ii)-no Interest Period shall extend beyond the 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.

"Periodo de Intereses" significa, el periodo que inicia en la fecha de firma de este Pagare y termina [uno] [tres] [seis] meses despues y los siguientes periodos comenzaran el ultimo dia del Periodo de Intereses inmediato anterior y terminaran [uno] [tres] [seis] meses despues; en el entendido que (i)-si cualquier Periodo de Intereses de otra manera terminaria en un dia que no se un Dia Habil, dicho Periodo de Intereses sera extendido al siguiente Dia Habil, salvo que dicha extension mandaria dicho Periodo de Intereses a un nuevo mes calendario, en cuyo caso dicho Periodo de Intereses terminara en el Dia Habil inmediato anterior; (ii)-ningun Periodo de Intereses se extendera mas alla de la Fecha de Vencimiento; y (iii)-cualquier Periodo de Intereses que comience en el ultimo Dia Habil de un mes calendario (o en un dia para el cual no haya un dia numericamente correspondiente en el mes calendario en que termine dicho Periodo de Intereses) terminara en el ultimo Dia Habil de un mes calendario.

"Screen Rate" means, with respect to each day during each Interest Period, the rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) determined on the basis of [the rate determined by the Banking Federation of the European Union]**/[the British Bankers' Association Interest Settlement Rate]*** for a period equal to such Interest Period appearing on the relevant page of the Reuters 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 Reuters screen, the "Screen Rate" shall be the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks (as hereinafter defined) to leading banks in the London interbank market for the offering of deposits in Dollars for a period comparable to such Interest Period at or about 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period.

"Tasa de Pantalla " significa, respecto de cada dia durante cada Periodo de Intereses, la tasa anual (redondeada hacia arriba, de ser necesario, al 1/100 mas cercano de 1%) que se determine con base en [la tasa determinada por la Federacion Bancaria (Banking Federation) de la Union Europea]** / [la Tasa de Interes de Liquidacion de la Asociacion Britanica de Banqueros (British Bankers' Association Interest Settlement Rate)]
*** para un periodo equivalente a dicho Periodo de Intereses que aparezca en la correspondiente pagina de Reuters a las 11:00 a.m., hora de Londres, dos Dias Habiles antes del inicio de dicho Periodo de Intereses. En caso de que dicha tasa no aparezca en la pantalla Reuters, la "Tasa de Pantalla" sera el promedio aritmetico (redondeado hacia arriba a cuatro decimales) de las tasas notificadas al Agente que ofrezcan los Bancos de Referencia (segun dicho termino se define mas adelante) a los bancos principales en

el mercado interbancario de Londres para depositos en Dolares con vencimiento comparable a dicho Periodo de Intereses, a las o alrededor de las 11:00 a.m., hora de Londres, dos Dias Habiles antes del inicio de dicho Periodo de Intereses.

"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.

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"Reference Banks" means the principal London offices of Citibank, N.A. and _____.

"Bancos de Referencia" significa las oficinas principales en Londres de Citibank, N.A. y _____.

This Promissory Note shall in all respects be governed by, and construed in accordance with, the laws of England, 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.

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This Promissory Note has been executed in both English and Spanish versions, both of which shall bind the undersigned; 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.

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This Promissory Note consists of ____ pages.

Este Pagare consta de ____ paginas.

_____, [LUGAR DE FIRMA] a _____ de _____ de 2004.

_____, [PLACE OF EXECUTION], 2004.

NEW SUNWARD HOLDING B.V.

_____

By/Por:

_____

Title/Cargo: Attorney-in-Fact/Apoderado

GUARANTORS

POR AVAL

CEMEX, S.A. DE C.V.

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

CEMEX, S.A. DE C.V.

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

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

By/Por:

Title/Cargo: Attorney-in-Fact/Apoderado

SIGNATURES

THE BORROWER

NEW SUNWARD HOLDING B.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Amsteldijk 166
1079LH Amsterdam
The Netherlands

Fax: (31) 20 644-4095
Attention: Managing Director(s)

THE ORIGINAL GUARANTORS

CEMEX, S.A. DE C.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano

CEMEX MEXICO, S.A. DE C.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano

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

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano

THE AGENT

CITIBANK INTERNATIONAL PLC

By: /s/ CARLOS BARONA

Address: Loans Agency Office, 2nd Floor
4 Harbour Exchange Square
London E14 9GE

Fax: 00 44 208636 3824/3925

Attention: Ian Hayton

THE ARRANGER

CITIGROUP GLOBAL MARKETS LIMITED

By: /s/ CARLOS BARONA

Address: Citigroup Centre, 33 Canada Square, Canary Wharf,

London E14 5LB

Fax: +44 20 7986 8278

GOLDMAN SACHS INTERNATIONAL

By: /s/ JAVIER LAZARO

Address: Peterborough Court, 133 Fleet Street, London EC4A 2BB

Fax: 0044 (20) 7774 4477

Attention: Javier Lazaro

THE ORIGINAL LENDERS

CITIBANK, N.A.

By: /s/ CARLOS BARONA

Address: Citigroup Centre, 33 Canada Square, Canary Wharf

London E14 5LB

Fax: +44 20 7986 8278

GOLDMAN SACHS CREDIT PARTNERS L.P.

By: /s/ JAVIER LAZARO

Address: 85 Broad Street, New York, NY 10004, United States of America

Fax: +44 (20) 7774 4477

EXHIBIT 4.17

C L I F F O R D
C H A N C E

CONFORMED COPY

US$3,800,000,000

FACILITIES AGREEMENT

dated 24 September 2004

for

CEMEX ESPANA, S.A.

as Borrower

CEMEX ESPANA, S.A.
CEMEX CARACAS INVESTMENTS B.V.
CEMEX CARACAS II INVESTMENTS B.V.
CEMEX EGYPTIAN INVESTMENTS B.V.
CEMEX MANILA INVESTMENTS B.V.
CEMEX AMERICAN HOLDINGS B.V.

as Guarantors

arranged by

CITIGROUP GLOBAL MARKETS LIMITED

and

GOLDMAN SACHS INTERNATIONAL

with

CITIBANK INTERNATIONAL PLC

acting as Agent

TERM AND REVOLVING FACILITIES AGREEMENT

CONTENTS

THIS TERM AND REVOLVING FACILITIES AGREEMENT is dated 24 September 2004 and made

BETWEEN:

(1) CEMEX ESPANA, S.A. (the "Original Borrower" or the "Company");

(2) THE COMPANIES listed in Part I of Schedule 1 (The Obligors) as original guarantors (the "Original Guarantors");

(3) CITIGROUP GLOBAL MARKETS LIMITED and GOLDMAN SACHS INTERNATIONAL as mandated lead arrangers and joint bookrunners (whether acting individually or together the "Arranger");

(4) THE FINANCIAL INSTITUTIONS listed in Part II of Schedule 1 (The Original Lenders) as lenders (the "Original Lenders"); and

(5) CITIBANK INTERNATIONAL PLC as agent of the other Finance Parties (the "Agent").

IT IS AGREED as follows:

SECTION 1
INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Accession Letter" means a document substantially in the form set out in Schedule 6 (Form of Accession Letter).

"Acquisition Utilisation" means a Term Loan made or to be made for one or more of the purposes set out in Clause 3.1(b) (Purpose) (other than paragraphs (v) and (vi) thereof).

"Additional Cost Rate" has the meaning given to it in Schedule 4 (Mandatory Cost Formulae).

"Additional Borrower" means a company which becomes an Additional Borrower in accordance with Clause 26 (Changes to the Obligors).

"Additional Guarantor" means a company which becomes an Additional Guarantor in accordance with Clause 26 (Changes to the Obligors).

"Additional Obligor" means an Additional Borrower or an Additional Guarantor.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Agent's Spot Rate of Exchange" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market as of 11:00 a.m. on a particular day.

"Asia Fund" means Cemex Asia Holdings Ltd. ("CAH") or any other vehicles used by the Company 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 Company maintaining control of its management.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Authorised Signatory" means, in relation to any Obligor, any person who is duly authorised and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor setting out the name and signature of such person and

confirming such person's authority to act.

"Availability Period" means the period from and including the date of this Agreement to and including:

(a) the Termination Date in respect of Facility C1; and.

(b) the day which is 180 days after the date of the posting of the first Offer Document, in the case of Facility C2 or Facility C3

"Available Commitment" means, in relation to a Facility, a Lender's Commitment under that Facility minus:

(a) the Base Currency Amount of its participation in any outstanding Utilisations under that Facility; and

(b) in relation to any proposed Utilisation, the Base Currency Amount of its participation in any other Utilisations that are due to be made under that Facility on or before the proposed Utilisation Date,

other than, in relation to any proposed Utilisation under Facility C1 only, any participation in Facility C1 Loans which are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Facility" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"Base Currency" means US dollars.

"Base Currency Amount" means in relation to a Utilisation, the amount specified in the Utilisation Request delivered by the Company for that Utilisation (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date) as adjusted to reflect any repayment, prepayment, consolidation or division of a Utilisation.

"Bidco" means Cemex UK Limited, a special purpose subsidiary of Cemex Holdco incorporated in England and Wales with company number 05196131 and having its registered office at 2 Lambs Passage, London EC1Y 8BB.

"Borrowers" means the Original Borrower and any Additional Borrower and "Borrower" means any of them.

"Break Costs" means the amount (if any) by which:

(a) the interest (excluding the applicable Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the day of receipt or recovery if a Business Day and if received or recovered before 2 pm London time (or, if not, on the Business Day following receipt or recovery) and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and Madrid, and:

(a) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, a currency other than euro) the principal financial centre of the country of that currency; or

(b) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, euro) any TARGET Day.

"Capital Lease" means any lease that is capitalised on the balance sheet prepared in accordance with Spanish GAAP.

"Cemex Facility B Agreement" means the US$1,250,000,000 multicurrency term and revolving credit agreement made between (among others) Cemex Holdco as borrower and Citigroup Global Markets Limited and Goldman Sachs International on or about the date hereof.

"Cemex Holdco" means New Sunward Holding B.V., a company incorporated in The Netherlands with registered number 34133556.

"Cemex Holdco B Facilities" means the Facilities made available to Cemex Holdco pursuant to the Cemex Facility B Agreement.

"Cemex Parent" means CEMEX, S.A. de C.V., a company (sociedad anonima de capital variable) incorporated in Mexico.

"Cemex Parent A Facilities" means both, the US$500,000,000 A1 term loan facility agreement and the Mexican Peso equivalent of US$250,000,000 A2 term loan facility agreement, each made between (amongst others) Cemex Parent and Citigroup Global Markets Limited and Banco Nacional de Mexico, S.A., Integrante del Grupo Financiero Banamex on or about the date hereof.

"Certain Funds Period" means the period commencing on the date of this Agreement and ending on the earlier of:

(a) the date on which the Offer lapses or is withdrawn by the Bidco;

(b) the date on which the European Commission initiates Phase II Proceedings or the Offer is referred to the UK Competition Commission (where such date occurs before 3.00 p.m. on the first closing date of the Offer or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later);

(c) the date which falls 180 days after the date of the posting of the Offer Document;

(d) the date which falls 90 days after the Unconditional Date;

(e) the date falling four Months after the date on which the Offer Document is despatched if, by that date, Bidco has not given a Section 429 Notice;

(f) the date falling 8 weeks after the first date on which the Bidco is entitled to give a Section 429 Notice; or

(g) the date falling 14 days after the Scheme Effective Date.

"Clean-Up Date" means the date falling 180 days after the Unconditional Date.

"Clean-Up Period" means the period commencing on the Unconditional Date and ending on the Clean-Up Date.

"Code" means the City Code on Takeovers and Mergers.

"Commitment" means a Facility C1 Commitment, a Facility C2 Commitment, and/or Facility C3 Commitment.

"Company/Bidco Intercompany Loan" means a loan to be made directly or indirectly by the Company to Bidco under the Company/Bidco Intercompany Loan Agreement.

"Company/Bidco Intercompany Loan Agreement" means the loan agreement in the agreed form to be entered into between the Company or any of its direct or indirect subsidiaries and Bidco on or before the first Utilisation after the Unconditional Date, pursuant to which all proceeds of the Facilities will be on-lent by the Company to Bidco.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 7 (Form of Compliance Certificate).

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the LMA as set out in Schedule 9 (Form of LMA Confidentiality Undertaking) or in any other form agreed between the Company and the Agent.

"Conversion Request" has the meaning given to it in Clause 8.1 (Request for Conversion).

"Costs and Expenses Letter" means the costs and expenses letter dated on or about the date of this Agreement between the Arranger, the Company, Cemex Holdco and Cemex Parent.

"Default" means an Event of Default or any event or circumstance specified in Clause 24 (Events of Default) which would (with the expiry of a grace period , the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"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 arithmetic mean of the rates (rounded upwards

to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in euro for a period comparable to the Interest Period of the relevant Loan.

"Event of Default" means any event or circumstance specified as such in Clause 24 (Events of Default).

"Facility" means Facility C1, Facility C2 or Facility C3.

"Facility C1" means the 364-day multicurrency revolving loan facility with a term-out option made available under this Agreement as described in paragraph (a) of Clause 2.1 (The Facilities).

"Facility C1 Commitment" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility C1 Commitment" in Part II of Schedule 1 (The Original Parties) and the amount of any other Facility C1 Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility C1 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility C1 Loan" means a loan made or to be made under Facility C1 or the principal amount outstanding for the time being of that loan.

"Facility C2" means the multicurrency term loan facility made available under this Agreement as described in paragraph (b) of Clause 2.1 (The Facilities).

"Facility C2 Commitment" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility C2 Commitment" in Part II of Schedule 1 (The Original Lenders) and the amount of any other Facility C2 Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility C2 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility C2 Loan" means a loan made or to be made under Facility C2 or the principal amount outstanding for the time being of that loan.

"Facility C3" means the multicurrency term loan facility made available under this Agreement as described in paragraph (c) of Clause 2.1 (The Facilities).

"Facility C3 Commitment" means:

(a) in relation to an Original Lender, the amount in the Base Currency set opposite its name under the heading "Facility C3 Commitment" in Part II of Schedule 1 (The Original Lenders) and the amount of any other Facility C3 Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount in the Base Currency of any Facility C3 Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Facility C3 First Repayment Date" means the date falling 42 months after the date of this Agreement.

"Facility C3 Loan" means a loan made or to be made under Facility C3 or the principal amount outstanding for the time being of that loan.

"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.

"Final C1 Termination Date" means, in relation to Facility C1, a date which is 364 days after the Termination Date relating thereto.

"Finance Document" means this Agreement, any Accession Letter, the Syndication and Fees Letter, the Sub Underwriter Fees Letter, the Costs and Expenses Letter and any other document designated as a "Finance Document" by the Agent and the Company.

"Finance Party" means the Agent, the Arranger or a Lender.

"Financial Indebtedness" means any indebtedness for or in respect of, and without double counting:

(a) moneys borrowed (including, but not limited to, any amount raised by acceptance under any acceptance credit facility and receivables sold or discounted on a recourse basis (it being understood that Permitted Securitisations shall be deemed not to be on a recourse basis));

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(c) the amount of any liability in respect of any lease or hire purchase contract that would, in accordance with Spanish GAAP, be treated as a Capital Lease;

(d) the deferred purchase price of assets or the deferred payment of services, except trade accounts payable in the ordinary course of business;

(e) obligations of a person under repurchase agreements for the stock issued by such person or another person;

(f) obligations of a person with respect to product invoices incurred in connection with exporting financing;

(g) all Financial Indebtedness of others secured by Security on any asset of a person, regardless of whether such Financial Indebtedness is assumed by such person in an amount equal to the lower of (i) the net book value of such asset and (ii) the amount secured thereby; and

(h) guarantees of Financial Indebtedness of other persons.

"First Utilisation Date" means the date on which the first Utilisation is made under this Agreement.

"Funds Flow Statement" means the funds flow statement in agreed form delivered to the Agent (as amended from time to time prior to the Unconditional Date provided that such amendments:

(a) have been approved by the Lenders; or

(b) do not affect the interests of the Lenders in relation to the Facilities).

"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 Company and each of its Subsidiaries for the time being.

"Guarantors" means the Original Guarantors and any Additional Guarantor other than any Original Guarantor or Additional Guarantor which has ceased to be a Guarantor pursuant to Clause 26.4 (Resignation of Guarantor) and has not subsequently become an Additional Guarantor pursuant to Clause 26.3 (Additional Guarantors) and "Guarantor" means any of them.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Information Memorandum" means the document in the form approved by the Company (and as updated from time to time with the approval of the Company) concerning Cemex Parent, the Group and the Target Group which, at the request of the Company and on its behalf is to be prepared in relation to the transaction contemplated by this Agreement, approved by the Company and distributed by the Arranger in connection with the syndication of the Facilities.

"Intellectual Property" means:

(a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, data-base rights, inventions, knowhow and other intellectual property rights and interests, whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets of each member of the Group.

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 11 (Interest Periods) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (Default interest).

"International Accounting Standards" means the accounting standards approved by the International Accounting Standards Board from time to time.

"Legal Opinions" means the legal opinions delivered to the Agent pursuant to Clause 4.1 (Initial Conditions Precedent) or in relation to any Additional Obligors.

"Lender" means:

(a) any Original Lender; and

(b) any bank, financial institution, securitisation trust or fund or other entity which has become a Party in accordance with Clause 25 (Changes to the Lenders),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"LIBOR" means, in relation to any Loan:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of the Specified Time on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan.

"LMA" means the Loan Market Association.

"Loan" means a Facility C1 Loan or a Term Loan.

"Loan Notes" means the loan notes (if any) issued to the shareholders of the Target Shares pursuant to the Offer.

"Major Breach" means in respect of the Company and its Subsidiaries (including Bidco) only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance), an outstanding breach of any paragraph of Clause 3.1 (Purpose) arising from the failure of a Borrower or Bidco to apply the proceeds of an Acquisition Utilisation for the purposes for which it was advanced, Clauses 23.6 (Negative Pledge) (other than any breach in respect of a judgment lien), 23.7 (Disposals) (other than any breach arising from a downgrade in the Rating of the Company), 23.8 (Merger) (other than any breach arising from a downgrade in the Rating of the Company), 23.14 (Pari Passu Ranking) or 23.18 (The Offer).

"Major Default" means (a) any outstanding Event of Default in respect of the Company and its Subsidiaries (including Bidco) only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance) under any of Clauses 24.1 (Non-payment), 24.3 (Other obligations) only in relation to a Major Breach, 24.4 (Misrepresentation) only in relation to a Major Representation, 24.6 (Insolvency), 24.7 (Insolvency proceedings), 24.11 (Unlawfulness) or 24.12 (Repudiation); or (b) any failure by the Company to comply with the requirements of Clause 4.1 (Initial Conditions Precedent) (other than paragraphs 4(a), (b), (c) and 6(e) of Part I of Schedule 2).

"Major Representation" means in respect of the Company and its Subsidiaries (including Bidco) only and not, for the avoidance of doubt, relating to any member of the Target Group (including any failure to procure its compliance), any of the representations contained in Clause 20.1 (Status) to Clause 20.4 (Power and authority) (inclusive) and 20.14 (Offer Documents Information) where, in each case, breach would lead to a Material Adverse Effect.

"Majority Lenders" means:

(a) for the purposes of paragraph (b)(i) of Clause 23.16 (The Offer) only, a Lender or Lenders whose Commitments aggregate more than 66 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66 per cent. of the Total Commitments immediately prior to that reduction);

(b) if there are no Loans then outstanding a Lender or Lenders whose Commitments aggregate more than 51 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 51 per cent. of the Total Commitments immediately prior to that reduction); and

(c) at any other time, a Lender or Lenders whose undrawn Commitments and participations in the Loans then outstanding aggregate more than 51% of all the undrawn Commitments and Loans then outstanding. "Mandatory Cost" means the percentage rate per annum calculated in accordance with Schedule 4 (Mandatory Cost Formulae).

"Margin" means:

(a) subject to paragraph (c) below, in relation to any Loan the percentage rate per annum determined pursuant to the table set out below:

Facility	Margin % p.a.
Facility C1	0.65
Facility C2	0.75
Facility C3	0.85

(b) in relation to any Unpaid Sum the percentage rate per annum specified above applicable to the Facility in relation to which the Unpaid Sum arises, or if such Unpaid Sum does not arise in relation to a particular Facility, the rate per annum specified above applicable to the Facility to which the Agent reasonably determines the Unpaid Sum most closely relates, or if none, the highest rate per annum specified above,

(c) but if at any time after the First Utilisation Date following the Unconditional Date:

(i) no Default has occurred and is continuing; and

(ii) the Net Borrowings to Adjusted EBITDA ratio in respect of the most recently completed Relevant Period is within a range set out below,

then the Margin for each Loan under each Facility will be the percentage rate per annum set out below opposite that range:

Net Borrowings to Adjusted EBITDA	Margin % p.a.		
	Facility C1	Facility C2	Facility C3
Greater than or equal to 3.0:1	0.85	0.95	1.05
Less than 3.0:1 but greater than or equal to 2.5:1	0.65	0.75	0.85
Less than 2.5:1 but greater than or equal to 2.0:1	0.50	0.60	0.70
Less than 2.0:1	0.40	0.50	0.60

However any increase or decrease in the Margin shall take effect on the date (the "reset date") which is five Business Days after receipt by the Agent of the Compliance Certificate for that Relevant Period pursuant to Clause 21.2 (Compliance

Certificate) and in the case of a then current Interest Period will apply to the whole of such Interest Period unless any payments of interest have already been made in which case any adjustments to the Margin will apply only from the date of such payment. For the purpose of determining the Margin, Net Borrowings to Adjusted EBITDA ratio and Relevant Period shall be determined in accordance with Clause 22.1 (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 13 (Material Subsidiaries) and any other Subsidiary of the Company:

(a) which becomes a Subsidiary of the Company 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 already 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 Company and/or the latest audited financial statements of that Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) and the latest audited consolidated financial statements of the Group, but if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's auditors as representing an accurate reflection of each of the respective revised total assets and turnover of the Group).

A report by the auditors of the Company that a Subsidiary is a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and

(b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on

the last Business Day in that calendar month.

The above rules will only apply to the last Month of any period. "Monthly" shall be construed accordingly.

"Moody's" means Moody's Investors Service Inc.

"New Lender" means a New Lender as specified in a Transfer Certificate.

"Obligors" means the Borrowers and the Guarantors and "Obligor" means any of them.

"Offer" means the offer proposed to be made by Bidco, substantially on the terms set out in the Press Release, to acquire all of the Ordinary Shares not already owned by Bidco (whether by way of offer to purchase or scheme of arrangement), as such Offer may from time to time be amended, added to, revised, renewed or waived as permitted in accordance with the terms of this Agreement.

"Offer Costs" means all costs, fees and expenses (and taxes thereon) and all stamp, documentary, registration or similar taxes incurred by or on behalf of Cemex Parent, the Company, Bidco or the Target in connection with the Offer, the financing of the Offer and the refinancing of the Financial Indebtedness of members of the Target Group.

"Offer Document" means the offer (or scheme) document delivered or to be delivered to the shareholders of the Target in relation to the Offer.

"Offer Documents" means the Offer Document, the Press Release and any other documents despatched to the shareholders of the Target in relation to the Offer by or on behalf of Bidco.

"Optional Currency" means a currency (other than the Base Currency) which complies with the conditions set out in Clause 4.4 (Conditions relating to Optional Currencies).

"Ordinary Shares" means the ordinary shares of 25 pence each in the Target.

"Original Financial Statements" means:

(a) in relation to the Company, its audited unconsolidated and consolidated financial statements for its financial year ended 31 December 2003;

(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 2003; and

(c) in relation to any other Obligor, its most recent audited financial statements.

"Original Obligor" means an Original Borrower or an Original Guarantor.

"Outlook" means a rating outlook of the Company with regard to the Company's economic and/or fundamental business condition, as assigned by a Rating Agency.

"Panel" means the Panel on Takeovers and Mergers.

"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 Company or its Subsidiaries, including a sale at a discount, provided that (i) such receivables have been transferred, directly or indirectly, by the originator thereof to a 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.

"Phase II Proceedings" means proceedings under Article 6 (1) (c) of the Council Regulation (EC) 139/2004.

"Press Release" means a press announcement to be released by Bidco announcing the terms of the Offer.

"Process Agent" means Bidco.

"Qualifying Lender" has the meaning given to that term in Clause 14 (Tax gross-up and indemnities).

"Quotation Day" means, in relation to any period for which an interest rate is to be determined:

(a) (if the currency is sterling) the first day of that period;

(b) (if the currency is euro) two TARGET Days before the first day of that period; or

(c) (for any other currency) two Business Days before the first day of that period,

unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Rating" means at any time the solicited long term credit rating or the senior implied rating of the Company or an issue of securities of or guaranteed by the Company, where the rating is based primarily on the senior unsecured credit risk of the Company and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by a Rating Agency.

"Rating Agency" means S&P or Moody's.

"Reference Banks" means, the principal London offices of Citibank, N.A., Deutsche Bank A.G., Banco Bilbao Vizcaya Argentaria, S.A. and such other banks as may be appointed by the Agent in consultation with the Company.

"Refinancing Loans" means Facility C1 Loans made for the purposes specified in paragraph (a) of Clause 3.1 (Purpose).

"Relevant Interbank Market" means, in relation to euro, the European interbank market, and, in relation to any other currency, the London interbank market.

"Relevant Jurisdiction" means in relation to an Obligor:

(a) its jurisdiction of incorporation; and

(b) any jurisdiction where it conducts its business.

"Relevant Period" has the meaning given to that term in Clause 22 (Financial Covenants).

"Relevant Target Facilities" means all such Financial Indebtedness of the Target Group which comprises bilateral or syndicated credit facilities provided by banks or other financial institutions before or after the date of this Agreement but not including any fixed rate privately placed notes or any publicly issued debt instruments.

"Repeating Representations" means each of the representations set out in Clauses 20.1 (Status) to Clause 20.6 (Governing law and enforcement), Clause 20.9 (No default), paragraphs (a) and (b) of Clause 20.11 (Financial statements), Clause 20.12 (Pari passu ranking), Clause 20.13 (No proceedings pending or threatened), Clause 20.15 (No winding-up), Clause 20.16 (Material Adverse Change) and Clause 20.14 (Offer Documents Information).

"Rollover Loan" means one or more Facility C1 Loans:

(a) made or to be made on the same day that a maturing Facility C1 Loan is due to be repaid;

(b) the aggregate amount of which is equal to or less than the maturing Facility C1 Loan;

(c) in the same currency as the maturing Facility C1 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 C1 Loan.

"S&P" means Standard & Poors Corporation.

"Scheme" means a scheme of arrangement under section 425 of the Companies Act 1985 between the Target, Bidco and the holders of the Target Shares (as outlined in the Press Release).

"Scheme Effective Date" means, where Bidco elects to use a Scheme to acquire the Ordinary Shares, the date on which an office copy of the order of the High Court of Justice sanctioning the Scheme is filed with the registrar of companies for registration under section 425(3) of the Companies Act 1985.

"Screen Rate" means:

(a) in relation to LIBOR, the British Bankers' Association Interest Settlement Rate for the relevant currency and period; and

(b) in relation to EURIBOR, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Agent may specify another page or service displaying the appropriate rate after consultation with the Company and the Lenders.

"Section 429 Notice" means a notice in the prescribed form to those holders of Target Shares which have not accepted the Offer, pursuant to Section 429(2) of the Companies Act 1985.

"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 11 (Interest Periods) in relation to a Term Facility.

"Spain" means the Kingdom of Spain.

"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 8 (Timetables).

"Stake" means a number of shares in any Group member held by another Group member the disposal of which would cause the first Group member to cease to be a Subsidiary of the second Group member.

"Sub Underwriter Fee Letter" means the sub underwriter fee letter dated on or about the date of this Agreement between the Arranger, the Company, Cemex Holdco and Cemex Parent.

"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.

"Syndication and Fees Letter" means the syndication and fees letter dated on or about the date of this Agreement between the Arranger and the Company detailing certain agreed arrangements and principles regarding syndication of the Facilities and setting out certain of the fees referred to in Clause 13 (Fees).

"Target" means RMC Group PLC, a company incorporated under the laws of England and Wales.

"Target Group" means the Target and its Subsidiaries.

"Target Shares" means all of the Ordinary Shares, which are or will be the subject of the Offer.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means any day on which TARGET is open for the settlement of payments in euro.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Taxes Act" means the Income and Corporation Taxes Act 1988.

"Term Facility" means Facility C2 or Facility C3.

"Term Loan" means a Facility C2 Loan or a Facility C3 Loan and any Facility C1 Loan following the exercise by the Company of the term-out option pursuant to Clause 8 (Conversion of Facility C1).

"Termination Date" means:

(a) in relation to Facility C1, the day which is 364 days after the date of this Agreement;

(b) in relation to Facility C2, the day which is 36 Months after the date of this Agreement;

(c) in relation to Facility C3 the day which is 60 Months after the date of this Agreement,

or, in each case, if such day would not be a Business Day, the first succeeding Business Day, unless such day would fall into the next month, in which case the immediately preceding Business Day.

"Total Commitments" means the aggregate of the Total Facility C1 Commitments, the Total Facility C2 Commitments and the Total Facility C3 Commitments.

"Total Facility C1 Commitments" means the aggregate of the Facility C1 Commitments.

"Total Facility C2 Commitments" means the aggregate of the Facility C2 Commitments.

"Total Facility C3 Commitments" means the aggregate of the Facility C3 Commitments.

"Transaction Documents" means the Finance Documents, the Offer Documents and the Company /Bidco Intercompany Loan Agreement.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 5 (Form of Transfer Certificate) or any other form agreed between the Agent and the Company.

"Transfer Date" means, in relation to a transfer, the later of:

(a) the proposed Transfer Date specified in the Transfer Certificate; and

(b) the date on which the Agent executes the Transfer Certificate.

"Unconditional Date" means the date on which the Offer is declared or becomes unconditional in all respects.

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"U.S.", "US" or "United States" means the United States of America.

"Utilisation" means a utilisation of a Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"Utilisation Request" means a notice substantially in the form set out in Part I of Schedule 3 (Utilisation Request).

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 Construction

(a) Unless a contrary indication appears a reference in this Agreement to:

(i) the "Agent", the "Arranger", any "Finance Party", any "Lender", any "Obligor" or any "Party" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(ii) a document in "agreed form" is a document which is initialled by or on behalf of the Company and the Agent or the Arranger;

(iii) "assets" includes present and future properties, revenues and rights of every description;

(iv) the "European interbank market" means the interbank market for euro operating in Participating Member States;

(v) a "Finance Document" or a "Transaction Document" or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended or novated;

(vi) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(vii) a "participation" of a Lender in a Loan, means the amount of such Loan which such Lender has made or is to make available and thereafter that part of the Loan which is owed to such Lender;

(viii) a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing;

(ix) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, with which persons who are subject thereto are accustomed to comply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(x) the "winding-up", "dissolution", "administration" or "reorganisation" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings (such as, in Spain, 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;

(xi) a provision of law is a reference to that provision as amended or re-enacted without material modification;

(xii) a time of day is a reference to London time; and

(xiii) a reference to a clause, paragraph or schedule, unless the context otherwise requires, is a reference to a clause, a paragraph of or a schedule to this Agreement.

(b) Section, Clause and Schedule headings are for ease of reference only.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A Default (including an Event of Default) is "continuing" if it has not been remedied or waived but, for the avoidance of doubt, no breach of any of the financial covenants set out in Clause 22 (Financial Covenants) shall be capable of being or be deemed to be remedied by virtue of the fact that upon any subsequent testing of such covenants pursuant to Clause 22 (Financial Covenants), there is no breach thereof.

1.3 Currency Symbols and Definitions

"(pound)" and "sterling" denote lawful currency of the United Kingdom, "(euro)", "EUR" and "euro" means the single currency unit of the Participating Member States and "US$", "$" and "dollars" denote lawful currency of the United States of America.

1.4 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of any Finance Document.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary any Finance Document at any time.

SECTION 2
THE FACILITIES

2. THE FACILITIES

2.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available:

(a) a 364 day multicurrency revolving loan facility in an aggregate amount equal to the Total Facility C1 Commitments;

(b) a three year multicurrency term loan facility in an aggregate amount equal to the Total Facility C2 Commitments;

(c) a five year multicurrency term loan facility in an aggregate amount equal to the Total Facility C3 Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) Except as otherwise stated in the Finance Documents, the rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor shall be a separate and independent debt.

(c) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

2.3 Affiliate Facility Offices

(a) A Lender may designate an Affiliate of that Lender as its Facility Office for the purpose of participating in or making Loans to Borrowers in particular countries.

(b) An Affiliate of a Lender may be designated for the purposes of paragraph (a):

(i) by appearing under the name of the Lender in Parts II (The Original Lenders) of Schedule 1 and executing this Agreement; or

(ii) by being referred to in and executing a Transfer Certificate by which the Lender becomes a Party.

(c) An Affiliate of a Lender referred to in this Clause 2.3 shall not have any Commitment, but shall be entitled to all rights and benefits under the Finance Documents relating to its participation in Loans, and shall have the corresponding duties of a Lender in relation thereto, and is a Party to this Agreement and each other relevant Finance Document for those purposes.

(d) A Lender which has an Affiliate appearing under its name in Parts II (The Original Lenders) of Schedule 1 or, as the case may be, in a Transfer Certificate, will procure, subject to the terms of this Agreement, that the Affiliate participates in Loans to the relevant Borrower(s) in place of that Lender. However, if as a result of the Affiliate's participation, an Obligor would be obliged to make a payment to the Affiliate under Clause 14 (Tax Gross-up and indemnities) or Clause 15 (Increased costs), then the Affiliate is only entitled to receive payment under those clauses to the same extent as the Lender (designating such Affiliate) would have been if the Lender had not designated such Affiliate for purposes of paragraph (a) above.

3. PURPOSE

3.1 Purpose

(a) Each Borrower shall apply the proceeds of each Facility C1 Loan in or towards refinancing Financial Indebtedness of members of the Target Group which is outstanding as of the first Utilisation after the Unconditional Date and for payment of any break funding costs, redemption premia and other costs, fees and expenses (and taxes thereon) payable in connection

with such refinancing.

(b) The proceeds of each Facility C2 Loan and each Facility C3 Loan will be applied on or after the Unconditional Date, in or towards:

(i) financing the acquisition by Bidco of the Target Shares to be acquired by Bidco pursuant to the Offer;

(ii) financing the consideration payable by Bidco with respect to the Target Shares pursuant to the procedures contained in sections 428-430F of the Companies Act 1985;

(iii) financing payments to holders of options in respect of shares in the Target who exercise or surrender their options in connection with the Offer;

(iv) financing or refinancing the Offer Costs, other than fees paid to the financial advisers to Bidco in relation to the Offer;

(v) refinancing Financial Indebtedness of members of the Target Group and for the payment of any break funding costs, redemption premia and other costs, fees and expenses (and taxes thereon) payable in connection with such refinancing; and

(vi) if the Cemex Holdco B Facilities have been fully utilised, financing the payment of amounts due under Loan Notes.

(c) if the Cemex Holdco B Facilities have been fully utilised, the proceeds of each Facility C2 Loan and each Facility C3 Loan may be applied to finance payment for Ordinary Shares by way of market purchases made prior to the Unconditional Date.

(d) Utilisations after the Unconditional Date may only be made if the Cemex Parent A Facilities and the Cemex Holdco B Facilities have been fully utilised or will be fully utilised simultaneously with such Utilisations hereunder.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial Conditions Precedent

The Company may not deliver 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) save that the Company may deliver a Utilisation Request for Loans to fund market purchases of Ordinary Shares prior to the Unconditional Date notwithstanding that the conditions precedent specified in paragraphs 5(b) and (c) of Part 1 of Schedule 2 (Conditions Precedent) have not been met. The Agent shall notify the Company and the Lenders promptly upon being so satisfied.

4.2 Further Conditions Precedent

Subject to the provisions of Clause 4.3 (Certain Funds), the Lenders will only be obliged to comply with Clause 5.4 (Lenders' participation) if on the date of the Utilisation Request and on the proposed Utilisation Date:

(a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation;

(b) the Repeating Representations which are or which are deemed to be made or repeated by each Obligor on such date pursuant to Clause 20.21 (Times on which representations are made) are true in all material respects;

4.3 Certain Funds

Notwithstanding any term of the Finance Documents (other than Clause 3.1 (Purpose)), each Finance Party agrees that during the Certain Funds Period, the Finance Parties shall not:

(a) be entitled to refuse to participate in or make available any Acquisition Utilisation (other than any to be made prior to the Unconditional Date), whether by cancellation, rescission or termination or similar right or remedy (whether under the Finance Documents or under any applicable law) which it may have in relation to an Acquisition Utilisation or otherwise (including by invoking any conditions set out in Clause 4.1 (Initial Conditions Precedent) and Clause 4.2 (Further Conditions Precedent)) provided that this Clause 4.3 shall not apply to any Refinancing Loans; or

(b) make or enforce any claims they may have under the Finance Documents if the effect of such claim or enforcement would prevent or limit the making of any Acquisition Utilisation during the Certain Funds Period; or

(c) otherwise exercise any right of set-off or counterclaim or similar right or remedy if to do so would prevent or limit the making of any Acquisition Utilisation; or

(d) cancel, accelerate or cause repayment or prepayment of any Facility.

in each case unless (a) a Major Default has occurred and is continuing or would result from the making of an Acquisition Utilisation, (b) a Major Representation is incorrect or misleading when made or deemed to be made or (c) a Lender is entitled to do so by virtue of the provisions of Clause 9.1 (Illegality of a Lender) provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Lenders (subject to Clause 24.17 (Clean Up Period)) notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

4.4 Conditions relating to Optional Currencies

(a) A currency will constitute an Optional Currency in relation to a Utilisation if:

(i) it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Utilisation; and

(ii) it is sterling or euros or has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request for that Utilisation.

(b) The Lenders will only be obliged to comply with Clause 30.9 (Change of currency) if, on the first day of an Interest Period, no Default is continuing or would result from the

change of currency and the Repeating Representations to be made by each Obligor are true in all material respects.

(c) If the Agent has received a written request from the Company for a currency to be approved under paragraph (a)(ii) above, the Agent will confirm to the Company by the Specified Time:

(i) whether or not the Lenders have granted their approval; and

(ii) if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency.

4.5 Maximum number of Loans

(a) The Company may not deliver a Utilisation Request if as a result of the proposed Utilisation:

(i) 10 or more Facility C1 Loans would be outstanding; or

(ii) 5 or more Facility C2 Loans would be outstanding; or

(iii) 5 or more Facility C3 Loans would be outstanding.

(b) The Company may not request that a Term Loan be divided if, as a result of the proposed division, 10 or more Term Loans would be outstanding.

(c) Any Loan made by a single Lender under Clause 6.2 (Unavailability of a currency) shall not be taken into account in this Clause 4.5.

4.6 Utilisation after the Unconditional Date

The Facilities may only be utilised after the Unconditional Date if the Agent has received confirmation from the agents under the Cemex Parent A Facilities and the Cemex Holdco B Facilities that those facilities are fully utilised or that it has received irrevocable requests under those facilities such that they will be fully utilised simultaneously with the first Utilisation under this Agreement after the Unconditional Date.

SECTION 3
UTILISATION

5. UTILISATION

5.1 Delivery of a Utilisation Request

The Company may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

(a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(i) it identifies the Facility to be utilised;

(ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;

(iii) the currency and amount of the Loan complies with Clause 5.3 (Currency and amount); and

(iv) the proposed Interest Period complies with Clause 11 (Interest Periods).

(b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be the Base Currency or an Optional Currency.

(b) Unless the Agent otherwise agrees, the amount of the proposed Utilisation must be an amount whose Base Currency Amount is not more than the Available Facility (adjusted, where applicable, to take account of any additional Utilisations which are scheduled to take place on or before the relevant Utilisation Date) and which is:

(i) if the currency selected is the Base Currency, a minimum of US$50,000,000 or, if less, the relevant Available Facility; or

(ii) if the currency selected is sterling or euros, a minimum of (pound)30,000,000 or, as the case may be, EUR50,000,000 or, if less, the relevant Available Facility; or

(iii) if the currency selected is an Optional Currency other than sterling or euros, the minimum amount specified by the Agent pursuant to paragraph (c) (ii) of Clause 4.4 (Conditions relating to Optional Currencies) or, if less, the relevant Available Facility.

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the relevant Available Facility immediately prior to making the Loan.

(c) The Agent shall determine the Base Currency Amount of each Loan which is to be made in an Optional Currency and shall notify each Lender of the amount, currency and the Base Currency Amount of each Loan and the amount of its participation in that Loan, in each case by the Specified Time.

6. OPTIONAL CURRENCIES

6.1 Selection of currency

The Company shall select the currency of each Loan in a Utilisation Request.

6.2 Unavailability of a currency

If before the Specified Time on any Quotation Day:

(a) a Lender notifies the Agent that the Optional Currency requested is not readily available to it in the amount required, and provides in writing an objectively justified reason therefor; or

(b) a Lender notifies the Agent that compliance with its

obligation to participate in a Loan in the proposed Optional Currency would contravene a law or regulation applicable to it,

the Agent will give notice to the Company to that effect by the Specified Time on that day. In this event, any Lender that gives notice pursuant to this Clause 6.2 will be required to participate in the Loan in the Base Currency (in an amount equal to that Lender's proportion of the Base Currency Amount, or in respect of a Rollover Loan, an amount equal to that Lender's proportion of the Base Currency Amount of the Rollover Loan that is due to be made) and its participation will be treated as a separate Loan denominated in the Base Currency during that Interest Period.

6.3 Agent's calculations

Each Lender's participation in a Loan will be determined in accordance with paragraph (b) of Clause 5.4 (Lenders' participation).

SECTION 4
REPAYMENT, PREPAYMENT AND CANCELLATION

7. REPAYMENT

7.1 Repayment of Term Loans

The Borrowers shall:

(a) repay all Facility C2 Loans on the Termination Date relating thereto; and

(b) repay all Facility C3 Loans in equal semi-annual instalments starting on the Facility C3 First Repayment Date and ending on the Termination Date relating to Facility C3.

7.2 Repayment of Facility C1 Loans

The Borrowers shall repay each Facility C1 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, provided that all Facility C1 Loans shall be repaid on, or prior to the Termination Date relating thereto.

8. CONVERSION OF FACILITY C1

8.1 Request for Conversion

(a) The Company shall be entitled to request that:

(i) all or part (being an amount or an integral multiple of US$50,000,000 of the Base Currency Amount) of each Facility C1 Loan (pro rata amongst the Lenders) forming part of a Utilisation and outstanding on the Termination Date relating to Facility C1 be converted on such Termination Date into Term Loans maturing on the Final C1 Termination Date; and

(ii) all or part of the Facility C1 Commitments which have not been drawn down prior to the Termination Date be drawn down by way of Term Loan by the Company on or before the Termination Date,

by delivering to the Agent a request (a "Conversion Request"), not less than 10 days nor more than 30 days prior to the

Termination Date.

(b) The Conversion Request shall be unconditional and irrevocable and, in the case of a Conversion Request for the making of Term Loans under paragraph (a)(ii) of this Clause 8.1, shall be accompanied by a Utilisation Request.

(c) Any outstandings not requested to be converted shall be repaid in full on the Termination Date.

(d) All undrawn Facility C1 Commitments not the subject of a Conversion Request shall be cancelled on the Termination Date.

(e) The Agent shall forward a copy of the Conversion Request to each Lender as soon as practicable after receipt.

8.2 Conversion of Existing Facility C1 Loans

If:

(a) the Company has delivered a conversion Request under Clause 8.1 (Request for Conversion); and

(b) the conditions in Clause 4.2 (Further Conditions Precedent) would have been met if the Facility C1 Loan to be converted had been a new Term Loan,

then all or a part of each Facility C1 Loan which is outstanding on the relevant Termination Date (equal to the amount specified in the Conversion Request as being converted) shall automatically be converted into a Term Loan in the currency in which the relevant outstanding Facility C1 Loan is denominated at the time of the Conversion Request and shall not be repayable on the original Termination Date pursuant to Clause 7.2 (Repayment of Facility C1 Loans) but shall instead be repayable on the Final C1 Termination Date.

8.3 Conversion of Undrawn Commitment

If:

(a) the Company has delivered a Conversion Request and Utilisation Request for the making of Term Loans under paragraph (a)(ii) and (b) of Clause 8.1 (Request for conversion); and

(b) the conditions in Clause 4.2 (Further Conditions Precedent) would have been met if such Loan had been a new Term Loan,

then a Term Loan shall be made to the Company and shall not be repayable on the original Termination Date under Clause 7.2 (Repayment of Facility C1 Loans) but shall instead be repayable on the Final C1 Termination Date.

8.4 Interest

The first Interest Period for each Term Loan made pursuant to Clauses 8.2 (Conversion of Existing Facility C1 Loans) and Clause 8.3 (Conversion of Undrawn Commitment) shall commence on the original Termination Date, and shall be of a duration determined in accordance with Clause 10 (Interest Periods).

9. PREPAYMENT AND CANCELLATION

9.1 Illegality of a Lender

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its

participation in any Utilisation:

(a) that Lender shall promptly notify the Agent upon becoming aware of that event and in any event at a time which permits the Company to repay that Lender's participation on the date such repayment is required to be made;

(b) upon the Agent notifying the Company, the Commitment of that Lender will be immediately cancelled; and

(c) the Company shall, on the last day of the Interest Period for each Loan occurring after the Agent has notified the Company or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law), repay that Lender's participation in the Loans together with accrued interest on and all other amounts owing to that Lender under the Finance Documents.

9.2 Voluntary cancellation

Provided that the Company shall not cancel the Facility to the extent it would, as a result of such cancellation, not have certain funds (as required under Rule 24.7 of the Code) for the purpose of the Offer, the Company may if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders in respect of the Facility to which such cancellation relates may agree) prior notice, cancel the whole or any part (being a minimum amount of US$50,000,000) of any Facility. Any cancellation under this Clause 9.2 shall reduce rateably the Commitments of the Lenders under that Facility.

9.3 Automatic Cancellation

At the close of business on the last day of the Availability Period in respect of each Facility, the Available Commitment of each Lender under such Facility shall be (if it has not already been) cancelled and reduced to zero.

9.4 Voluntary prepayment of Loans

A Borrower may, if the Company gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders in respect of the relevant Facility may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the Base Currency Amount of that Loan by a minimum amount of US$50,000,000).

9.5 Right of repayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 14.2 (Tax gross-up); or

(ii) any Lender claims indemnification from an Obligor under Clause 14.3 (Tax indemnity) or Clause 15.1 (Increased costs),

the Company may, whilst the circumstance giving rise to the requirement or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loans.

(b) On receipt of a notice referred to in paragraph (a) above, the relevant Commitment of that Lender shall immediately be

reduced to zero.

(c) On the last day of each Interest Period which ends after the Company has given notice under paragraph (a) above (or, if earlier, the date specified by the Company in that notice), each Borrower shall repay that Lender's participation in the Loans to which such Interest Period relates.

9.6 Capital Markets Proceeds

(a) For the purposes of this Clause 9.6:

"Capital Markets Proceeds" means:

(i) the net cash proceeds received by any member of the Group from any capital markets financing (including convertible debt instruments but excluding bank loans) with a maturity of more than one year (after deducting any fees and expenses incurred by any member of the Group in relation to such financings) other than any financing to the extent used to redeem the Loan Notes; and

(ii) 50% of net cash proceeds of any equity issuance in the capital markets by any member of the Group (after deducting any fees and expenses incurred by any member of the Group in relation to such financings) other than any equity issuance contemplated in the Funds Flow Statement and capital contributions made by Cemex Parent or any of its subsidiaries in a company which is a subsidiary of the contributor.

(b) If:

(i) in respect of the Company, the Net Borrowings to Adjusted EBITDA ratio was greater than 2.25:1 when last tested under Clause 22.2 (Financial Condition); or

(ii) in respect of Cemex Holdco, the Consolidated Leverage Ratio (as defined in the Cemex Facility B Agreement) is at any time greater than 2.5:1,

the Company shall procure that on receipt by any member of the Group of Capital Market Proceeds such Capital Market Proceeds are applied as soon as practicable (with a view to avoiding any prepayment, repayment or broken funding costs and expenses) in the repayment of Financial Indebtedness owed by Cemex Holdco or any of its Subsidiaries (including under this Agreement and the Cemex Facility B Agreement).

(c) The Financial Indebtedness to be repaid pursuant to paragraph (b) above shall be Utilisations (or utilisations under the Cemex Facility B Agreement) unless the originally scheduled repayment date of any other Financial Indebtedness is to occur prior to the scheduled repayment date for the next repayable Utilisation (or utilisation under the Cemex Facility B Agreement), in which event, the Company may elect to repay such earlier repayable Financial Indebtedness first.

9.7 Application of mandatory prepayments

A prepayment of Utilisations (or utilisations under the Cemex Facility B Agreement) made under Clause 9.6 (Capital Markets Proceeds) shall be applied as the Company elects.

9.8 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 9 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

(c) A Borrower may not reborrow any part of a Term Loan which is prepaid.

(d) Unless a contrary indication appears in this Agreement, any part of Facility C1 which is prepaid may be reborrowed in accordance with the terms of this Agreement.

(e) No Borrower shall repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

(f) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

(g) If the Agent receives a notice under this Clause 9 it shall promptly forward a copy of that notice to either the relevant Borrower or the affected Lenders, as appropriate.

SECTION 5
COSTS OF UTILISATION

10. INTEREST

10.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(a) Margin;

(b) LIBOR or, in relation to any Loan in euro, EURIBOR; and

(c) Mandatory Cost, if any.

10.2 Payment of interest

On the last day of each Interest Period relating to a Loan each Borrower shall pay accrued interest on the Loan to which that Interest Period relates (and, if the Interest Period is longer than six Months, on the dates falling at six Monthly intervals after the first day of that Interest Period).

10.3 Default interest

(a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest

Periods, each of a duration of one Month. Any interest accruing under this Clause 10.3 shall be immediately payable by the Obligor on demand by the Agent.

(b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two per cent. higher than the rate which would have applied if the overdue amount had not become due.

(c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

11. INTEREST PERIODS

11.1 Selection of Interest Periods

(a) The Company may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Term Loan and has already been borrowed) in a Selection Notice.

(b) Each Selection Notice is irrevocable and must be delivered to the Agent by the Company not later than the Specified Time.

(c) If the Company fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be three Months.

(d) Subject to this Clause 11, the Company may select an Interest Period of one, two, three or six Months, or any other period agreed between the Company and the Agent (acting on the instructions of all the Lenders participating in the relevant Facility).

(e) An Interest Period for a Loan shall not extend beyond the Termination Date applicable to its Facility (or, in the case of any Facility C1 Loan which is converted to a Term Loan under Clause 8 (Conversion of Facility C1), the Final C1 Termination Date).

(f) Each Interest Period for a Term Loan shall start on the Utilisation Date or (if a Loan has already been made) on the last day of its preceding Interest Period.

(g) Prior to any conversion under Clause 8 (Conversion of Facility C1) a Facility C1 Loan has one Interest Period only.

11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

11.3 Consolidation and division of Term Loans

(a) Subject to paragraph (b) below, if two or more Interest Periods relate to Term Loans:

(i) in the same currency;

(ii) of the same period; and

(iii) ending on the same date,

those Term Loans will, unless the Company specifies to the contrary in the Selection Notice for the next Interest Period, be consolidated into, and be treated as, a single Term Loan on the last day of the Interest Period.

(b) Subject to Clause 4.5 (Maximum number of Loans), and Clause 5.3 (Currency and amount) if the Company requests in a Selection Notice that a Term Loan be divided into two or more Term Loans, that Term Loan will, on the last day of its Interest Period, be so divided into the Base Currency Amounts specified in that Selection Notice, being an aggregate Base Currency Amount equal to the Base Currency Amount of the Term Loan immediately before its division.

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Absence of quotations

Subject to Clause 12.2 (Market disruption), if LIBOR or, if applicable, EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable LIBOR or EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

12.2 Market disruption

(a) If a Market Disruption Event occurs in relation to a Loan for any Interest Period, then the rate of interest on each Lender's share of that Loan for the Interest Period shall be the rate per annum which is the sum of:

(i) the Margin;

(ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in that Loan from whatever source it may reasonably select; and

(iii) the Mandatory Cost, if any, applicable to that Lender's participation in that Loan.

(b) In this Agreement "Market Disruption Event" means:

(i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate not being available and none or only one of the Reference Banks supplying a rate to the Agent to determine LIBOR or, if applicable, EURIBOR for the relevant currency and Interest Period; or

(ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent

receiving notifications from a Lender or Lenders (in either case whose participations in a Loan exceed 50 per cent. of that Loan) that the cost to it or them of obtaining matching deposits in the Relevant Interbank Market would be in excess of LIBOR or, if applicable, EURIBOR.

12.3 Alternative basis of interest or funding

(a) If a Market Disruption Event occurs and the Agent or the Company so requires, the Agent and the Company shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest in respect of the relevant Loan.

(b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders participating in the relevant Loan and the Company, be binding on all Parties.

12.4 Break Costs

(a) Each Borrower shall, within three Business Days of demand by a Lender, pay to that Lender its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by that Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming in reasonable detail the amount of its Break Costs for any Interest Period in which they accrue.

13. FEES

13.1 Commitment fee

(a) The Company shall pay to the Agent (for the account of each Lender) a commitment fee in the Base Currency computed at the rate of:

(i) 30 per cent. of the applicable Margin from time to time per annum on that Lender's Available Commitment under Facility C1 for the period commencing on the date of this Agreement and ending on the last day of the Availability Period applicable to Facility C1;

(ii) 30 per cent. for the period of 90 days from the date of this Agreement and 35 per cent. thereafter, in each case, of the applicable Margin from time to time per annum on that Lender's Available Commitment under Facility C2 for the period commencing on the date of this Agreement and ending on the last day of the Availability Period applicable to Facility C2; and

(iii) 30 per cent. for the period of 90 days from the date of this Agreement and 35 per cent. thereafter, in each case, of the applicable Margin from time to time per annum on that Lender's Available Commitment under Facility C3 for the period commencing on the date of this Agreement and ending on the last day of the Availability Period applicable to Facility C3.

(b) The accrued commitment fees set out above are payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the

time the cancellation is effective.

13.2 Arrangement fee

The Company shall pay to the Arranger an arrangement fee in the amount and at the times agreed in the Syndication and Fees Letter.

13.3 Agency fee

The Company shall pay to (or procure payment to) the Agent (for its own account) an agency fee in the amount and at the times agreed in the Syndication and Fees Letter.

13.4 Term-out fee

The Company shall pay the Agent (for the account of each Lender participating in Facility C1) a term-out fee of 0.1 per cent. flat calculated on the Facility C1 Commitments termed-out pursuant to Clause 8 (Conversion of Facility C1). The term-out fee is payable on the exercise by the Company of the term-out option pursuant to Clause 8 (Conversion of Facility C1).

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

14. TAX GROSS UP AND INDEMNITIES

14.1 Definitions

(a) In this Clause 14:

"Protected Party" means a Finance Party which is or will be subject to any liability or required to make any payment, for or on account of Tax, in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Qualifying Lender" means:

(i) 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

(ii) 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 a Borrower to such financial institution hereunder to be subject to any deduction or withholding in Spain; or

(iii) any Domestic Lender.

"Qualifying State" means a member state of the European Union (other than Spain).

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment made under a Finance Document.

"Tax Payment" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (Tax gross-up) or a payment under Clause 14.3 (Tax indemnity).

(b) Unless a contrary indication appears, in this Clause 14 a reference to "determines" or "determined" means a determination made in the absolute good faith discretion of the person making the determination.

14.2 Tax gross-up

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law or regulation.

(b) The Company or a Lender shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. If the Agent receives such notification from a Lender it shall notify the Company and that Obligor.

(c) If a Tax Deduction is required by law or regulation to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due and payable if no Tax Deduction had been required.

(d) 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.

14.3 Tax indemnity

(a) The Company shall (within five Business Days of demand by the Agent) pay to a Protected Party an amount equal to the amount of any Tax assessed on that Protected Party (together with any interest, costs or expenses payable, directly or indirectly, or incurred in connection therewith) in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

(b) Paragraph (a) of this Clause 14.3 shall not apply 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 14.2 (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 14.3 shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Company.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 14.3, notify the Agent.

14.4 Tax Certificates

(a) Without prejudice to the other provisions of this Clause 14, in relation to any exemption from or application of a rate lower than that of general application pursuant to any legislation in Spain or any double taxation treaty, or pursuant to any other cause relating to residence status, any Lender which is not a Domestic Lender shall supply the Company, through the Agent, prior to the interest payment date with a certificate of residence issued by the pertinent fiscal administration, in the case of a Qualifying Lender which is not a Domestic Lender, accrediting such Qualifying Lender as resident for tax purposes in a Qualifying State or, as the case may be, accrediting such Lender as resident for tax purposes in a State which has signed and ratified a double taxation treaty with Spain.

(b) As such certificates referred to in paragraph (a) of this Clause 14.4 are, at the date hereof, 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.

14.5 Stamp Taxes

The Company shall pay and, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document except for any such tax payable in connection with the entering into of a Transfer Certificate.

14.6 Value Added Tax

(a) All consideration expressed to be payable under a Finance Document by any Party to a Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT and such Finance Party shall promptly provide an appropriate VAT invoice to such Party.

(b) Where a Finance Document requires any Party to reimburse a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify that Finance Party against all VAT incurred by the Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment of the VAT.

15. INCREASED COSTS

15.1 Increased costs

(a) Subject to Clause 15.2 (Increased Cost Claims) and Clause 15.3 (Exceptions) the Company shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

(i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

(ii) compliance with any law or regulation,

in each case made after the date of this Agreement.

(b) In this Agreement "Increased Costs" means, without duplication:

(i) a reduction in the rate of return from a Facility or on a Finance Party's (or its Affiliate's) overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitments or funding or performing its obligations under any Finance Document.

15.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 15.1 (Increased costs) shall notify the Agent of the event giving rise to the claim and a calculation evidencing in reasonable detail the amount of such Increased Costs to be claimed by such Finance Party, following which the Agent shall promptly notify the Company and provide the Company with such calculations.

(b) Each Finance Party shall, as soon as practicable after a demand by the Agent provide a certificate confirming the amount of its Increased Costs.

15.3 Exceptions

(a) Clause 15.1 (Increased costs) does not apply to the extent any Increased Cost is:

(i) attributable to a Tax Deduction required by law or regulation to be made by an Obligor;

(ii) compensated for by Clause 14.3 (Tax indemnity) (or would have been compensated for under Clause 14.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (Tax indemnity) applied);

(iii) compensated for by the payment of the Mandatory Cost; or

(iv) attributable to the breach by the relevant Finance Party or its Affiliates of any law or regulation.

(b) In this Clause 15.3, a reference to a "Tax Deduction" has the same meaning given to the term in Clause 14.1 (Definitions).

16. OTHER INDEMNITIES

16.1 Currency indemnity

(a) If any sum due from an Obligor under the Finance Documents (a "Sum"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "First Currency") in which that Sum is payable into another currency (the "Second Currency") for the purpose of:

(i) making or filing a claim or proof against that Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

(a) Each Obligor shall, within five Business Days of demand, indemnify each Finance Party against any cost, loss or liability not otherwise compensated under the provisions of this Agreement and excluding any lost profits, consequential or indirect damages (other than interest or default interest) incurred by that Finance Party as a result of its Commitment or the making of any Loan under the Finance Documents as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 29 (Sharing among the Finance Parties);

(iii) funding, or making arrangements to fund, its participation in a Loan requested by the Company in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or

(iv) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Company.

(b) The Company shall procure that an Obligor will indemnify and hold harmless each Finance Party and each of their respective directors, officers, employees, agents, advisors and representatives (each being an "Indemnified Person") from and against any and all claims, damages, losses, liabilities, costs, legal expenses and other expenses (all together "Losses") which have been incurred by or awarded against any Indemnified Person, in each case arising out of or in

connection with any claim, investigation, litigation or proceeding (or the preparation of any defence with respect thereto) commenced or threatened by any person in relation to any of the Finance Documents (or the transactions contemplated therein, including without limitation, the Offer (whether or not made), the use of the proceeds of the Facilities or any acquisition by the Company or Bidco or any person acting in concert with the Company or Bidco of any of the Target Shares) except to the extent such Losses or claims result from such Indemnified Person's negligence or misconduct or a breach of any Finance Document by an Indemnified Person provided that:

(i) the Indemnified Party shall as soon as reasonably practicable inform the Cemex Parent of any circumstances of which it is aware and which would be reasonably likely to give rise to any such investigation, litigation or proceeding (whether or not an investigation, litigation or proceeding has occurred or been threatened);

(ii) the Indemnified Party will, where reasonable and practicable, and taking into account the provisions of this Agreement, give Cemex Parent an opportunity to consult with it with respect to the conduct or settlement of any such investigation, litigation or proceeding;

(iii) an Indemnified Party will provide the Company on request (and, to the extent practicable without any waiver of legal professional privilege or breach of confidentiality obligation) with copies of material correspondence in relation to the Losses and allow the Company to attend all material meetings in relation to the Losses, receive copies of material legal advice obtained by the Indemnified Party in relation to the Losses;

(iv) the Company will keep strictly confidential all information received by it in connection with the Losses and will not disclose any information to any third party without the prior written consent of the Indemnified Party;

(v) no Obligor shall be liable for any settlement of the Losses unless the Company has consented to that settlement; and

(vi) no Indemnified Party shall be required to comply with paragraphs (i) or (ii) or (iii) nor shall paragraph (v) apply unless the Indemnified Party is and continues to be indemnified on a current basis for its costs and expenses.

Any third party referred to in this paragraph (b) may rely on this Clause 16.2 subject to Clause 1.4 (Third Party Rights) and the provisions of the Third Parties Act.

16.3 Indemnity to the Agent

The Company shall (or shall procure that another Obligor will) promptly indemnify the Agent against any cost, loss or liability directly related to this Agreement incurred by the Agent (acting reasonably and otherwise than by reason of the Agent's gross negligence or wilful misconduct) as a result of:

(a) investigating any event which it reasonably believes (acting prudently and, if possible, following consultation with the Company) is a Default; or

(b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised.

17. MITIGATION BY THE LENDERS

17.1 Mitigation

(a) Each Finance Party shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise after the date of this Agreement and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 9.1 (Illegality of a Lender), Clause 14 (Tax Gross-up and Indemnities) or Clause 15 (Increased Costs) or 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.

17.2 Limitation of liability

(a) The Company shall (or shall procure that another Obligor will) indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (Mitigation).

(b) A Finance Party is not obliged to take any steps under Clause 17.1 (Mitigation) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 Transaction expenses

The Company shall pay the Agent and the Arranger the amount of all transaction costs and expenses as set out in the Costs and Expenses Letter.

18.2 Amendment costs

If (a) an Obligor requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 30.9 (Change of currency), the Company shall, within 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.

18.3 Enforcement costs

The Company shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

SECTION 7
GUARANTEE

19. GUARANTEE AND INDEMNITY

19.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party punctual performance by each Borrower of that Borrower's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and

(c) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

19.2 Continuing Guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by each Borrower under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

19.3 Reinstatement

If any payment by any Borrower or any discharge given by a Finance Party (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

(a) the liability of each Borrower shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

(b) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Borrower, as if the payment, discharge, avoidance or reduction had not occurred.

19.4 Waiver of defences

The obligations of each Guarantor under this Clause 19 will not be affected by an act, omission, matter or thing which, but for this Clause 19, would reduce, release or prejudice any of its obligations under this Clause 19 (without limitation and whether or not known to it or any Finance Party) including:

(a) any time, waiver or consent granted to, or composition with, any Borrower or other person;

(b) the release of any Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal

personality of or dissolution or change in the members or status of a Borrower or any other person;

(e) any amendment (however fundamental) or replacement of a Finance Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

19.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under this Clause 19. This waiver applies irrespective of any law or regulation or any provision of a Finance Document to the contrary.

Each Guarantor also waives any right to be sued jointly with other Guarantors and to share liability resulting from any claim against it.

19.6 Appropriations

Until all amounts which may be or become payable by a Borrower under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other monies, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any monies received from a Guarantor or on account of such Guarantor's liability under this Clause 19.

Provided that the operation of this Clause 19.6 shall not be deemed to create any Security.

19.7 Deferral of Guarantors' rights

Until all amounts which may be or become payable by a Borrower under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

(a) to be indemnified by a Borrower;

(b) to claim any contribution from any other guarantor of any Borrower's obligations under the Finance Documents; and/or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party.

19.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any

Finance Party.

SECTION 8
REPRESENTATION, UNDERTAKINGS AND EVENTS OF DEFAULT

20. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 20 to each Finance Party.

20.1 Status

(a) It is a corporation, duly organised and validly existing under the laws and regulations of its jurisdiction of incorporation.

(b) It has the power to own its assets and carry on its business as it is being conducted.

20.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document are, subject to any reservations which are specifically referred to in any Legal Opinion, legal, valid, binding and enforceable obligations.

20.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) its constitutional documents; or

(c) any agreement or instrument binding upon it or any of its assets.

20.4 Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

20.5 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and

(b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

20.6 Governing law and enforcement

(a) The choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation subject to any reservations which are specifically referred to in any legal opinion.

(b) Any 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.

20.7 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.

20.8 No filing or stamp taxes

Under the laws and regulations of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

20.9 No default

(a) No Default 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.

20.10 No misleading information

(a) Any factual information provided by the Company for the purposes of the Information Memorandum was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) The financial projections contained in the Information Memorandum have been prepared in good faith on the basis of recent historical information (which prior to the Unconditional Date, in the case of Target, will consist of publicly available 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 Company's best estimate of its future performance.

(c) So far as the Company is aware, after reasonable enquiry, nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.

(d) All material 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 material respect.

20.11 Financial statements

(a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied and are complete and accurate in all material respects.

(b) Its Original Financial Statements fairly represent its financial condition and operations during the relevant

financial year.

(c) For the purposes of any repetition of the representation contained in paragraphs (a) and (b) of this Clause 20.11 (pursuant to Clause 20.21 (Times on which representations are made)) the representations will be made in respect of the latest consolidated financial statements of each Obligor instead of the Original Financial Statements.

20.12 Pari passu ranking

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally.

20.13 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which are likely to be adversely determined and which, if so determined, 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.

20.14 Offer Documents Information

Except as expressly permitted pursuant to Clause 23.16 (The Offer), the Offer Documents contain all the material terms of the Offer and the Offer Document reflects the terms of the Press Release in all material respects.

20.15 No winding-up

No legal proceedings or other procedures or steps have been taken or, to the Company's knowledge after reasonable enquiry, are being threatened, in relation to the winding-up, dissolution, administration or reorganisation of any Obligor or Material Subsidiary (other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor).

20.16 Material Adverse Change

There has been no material adverse change in the Company's business, condition (financial or otherwise), operations, performance or assets taken as a whole (or the business, consolidated condition (financial or otherwise) operations, performance or the assets generally of the Group taken as a whole) since its Original Financial Statements.

20.17 Environmental compliance

Each member of the Group has performed and observed in all material respects all Environmental Law, Environmental Permits and all other material covenants, conditions, restrictions or agreements directly or indirectly concerned with any contamination, pollution or waste or the release or discharge of any toxic or hazardous substance in connection with any real property which is or was at any time owned, leased or occupied by any member of the Group or on which any member of the Group has conducted any activity where failure to do so might reasonably be expected to have a Material Adverse Effect.

20.18 Environmental Claims

No Environmental Claim has been commenced or (to the best of its knowledge and belief) is threatened against any member of the Group where that claim would be reasonably likely, if determined against that member of the Group to have a Material Adverse Effect.

20.19 No Immunity

In any proceedings taken in its jurisdiction of incorporation in relation to this Agreement, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

20.20 Private and commercial acts

Its execution of the Finance Documents constitutes, and its exercise of its rights and performance of its obligations hereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

20.21 Times on which representations are made

(a) All the representations and warranties in this Clause 20 are made to each Finance Party on the date of this Agreement except for the representations and warranties set out in Clause 20.10 (No misleading information) which are deemed to be made by each Obligor on the date that the Information Memorandum is approved by Bidco and on the date the Facilities are primarily syndicated (and for this purpose, the Information Memorandum referred to therein shall be the Information Memorandum as updated in accordance with the principles agreed between the Arranger and Bidco).

(b) The Repeating Representations are deemed to be made by each Obligor to each Finance Party on the Unconditional Date, the date of each Utilisation Request and on the first day of each Interest Period provided that in respect of any Acquisition Utilisation made during the Certain Funds Period, only the Major Representations will be deemed to be repeated by the relevant Obligor on the date such Acquisition Utilisation is made and on first day of each Interest Period relating thereto and provided further that the representations given in Clause 20.14 (Offer Documents Information) shall not be repeated after the end of the Certain Funds Period.

(c) The Repeating Representations and each of the representations and warranties set out in Clause 20.5 (Validity and admissibility in evidence), 24.6 (Insolvency), Clause 20.9 (No default), and Clause (b) of Clause 20.10 (No misleading information) (in respect only of information given by it) are deemed to be made by each Additional Guarantor to each Finance Party on the day on which it becomes an Additional Guarantor and are repeated on the Unconditional Date for the Target Group.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be made by reference to the facts and circumstances existing at the date the representation or warranty is made.

21. INFORMATION UNDERTAKINGS

The undertakings in this Clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

21.1 Financial statements

The Company shall supply to the Agent:

(a) as soon as the same become available, but in any event within 180 days after the end of each of such Obligor's respective financial years:

(i) the Company's audited consolidated and unconsolidated financial statements for that financial year; and

(ii) each 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 of the first three quarters of each of its financial years its unaudited consolidated financial statements for that period.

21.2 Compliance Certificate

(a) The Company shall supply to the Agent, with each set of consolidated financial statements delivered pursuant to paragraphs (a) (i) and (b) of Clause 21.1 (Financial statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (Financial Covenants) as at the date as at which those financial statements were drawn up.

(b) Each Compliance Certificate shall be signed by an Authorised Signatory of the Company and, if required to be delivered with the consolidated financial statements delivered pursuant to paragraph (a) (i) of Clause 21.1 (Financial statements), by the Company's auditors.

21.3 Requirements as to financial statements

(a) Each set of financial statements delivered by the Company pursuant to Clause 21.1 (Financial statements) shall be certified by an Authorised Signatory of the relevant company as fairly representing its financial condition as at the date as at which those financial statements were drawn up.

(b) The Company shall procure that each set of financial statements delivered pursuant to Clause 21.1 (Financial statements) is prepared using GAAP and accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, or the accounting practices or reference periods and, unless amendments are agreed in accordance with paragraph (c) of this Clause 21.3, its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:

(i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 22 (Financial covenants) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

(c) If the Company adopts International Accounting Standards or, subject to paragraph (b) above, there are changes to GAAP, or the accounting practices or reference periods the Company and the Agent shall, at the Company's request, negotiate in good faith with a view to agreeing such amendments to the financial

covenants in Clause 22 (Financial Covenants) and the ratios used to calculate the Margin and, in each case, the definitions used therein as may be necessary to ensure that the criteria for evaluating the Group's financial condition grant to the Lenders protection equivalent to that which would have been enjoyed by them had the Company not adopted International Accounting Standards or there had not been a change in GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the Company subject to the consent of the Majority Lenders. If no such agreement is reached within 90 days of the Company's request, the Company will remain subject to the obligation to deliver the information specified in paragraph (b) of this Clause 21.3.

21.4 Information: miscellaneous

The Company shall supply to the Agent:

(a) all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, or which, to the Company's knowledge after reasonable enquiry, are being threatened or are pending and are likely to be adversely determined against any member of the Group which, in the reasonable opinion of the Company, are not spurious or vexatious, and which might, if adversely determined, have a Material Adverse Effect;

(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 Ratings, 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 Company shall use reasonable efforts to be released from any such confidentiality agreement; and

(d) promptly upon becoming aware of them, the details of any Environmental Claim which is current, threatened or pending against any member of the Group which is referred to in Clause 23.12 (Environmental claims) which are not spurious or vexatious, which are likely to be adversely determined against any member of the Group and which could reasonably be expected, if adversely determined, to have a Material Adverse Effect;

21.5 Notification of default

(a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Agent, the Company shall supply to the Agent a certificate signed by an Authorised Signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

21.6 "Know your client" checks

(a) Each Obligor shall promptly upon the request of the Agent or any Lender and each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the transactions contemplated in the Finance Documents.

(b) The Company shall, by not less than five Business Days' written notice to the Agent, notify the Agent (which shall promptly notify the Lenders) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 26 (Changes to the Obligors).

(c) Following the giving of any notice pursuant to paragraph (b) above, the Company shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective New Lender) in order for the Agent, such Lender or any prospective New Lender to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the accession of such Additional Obligor to this Agreement.

21.7 Notarisations

Each Obligor shall notify the Agent of any Notarisations referred to in paragraph (a)(iv) of Clause 23.5 (Notarisation) promptly upon such Notarisations taking place.

22. FINANCIAL COVENANTS

22.1 Financial definitions

In this Clause 22:

"Adjusted EBITDA" means, for any Relevant Period, the sum of (a) EBITDA and (b) with respect to any business acquired during such period, the sum of (i) the operating income and (ii) depreciation and amortization expense for such business, as determined in accordance with GAAP for such Relevant Period, provided that the Company need only make the adjustments contemplated by "(b)" above if the operating income and depreciation and amortization expense of the acquired business in the 12 Months prior to its acquisition amount to US$10,000,000 or more.

"Cemex Capital Contributions" means contributions in cash to the capital of the Company by CEMEX S.A. de C.V. or by any of its Subsidiaries not being a Subsidiary of the Company made after 1 January 2004.

"EBITDA" means for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortisation of intangible assets plus annual amortisation of start-up costs of the Group plus dividends received from non-consolidated companies and from companies consolidated by the equity method plus an amount equal to the amount of Cemex Capital Contributions made during 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 of Financial Indebtedness of another person (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 Company and its Subsidiaries at such time: cash on hand, marketable securities, investments in money market funds, banker's acceptances, short-term deposits and other liquid investments.

"Off-Balance-Sheet Transactions" means any present or future financing transaction not reflected as indebtedness on the consolidated balance sheet of the Company, 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 C3; 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 each consecutive quarter of the Company's financial year and each period of twelve Months ending on the last day of the Company's financial year.

"Rolling Basis" means the calculation of a ratio or an amount made at the end of a financial quarter in respect of that financial quarter

and the three immediately preceding financial quarters.

"Royalty Expenses" means expenses incurred by the Company or any of its Subsidiaries to CEMEX S.A. de C.V. or any of its Subsidiaries not being a Subsidiary of the Company as (a) consideration for the granting to the Company or any Subsidiary of a licence to use, exploit and enjoy Intellectual Property Rights and any other intangible assets such as, but not limited to, know-how, formulae, process technology and other forms of intellectual and industrial property, whether or not registered, held by CEMEX S.A. de C.V. or any of its Subsidiaries not being a Subsidiary of the Company; or (b) fees, commissions or other amounts accrued in respect of any management contract, services contract, overhead expenses allocation arrangement or any other similar transaction; provided that in paragraphs (a) and (b) such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

"Subordinated Debt" means debt granted 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 Company or any of its Subsidiaries on terms such that no payments of principal may be made thereunder (including but not limited to following any winding up, concurso de acreedores or other like event of the Company) 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.

22.2 Financial condition

The Company shall ensure that in respect of any Relevant Period:

(a) the ratio of Net Borrowings to Adjusted EBITDA calculated on a Rolling Basis shall be less than or equal to 3.5:1; and

(b) the ratio of EBITDA to Finance Charges calculated on a Rolling Basis shall be greater than or equal to 3:1.

22.3 Financial testing

The financial covenants set out in Clause 22.2 (Financial condition) shall be tested quarterly by reference to each of the Company's consolidated financial statements delivered pursuant to and/or each Compliance Certificate delivered with respect to any such consolidated financial statements pursuant to Clause 21.1 (Financial statements) and Clause 21.2 (Compliance Certificate).

22.4 Accounting terms

All accounting expressions which are not otherwise defined herein shall have the meaning ascribed thereto in GAAP.

23. GENERAL UNDERTAKINGS

The undertakings in this Clause 23 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

23.1 Authorisations

Each Obligor shall promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

23.2 Preservation of corporate existence

Subject to Clause 23.8 (Merger), each Obligor shall (and the Company shall ensure that each of its Material Subsidiaries will), preserve and maintain its corporate existence and rights.

23.3 Preservation of properties

Each Obligor shall (and the Company shall ensure that each of its Material Subsidiaries 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.

23.4 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 Company shall (and shall procure that each of its Subsidiaries 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 (including ERISA) and regulations, except where failure to make such contributions would not reasonably be expected to have a Material Adverse Effect.

23.5 Notarisation

(a) Subject to paragraph (b) of this Clause 23.5, at any time when notarised Spanish Public Documents have priority status on insolvency of a Spanish company under Spanish law, the Company 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 11 (Existing Notarisations) and any amendments or modifications thereof, provided that any such amendment or modification shall not result in the increase of the principal amount of the relevant indebtedness nor the extension of the maturity thereof nor, for the avoidance of doubt, relate to any refinancing of the relevant indebtedness;

(ii) Notarisations which are required by applicable law or regulation or which arise by operation of law other than pursuant to any issue of debt securities in accordance with Article 285 of the Spanish Corporations Law (Ley de Sociedades 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 US$100,000,000 (or its equivalent in another currency or currencies); and

(v) any Notarisations relating to indebtedness in respect of any sale and purchase agreement customarily registered in a public register in Spain and payment of which indebtedness is made within seven days of the date of such agreement.

(b) Paragraph (a) of this Clause 23.5 shall not apply if the Company, concurrently with any such Notarisation (not being a Permitted Notarisation) referred to in paragraph (a) of this Clause 23.5 and at its own cost and expense, causes this Agreement to be the subject of a Notarisation.

23.6 Negative pledge

The Company shall not and shall not permit any of its Subsidiaries 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 10 (Existing Security) provided that the principal amount secured thereby is not increased;

(f) any Security on property acquired by the Company or any of its Subsidiaries after the date of this Agreement that was existing on the date of acquisition of such property provided that such Security was not incurred in anticipation of such acquisition; and any Security created to secure all or any 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 Company or any of its Subsidiaries after the date of this Agreement provided, further, that (i) any such Security permitted pursuant to this paragraph (f) shall be confined solely to the item or items of property so acquired (including, in the case of any acquisition of a corporation through the acquisition of 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 (in the form of Security) other than in relation to the item or items as referred to in (i) above;

(g) any Security renewing, extending or refinancing the indebtedness to which any Security permitted by paragraph (f) above relates; provided that the principal amount of indebtedness secured by such Security immediately prior thereto is not increased and such Security is not extended to other property;

(h) any Security created on shares representing no more than a Stake in the capital stock of any of the Company's Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose corporation (including any entity with legal personality) of which such shares constitute the sole assets provided that 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 Company's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Clause 23.7 (Disposals) and provided further that such Security may not secure Financial Indebtedness of the Company or any Subsidiary unless otherwise permitted under this Clause 23.6 and that the economic and voting rights in such capital stock is maintained by the Company in its Subsidiaries;

(i) any Security permitted by the Agent, acting on the instructions of the Majority Lenders;

(j) any 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;

(k) any Security created which is necessary in order to undertake the steps contemplated in the Funds Flow Statement; and

(l) in addition to the Security permitted by the foregoing paragraphs (a) to (k), Security securing indebtedness of the Company 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 23.6, "Adjusted Consolidated Net Tangible Assets" means, with respect to any person, the total assets of such person and its Subsidiaries (less applicable

depreciation, amortisation and other valuation reserves), including any write-ups or restatements required under GAAP (other than with respect to items referred to in (ii) below), minus (i) all current liabilities of such person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licences, concessions, patents, un-amortised debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with GAAP.

23.7 Disposals

(a) Subject to paragraph (b) of this Clause 23.7, the Company shall not (and the Company shall ensure that none of its Subsidiaries 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 Company, delivered pursuant to paragraph (a) (i) of Clause 21.1 (Financial statements), unless (i) full value for such assets is received by the Company or its Subsidiaries; (ii) an amount equal to the net proceeds of any such sale, lease, transfer or other disposal is reinvested within twelve Months of receipt by the Company or its Subsidiaries in the business of the Group; and (iii) neither such sale, lease, transfer or other disposal nor such reinvestment directly results in a downgrade from the then current Ratings of the Company.

(b) Paragraph (a) of this Clause 23.7 does not apply to any sale, lease, transfer or other disposal of assets:

(i) made on arm's length terms and for fair market value in the ordinary course of business of the disposing entity;

(ii) in respect of any 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) in respect of which the net proceeds are used to repay

any amounts outstanding hereunder in an amount equal to such net proceeds and if the Available Commitments in an amount equal thereto are cancelled;

(v) in respect of which the proceeds are applied pursuant to any prepayment requirement 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; or

(vi) contemplated in the Funds Flow Statement.

23.8 Merger

(a) Subject to paragraphs (b) and (c) of this Clause 23.8, unless it has obtained the prior written approval of the Majority Lenders, no Obligor shall (and the Company shall ensure that none of its Subsidiaries will) enter into any amalgamation, demerger, merger or other corporate reconstruction (a "Reconstruction"), other than (i) a Reconstruction relating only to the Company's Subsidiaries inter se; (ii) a Reconstruction between the Company and any of its Subsidiaries; (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; or (iv) as contemplated in the Funds Flow Statement.

(b) Subject to paragraph (c) of this Clause 23.8, the Obligors may merge with any other person if the book value of such person's assets prior to the merger does not exceed 3 per cent. of the book value of the Group's assets taken as a whole considered on a consolidated basis.

(c) In paragraphs (a) and (b) of this Clause 23.8, the then existing Ratings of the Company shall not be downgraded whether at the time of, or within 3 Months of, the date of announcement of a Reconstruction, directly as a result of any merger involving the Company, and the resulting entity, if it is not an Obligor, shall assume the obligations of the Obligor the subject of the merger.

23.9 Change of business

(a) None of the Obligors shall make a substantial change to the general nature of its business from that carried on at the date of this Agreement and there shall be no cessation of business in relation to any of the Obligors (save (except in the case of the Company which shall in no event cease or substantially change its business) unless another Obligor continues to operate any such business).

(b) The Company 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.

23.10 Insurance

The Obligors shall (and the Company 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 where such insurance is available on reasonable commercial terms.

23.11 Environmental Compliance

The Company shall (and the Company shall ensure that each of its Subsidiaries 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.

23.12 Environmental Claims

The Company shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of the same:

(a) if any Environmental Claim has been commenced or (to the best of the Company's knowledge and belief) is threatened against any member of the Group which is likely to be determined adversely to the 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.

23.13 Transactions with Affiliates

Except as contemplated in the Funds Flow Statement in respect of the option to purchase Bidco shares referred to therein, each Obligor shall (and the Company 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.

23.14 Pari passu ranking

Save as regards Permitted Nortarisations, each Obligor shall ensure that at all times its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally from time to time.

23.15 Subsidiary Financial Indebtedness incurrence

If, at any time following the date falling 90 days after the first Utilisation after the Unconditional Date, the aggregate outstanding principal amount of Financial Indebtedness of the Subsidiaries of the Company exceeds the amount which is the Threshold Percentage (defined below) of the aggregate total assets of the Group (as shown in the latest consolidated financial statements of the Company delivered under Clause 21 (Information Undertakings)), then for so long as such remains the case, no Subsidiary of the Company may, directly or indirectly, refinance any of its Financial Indebtedness nor create, incur, assume, guarantee, have outstanding or otherwise become liable with respect to any new Financial Indebtedness other than:

(a) Financial Indebtedness owed under or in respect of or by way of guarantee of the fixed rate senior notes issued by Cemex Espana Finance LLC pursuant to a Note Purchase Agreement dated as of June 23, 2003;

(b) Financial Indebtedness of Subsidiaries existing on the date of this Agreement up to US$100,000,000 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 paragraph (b) 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, refinancing and refundings shall be counted against the foregoing amount; and

(Y) any Financial Indebtedness incurred in a currency other than dollars pursuant to this paragraph (b) shall continue to be permitted under this paragraph (b), notwithstanding any fluctuation in currency values, as long as the outstanding principal amount of such Financial Indebtedness (denominated in its original currency) does not exceed the maximum amount of such Financial Indebtedness (denominated in such currency) permitted to be outstanding on the date such Financial Indebtedness was incurred);

(c) Financial Indebtedness of a Subsidiary owed to the Company or another Subsidiary;

(d) Financial Indebtedness of a Subsidiary that is:

(i) outstanding at the time such Subsidiary became 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 and provided that there is no recourse to any member of the Group other than such Subsidiary following the date falling 60 days after such Subsidiary became a Subsidiary;

(e) any Financial Indebtedness extending the maturity of the Financial Indebtedness referred to in paragraph (d) above, or any refunding or refinancing of the same, provided that the principal amount of such Financial Indebtedness shall not be increased above the principal amount thereof outstanding immediately prior to such extension, refunding or refinancing;

(f) Financial Indebtedness of a Subsidiary which:

(i) has been formed for the purpose of, and whose primary activities are, the issuance or other incurrence of

debt obligations to Persons other than Affiliates of the Company and the lending or other advance of the net proceeds of such debt obligations (whether directly or indirectly) to the Company or any Guarantor which is a Holding Company (as defined in sub-Clause 26.3 (Additional Obligors)); and

(ii) has no significant assets other than promissory notes and other contract rights in respect of funds advanced to the Company or such Guarantors; and

(g) 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 the Company or its Subsidiaries pursuant to such pooling arrangement.

"Threshold Percentage" means fifteen per cent. (15%) save that when seventy five per cent. or more of the issued ordinary share capital of the Target are owned by members of the Group and the long term public debt rating of the Company most recently published by the relevant Ratings Agency (following the Unconditional Date and taking account of the acquisition by Bidco of the Target), is lower than BBB- (as rated by S&P) and Baa3 (as rated by Moody's), the Threshold Percentage shall be reduced to ten per cent. (10%).

23.16 Refinancing Relevant Target Facilities

(a) To the extent necessary for the Company to be in compliance with the requirements of Clause 23.15 (Subsidiary Financial Indebtedness incurrence), the Company will procure that once the Target has become a Subsidiary of Bidco, any undrawn commitment under the Relevant Target Facilities will be cancelled and any outstanding Financial Indebtedness of the Target or any member of the Target Group under such Relevant Target Facilities will be refinanced (and any Security given in relation thereto released and discharged), in each case, as soon as practicable (with a view to avoiding any prepayment, repayment or broken funding costs and expenses).

(b) The Company will, as soon as practicable after the date or dates upon which any Target Shares are acquired by Bidco, ensure that those shares are registered in the register of shareholders of Target.

23.17 Under 75% Restrictions

(a) If on the Unconditional Date, Bidco owns less than seventy five per cent. (75%) of the Ordinary Shares, the Company shall procure that:

(i) as soon as reasonably practicable and in any event not later than 60 days after the Unconditional Date, the Target (and each Subsidiary of the Target which is a borrower under Relevant Target Facilities or any other Financial Indebtedness of the Target (or such Subsidiary) which becomes repayable before the end of such 60 day period) accedes to this Agreement as an Additional Borrower; and

(ii) to the extent available, Facility C1 Loans are borrowed by the Target (or its relevant Subsidiary) and used in repayment of Relevant Target Facilities (or any other Financial Indebtedness of the Target Group which becomes repayable before the end of such 60 day period) as soon as practicable (with a view to avoiding any prepayment, repayment or broken funding costs and expenses) and such repayment shall be

permitted for the purpose of Clause 23.15 (Subsidiary Financial Indebtedness incurrence) and shall not create a breach thereof.

(b) To the extent Facility C1 Loans are available for utilisation, at any time when Bidco owns less than seventy five per cent. (75%) of the Ordinary Shares, the Company shall ensure that no member of the Group (other than a member of the Target Group) shall incur any obligation in respect of any Financial Indebtedness of any member of the Target Group or provide any loan or investment or other financial assistance to any member of the Target Group to assist such person in servicing or repaying any Financial Indebtedness save as regards guarantees of the Facilities.

23.18 The Offer

The Company further undertakes to ensure that:

(a) if it has not already done so, Bidco shall issue the Press Release within 7 Business Days of the date of this Agreement;

(b) without the prior agreement of the Majority Lenders Bidco will not:

(i) take or permit to be taken any step as a result of which any increase in the offer price for any of the Target Shares from that specified in the Press Release is or may be required to be made save to the extent funded out of additional equity or subordinated debt;

(ii) declare the Offer unconditional as to acceptances until it has acquired or agreed to acquire (either pursuant to the Offer or otherwise) shares in the Target carrying over 50% of the voting rights attributable to the Target's share capital (ignoring any shares in the Target held in treasury); or

(iii) (and will procure that no member of the Group will) issue any press release or make any public statement or announcement which makes reference to the Facilities or to some or all of the Finance Parties, unless required by law or by the Code (in which case Bidco shall notify the Agent as soon as practicable upon becoming aware of the requirement) (other than the Press Release or any amended or updated Press Release, the form of which has been approved by the Arranger);

(c) Bidco will:

(i) comply in all material respects with the Code (subject to any waivers granted by the Panel) and all applicable laws and regulations relevant in the context of the Offer;

(ii) keep the Agent informed as to the status and progress of the Offer and, in particular, will from time to time and promptly upon request give to the Agent reasonable details as to the current level of acceptances of the Offer;

(iii) promptly supply to the Agent:

(A) copies of all documents, certificates, notices or announcements received or issued by it (or on its behalf) in relation to the Offer (including every material certificate

delivered by the receiving agent for the Offer to it and/or its advisers pursuant to the Code); and

(B) any other information regarding the progress of the Offer as the Agent may reasonably request;

(iv) other than pursuant to the Offer or sections 428-430 of the Companies Act 1985, not purchase any Target Shares if to do so would compel it, and shall otherwise ensure that it is not obliged, to make a mandatory offer under Rule 9 of the Code;

(v) comply in all material respects with all of its obligations under the Scheme;

(d) if Bidco becomes aware of a circumstance or event which, if not waived, would entitle Bidco (with the Panel's consent, if needed) to lapse or withdraw the Offer it shall promptly notify the Agent;

(e) Bidco will promptly give notices under Section 429 of the Companies Act 1985 in respect of all classes of the Target Shares upon the conditions contained in the Companies Act 1985 for the giving of those notices being satisfied; and

(f) all of the ordinary share capital (including any convertible securities or share options) of the Target will be subject to the Offer (except for any such shares already owned by Cemex Parent and its Subsidiaries).

23.19 Payment restrictions affecting Subsidiaries

The Company 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 Company shall use its reasonable endeavours to remove such limitations. If however, such limitations are reasonably likely to affect the ability of the Company to satisfy its payment obligations under this Agreement, the Company shall use its best endeavours to remove such limitations as soon as possible;

or

(b) repay or capitalise any intercompany indebtedness owed by any Subsidiary to any Obligor and, for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Clause 23.19.

23.20 Indebtedness of Guarantors

None of the Guarantors (other than the Company) 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;

(d) Financial Indebtedness in relation to the Loan Notes; and

(e) Financial Indebtedness not falling within paragraphs (a) to (d) above, in an aggregate amount not exceeding EUR3,000,000 (or the equivalent thereof in any other currency).

23.21 Notification of adverse change in Ratings

The Company shall promptly notify the Agent of any change in its Ratings or Outlook.

23.22 Company/Bidco Intercompany Loan

The Company shall immediately on receipt of relevant funds on-lend to Bidco pursuant to the Company/Bidco Intercompany Loan Agreement the proceeds of all Loans.

23.23 Ownership of Bidco

The Company shall procure that Bidco becomes its direct wholly owned Subsidiary by the date falling one hundred (100) days after the Unconditional Date or, if such is not practicable, as soon as practicable after such date.

24. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 24 is an Event of Default.

24.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless such failure to pay is caused by an administrative error or technical difficulties within the banking system in relation to the transmission of funds and payment is made within three Business Days of its due date.

24.2 Financial Covenants

Any requirement of Clause 22 (Financial Covenants) is not satisfied.

24.3 Other obligations

(a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 24.1 (Non-payment) and Clause 22 (Financial covenants)).

(b) No Event of Default under paragraph (a) of this Clause 24.3 above will occur if the failure to comply is capable of remedy and is remedied within fifteen Business Days of the Agent giving written notice to the Company or the Company becoming aware of the failure to comply whichever is the earlier.

24.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

24.5 Cross acceleration

(a) Any Financial Indebtedness of any Obligor or member of the

Group 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 24.5 if the aggregate amount of Financial Indebtedness falling within paragraphs (a) and (b) of this Clause 24.5 above is less than $50,000,000 (or its equivalent in any other currency or currencies).

24.6 Insolvency

(a) Any of the Obligors or Material Subsidiaries is unable or admits inability to pay its debts as they fall due or, by reason of actual or anticipated financial difficulties, suspends making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any of the Obligors or Material Subsidiaries is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any of the Obligors or Material Subsidiaries.

24.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any of the Obligors or Material Subsidiaries other than a solvent liquidation or reorganisation of any of the Material Subsidiaries not being Obligors;

(b) a composition, assignment or arrangement with any class of creditor of any of the Obligors or Material Subsidiaries;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of any of the Material Subsidiaries 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.

This paragraph shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement.

24.8 Expropriation and sequestration

Any expropriation or sequestration affects any asset or assets of any Obligor or any Material Subsidiary and has a Material Adverse Effect.

24.9 Creditors' process and enforcement of Security

(a) Any Security is enforced against any Obligor or any Material Subsidiary.

(b) Any attachment, distress or execution affects any asset or assets of any Obligor or any Material Subsidiary which is reasonably likely to cause a Material Adverse Effect.

(c) No Event of Default under paragraphs (a) or (b) of this Clause 24.9 above will occur if:

(i) the action is being contested in good faith by appropriate proceedings;

(ii) the principal amount of the indebtedness secured by such Security or in respect of which such attachment, distress or execution is carried out represents less than $50,000,000 (or its equivalent in any other currency or currencies); and

(iii) the enforcement proceedings, attachment, distress or execution is or are discharged within 60 days of commencement.

24.10 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.

24.11 Unlawfulness

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents where non-performance is reasonably likely to cause a Material Adverse Effect.

24.12 Repudiation

An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

24.13 Change of Control

If CEMEX, S.A. de C.V. ceases to:

(a) be entitled to (whether by way of ownership of shares (directly or indirectly), 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 Company;

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Company;

(iii) give directions with respect to the operating and financial policies of the Company which the directors or other equivalent officers of the Company are obliged to comply with; or

(b) hold at least 51 per cent. of the common shares in the Company.

24.14 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.

24.15 Completion of Funds Flow

If Bidco has not become a wholly-owned Subsidiary of the Company pursuant to the steps and on the basis outlined in the Funds Flow Statement by the date falling as soon as practicable but, in any case, 100 days after the Unconditional Date.

24.16 Acceleration

On and at any time after the occurrence of an Event of Default the Agent may, while such Event of Default is continuing and shall if so directed by the Majority Lenders, by notice to the Company:

(a) cancel the Total Commitments whereupon they shall immediately be cancelled;

(b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

24.17 Clean Up Period

If during the Clean-Up Period a matter or circumstance exists in respect of the Target and/or any member of the Target Group which would constitute a breach under the Finance Documents including (i) a breach of any representation or warranty made in Clause 20 (Representations), or (ii) a breach of any covenant set out in Clause 23 (General Undertakings) or (iii) a Default, such matter or circumstance will not constitute a Default until after the end of the Clean-Up Period, provided that reasonable steps are being taken to cure such matter or circumstance (following Bidco or Cemex Parent becoming aware of the same), unless such matter or circumstance (1) could reasonably be expected to have a Material Adverse Effect (assuming for this purpose that the definition thereof is deemed to be adjusted such that sub paragraph (c) thereof refers solely to payment obligations and financial covenant obligations) or (2) has been procured by, or approved by, Cemex Parent or Bidco.

SECTION 9
CHANGES TO PARTIES

25. CHANGES TO THE LENDERS

25.1 Assignments and transfers by the Lenders

Subject to this Clause 25, a Lender (the "Existing Lender") may:

(a) assign any of its rights and benefits in respect of any Utilisation; or

(b) transfer by novation any of its rights, benefits and obligations in respect of any Commitment or any Utilisation,

to another bank or financial institution or to a securitisation trust or fund or (subject to paragraph (a) of Clause 25.2 (Conditions of assignment or transfer)) other entity (the "New Lender").

25.2 Conditions of assignment or transfer

(a) The Borrower must be given prior notification of any

assignment or transfer becoming effective under Clause 25.1 (Assignments and transfers by the Lenders) and the consent of the Company 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 Company to an assignment or transfer must not be unreasonably withheld or delayed. The Company 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 Company within that time.

(c) An assignment will only be effective on:

(i) receipt by the Agent of written confirmation from the New Lender that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it was an Original Lender; and

(ii) the satisfaction of the Agent with the results of all "know your client" or other checks relating to the identity of any person that it is required by law to carry out in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.

(d) A transfer will only be effective if the procedure set out in Clause 25.5 (Procedure for transfer) is complied with.

(e) If:

(i) a Lender assigns or transfers any of its rights, benefits or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (Tax gross-up and indemnities) or Clause 15 (Increased costs),

then the New Lender or Lender acting through its new Facility Office is 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.

(f) In addition to the other assignment rights provided in this Clause 25, each Lender may assign, as collateral or otherwise, any of its rights under this Agreement (including rights to payments of principal or interest on the Loans) to any trustee for the benefit of the holders of such Lender's securities provided that no such assignment shall release the assigning Lender from any of its obligations under this Agreement.

25.3 Assignment or transfer fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US$2,000, except no such fee shall be payable in connection with an assignment or transfer to a New Lender upon primary syndication of the Facilities.

25.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender

makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;

(ii) the financial condition of any Obligor;

(iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law or regulation are excluded.

(b) Each New Lender confirms to the Existing Lender, and the other Finance Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause 25; or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

25.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 25.2 (Conditions of assignment or transfer) a transfer is effected in accordance with paragraph (b) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate and send a copy to the Company.

(b) On the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights, and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be

released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the "Discharged Rights and Obligations");

(ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

(iii) the Agent, the Arranger, the New Lender and the other Lenders, shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights, and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arranger and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "Lender".

25.6 Copy of Transfer Certificate to Borrower

The Agent shall, as soon as reasonably practicable after it has received a Transfer Certificate, send to the Company a copy of that Transfer Certificate.

25.7 Disclosure of information

(a) Any Lender may disclose to any of its Affiliates and any other person:

(i) to (or through) whom that Lender assigns or transfers (or may potentially assign or transfer) all or any of its rights and obligations under the Finance Documents;

(ii) with (or through) whom that Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents; or

(iii) to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about any Obligor, the Group and the Finance Documents as that Lender shall consider appropriate provided that the person to whom the information is to be given has entered into a Confidentiality Undertaking.

25.8 Interest

All interest accrued in the Interest Period in which a transfer is effective shall be paid to the Existing Lender.

26. CHANGES TO THE OBLIGORS

26.1 Assignment and Transfers by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

26.2 Additional Borrowers

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.6 ("Know your customer" checks), the Company may request that any of its wholly owned Subsidiaries which is not a dormant Subsidiary becomes an Additional Borrower. That Subsidiary shall become an Additional Borrower if:

(i) all the Lenders approve the addition of that Subsidiary;

(ii) the Company and that Subsidiary deliver to the Agent a duly completed and executed Accession Letter;

(iii) the Subsidiary is (or becomes) a Guarantor prior to becoming a Borrower;

(iv) the Company confirms that no Default is continuing or would occur as a result of that Subsidiary becoming an Additional Borrower; and

(v) the Agent has received all of the documents and other evidence listed in Part II of Schedule 2 (Conditions precedent to be delivered by an Additional Obligor) in relation to that Additional Borrower, each in form and substance satisfactory to the Agent.

(b) The Agent shall notify the Company and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part II of Schedule 2 (Conditions precedent to be delivered by an Additional Obligor).

26.3 Additional Guarantors

(a) Subject to compliance with the provisions of paragraphs (b) and (c) of Clause 21.6 ("Know your client" checks), the Company may request that any of its wholly owned Subsidiaries become an Additional Guarantor.

(b) The Company 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 23.7 (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 23.7 (Disposals) or otherwise, such Subsidiary or the Holding Company of such Material Subsidiary (at the election of the Company) 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 Company delivering to the Agent a duly-completed and executed Accession Letter; and

(B) the Agent receiving from the Company all of the documents and other evidence referred to in Part II of Schedule 2 (Conditions Precedent required to be delivered by an Additional Obligor) in relation to that Additional Guarantor.

(c) The Agent shall notify the 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 Obligor).

(d) For the purposes of this Clause 26.3 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)).

26.4 Resignation of Guarantor

A Guarantor (a "Resigning Guarantor") will cease to be a Guarantor if:

(a) it makes a sale, lease, transfer or other disposal of all or substantially all (but not a part only) of its assets to another member of the Group which is or becomes a Guarantor in accordance with paragraph (a) (i) of Clause 26.3 (Additional Obligors); or

(b) its Holding Company becomes a Guarantor,

provided that:

(i) such Resigning Guarantor also, if applicable, ceases concurrently to be a guarantor in respect of any other indebtedness of the Group or of any member of the Group;

(ii) such Resigning Guarantor notifies the Agent of any sale, lease, transfer or other disposal in accordance with paragraph (a) of this Clause 26.4; and

(iii) the Company may not resign as a Guarantor without the consent of all Lenders.

26.5 Repetition of Representation

Delivery of an Accession Letter constitutes confirmation by the relevant Affiliate that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

SECTION 10
THE FINANCE PARTIES

27. ROLE OF THE AGENT AND THE ARRANGER

27.1 Appointment of the Agent

(a) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Arranger and the Lenders, authorises the Agent to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

27.2 Duties of the Agent

(a) The Agent shall promptly forward to a Party the original or a copy of any document (including, but not limited to, the Company's annual financial statements) which is delivered to the Agent for that Party by any other Party.

(b) The Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to

another Party.

(c) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(d) If the Agent is aware of the non-payment of any principal, interest or fee payable to a Finance Party (other than the Agent or the Arranger) under this Agreement it shall promptly notify the other Finance Parties.

(e) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

27.3 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

27.4 No fiduciary duties

(a) Nothing in this Agreement constitutes the Agent and/or the Arranger, as a trustee or fiduciary of any other person.

(b) Neither the Agent nor the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

27.5 Business with the Group

The Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

27.6 Rights and discretions

(a) The Agent may rely on:

(i) any representation, notice or document (including, for the avoidance of doubt, any representation, notice or document communicating the consent of the Majority Lenders pursuant to Clause 36.1 (Required consents)) believed by it to be genuine, correct and appropriately authorised; and

(ii) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

(b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 24.1 (Non-payment));

(ii) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised; and

(iii) any notice or request made by the Company (other than a Utilisation Request or Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligors.

(c) The Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(d) The Agent may act in relation to the Finance Documents through its personnel and agents.

(e) The Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(f) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent nor the Arranger, is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law and regulation or a breach of a fiduciary duty or duty of confidentiality.

27.7 Majority Lenders' instructions

(a) Unless a contrary indication appears in a Finance Document, the Agent shall (i) exercise any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from exercising any right, power, authority or discretion vested in it as Agent) and (ii) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Majority Lenders.

(b) Unless a contrary indication appears in a Finance Document, any instructions given by the Majority Lenders will be binding on all the Finance Parties.

(c) The Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

(d) In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(e) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

27.8 Responsibility for documentation

Neither the Agent nor the Arranger:

(a) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Obligor or any other person given in or in connection with any Finance Document or the Information Memorandum; or

(b) is responsible for the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Finance Document.

27.9 Exclusion of liability

(a) Without limiting paragraph (b) below, neither the Agent nor

the Arranger will be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct or wilful breach of any Finance Document.

(b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause 27 subject to Clause 1.4 (Third Party Rights) and the provisions of the Third Parties Act.

(c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out any checks pursuant to any laws or regulations relating to money laundering in relation to any person on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.

27.10 Lenders' indemnity to the Agent

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

27.11 Resignation of the Agent

(a) The Agent may resign and appoint one of its Affiliates acting through an office in the European Union as successor by giving notice to the other Finance Parties and the Company.

(b) Alternatively the Agent may resign by giving notice to the other Finance Parties and the Company, in which case the Majority Lenders (after consultation with the Company) may appoint a successor Agent.

(c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the Agent (after consultation with the Company) may appoint a successor Agent (acting through an office in the European Union).

(d) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(e) The Agent's resignation notice shall only take effect upon the appointment of a successor.

(f) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of this Clause 27.11. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) After consultation with the Company, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.

27.12 Confidentiality

(a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

(c) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent and the Arranger are obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

27.13 Relationship with the Lenders

(a) The Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than five Business Days prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

(b) Each Lender shall supply the Agent with any information required by the Agent in order to calculate the Mandatory Cost in accordance with Schedule 4 (Mandatory Cost Formulae).

27.14 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Finance Party confirms to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in

connection with any Finance Document; and

(d) the adequacy, accuracy and/or completeness of the Information Memorandum, and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

27.15 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

27.16 Agent's Management Time

Any amount payable to the Agent under Clause 16.3 (Indemnity to the Agent) and Clause 27.10 (Lenders' indemnity to the Agent) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Company and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 13 (Fees).

27.17 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

28. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29. SHARING AMONG THE FINANCE PARTIES

29.1 Payments to Finance Parties

If a Finance Party (a "Recovering Finance Party") receives or recovers any amount from an Obligor other than in accordance with Clause 30 (Payment mechanics) (whether by way of set-off or otherwise) and applies that amount to a payment due under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;

(b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30

(Payment mechanics), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "Sharing Payment") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (Partial payments).

29.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) in accordance with Clause 30.5 (Partial payments).

29.3 Recovering Finance Party's rights

(a) On a distribution by the Agent under Clause 29.2 (Redistribution of payments), the Recovering Finance Party will be subrogated to the rights of the Finance Parties which have shared in the redistribution.

(b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the relevant Obligor shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

29.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Finance Party which has received a share of the relevant Sharing Payment pursuant to Clause 29.2 (Redistribution of payments) shall, upon request of the Agent, pay to the Agent for account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay); and

(b) that Recovering Finance Party's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing Finance Party for the amount so reimbursed.

29.5 Exceptions

(a) This Clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to

participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11
ADMINISTRATION

30. PAYMENT MECHANICS

30.1 Payments to the Agent

(a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payments by Obligors or Lenders shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London) with such bank as the Agent specifies.

30.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (Distributions to an Obligor), Clause 30.4 (Clawback) and Clause 27.17 (Deduction from amounts payable by the Agent) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in a Participating Member State or London).

30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (Set-Off)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

30.4 Clawback

(a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) If the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

30.5 Partial payments

(a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:

(i) first, in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent and the Arranger under the Finance Documents;

(ii) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;

(iii) thirdly, in or towards payment pro rata of any principal due but unpaid under this Agreement; and

(iv) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

30.6 No set-off by Obligors

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

30.7 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

30.8 Currency of account

(a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor under any Finance Document.

(b) A repayment of a Utilisation or Unpaid Sum or a part of a Utilisation or Unpaid Sum shall be made in the currency in which that Utilisation or Unpaid Sum is denominated on its due date.

(c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

30.9 Change of currency

(a) Unless otherwise prohibited by law or regulation, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Company); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other rounded up or down by the Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Company) specifies to be necessary be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

31. SET-OFF

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

32. NOTICES

32.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter or (in accordance with Clause 32.5 (Electronic Communication)) by email.

32.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(a) in the case of the Company, that identified with its name below;

(b) in the case of each Lender, or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

32.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (Addresses), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to an Obligor shall be sent through the Agent. The Company may make and/or deliver as agent of each Obligor notices and/or requests on behalf of each Obligor.

(d) Any communication or document made or delivered to the Company in accordance with this Clause 32.3 will be deemed to have been made or delivered to each of the Obligors.

32.4 Notification of address and fax number

Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 32.2 (Addresses) or changing its own address or fax number, the Agent shall notify the other Parties.

32.5 Electronic communication

(a) Any communication to be made between the Agent and a Lender and/or any member of the Group under or in connection with the Finance Documents may be made by electronic mail or other electronic means, if the Agent and the relevant Lender and/or member of the Group:

(i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;

(ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(iii) notify each other of any change to their address or any other such information supplied by them.

(b) Any electronic communication made between the Agent and a Lender and/or any member of the Group will be effective only when actually received in readable form and in the case of any electronic communication made by a Lender and/or any member of the Group to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.

32.6 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English or Spanish; or

(ii) if not in English or Spanish, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

32.7 Obligor Agent

(a) Each Obligor (other than the Company) by its execution of this Agreement or an Accession Letter (as the case may be) irrevocably appoints the Company to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give all notices and instructions (including, in the case of a Borrower, Utilisation Requests, Renewal Requests or Selection Notices), to execute on its behalf any documents required hereunder and to make such agreements capable of being given or made by any Obligor notwithstanding that they may affect such Obligor, without further reference to or consent of such Obligor; and (ii) each Finance Party to give any notice, demand or other communication to such Obligor pursuant to the Finance Documents to the Company on its behalf, and in each case such Obligor shall be bound thereby as though such Obligor itself had given such notices and instructions (including, without limitation, any Utilisation Requests, Renewal Requests or Selection Notices) or executed or made such agreements or received any notice, demand or other communication.

(b) Every act, agreement, undertaking, settlement, waiver, notice or other communication given or made by the Company, or given to the Company, in its capacity as agent in accordance with paragraph (a) of this Clause 32.7, in connection with this Agreement shall be binding for all purposes on such Obligors as if the other Obligors had expressly made, given or concurred with the same. In the event of any conflict between any notices or other communications of the Company and any other Obligor, those of the Company shall prevail.

32.8 Use of Websites

(a) The Company may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "Website Lenders") who accept this method of communication by posting this information onto an electronic website designated by the Company and the Agent (the "Designated Website") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Company and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Company and the Agent.

If any Lender (a "Paper Form Lender") does not agree to the

delivery of information electronically then the Agent shall notify the Company accordingly and the Company shall supply the information to the Agent in paper form. In any event the Company shall supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Company and the Agent.

(c) The Company shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Company becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Company notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Company under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Company shall comply with any such request within ten Business Days.

33. CALCULATIONS AND CERTIFICATES

33.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are prima facie evidence of the matters to which they relate.

33.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

33.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days, or where the interest, commission or fee is to accrue in respect of any amount denominated in sterling, 365 days or, in any case where the practice in the Relevant

Interbank Market differs, in accordance with that market practice.

33.4 Spanish Civil Procedure

In the event that this Agreement is raised to a Spanish Public Documents, for the purposes of Article 572.2 of the Spanish Civil Procedure Law (Ley de Enjuiciamiento Civil), all parties expressly agree that the exact amount due at any time by the Obligors to the Lenders will be the amount specified in a certificate issued by the Agent (and/or any Lender) in accordance with Clause 33.2 (Certificates and Determinations) as representative of the Lenders reflecting the balance of the accounts referred to in Clause 33.1 (Accounts).

33.5 No personal liability

If an individual signs a certificate on behalf of any member of the Group and the certificate proves to be incorrect, the individual will incur no personal liability as a result, unless the individual acted fraudulently in giving the certificate. In this case any liability of the individual will be determined in accordance with applicable law.

34. PARTIAL INVALIDITY

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the laws or regulations of any other jurisdiction will in any way be affected or impaired.

35. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Finance Party, any right or remedy under the Finance Documents shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law or regulation.

36. AMENDMENTS AND WAIVERS

36.1 Required consents

(a) Subject to Clause 36.2 (Exceptions) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Company and any such amendment or waiver will be binding on all Parties.

(b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 36.

(c) The Company may effect, as agent of each Obligor, any amendment or waiver permitted by this Clause 36.

36.2 Exceptions

(a) An amendment or waiver that has the effect of changing or which relates to:

(i) the definition of "Majority Lenders", "Optional Currency" or "Certain Funds Period" in Clause 1.1 (Definitions);

(ii) an extension to the Availability Period or to the date of any scheduled payment of any amount under the Finance Documents;

(iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;

(iv) a change in currency of payment of any amount under the Finance Documents;

(v) an increase in or an extension of any Commitment;

(vi) a change to the Borrowers or any of the Guarantors other than in accordance with Clause 26 (Changes to the Obligors);

(vii) any provision which expressly requires the consent of all the Lenders; or

(viii) Clause 2.2 (Finance Parties' Rights and Obligations), Clause 19 (Guarantee and Indemnity), Clause 25 (Changes to the Lenders), Clause 26 (Changes to the Obligors) or this Clause 36,

shall not be made without the prior consent of all the Lenders.

(b) An amendment or waiver which relates to the rights or obligations of the Agent or the Arranger, may not be effected without the consent of the Agent or the Arranger at such time.

37. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

38. GOVERNING LAW

This Agreement is governed by English law.

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 attorney's authority and the effects of the exercise thereof.

39. ENFORCEMENT

39.1 Jurisdiction of English Courts

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) (a "Dispute").

(b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(c) This Clause 39.1 is for the benefit of the Finance Parties

only. As a result, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law or regulation, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

39.2 Service of process

Without prejudice to any other mode of service allowed under any relevant law or regulation, each Obligor (other than an Obligor incorporated in England and Wales):

(a) irrevocably appoints the Process Agent as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document and Bidco by its execution of this Agreement accepts that appointment ; and

(b) agrees that failure by the Process Agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1

The Original Parties

Part I
The Obligors

Name of Original Borrower	Registration number (or equivalent, if any)
Cemex Espana, S.A.	N(0) Hoja-Registro Mercantil, Madrid: M- 156542 NIF: A46/004214

Name of Guarantor	Registration number (or equivalent, if any)
Cemex Espana, S.A.	N(0) Hoja-Registro Mercantil, Madrid: M- 156542 NIF: A46/004214
	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
Cemex American Holdings B.V.	34213058

Part II

The Original Lenders

Name of Original Lender	Facility C1 Commitment (US$)	Facility C2 Commitment (US$)	Facility C3 Commitment (US$)
Citibank International plc, Sucursal en Espana / Citibank, N.A.	750,000,000	575,000,000	575,000,000
Goldman Sachs Credit Partners L.P.	750,000,000	575,000,000	575,000,000
Total	1,500,000,000	1,150,000,000	1,150,000,000

SCHEDULE 2
CONDITIONS PRECEDENT

Part I
Conditions Precedent to Initial Utilisation

1. Obligors

(a) A copy of the current constitutional documents of each Original Obligor.

(b) A power of attorney granting a specific individual or individuals sufficient power to sign the Finance Documents on behalf of each Original Obligor and a copy of a resolution of the board of directors of each Original Obligor:

(i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;

(ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents.

(d) A certificate of the Company (signed by an Authorised Signatory) confirming that borrowing or guaranteeing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on any Original Obligor to be exceeded.

(e) A certificate of an Authorised Signatory of the relevant

Original 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. Transaction Documents and related documents

A copy of the Company/Bidco Intercompany Loan Agreement in the agreed form.

3. Finance Documents

(a) This Agreement executed by the members of the Group party to this Agreement.

(b) The Syndication and Fee Letter, the Sub Underwriter Fee Letter and the Costs and Expenses Letter, each executed by all parties thereto.

4. Legal Opinions

(a) A legal opinion of Clifford Chance LLP, legal advisers to the Arranger and the Agent in England, as to English law substantially in the form distributed to the Original Lenders prior to signing this Agreement satisfactory to the Lenders.

(b) An opinion with respect to the laws and regulations of the 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 Warendorf, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

(d) An opinion from in-house counsel of the Company, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

5. Offer Related Conditions

(a) A copy, certified as being a true and complete copy by an Authorised Signatory of Bidco, of the Press Release, in substantially the form distributed to the Agent prior to signing of this Agreement (where any changes are not relevant to the interests of the Finance Parties).

(b) Copies, certified as being true and complete copies by an Authorised Signatory of Bidco, of each Offer Document incorporating the terms set out in the Press Release or any subsequent press announcements released by Bidco in connection with the Offer or such other changes to reflect the Offer (in each case, which are not relevant to the interests of the Finance Parties) and any other terms required by the Code or the Panel.

(c) A copy, certified as being a true and complete copy by an Authorised Signatory of Bidco, of the announcement that each Offer has become or has been declared unconditional in all respects together with a certificate from an Authorised Signatory of Bidco that in having declared each Offer unconditional it is not in breach of Clause 23.18 (The Offer).

6. Other Documents and Evidence

(a) The Group Structure Chart.

(b) The Funds Flow Statement.

(c) The Original Financial Statements of each Obligor.

(d) A certificate of the Company (signed by a director) certifying that the Company/Bidco Intercompany Loan Agreement is in full force and effect.

(e) Copies of forms PE-1 and PE-3 stamped by the Bank of Spain (Banco de Espana), whereby it assigns a Financial Operation Number ("NOF") to the Facilities and to the Company/Bidco Intercompany Loan.

Part II
Conditions Precedent Required to be Delivered by an Additional Obligor

Obligors:

1. An Accession Letter, duly executed by the Additional Obligor and the Company.

(a) A copy of the constitutional documents of the Additional Obligor.

(b) A copy of a resolution of the board of directors of the Additional Obligor:

(i) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter;

(ii) authorising a specified person or persons to execute the Accession Letter and other Finance Documents on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request or Selection Notice) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) Should the legal advisers of the Lenders consider it advisable, a copy of a resolution signed by all the holders of the issued shares of the Additional Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Obligor is a party.

(e) A certificate of the Additional Obligor (signed by an Authorised Signatory) confirming that guaranteeing the Total Commitments would not cause any guaranteeing or similar limit binding on it to be exceeded.

(f) A certificate of an Authorised Signatory of the Additional Obligor certifying that each copy document listed in this Part II of Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of the Accession Letter.

2. Legal opinions

(a) A legal opinion of the legal advisers to the Additional Obligor in form and substance reasonably satisfactory to the legal advisers of the Lenders.

(b) A legal opinion of Clifford Chance, or other firm that can opine for the Additional Obligor if not Clifford Chance, legal advisers to the Lenders.

3. Other documents and evidence

(a) Evidence that any process agent referred to in Clause 39.2 (Service of process) has accepted its appointment.

(b) In relation to any Additional Borrower incorporated in Spain, a copy of form PE-1 stamped by the Bank of Spain (Banco de Espana), whereby it assigns a Financial Operation Number ("NOF") to the accession of the such Additional Borrower.

(c) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers (after having taken appropriate legal advice) to be necessary or desirable (if it has notified the Additional Obligor and the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

(d) The Original Financial Statements of the Additional Guarantor.

SCHEDULE 3
REQUESTS

Part I A
Utilisation Request

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Cemex - US$3,800,000,000 Term and Revolving Facilities Agreement dated [O] 2004 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.

2. [We wish to borrow a Loan on the following terms:

(a) Proposed Utilisation Date: [O] (or, if that is not a Business Day, the next Business Day)

(b) Borrower [O]

(c) Facility to be utilised: [Facility C1] [Facility C2] [Facility C3] **

(d) Currency of Loan: [O]

(e) Amount: [O] or, if less, the relevant Available Facility

(f) Interest Period: [O]

3. We confirm that, to the extent applicable, each condition specified in Clause 4.2 (Further Conditions Precedent) is satisfied or waived on the date of this Utilisation Request.

4. The proceeds of this Loan should be credited to [account].

5. This Utilisation Request is irrevocable.

6. Terms used in this Utilisation Request which are not defined in this Utilisation Request but are defined in the Facilities Agreement shall have the meaning given to those terms in the Facilities Agreement.

Yours faithfully

.....
authorised signatory for
[the Borrower]

NOTES:

** Select the Facility to be utilised and delete references to the other Facilities.

Part II
Selection Notice

Applicable to a Term Loan

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Cemex - US$3,800,000,000 Term and Revolving Facilities Agreement
dated [O] 2004 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.

2. We refer to the following Term Loan[s]

Utilisation Date:	[o]
Borrower	[o]
Amount:	[o]
Final Day of Interest Period:	[o]

3. [We request that the above Term Loan[s] be divided into [O] Term Loans with the following Interest Periods:]

or

[We request that the next Interest Period for the above Term Loan[s] is [O]].

4. This Selection Notice is irrevocable.

5. Terms used in this Selection Notice which are not defined in this Selection Notice but are defined in the Facilities Agreement shall have the meaning given to those terms in the Facilities Agreement.

Yours faithfully

.....
authorised signatory for
[the Borrower]

SCHEDULE 4
MANDATORY COST FORMULAE

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Lender lending from a Facility Office in a Participating Member State will be the percentage notified by that Lender to the Agent. This percentage will be certified by that Lender in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Facility Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Facility Office.

4. The Additional Cost Rate for any Lender lending from a Facility Office in the United Kingdom will be calculated by the Agent as follows:

(a) in relation to a sterling Loan:

$$\frac{AB + C(B-D) + E \times 0.01}{100 - (A+C)} \text{ per cent. per annum}$$

(b) in relation to a Loan in any currency other than sterling:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of

Clause 10.3 (Default interest)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per (pound)1,000,000.

5. For the purposes of this Schedule:

(a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per (pound)1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above

shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Agent may from time to time, after consultation with the Company and the Lenders, determine and if so requested by any Lender, notify to all Parties any amendments which are required by such Lender to be made to this Schedule in order to comply with any change in law or regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all Parties.

SCHEDULE 5
FORM OF TRANSFER CERTIFICATE

To: [Agent]

From: [The Existing Lender] (the "Existing Lender") and [The New Lender] (the "New Lender")

Dated:

Cemex - US$3,800,000,000 Term and Revolving Facilities Agreement dated [O] 2004 (the "Facilities Agreement")

1. We refer to the Facilities Agreement. This is a Transfer Certificate. Terms defined in the Facilities Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.

2. We refer to Clause 25.5 (Procedure for transfer):

   (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the schedule to this certificate in accordance with Clause 25.5 (Procedure for transfer).

   (b) The proposed Transfer Date is [O].

   (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of

Clause 32.2 (Addresses) are set out in the schedule to this certificate.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 25.4(c) (Limitation of responsibility of Existing Lenders).

4. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.

5. We confirm that we have carried out and are satisfied with the results of all compliance checks we consider necessary in relation to our participation in the Facilities.

6. This Transfer Certificate is governed by English law.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[insert relevant details]
[Facility Office address, email, fax number and attention details for notices and account details for payments,]

[Existing Lender] [New Lender]

By: By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [O].

[Agent]

By:

SCHEDULE 6
FORM OF ACCESSION LETTER

To: [Agent]

From: [Subsidiary] and [Company]

Dated:

Dear Sirs

Cemex - US$3,800,000,000 Term and Revolving Facilities Agreement dated [O] 2004 (the "Facilities Agreement")

1. [Subsidiary] agrees to become an [Additional Guarantor/Additional Borrower] and to be bound by the terms of the Facilities Agreement and the other Finance Documents as an [Additional Guarantor/Additional Borrower] pursuant to Clause 26.3 (Additional Obligors)] of the Agreement. [Subsidiary] is a limited liability company duly incorporated under the laws of [name of relevant jurisdiction] with registered number [o].

2. [Subsidiary's] administrative details are as follows:

Address:

Fax No.:

Attention:

3. This letter is governed by English law.

4. Terms which are used in this Accession Letter which are not defined in this Accession Letter but are defined in the Facilities Agreement shall have the meaning given to those terms in the Facilities Agreement.

[This Accession Letter is entered into by deed.]**

Signed by:

[Company] [Subsidiary]

NOTES:

* Delete as appropriate.

** If the Facilities are fully drawn there may be an issue in relation to past consideration for a proposed Additional Obligor. This can be overcome by acceding by way of deed.

SCHEDULE 7
FORM OF COMPLIANCE CERTIFICATE

To: [o] as Agent

From: [Company]

Dated:

Dear Sirs

Cemex - US$3,800,000,000 Term and Revolving Facilities Agreement dated [O] 2004 (the " Facilities Agreement")

1. We refer to the Facilities 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 22.2 (Financial condition) the financial condition of the Group as of [ ] evidenced by the consolidated financial statements for the financial year/four quarters 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

Company

[insert applicable certification language]

For and on behalf of
[name of auditors of the Company]

SCHEDULE 8
TIMETABLES

	Loans in euro or dollars	Loans in sterling
Agent notifies the Company if a currency is approved as an Optional Currency in accordance with Clause 4.4 (Conditions relating to Optional Currencies)	-	-
Delivery of a duly completed Utilisation Request (Clause 5.1 (Delivery of a Utilisation Request)) or a Selection Notice (Clause 11.1 (Selection of Interest Periods))	U-3 11.00am	U-1 11.00am
Agent determines (in relation to a Utilisation) the Base Currency Amount of the Loan, if required under paragraph (c) of Clause 5.4 (Lenders' participation) and notifies the Lenders of the Loan in accordance with Clause 5.4 (Lenders' participation)	U-3 3.00pm	U-1 3.00pm
Agent receives a notification from a Lender under Clause 6.2 (Unavailability of a currency)	U-2 9.30am	U 9.30am
Agent gives notice in accordance with Clause 6.2 (Unavailability of a currency)	U- 2 10.30am	U 10.30am
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 9

FORM OF LMA CONFIDENTIALITY UNDERTAKING

[Letterhead of Existing Bank]

To:
==========
[insert name of Potential Lender]

==========

Re: The Facilities
==========
Borrower:
Amount:
Agent:
==========

Dear Sirs

We understand that you are considering participating in the Facilities. In consideration of us agreeing to make available to you certain information, by your signature of a copy of this letter you agree as follows:

1. Confidentiality Undertaking You undertake:

(a) to keep the Confidential Information confidential and not to disclose it to anyone except as provided for by paragraph 2

below and to ensure that the Confidential Information is protected with security measures and a degree of care that would apply to your own confidential information;

(b) to keep confidential and not disclose to anyone the fact that the Confidential Information has been made available or that discussions or negotiations are taking place or have taken place between us in connection with the Facilit[y/ies];

(c) to use the Confidential Information only for the Permitted Purpose;

(d) to use all reasonable endeavours to ensure that any person to whom you pass any Confidential Information (unless disclosed under paragraph 2(b) below) acknowledges and complies with the provisions of this letter as if that person were also a party to it; and

(e) not to make enquiries of any member of the Group or any of their officers, directors, employees or professional advisers relating directly or indirectly to the Facilities.

2. Permitted Disclosure We agree that you may disclose Confidential Information:

(a) to members of the Participant Group and their officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to any auditors of members of the Participant Group;

(b) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body, (ii) where required by the rules of any stock exchange on which the shares or other securities of any member of the Participant Group are listed or (iii) where required by the laws or regulations of any country with jurisdiction over the affairs of any member of the Participant Group; or

(c) with the prior written consent of us and the Company.

3. Notification of Required or Unauthorised Disclosure You agree (to the extent permitted by law) to inform us of the full circumstances of any disclosure under paragraph 2(b) or upon becoming aware that Confidential Information has been disclosed in breach of this letter.

4. Return of Copies If we so request in writing, you shall return all Confidential Information supplied to you by us and destroy or permanently erase all copies of Confidential Information made by you and use all reasonable endeavours to ensure that anyone to whom you have supplied any Confidential Information destroys or permanently erases such Confidential Information and any copies made by them, in each case save to the extent that you or the recipients are required to retain any such Confidential Information by any applicable law, rule or regulation or by any competent judicial, governmental, supervisory or regulatory body or in accordance with internal policy, or where the Confidential Information has been disclosed under paragraph 2(b) above.

5. Continuing Obligations The obligations in this letter are continuing and, in particular, shall survive the termination of any discussions or negotiations between you and us. Notwithstanding the previous sentence, the obligations in this letter shall cease (a) if you become a party to or otherwise acquire (by assignment or sub-participation) an interest, direct or indirect, in the Facilities or (b) twelve months after you have returned all Confidential Information supplied to you by us and destroyed or permanently erased all copies of Confidential Information made by you (other than any such Confidential

Information or copies which have been disclosed under paragraph 2 above (other than sub-paragraph 2(a)) or which, pursuant to paragraph 4 above, are not required to be returned or destroyed).

6. No Representation; Consequences of Breach, etc You acknowledge and agree that:

(a) neither we, nor any member of the Group, nor any of our or their respective officers, employees or advisers (each a "Relevant Person") (i) make any representation or warranty, express or implied, as to, or assume any responsibility for, the accuracy, reliability or completeness of any of the Confidential Information or any other information supplied by us or any member of the Group or the assumptions on which it is based or (ii) shall be under any obligation to update or correct any inaccuracy in the Confidential Information or any other information supplied by us or any member of the Group or be otherwise liable to you or any other person in respect to the Confidential Information or any such information; and

(b) we or members of the Group may be irreparably harmed by the breach of the terms of this letter and damages may not be an adequate remedy; each Relevant Person may be granted an injunction or specific performance for any threatened or actual breach of the provisions of this letter by you.

7. No Waiver; Amendments, etc This letter sets out the full extent of your obligations of confidentiality owed to us in relation to the information the subject of this letter. No failure or delay in exercising any right, power or privilege under this letter will operate as a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privileges under this letter. The terms of this letter and your obligations under this letter may only be amended or modified by written agreement between us.

8. Inside Information You acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation relating to insider dealing and you undertake not to use any Confidential Information for any unlawful purpose.

9. No Front Running

(a) You agree that until primary syndication of the Facility has been completed and allocations released, you will not, and will procure that no other member of the Participation Group will:

(i) undertake any Front Running;

(ii) enter into (or agree to enter into) any agreement with any bank, financial institution or other third party which to your knowledge may be approached to become a syndicate member, under which that bank, financial institution or other third party shares any risk or participates in any exposure of any Lender under the Facility; or

(iii) offer to make any payment or other compensation of any kind to any bank, financial institution or third party for its participation (direct or indirect) in the Facility.

(b) Neither you nor any other member of the Participant Group has engaged in any Front Running:

(i) if you or any other member of the Participant Group engages in any Front Running before the close of primary syndication we may suffer loss or damage and your position in future financings with us and the Company may be prejudiced; and

(ii) if you or any other member of the Participant Group engages in any Front Running before the close of primary syndication we retain the right not to allocate to you a commitment under the Facility.

For the purpose "Front Running" means the process of:

(a) communicating with any bank, financial institution or third party which, to its knowledge, may be approached to become a syndicate member with a view of encouraging, or with the result that such bank or financial institution is encouraged, to await the secondary market in respect of participation in the Facility; and/or

(b) actually making a price (generally or to a specific bank, financial institution or third party) in respect of a participation in the Facility.

10. Nature of Undertakings The undertakings given by you under this letter are given to us and (without implying any fiduciary obligations on our part) are also given for the benefit of the Company and each other member of the Group.

11. Third party rights

(a) Subject to paragraph 6 and paragraph 9 the terms of this letter may be enforced and relied upon only by you and us and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

(b) The Relevant Persons may enjoy the benefit of the terms of paragraphs 6 and 9 subject to and in accordance with this paragraph 10 and the provisions of the Third Parties Act.

(c) Notwithstanding any provisions of this letter, the parties to this letter do not require the consent of any Relevant Person or any member of the Group to rescind or vary this letter at any time.

12. Governing Law and Jurisdiction This letter (including the agreement constituted by your acknowledgement of its terms) shall be governed by and construed in accordance with the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

13. Definitions In this letter (including the acknowledgement set out below):

"Confidential Information" means any information relating to the Company, the Group, and the Facilities including, without limitation, the information memorandum, provided to you by us or any of our affiliates or advisers, in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that (a) is or becomes public knowledge other than as a direct or indirect result of any breach of this letter or (b) is known by you before the date the information is disclosed to you by us or any of our affiliates or advisers or is lawfully obtained by you after that date, other than from a source which is connected with the Group and which, in either case, as far as you are aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

"Group" means the Company and each of its holding companies and subsidiaries and each subsidiary of each of its holding companies (as each such term is defined in the Companies Act 1985);

"Participant Group" means you, each of your holding companies and subsidiaries and each subsidiary of each of your holding companies (as each such term is defined in the Companies Act 1985); and

"Permitted Purpose" means considering and evaluating whether to enter into the Facilities.

Please acknowledge your agreement to the above by signing and returning the enclosed copy.

Yours faithfully

For and on behalf of

[Existing Lender]

To: [Existing Lender]
The Company and each other member of the Group

We acknowledge and agree to the above:

For and on behalf of
[Potential New Lender]

SCHEDULE 10
EXISTING SECURITY

Company	Lender	Security	Total Principal Amount of Indebtedness Secured as of 30 June 2004 (millions of euro)
1. CEMEX Construction Materials, L.P.	GE Capital (FKIT 279,280)	Equipment related with the Credit	1.263
2. CEMEX Construction Materials, L.P.	Hampton	Land related with the Credit	0.338
3. Kosmos Cement Company	First Corp (FKIT 101649)	Equipment related with the Credit	0.035
4. Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	0.248
5. Any security existing at the date of this Agreement constituted by the transfer of shares or any other instrument of title representing an equity participation in the Asia Fund into a trust			
			1.883 and the security under item 5

SCHEDULE 11
EXISTING NOTARISATIONS

Type of Agreement	Borrower/Guarantor	Maturity Date	Total Principal Amount of Indebtedness notarised as of 30 June 2004
Bilateral lines	Cemex Espana, S.A./n.a.	Between Jan. and Dec. 2005	EUR 51,086,0291
Deferred purchase price	Aricemex S.A./n.a.	July, 2005	EUR 961,619

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1 Corresponds to the total committed amount under the facilities. Amount drawn as of 06.30.04: EUR 18,712,797.

SCHEDULE 12
MATERIAL SUBSIDIARIES

Cemex Inc.

Cemex Corp.

Cemex Venezuela SACA

Vencement Investments

Construction Funding Corporation

SIGNATURES

THE COMPANY

CEMEX ESPANA, S.A.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

THE ORIGINAL GUARANTORS

CEMEX ESPANA, S.A.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

CEMEX CARACAS INVESTMENTS B.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

CEMEX CARACAS II INVESTMENTS B.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

CEMEX EGYPTIAN INVESTMENTS B.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

CEMEX MANILA INVESTMENTS B.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

CEMEX AMERICAN HOLDINGS B.V.

By: /s/ RAMIRO VILLARREAL MORALES

Address: Ave. Ricardo Margain Zozaya # 325
Col. Valle del Campestre
San Pedro Garza Garcia, N.L.
Mexico 66265

Fax: (52 81) 8888-4415
Attention: Humberto Lozano/Ramiro Villarreal

THE ARRANGER

CITIGROUP GLOBAL MARKETS LIMITED

By: /s/ CARLOS BARONA

Address: Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB

Fax: + 44 20 7986 8278

GOLDMAN SACHS INTERNATIONAL

By: /s/ JAVIER LAZARO

Address: Peterborough Court, 133 Fleet Street, London EC4A 2BB

Fax: + 44 (20) 7774 4477

Attention: Javier Lazaro

THE AGENT

CITIBANK INTERNATIONAL PLC

By: /s/ CARLOS BARONA

Address: Loans Agency Office, 2nd Floor,
4 Harbour Exchange Square, London E14 9GE

Fax: 00 44 208 636 3824/3825

Attention: Ian Hayton

THE LENDERS

CITIBANK INTERNATIONAL PLC, SUCURSAL EN ESPANA

By: /s/ CARLOS BARONA

Address: C/Jose Ortega v Gasset 29, Madrid 28006, Spain

Fax: + 34 91 435 2811

CITIBANK, N.A.

By: /s/ CARLOS BARONA

Address: Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB

Fax: + 44 20 7986 8278

GOLDMAN SACHS CREDIT PARTNERS, L.P.

By: /s/ JAVIER LAZARO

Address: 85 Broad Street, New York, NY 10004, United States of America

Fax: + 44 (20) 7774 4477

EXHIBIT 4.18

DATED 27 SEPTEMBER 2004

RMC GROUP p.l.c.

and

CEMEX UK LIMITED

IMPLEMENTATION AGREEMENT

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(RRO)

CONTENTS

This Agreement is made 27 September, 2004

BETWEEN:

(1) RMC GROUP p.l.c. (incorporated in England and Wales No. 249776) of Bromo House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD (the "Company"); and

(2) CEMEX UK LIMITED (incorporated in England and Wales with registered no. 05196131) of 2 Lambs Passage, London EC1Y 8BB (the "Offeror").

WHEREAS

(A) The Offeror is a subsidiary of Omega and intends to announce a takeover offer for the Company to be implemented by way of, and the Company has agreed to implement, a scheme of arrangement of the Company, on the terms and subject to the conditions set out in the Press Announcement.

(B) The parties wish to enter into this Agreement to set out certain mutual commitments to implement the scheme of arrangement described in paragraph (A) above and certain matters relating to the conduct of business of the Company and its Group.

WHEREBY IT IS AGREED as follows:

1. Interpretation

1.1 In this Agreement (but not in Schedule 1), the following terms have the following meanings:

"Clearances" means all consents, clearances, permissions and waivers as may be necessary, and all filings and waiting periods as may be necessary, from or

	under the laws, regulations or practices applied by any relevant Competition Authority in connection with the implementation of the Acquisition, the Scheme or the Offer and references to Clearances having been satisfied shall be construed as meaning that the foregoing have been obtained on terms satisfactory to the Offeror or, where appropriate, made or expired;
"Competition Authority"	means any relevant government, governmental, national, supranational, competition or antitrust body or other authority, in any jurisdiction, which is responsible for applying merger control or other competition or antitrust legislation or regulation in such jurisdictions;
"Conditions"	means the conditions set out in Appendix I to the Press Announcement;
"Confidentiality Agreement"	means the Confidentiality Agreement relating to the Acquisition dated 23 September 2004 between the parties hereto;
"Court Hearing"	the hearing by the Court of the petition to sanction the Scheme under Section 425 of the Companies Act and to confirm the reduction of capital provided for by the Scheme under Section 137 of the Companies Act;
"Directors"	means the board of directors of the Company from time to time; "Effective Date" means the date upon which: (A) the Scheme becomes effective in accordance with its terms; or (B) if the Offeror elects to implement the Acquisition by way of the Offer, the Offer becomes or is declared unconditional in all respects;
"EGM Resolutions"	means the resolutions to be proposed at the Extraordinary General Meeting in connection with the Scheme to approve certain amendments to the Articles of Association of the Company for the purposes of approving and implementing the Scheme, the reduction of capital and such other matters as may be agreed between the Company and the Offeror as necessary or desirable for the purposes of implementing the Scheme;
"Exchange Act"	means the Securities Exchange Act of 1934, as amended;
"Group"	means, in relation to any person, its subsidiaries, subsidiary undertakings and holding companies and the subsidiaries and subsidiary undertakings of any such holding company;
"Inducement Fee"	means (pound)23,870,000 plus a sum equal to any amount of VAT for which the Offeror is liable to account on any supply made pursuant to this Agreement, provided that in no event shall the inducement fee payable by the Company pursuant to clause 6 less the part of such amount as is paid in respect of VAT and is recoverable by the Company or another member of the VAT group of which the Company is a member exceed

	(pound)23,870,000;
"Offer Document"	means the document to be despatched to (amongst others) Bromo Shareholders pursuant to which the Offer would be made;
"Offer Price"	means 855 pence per Bromo Share;
"Personnel"	means, in relation to any person, its board of directors, members of their immediate families, related trusts and persons connected with them, as such expressions are construed in accordance with the Code;
"Press Announcement"	means the draft Press Announcement set out in Schedule 1;
"Registrar"	means the Registrar of Companies for England and Wales;
"Scheme Document"	means the document to be despatched to (amongst others) Bromo Shareholders setting out the full terms of the Scheme and, where the context so admits, includes any form of proxy, election, notice, application, affidavit, court document or other document required in connection with the Scheme;
"Third Party Transaction"	means an offer or proposal (as amended or revised from time to time): (A) made by a third party, which is not acting in concert with the Offeror, or the announcement of an intention to make an offer, (whether or not subject to any pre-conditions and howsoever implemented) for the entire issued share capital of the Company or any class thereof (other than those shares owned or contracted to be acquired by the person making such offer and its associates, within the meaning of section 430(E) of the Companies Act), pursuant to Rule 2.5 of the Code; or (B) by the Company or to holders of the shares of the Company which involves, in any such case, a change of control of the Company (other than the acquisition of control by the Offeror and/or a person acting in concert with the Offeror) or which involves the disposal of any interest in a material part of the business of the Company or its Group (other than to the Offeror and/or a person acting in concert with the Offeror);
"Timetable"	means the indicative timetable for implementation of the Scheme and despatch of the Scheme Document set out in Schedule 2; and
"Working Hours"	means 9.30 a.m. to 6.30 p.m. on a Business Day.

1.2 Terms used but not defined expressly herein shall, unless the context otherwise requires, have the meaning given to them in the Press Announcement.

1.3 In this Agreement, unless otherwise specified:

(A) references to clauses, sub-clauses and Schedules are to clauses and sub-clauses of, and Schedules to, this Agreement;

(B) use of any gender includes each other gender;

(C) any word or expression defined in the Companies Act and not defined in this Agreement shall have the meaning given in the Companies Act;

(D) when used in this Agreement, the expressions "acting in concert", "concert parties", "control" and "offer" shall be construed in accordance with the Code;

(E) references to a "company" shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established;

(F) references to a "person" shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);

(G) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;

(H) any reference to a "day" (including within the phrase "Business Day") shall mean a period of 24 hours running from midnight to midnight;

(I) references to times are to London time;

(J) a reference to any other document referred to in this Agreement is a reference to that other document as amended, revised, varied, novated or supplemented at any time;

(K) references to the singular include the plural and vice versa; and

(L) (i) the rule known as the ejusdem generis rule shall not apply and accordingly general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and

(ii) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.4 All headings and titles are inserted for convenience only. They are to be ignored in the interpretation of this agreement.

2. Press Announcement

2.1 The parties shall procure the release of the Press Announcement at or before 7.00 a.m. on 27 September, 2004 or such other time and date as may be agreed by the parties.

3. Implementation and Documentation

3.1 The parties undertake to implement the Scheme in accordance with, and subject to the terms and conditions of, the Press Announcement and, so far as possible, the Timetable with the overall intention that all Clearances are satisfied prior to the Court Hearing. Accordingly, without prejudice to the preceding sentence, each party agrees to use all reasonable endeavours to, and to procure that its Group and its directors and its relevant professional advisers assist it to, prepare all such documents and take all such steps as are necessary or desirable:

(A) in connection with the Acquisition, the Scheme and the Offer; and

(B) for the purposes of obtaining all Clearances.

3.2 The Company shall not seek to amend the Scheme or the EGM Resolutions after despatch of the Scheme Document without the prior written consent of the Offeror.

3.3 The Offeror will undertake to the Court to be bound by the terms of the Scheme insofar as it relates to the Offeror, including as to discharge of the consideration for the Acquisition.

3.4 The Company will, save as otherwise agreed with the Offeror, take or cause to be taken all such steps as are necessary to implement the Scheme in accordance with the Timetable and, in particular, but without limitation:

(A) the Company will, no later than sixteen days after the date of this Agreement, issue a Part 8 claim form in order to seek the Court's permission to convene the Court Meeting and file such documents as may be necessary in connection therewith;

(B) upon:

(i) the necessary documents being settled with the Court and, where required, approved by the Offeror under clause 3.8; and

(ii) the Court making the order necessary for the purpose of convening the Court Meeting,

the Company shall promptly, and in any event within fourteen days, publish the requisite documents, including the Scheme Document, and thereafter in a timely manner, publish and/or post such other documents and information as the Court or the UK Listing Authority may approve or require from time to time in connection with the proper implementation of the Scheme according to the Timetable;

(C) the Company will convene the Extraordinary General Meeting to be held immediately following the Court Meeting to consider and, if thought fit, approve the EGM Resolutions;

(D) following the Court Meeting and the Extraordinary General Meeting, and assuming the resolutions to be proposed at such meeting have been passed by the requisite majorities, the Company shall, as contemplated by Schedule 2 but in consultation with the Offeror and always with the overall intention that all Clearances are satisfied prior to the Court Hearing, seek the sanction of the Court to the Scheme at the Court Hearing and take all other action necessary to make the Scheme effective;

(E) if the Court so requires or indicates, or if it is necessary to implement the Scheme, the Company shall reconvene the Court Meeting and any other necessary shareholder meeting;

(F) as soon as practicable after the sanction of the Court of the Scheme (including the capital reduction) at the Court Hearing, and in any event within one Business Day, the Company shall cause an office copy of the relevant Court Order to be filed with the Registrar and registered by him;

(G) the Company will not allot or issue any Bromo Shares between 6.00 p.m. on the Business Day before the Court Hearing and the time at which the Scheme becomes effective; and

(H) the Company will use all reasonable endeavours to ensure that

the steps to be taken between the posting of the Scheme Document and the Effective Date are undertaken in accordance with a process agreed with the Offeror and always with the overall intention that all Clearances are satisfied prior to the Court Hearing.

3.5 The Company agrees that the Scheme Document shall incorporate a unanimous and unqualified recommendation of the Directors to Bromo Shareholders to vote in favour of the Scheme and the EGM Resolutions except to the extent that the Directors have determined in good faith with the benefit of legal and financial advice that such recommendation should not be given or should be withdrawn, modified or qualified in order to comply with their fiduciary duties.

3.6 The Offeror may elect at any time to implement the Acquisition by way of the Offer, whether or not the Scheme Document has been despatched. Provided that the Offer is made in accordance with the terms and conditions set out in the Press Announcement (and with the consideration being equal to or greater than that specified in the Press Announcement), the Company agrees that the Offer Document shall incorporate a unanimous and unqualified recommendation of the Directors to the Bromo Shareholders to accept the Offer, except to the extent that the Directors have determined in good faith with the benefit of legal and financial advice that such recommendation should not be given or should be withdrawn, modified or qualified in order to comply with their fiduciary duties.

3.7 The obligations of the parties to implement the Scheme, or if applicable the Offer, are subject to satisfaction or, where permissible, waiver of the Conditions. The Company agrees that it shall only file the relevant Court Order with the Registrar if all of the Conditions are satisfied or, where permissible, waived by the Offeror prior to the grant of the relevant Court Order. The Offeror shall not be under any obligation to waive or treat as satisfied any of the conditions in paragraph (b), (c), (e) or (f) of Appendix I to the Press Announcement until the Clearances are satisfied.

3.8 The Company agrees to co-ordinate the preparation and despatch of the Scheme Document with the Offeror and only to despatch the Scheme Document with the consent of the Offeror (which shall not be unreasonably withheld). Accordingly the Company will submit drafts and revised drafts of the Scheme Document to the Offeror for review and comment and shall discuss such comments with the Offeror for the purposes of preparing revised drafts. The Offeror undertakes to provide to the Company for the purposes of inclusion in the Scheme Document all such information about the Offeror, its Group and their respective Personnel as may reasonably be required by the Company (having regard to the Code and applicable regulations) for inclusion in the Scheme Document (including all information that would be required under the Code or applicable regulations) and to provide all such other assistance as the Company may reasonably require in connection with the preparation of the Scheme Document including access to and ensuring the assistance of its management and that of Omega and relevant professional advisers.

3.9 The Offeror agrees to co-ordinate the preparation and despatch of the Offer Document with the Company unless any of the Directors have determined that the recommendation contemplated by sub-clause 3.6 shall not be given or should be withdrawn, modified or qualified in order to comply with their fiduciary duties. Subject thereto, the Offeror will submit drafts and revised drafts of the Offer Document to the Company for review and comment and shall discuss such comments with the Company for the purposes of preparing revised drafts.

3.10 (A) The Offeror will procure that its directors, and those of Omega, accept responsibility for all of the information in the Scheme Document relating to the Offeror, its Group and its Personnel.

(B) The Company will procure that the Directors accept responsibility for all of the information in the Scheme Document other than that relating to the Offeror, its Group and their respective Personnel.

3.11 If the Offeror elects to exercise the right described in Part A of Appendix I to the Press Announcement to implement the Acquisition by way of the Offer:

(A) the Offeror will procure that its directors, and those of Omega, accept responsibility for all of the information in the Offer Document other than that relating to the Company, its Group and their respective Personnel; and

(B) the Company will procure that the Directors accept responsibility for the information in the Offer Document relating to the Company, its Group and its Personnel.

3.12 The Company undertakes to provide the Offeror with all such information about the Company, its Group and its Personnel as may reasonably be required for inclusion in the Offer Document and to provide all such other assistance as the Offeror may reasonably require in connection with the preparation of the Offer Document, including access to, and ensuring the provision of assistance by, its management and relevant professional advisers.

3.13 The Company undertakes to co-operate with and assist the Offeror by providing the Offeror and any relevant Competition Authority as promptly as is reasonably practicable upon request and in good faith any necessary information and documents for the purpose of making any submissions, filings and notifications to such Competition Authority in relation to the Acquisition, including making any joint filings with the Offeror where required by any such Competition Authority.

3.14 Each party undertakes:

(A) to keep the other informed reasonably promptly of developments which are material or potentially material to the obtaining of the Clearances within 81 days of the posting of the Scheme Document; and

(B) to disclose to each other material correspondence with any relevant Competition Authority (subject to redaction of confidential information).

3.15 The parties will consult with the Panel from time to time as necessary in order to keep the Panel informed, and where appropriate seek the consent of the Panel, as to the Timetable and the process to obtaining the Clearances.

4. Conduct of Business

4.1 The Company undertakes, without prejudice to Rule 21 of the Code, that prior to the earlier of the Effective Date and termination of this Agreement in accordance with its terms, it will not, and it will procure that no member of its Group shall:

(A) carry on business other than in the ordinary course (and the parties agree that the entering into of any agreement or arrangement (whether or not legally binding but excluding, for the avoidance of doubt, the submission of a second-round non-binding bid) to acquire the US business as notified by the Company to the Offeror on 24 September 2004, without the prior agreement of the Offeror, is not in the ordinary course of business) and in all material respects consistent with past practice; or

(B) alter the nature or scope of its business in any way which is

material in the context of either the business of the Company and its Group taken as a whole or the implementation of the Acquisition; or

(C) enter into, amend, supplement or terminate any agreement which is material in the context of either the business of the Company and its Group taken as a whole or the implementation of the Acquisition; or

(D) subject to the fiduciary duties of its board of directors, take any action which would be reasonably likely materially to delay or prejudice, or increase the cost of, the Acquisition, the Scheme or the Offer; or

(E) agree to do any of the foregoing.

4.2 Subject to the fiduciary duties of its Directors, the Company undertakes that, except with the prior written consent of the Offeror, it will not submit to its shareholders for approval in general meeting any resolution which, if passed, would constitute approval for the purposes of Rule 21.1 of the Code or seek the consent of the Panel to proceed without such approval.

4.3 The Company undertakes that it will, and shall procure that its Group does, co-operate with the Offeror in dealing with any party to an agreement or arrangement with the Company or any member of its Group which is affected by the Acquisition or would be affected by its implementation and shall support the reasonable requests of the Offeror as to how such effect shall be managed.

4.4 The Company shall not, and shall procure that its Group and their respective management and professional advisers do not, directly or indirectly solicit an offer or approach from any third party:

(A) to acquire all or a substantial part of the share capital of the Company or a substantial part or value of the respective assets of the Company or any member of its Group; or

(B) with a view to undertaking a transaction which is an alternative to the Acquisition.

4.5 If any third party makes any unsolicited offer or approach:

(A) to acquire all or a substantial part of the share capital of the Company or a substantial part or value of the respective assets of the Company or any member of its Group; or

(B) with a view to undertaking a transaction which is an alternative to the Acquisition,

the Company shall not (subject to its obligations under Rule 20.2 of the City Code and subject to compliance by the Directors with their fiduciary duties and (without prejudice to the foregoing) the Directors shall be deemed to be acting in accordance with their fiduciary duties if they in good faith believe that the third party is a bona fide potential offeror) directly or indirectly, engage with that third party or enter into any discussions or negotiations with that third party in relation to such unsolicited offer or approach.

4.6 The Company will promptly inform the Offeror if any third party makes any such unsolicited offer or approach and, subject to any confidentiality obligations to which the Company may be subject and subject to compliance by the Directors with their fiduciary duties, the Company shall keep the Offeror informed of any communications it receives from such third party in connection with any such unsolicited offer or approach.

5. Representations, Warranties and Covenants

5.1 Each of the parties represents and warrants to the other on the date hereof that:

(A) it has the requisite power and authority to enter into and perform this Agreement;

(B) this Agreement constitutes its binding obligations in accordance with its terms;

(C) the execution and delivery of, and performance of its obligations under, this Agreement will not:

(i) result in a breach of any provision of its constitutional documents;

(ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound; or

(iii) result in a breach of any order, judgement or decree of any court or governmental agency to which it is a party or by which it is bound.

5.2 The Company confirms and undertakes that, so far as its executive directors are actually aware:

(A) it is a "foreign private issuer" as such term is defined under Rule 3b-4(c) under the Exchange Act;

(B) the Company undertakes to furnish to the Offeror upon request of the Offeror in writing a copy of the Company's register of shareholders dated as of (i) a date on or around the 30th calendar day prior to commencement (within the meaning of Rule 14d-2 ("Rule 14d-2") under the US Securities Exchange Act of 1934 (the "Exchange Act")) of a tender offer (within the meaning of the Exchange Act) by the Offeror for the entire share capital of the Company or (ii) such other date as may be agreed by the Company and the Offeror for the purpose of assisting the Offeror in making its calculation in accordance with instruction 2 to Rules 14d-2(c) and (d).

6. Inducement Fee

6.1 If the Press Announcement is issued and thereafter:

(A) the Directors do not unanimously and without qualification recommend the Acquisition or they (or any committee of the Directors) at any time do withdraw or adversely modify or qualify their recommendation of the Acquisition; or

(B) a Third Party Transaction is announced prior to the Acquisition lapsing or being withdrawn which Third Party Transaction subsequently becomes or is declared wholly unconditional or is completed,

(in each case such an event being a "Relevant Event"), the Company shall, in consideration of the Offeror procuring the release of the Press Announcement, pay the Offeror the Inducement Fee in accordance with sub-clause 6.2.

6.2 The Company shall pay the Inducement Fee no later than 5 Business Days after demand from the Offeror which may only be made after the occurrence of a Relevant Event. All sums payable under this clause 6 shall be paid in the form of an electronic funds transfer for same day value to such bank as may be notified to the Company by the Offeror and shall be paid in full free from any deduction or withholding whatsoever (save only as may be required by law) and without regard to

any lien, right of set-off, counter-claim or otherwise.

7. Termination

7.1 This Agreement shall be terminated and all rights and obligations of the parties shall cease, save under clauses 6 and 8-20, as follows:

(A) by notice in writing from the Offeror to the Company following a material breach of any of the obligations of the Company set out in clause 4;

(B) by notice in writing from the Offeror to the Company if a Third Party Transaction becomes or is declared wholly unconditional or is completed;

(C) if the Scheme is not sanctioned by Bromo Shareholders at the Court Meeting or the EGM Resolutions are not approved at the Extraordinary General Meeting;

(D) if the Court Orders are not granted or (save as the parties may otherwise agree in writing) the Effective Date has not occurred on or before the date which is six months after the date hereof;

(E) if the Offeror elects to implement the Acquisition by way of the Offer, if the Offer, once announced under Rule 2.5 of the Code, lapses in accordance with its terms or is withdrawn or not made; or

(F) if the European Commission initiates proceedings under Article 6(1)(c) of the Regulation or, following a referral by the European Commission under Article 9(1) of the Regulation to a competent authority in the United Kingdom, there is a subsequent reference to the Competition Commission; or

(G) by notice in writing from one party to the other, if the recommendation of the Directors contemplated by sub-clauses 3.5 and 3.6, as the case may be, is not given or is withdrawn, modified or qualified at any time prior to the grant of the Court Orders.

7.2 Termination shall be without prejudice to the rights of either party that may have arisen prior to termination. Clauses 6 and 8 - 20 shall survive termination.

8. Notices

8.1 A notice under this Agreement shall only be effective if it is in writing. Any notice must be given either by fax or be delivered by hand or by same day courier.

8.2 Notices under this Agreement shall be sent to a party at its address or number and for the attention of the individual set out below:

Party and title of individual	Address	Facsimile no.
The Company FAO: Group Legal Adviser	Bromo House Coldharbour Lane Thorpe Egham Surrey TW20 8TD	01932 568933
The Offeror FAO: General Counsel	2 Lambs Passage London EC1Y 8BB (Ref: RRO) with a copy to: Av. Ricardo Margain Zozaya	020 7240 5072 + 52 81 8888 4399

325, Colonia
Valle del Campestre
Garza Garcia
Nuevo Lien
Mexico 66265

provided that a party may change its notice details on giving notice to the other party of the change in accordance with this clause.

8.3 Any notice given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

(A) if delivered personally, on delivery;

(B) if sent by facsimile, when sent (with receipt confirmed); and

(C) if sent by courier, on delivery.

8.4 Any notice given under this Agreement outside Working Hours in the place to which it is addressed shall be deemed not to have been given until the start of the next period of Working Hours in such place.

9. Remedies and Waivers

9.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by law or under this Agreement shall:

(A) affect that right, power or remedy; or

(B) operate as a waiver of it.

9.2 The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

9.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

9.4 Without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that damages would not be an adequate remedy for any breach by any party of the provisions of this Agreement and any party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief (and neither of the parties shall contest the appropriateness or availability thereof), for any threatened or actual breach of any such provision of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

10. Invalidity

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:

(A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

(B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

11. No Partnership

Nothing in this Agreement and no action taken by the parties under this agreement shall constitute a partnership, association, joint venture or other co-operative entity between any of the parties.

12. Time of Essence

Except as otherwise expressly provided, time is of the essence of this Agreement.

13. Contracts (Rights of Third Parties) Act 1999

The parties to this Agreement do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

14. Entire Agreement

14.1 This Agreement and the Confidentiality Agreement constitute the whole and only Agreement between the parties relating to the Acquisition and supersede any previous agreement whether written or oral between the parties in relation to the Acquisition. Nothing in this Agreement shall have the effect of varying or limiting the provisions of the Confidentiality Agreement.

14.2 Each party acknowledges that in entering into this agreement it is not relying upon any pre-contractual statement that is not set out in this agreement.

14.3 Except in the case of fraud, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement.

14.4 For the purposes of this clause, "pre-contractual statement" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this agreement made or given by any person at any time prior to the date of this Agreement.

14.5 This Agreement may only be varied in writing signed by each of the parties.

15. Assignment

No party shall assign or create a trust over all or any part of the benefit of, or its rights or benefits under, this Agreement.

16. Announcements

16.1 Subject to sub-clause 16.2, and unless the recommendation of the Directors contemplated by sub-clauses 3.5 and 3.6, as the case may be, has not been given or has been withdrawn, modified or qualified, no announcement (other than the Press Announcement) concerning the Acquisition or any ancillary matter contemplated by this agreement shall be made by either party hereto without the prior written approval of the other, such approval not to be unreasonably withheld or delayed.

16.2 The Company and the Offeror may each make such announcements as are required by:

(A) the law of any relevant jurisdiction; or

(B) any securities exchange or regulatory or governmental body to which that party is subject or submits, wherever situated, including (without limitation) the UK Listing Authority, the London Stock Exchange, the New York Stock Exchange, the Mexico Stock Exchange and the Panel whether or not the requirement has the force of law; or

(C) for the better implementation of the Acquisition, the Scheme, the Offer or any ancillary matter,

in which case the party concerned shall take all such steps as may be reasonable and practicable in the circumstances to agree the contents of such announcement with the other party before making such announcement.

17. Costs and Expenses

Each party shall pay its own costs and expenses in relation to the negotiation and preparation of this Agreement and the implementation of the transactions contemplated hereby.

18. Counterparts

18.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.

18.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

19. Choice of Governing Law

This agreement is to be governed by and construed in accordance with English law.

20. Jurisdiction

20.1 Each of the parties to this Agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any proceedings may be brought in the courts of England.

20.2 Each party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in the courts of England and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement in any proceedings brought in the courts of England shall be conclusive and binding upon such party and may be enforced in the courts of England.

IN WITNESS of which this document has been executed and delivered as a deed on the date which first appears on page 1 above.

Executed as a deed by RMC Group p.l.c. acting by)

../s/ Illegible.....

Name:
Director

../s/ Illegible.....

Name:
Director/Secretary

Executed as a deed by Cemex UK Limited acting by)

../s/ Illegible.....

Name:
Director

../s/ Illegible.....

Name:
Director/Secretary

SCHEDULE 1

(Press Announcement)

SCHEDULE 2

(Timetable)

Date	Action
D-28	Press Announcement released
D-12	Issue application for permission to convene Court Meeting
D-8	Swearing and filing of affidavit exhibiting Scheme Document
D-5	Hearing of application for permission to convene Court Meeting
D	Scheme Document posted
D+23	Court Meeting and Extraordinary General Meeting
US Business Days/D+24	Presentation of petition applying for Court Orders
D+32	Application for directions
D+35	Advertising
D+49	Court Hearing (depending on Clearances)
D+50	Effective Date
D+71	Advertise reduction

Notes:

1. The parties recognise that the Timetable will be affected by the occurrence of non-Business Days and the availability of the Court and its staff.

2. The parties recognise that the Timetable may be affected by the requirement to obtain Clearances.

3. The parties will discuss the timing of the matters to occur following the Court Meeting and Extraordinary General Meeting in the light of progress towards obtaining Clearances.

Exhibit 4.19

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 6270 of 2004

IN THE MATTER OF
RMC GROUP p.l.c.

AND IN THE MATTER OF
THE COMPANIES ACT 1985

SCHEME OF ARRANGEMENT
(under section 425 of the Companies Act 1985)

BETWEEN
RMC GROUP p.l.c.
AND

THE HOLDERS OF SCHEME SHARES
(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

"Act"	the Companies Act 1985 (as amended)
"Business Day"	any day, other than a Saturday, Sunday or public holiday or bank holiday, on which banks are open for business in the City of London
"Cancellation Shareholders"	holders of Cancellation Shares
"Cancellation Shares"	Scheme Shares, other than the Transfer Shares but including Transfer Shares treated as Cancellation Shares pursuant to clause 3.2 of this Scheme
"CEMEX"	CEMEX, S.A. de C.V.
"CEMEX Group"	CEMEX and its subsidiary undertakings

"CEMEX	UK" CEMEX UK Limited, incorporated in England and Wales with registered number 05196131
"certificated" or "in certificated form"	a share which is not in uncertificated form (that is, not in CREST)
"Circular"	the document dated 25 October 2004 sent by the Company to the holders of its Ordinary Shares of which this Scheme forms part
"Company" or "RMC"	RMC Group p.l.c., incorporated in England and Wales with registered number 00249776
"Court"	the High Court of Justice in England and Wales
"Court Meeting"	the meeting of the holders of Ordinary Shares (other than Ordinary Shares beneficially owned by a member of the CEMEX Group) convened by order of the Court pursuant to section 425 of the Companies Act 1985 to consider and, if thought fit, approve this Scheme, including any adjournment thereof
"Court Order"	the order of the Court sanctioning the Scheme under section 425 of the Act and confirming the reduction of share capital under section 137 of the Act provided for by this Scheme
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"CRESTCo"	CRESTCo. Limited
"Effective Date"	the date on which this Scheme becomes effective in accordance with clause 7 of this Scheme
"holder"	includes any person entitled by transmission
"Interim Dividend"	the dividend of 9.4 pence per Ordinary Share announced on 2 September 2004 in respect of the six-month period ended 30 June 2004 payable on 1 December 2004 to all holders of Ordinary Shares on the register at the close of business on 5 November 2004
"Loan Notes"	the floating rate guaranteed unsecured loan notes of CEMEX UK

	to be issued pursuant to the Loan Note Alternative, particulars of which are summarised in Part VI of the Circular
"Loan Note Alternative"	the alternative consideration for which a holder of Scheme Shares (other than a Restricted Overseas Person) may elect under clause 3 of this Scheme
"Loan Note Form of Election"	the green form of election relating to the Loan Note Alternative and accompanying the Circular
"members"	members of the Company on the register of members at any relevant date
"Ordinary Shares"	ordinary shares of 25 pence each in the capital of the Company
"Restricted Overseas Person"	a person (including an individual, partnership, unincorporated syndicate or organisation, incorporated association, trust, trustee, executor, administrator or other legal representative) in or resident in the United States, Canada, Australia, Japan, Malaysia or New Zealand or a U.S. Person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended)
"Scheme"	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
"Scheme Record Time"	6:00 p.m. on the Business Day immediately preceding the Effective Date
"Scheme Shares"	(i) the Ordinary Shares in issue at the date of this Scheme; (ii) any Ordinary Shares issued after the date of this Scheme and before the Voting Record Time; and (iii) any Ordinary Shares issued at or after the Voting Record Time and before 6:00 p.m. on the day before the date on which the Court Order is made in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme, in each case other than any Ordinary Shares beneficially owned by the CEMEX Group

"Transfer Shares"	Scheme Shares in respect of which valid elections for the Loan Note Alternative shall have been made in accordance with this Scheme
"uncertificated" or "in uncertificated form"	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. Securities Act"	the United States Securities Act of 1933 (as amended)
"Voting Record Time"	6:00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 p.m. on the second day before the day of such adjourned meeting

and references to clauses are to clauses of this Scheme.

(B) The authorised share capital of the Company at the date of this Scheme is (pound)100,000,000 divided into 400,000,000 Ordinary Shares, of which, as at the close of business on 21 October 2004, 266,447,314 have been issued and are credited as fully paid and the remainder are unissued.

(C) At the date of this Scheme the CEMEX Group beneficially owns 50,000,000 Ordinary Shares.

(D) CEMEX UK has agreed to appear by counsel on the hearing of the petition to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

(E) CEMEX has agreed to procure that any holder (other than CEMEX UK) of Ordinary Shares beneficially owned by a member of the CEMEX Group will appear by counsel on the hearing of the petition to sanction this Scheme and will undertake in respect of such Ordinary Shares to be bound by this Scheme.

THE SCHEME

1 Cancellation of the Cancellation Shares

1.1 The capital of the Company shall be reduced by cancelling and extinguishing the Cancellation Shares.

1.2 Subject to and forthwith upon the said reduction of capital taking effect:

1.2.1 the authorised share capital of the Company shall be increased to its former amount by the creation of such number of Ordinary Shares as is equal to the number of Cancellation Shares; and

1.2.2 the reserve arising in the books of account of the Company as a result of the said reduction of capital shall be capitalised and applied in paying up in full at par the Ordinary Shares created pursuant to clause 1.2.1 of this Scheme, which shall be allotted and issued credited as fully paid to CEMEX UK and/or its nominees.

2 Consideration for cancellation of the Cancellation Shares

In consideration for the cancellation of the Cancellation Shares and the allotment and issue of the Ordinary Shares as provided in clause 1 of this Scheme, CEMEX UK shall (subject as hereinafter provided) pay to or for the account of the holders of Cancellation Shares (as appearing in the register of members of the Company at the Scheme Record Time):

for every Cancellation Share 855 pence in cash

3 Loan Note Alternative

3.1 If any holder of Scheme Shares shall validly so elect in respect of all or some of his Scheme Shares, CEMEX UK shall, in consideration for the transfer of the Transfer Shares (and subject as hereinafter provided), allot and issue to such holder (as appearing in the register of members at the Scheme Record Time) Loan Notes on the following basis:

for every Transfer Share 855 pence nominal value of Loan Notes

provided that the Loan Note Alternative shall not be available to Restricted Overseas Persons, or persons whom CEMEX UK believes to be Restricted Overseas Persons.

3.2 If valid elections for the Loan Note Alternative would result in the issue of less than (pound)10,000,000 nominal value of Loan Notes in aggregate, CEMEX UK will not issue any Loan Notes. If no Loan Notes are issued pursuant to this clause 3.2, any relevant Scheme Shares whose holders have elected for the Loan Note Alternative shall be treated as Cancellation Shares for the purposes of this Scheme, such holders shall then receive the cash to which they would otherwise be entitled under this Scheme, and clause 4 of this Scheme shall not apply.

3.3 The Loan Notes shall be issued credited as fully paid and in amounts and integral multiples of (pound)1 nominal. No fraction of a Loan Note shall be issued to any holder of Scheme Shares and the cash entitlement relating thereto shall be disregarded and not paid to such holder.

3.4 The election referred to in clause 3.1 of this Scheme shall be made by the completion and delivery of a Loan Note Form of Election in accordance with the instructions thereon.

3.5 CEMEX UK shall be entitled, in determining whether a Loan Note Form of Election is valid, or not, to exercise the powers and discretions provided for in Part VII of the Circular.

3.6 Upon execution and delivery by a holder of Scheme Shares of a valid Loan Note Form of Election such holder shall be bound by the terms and provisions contained in the Loan Note Form of Election and in Part VII of the Circular and in particular (but without prejudice to the generality of the foregoing):

(i) shall be responsible for the representations and warranties contained in Notes 2 and 4 on page 4 of the Loan Note Form of Election and those set out in section 14 of Part VI of the Circular; and

(ii) shall be bound by the provisions set out in section 14 of Part VI and section 2 of Part VII of the Circular.

3.7 The Loan Notes will be constituted by an instrument substantially in the form already prepared and initialled for the purpose of identification by Linklaters solicitors, with such modifications or additions, if any, as may prior to the execution thereof be agreed between RMC and CEMEX UK.

3.8 The provisions of this clause 3 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address outside the United Kingdom or who is a citizen, resident or national of a jurisdiction outside the United Kingdom, CEMEX UK is advised that the issue of Loan Notes pursuant to this clause 3 would or may infringe the laws of any such jurisdiction, or would or may require CEMEX UK to observe any governmental or other consent to any registration, filing or other formality with which CEMEX UK is unable to comply or which CEMEX UK regards as unduly onerous, CEMEX UK may determine that the Loan Note Alternative shall not be available to such holder so that such holder shall be deemed to be a Restricted Overseas Person and any Loan Note Form of Election completed and delivered by such holder shall be invalid.

3.9

3.9.1 If at the Scheme Record Time the number of Scheme Shares held by a person who has elected to receive Loan Notes is equal to or exceeds the number of Scheme Shares in respect of which an election for Loan Notes made by him would otherwise be effective, the validity of his election shall not be affected by any alteration in his holding of Scheme Shares between the date on which he made such election and the Scheme Record Time and any reductions in his holding shall, if applicable, be treated as disposals of those Scheme Shares in respect of which he did not elect to receive Loan Notes.

3.9.2 If at the Scheme Record Time the number of Scheme Shares held by a person who has so elected to receive Loan Notes is less than the number of Scheme Shares in respect of which the holder has elected to receive such Loan Notes, he shall be treated as having validly elected to receive Loan Notes in respect of all of his Scheme Shares.

4 Acquisition of Transfer Shares

Forthwith and contingently upon the cancellation of the Cancellation Shares, the allotment of the Ordinary Shares referred to in clause 1.2.2 of this Scheme and the registration of such Ordinary Shares in the name of CEMEX UK but subject to clause 3.2 of this Scheme, CEMEX UK shall acquire the Transfer Shares fully paid, with full title guarantee, free from all liens, equities, charges, encumbrances and other interests and together with all rights at the date of this Scheme or thereafter attached thereto including the right to receive and retain all dividends and other distributions declared, paid or made thereon, on or after 27 September 2004, other than the Interim Dividend.

For such purposes, the Transfer Shares shall be transferred to CEMEX UK and/or its nominees and to give effect to such transfer any person may be appointed by CEMEX UK to execute as transferor an instrument or instruction of transfer of any Transfer Shares and every instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Transfer Shares thereby transferred.

5 Payments

5.1 As soon as practicable after the Effective Date and in any event not more than 14 days thereafter, CEMEX UK shall:

5.1.1 in the case of Cancellation Shares which at the Scheme Record Time were in certificated form, despatch or procure the despatch to the persons entitled thereto, or as they may direct, in accordance with the provisions of clause 5.2, cheques and/or warrants for the sums payable to them respectively in accordance with clause 2 of this Scheme or, in the case of Cancellation Shares which at the Scheme Record Time are in uncertificated form, ensure that an assured payment obligation in respect of the sums payable to the persons entitled thereto is created in accordance with the CREST assured payment arrangements PROVIDED that CEMEX UK reserves the right to make payment of the said consideration by cheque and/or warrant as aforesaid if, for any reason, it wishes to do so; and

5.1.2 against the execution of any instrument or instruction of transfer referred to in clause 4 of this Scheme, in the case of Transfer Shares, issue the Loan Notes which it is required to issue pursuant to clause 3 of this Scheme and deliver certificates therefor to the persons entitled thereto, or as they may direct.

5.2 All deliveries of cheques, warrants and certificates required to be made pursuant to this Scheme shall be effected by posting the same by first class post in pre-paid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the said register in respect of such joint holding at such time) or in accordance with any special instructions regarding communications, and neither CEMEX UK nor the Company shall be responsible for any loss or delay in the transmission of cheques, warrants or certificates sent in accordance with this clause 5.2 which shall be sent at the risk of the person entitled thereto.

5.3 All cheques and warrants shall be made payable to the person to whom in accordance with the foregoing provisions or this clause the envelope containing the same is addressed and the encashment of any such cheque or warrant shall be a complete discharge to CEMEX UK for the moneys represented thereby.

5.4 The provisions of this clause 5 shall be subject to any prohibition or condition imposed by law.

6 Certificates and Cancellations

With effect from and including the Effective Date:

6.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same to the Company or as it may direct; and

6.2 CRESTCo shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form.

7 Dividend Mandates

All mandates and other instructions to the Company in force at the Scheme Record Time relating to Transfer Shares shall, unless and until revoked or amended, be deemed as from the Effective Date to be valid and effective mandates in relation to the payment of interest and capital and instructions to CEMEX UK in relation to the Loan Notes issued in respect thereof.

8 The Effective Date

8.1 This Scheme shall become effective in accordance with its terms as soon as an office copy of the Court Order sanctioning this Scheme under section 425 of the Companies Act 1985 and confirming under section 137 of the said Act the reduction of the capital provided for by this Scheme shall have been delivered to the Registrar of Companies for registration and, in the case of the confirmation of the reduction of capital, shall have been registered by him.

8.2 Unless this Scheme shall become effective on or before 26 March 2005 or such later date, if any, as CEMEX UK and the Company may agree and the Court may allow, this Scheme shall never become effective.

9 Modification

CEMEX UK and the Company may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

Dated 25 October 2004

EXHIBIT 4.20

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

CEMEX, INC.

AND

VOTORANTIM PARTICIPACOES S.A.

* * *

Dated as of February 4, 2005

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* * * * *

DEFINED TERMS

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, dated as of February 4, 2005, by and between CEMEX, Inc., a Louisiana corporation ("Seller"), and Votorantim Participacoes S.A., a corporation (sociedade anonima) organized under the laws of the Federative Republic of Brazil ("Purchaser").

This Agreement sets forth the terms and conditions upon which Seller will, and will cause its Affiliates to, sell to Purchaser or its Affiliates or, with respect to the Conquest, its nominee, and Purchaser will purchase, or will cause its Affiliates and, with respect to the Conquest, its nominee, to purchase, from Seller or Seller's Specified Affiliates, certain assets of Seller and its Specified Affiliates relating to Seller's cement plants located in Dixon, Illinois (the "Dixon Facility") and in Charlevoix, Michigan (the "Charlevoix Facility") and its related cement distribution business with terminals located in Owen Sound, Ontario Canada (subject to Section 6.13);

Ferrysburg, Michigan; Cleveland and Toledo, Ohio; Chicago, Illinois; and Milwaukee, Manitowoc and Green Bay, Wisconsin (collectively, the "Terminals," and together with the Dixon Facility and the Charlevoix Facility, the "Facilities"), and Purchaser will assume certain liabilities of Seller and its Specified Affiliates relating to such assets.

ARTICLE I

DEFINITIONS AND TERMS

1.1 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, such Person. For the purposes of this definition, "control" (including, with correlative meaning, the terms "controlled," "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this Asset Purchase Agreement, together with the Exhibits and Schedules hereto, the Seller Disclosure Schedule and the Purchaser Disclosure Schedule, as the same may by amended or supplemented from time to time in accordance with the terms of this Agreement.

"Assumed Collective Bargaining Agreements" means, collectively, the collective bargaining agreements applicable to the Facility Employees that are being assumed by Purchaser as set forth on Section 2.1(a)(xiii) of the Seller Disclosure Schedule.

"Base Working Capital" means $30,959,000.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York City are authorized or obligated by Law or executive order to close.

"Business Employees" means the current employees, officers and directors of the Business.

"CCPC" means CEMEX Central Plains Cement LLC, a Delaware limited liability company.

"Challenger" means the vessel named "Southdown Challenger."

"Challenger Agreements" means, collectively, (i) the Participation Agreement, dated as of May 28, 2002, among Seller, as Charterer, Valenciana, as Guarantor, Citicorp Railmark, Inc. as Owner Participant, and Wilmington Trust Company, not in its individual capacity, except as expressly provided for therein, but solely as Owner Trustee, and (ii) the Time Charter Party, made and concluded on May 31, 2002, by and between Wilmington Trust Company, not in its individual capacity, but solely as Owner Trustee and Seller.

"Change of Control Transaction" means any business combination transaction (including any merger, consolidation, stock or asset purchase or sale or other similar transaction) involving CEMEX S.A. de C.V. or Seller or any of their respective Affiliates or subsidiaries that results in (i) CEMEX S.A. de C.V. owning, immediately following the closing of such transaction, less than 50% of the voting equity of Seller, (ii) the shareholders of CEMEX S.A. de C.V. immediately prior to the closing of such transaction owning, immediately following the closing of such transaction, less than 50% of the voting equity of CEMEX S.A. de C.V. or (iii) CEMEX S.A. de C.V. or Seller having, immediately following the closing of such transaction, sold all or substantially all of their respective assets or businesses.

"Charlevoix Landfill Operating License" means the Solid Waste Disposal Area Operating License for the operation of a Type III Low Hazard Industrial Landfill, License No. 9069, in connection with the Charlevoix Facility.

"Citizen" means any Person within the meaning of 46 U.S.C. ss. 12102(a)(4) who is qualified to own and document vessels in the United States.

"Closing Working Capital" means the current assets of the Business as of the Closing Date, minus the current liabilities of the Business, as of the Closing Date, in each case as reflected on the balance sheet of the Business included in the Final Closing Statement as provided in Section 2.4.

"CMC" means Canadian Medusa Cement Limited (f/k/a Miller Terminals Limited and 843343 Ontario Limited), a company organized under the laws of Ontario, Canada.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Co-Generation Lease" means the Co-Generation Plant Lease Agreement, dated July 30, 2002, by and between Dixon Energy Partners, LLC and Prairie Materials Sales, Inc., which was assigned to CCPC pursuant to the Dixon Purchase Agreement.

"Confidentiality Agreement" means the Confidentiality Agreement, dated February 27, 2004, by and between Seller and Votorantim Cimentos Ltda., as the same may by amended or supplemented from time to time in accordance with the terms of the Confidentiality Agreement.

"Conquest" means the vessel named "CEMEX Conquest."

"Contract" means any contract, agreement, license, purchase order, sale order, bid, unaccepted bid, instrument of indebtedness, guarantee or other binding arrangement, whether written or oral.

"Conveyance Taxes" means all excise, sales, use, value added, transfer, stamp, real property transfer, value added or gains and similar Taxes and any transfer, recording, documentary, filing, registration and similar levies, fees and charges.

"Current NOx Patent Application" means the United States provisional patent application No. 60/583,663 filed by Licensor on June 29, 2004 entitled "Method of Reducing Cement Kiln NOx Emissions by Water Injection".

"Dixon Amendment No. 1" means the First Amendment to Purchase Agreement, dated as of February 3, 2005, by and between Seller and Prairie.

"Dixon Business" means the "Business" as such term is defined in the Dixon Purchase Agreement.

"Dixon Environmental Litigation" means the "Environmental Litigation" as such term is defined in the Dixon Purchase Agreement.

"Dixon Material Adverse Effect" means a "Material Adverse Effect" as such term is defined in the Dixon Purchase Agreement.

"Dixon Petition" means the "Petition" as such term is defined in the Dixon Purchase Agreement.

"Dixon Purchase Agreement" means the Purchase Agreement, dated June 20, 2003, between Prairie and Seller, as amended by (i) the letter agreement, dated September 25, 2003, between Prairie and Seller and (ii) Dixon Amendment No. 1.

"Dixon Real Property" means the "Real Property" as such term is defined in the Dixon Purchase Agreement.

"Dixon Retained Real Property" means the "Retained Real Property" as

such term is defined in the Dixon Purchase Agreement.

"Environmental Condition" means the presence of Hazardous Substances in the environment or building materials, the Release of Hazardous Substances to the environment, or the disposal of Hazardous Substances to land-based storage, treatment or disposal facilities (such as landfills), whether at the Facilities, the Purchased Assets or any Off-Site Location, including any migration of Hazardous Substances through air, soil, surface water, groundwater, sediments, land or surface or subsurface strata at, to or from the Facilities, the Purchased Assets or any Off-Site Location.

"Environmental Cost-Sharing Matters" means those Actions, Liabilities and Damages described in clauses (i) through (iii) of Section 8.8(b), except in each case to the extent that such Actions, Liabilities and Damages arise from or relate to Known Environmental Matters.

"Environmental Law" means all Laws, including rules of common law, relating to pollution or protection of the environment or human health and safety, including Laws relating to Releases or threatened Releases of Hazardous Substances into the indoor or outdoor environment (including air, soil, surface water, groundwater, sediment, land and surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, Release, transport or handling of Hazardous Substances; all Laws that relate to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Substances; all Laws relating to wildlife, including endangered or threatened species of fish and plants and the management or use of natural resources; and all Laws regulating or setting standards with respect to noise and, as such relates to mining and quarrying activities conducted at the Facilities, seismic vibrations.

"Environmental Permit" means Permits issued pursuant to Environmental Laws.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any entity that is a member of a controlled group for purposes of Section 4001(a)(14) of ERISA.

"Excluded Environmental Liabilities" means the Seller Retained Environmental Fines and Penalties and the Seller Retained Off-Site Liabilities.

"Excluded Taxes" means (i) all Income Taxes owed by Seller or any of its Affiliates for any period, (ii) all Taxes relating to the Excluded Assets or Excluded Liabilities for any period, (iii) all Taxes relating to the Purchased Assets, the Business or the Assumed Liabilities for any Pre-Closing Tax Period or the allocable portion of a Straddle Period (as determined under Section 2.6(a)), (iv) Seller's allocable portion of any Conveyance Taxes as determined under Section 10.1(a) and (v) subject to Section 8.6, all Taxes imposed on Purchaser or any of its Affiliates as a result of Seller breaching (A) its representations and warranties set forth in Article IV or (B) its covenants under Sections 2.6 and 10.1, except in the case of clauses (i), (ii) and (iii), to the extent of any Tax Liabilities reflected in the Final Closing Statement and that are taken into account in determining any Purchase Price adjustment under Section 2.4.

"Former Prairie Allocated Liability" means any Damage with respect to any matter or event for which Purchaser or any of its Affiliates would have been entitled to indemnification from Prairie solely as a result of the inaccuracy of any representation or warranty of Prairie (other than the representations and warranties in Sections 6.1(a), 6.1(b), 6.1(c), 6.1(l), and 6.1(r)) under the terms of the Dixon Purchase Agreement had the Dixon Amendment No. 1 not become effective. To the extent that Purchaser or any of its Affiliates would be entitled to indemnification from Prairie under other terms of the Dixon Purchase Agreement (including, for example, indemnification for matters that are retained liabilities under the Dixon Purchase Agreement), such Damages shall not be considered a Former Prairie Allocated Liability.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time.

"General Assignment and Assumption Instrument" means an instrument of general assignment and assumption with respect to the Assumed Liabilities in substantially the form of Exhibit 3.5(b).

"General Bill of Sale" means a bill of sale in substantially the form of Exhibit 3.5(a).

"Governmental Authority" means any U.S. or non-U.S. federal, state, foreign or local legislative, executive, administrative, judicial, provincial, quasi-judicial or other public authority, agency, department, bureau, division, unit, court or other public body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Substances" means (i) any petrochemical or petroleum products, radioactive materials, radon gas, asbestos or asbestos-containing materials, mold, lead-based paint, urea formaldehyde foam insulation and polychlorinated biphenyls, (ii) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Income Taxes" means any and all Taxes based on or measured by reference to gross or net income (and franchise or other Taxes imposed in lieu thereof).

"Inventory" means all inventory held for sale and all raw materials, work in process, finished products, supply and packaging materials, in each case primarily relating to the Business and located at the Facilities and the Detroit Terminal.

"Judgments" means any judgments, decisions, injunctions, orders, decrees, writs, rulings or awards of any court or other judicial authority or any Governmental Authority of competent jurisdiction.

"Knowledge" means, with respect to Seller, the actual knowledge of those Persons set forth in Schedule A after such Person reviewed this Agreement and the disclosures schedules and made a reasonable investigation with respect to matters set forth in this Agreement relating to such Person's particular area of responsibility; provided, however, that if any such Person fails to make such an investigation, "Knowledge" of such Person shall include the matters such Person would have known had such reasonable investigation been conducted.

"Known Environmental Matters" means those matters identified on Section 2.2(a)(viii) of the Seller Disclosure Schedule.

"Law" means each applicable provision of any constitution, statute, law, ordinance, code, rule, regulation, Judgment, release, license or other official legally binding pronouncement of any Governmental Authority.

"Lease" means any (i) Real Property Lease, (ii) Real Property Sublease and (iii) written or oral lease, sublease, rental contract or similar contract related to the Business or the Purchased Assets and pursuant to which Seller or any of its Affiliates leases any Tangible Personal Property from a third party (together with all amendments, modifications, supplements, waivers and consents

thereto or thereunder).

"Leased Real Property" means any real property leased by Seller or its Affiliates from third parties pursuant a Real Property Lease.

"Liability" means any liability, expense, fee, penalty, fine, damage or obligation of any nature, whether known or unknown, accrued, absolute, contingent or otherwise, and whether due or to become due.

"Lien" means any lien (statutory or otherwise), encumbrance or adverse claim, deed to secure debt, mortgage, preferred ship mortgage, maritime lien, lease, license the interest of a lessor under any capital lease, security interest, option, charge, pledge, hypothecation, title defect or objection, reversion, reverter, preferential arrangement, easement, encroachment, restrictive covenant or restriction of any kind.

"Material Adverse Effect" means a material adverse effect on the business, financial condition or results of operations of the Business, taken as a whole, except to the extent any such effect is attributable to or results from (i) any change in applicable Law or in the interpretation of any applicable Law by any Governmental Authority, (ii) any change in GAAP, (iii) the execution or announcement of this Agreement or compliance with the terms hereof, (iv) any circumstances or conditions generally affecting the portland cement or aggregates industry in the United States and Canada that do not affect the Business in a materially disproportionate manner relative to other Persons engaged in such business, or (v) general economic, political or market conditions in the United States and Canada that do not affect the Business in a materially disproportionate manner relative to other Persons engaged in the portland cement or aggregates business in the United States and Canada; provided that the exception set forth in clause (iii) above shall not apply in respect of representations and warranties of Seller contained in Sections 4.4 and 4.12(d).

"Off-Site Location" means any real property other than the Real Property.

"Owen Sound Terminal" means Seller's cement terminal located in Owen Sound, Ontario Canada.

"Permit" means any license, approval, registration, variances, permit, authorization, certificate or similar rights granted or issued by a Governmental Authority.

"Permitted Liens" means the following: (i) Liens set forth in Section 1.1(a) of the Seller Disclosure Schedule, (ii) mechanics', carriers', workmen's, repairmen's, landlord's or other like Liens arising or incurred in the ordinary course of business (as to which no enforcement, execution, levy or foreclosure shall have commenced or for which no bill shall have been sent), (iii) Liens for Taxes, assessments and other governmental charges which are not delinquent or are being contested in good faith in appropriate proceedings and for which adequate reserves have been maintained in accordance with GAAP, (iv) all matters shown on those certain surveys of the Dixon Facility by S and E Enterprises, Inc. d/b/a Survey-Tech (File Numbers 316-03 and 317-03), copies of which have been provided to Purchaser, (v) all matters shown on each of the Surveys to the extent such matters do not, individually or in the aggregate, materially impair the present occupancy or use of the applicable Real Property, (vi) any matters shown on those certain title insurance policies/commitments set forth on Schedule B attached hereto (other than those matters identified as unpermitted on such schedule), (vii) any other covenants, conditions, restrictions, reservations, rights, claims, rights-of-ways, easements and other encumbrances or matters of record affecting title to the Purchased Assets but which, in any event, do not materially interfere with the present occupancy or use of the applicable Purchased Asset in the Business which (A) were not incurred in connection with any indebtedness for borrowed money and (B) do not render title to the applicable Real Property encumbered thereby unmarketable, (viii) zoning, building, land use, conservation and other similar restrictions imposed by Law, (ix) the terms of the Assumed Leases and Assumed Contracts and liens of the other parties to such Assumed Leases and Assumed Contracts arising

thereunder for sums not yet due and payable, (x) Liens related to Assumed Liabilities, (xi) Liens affecting a lessor's or licensor's interest in Tangible Personal Property leased or licensed to Seller, (xii) Liens registered under the Uniform Commercial Code as adopted in any applicable state or similar legislation in other jurisdictions by any lessor or licensor of Tangible Personal Property to Seller, (xiii) Liens arising in the ordinary course of business after the date hereof that do not, individually or in the aggregate, materially impair the present use or value of the Purchased Assets, provided that such Liens do not arise as a result of Seller incurring or assuming any indebtedness for borrowed money, and (xiv) Liens arising or resulting, during or after the Closing, from any action taken by Purchaser or any of its Affiliates.

"Person" means any individual, sole proprietorship, partnership, joint venture, corporation, estate, trust, unincorporated organization, association, limited liability company, institution, Governmental Authority, or other entity.

"Prairie" means Prairie Material Sales, Inc., an Illinois corporation.

"Prairie Allocated Liability" means any Damage with respect to any matter or event for which Seller or any of its Affiliates would have been entitled to indemnification from Prairie under the terms of the Dixon Purchase Agreement had the transactions contemplated by this Agreement not occurred, without regard to (i) any defense that Prairie may otherwise have to such indemnification obligation under any applicable bankruptcy, insolvency or similar Law affecting creditors' rights generally, (ii) any defense that Prairie may otherwise have to such indemnification obligation by virtue of any act or omission of Purchaser or any of its Affiliates, (iii) any failure or inability of Purchaser or any of its Affiliates to collect on any judgment against Prairie with respect to any such claim or (iv) any modifications to the Dixon Purchase Agreement that occur after the Closing.

"Real Property" means, collectively, the Leased Real Property and the Owned Real Property.

"Real Property Leases" means any lease, sublease or similar agreement pursuant to which Seller or any of its Affiliates leases, subleases or otherwise occupies any real property primarily used in (or intended to be used in) or primarily related to the Business.

"Real Property Sublease" means any lease, sublease or similar agreement granting to any other Person any right to the use or occupancy of the Owned Real Property.

"Reference Balance Sheet" means the unaudited combined balance sheet of the Business, dated October 31, 2004 and expressed in U.S. dollars, a copy of which is set forth in Section 4.5(a) of the Seller Disclosure Schedule.

"Reference Balance Sheet Date" means October 31, 2004.

"Release" means any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Substances into soil, surface water, ground water, sediments, land or surface or subsurface strata.

"Remediation" means actions undertaken to address an Environmental Condition, including the following activities: (i) monitoring, investigation, assessment, treatment, cleanup, containment, removal, mitigation, response or restoration work; (ii) obtaining any Permits, consents, approvals or authorizations of any Governmental Authority necessary to conduct any such activity; (iii) preparing and implementing any plans or studies for any such activity; (iv) obtaining a written notice from a Governmental Authority with jurisdiction over the Facilities, the Purchased Assets, or an Off-Site Location under Environmental Laws that no material additional work is required by such Governmental Authority; (v) the use, implementation, application, installation, operation or maintenance of removal actions on the Facilities, the Purchased Assets or Off-Site Locations, remedial technologies applied to the surface or

subsurface soils, excavation and treatment or disposal of soils at an Off-Site Location, systems for long-term treatment of surface water or groundwater, engineering controls or institutional controls; and (vi) any other activities reasonably determined to be necessary or appropriate or required under Environmental Laws to address an Environmental Condition.

"Restricted Building Region" means the areas that fall within a 150 mile radius around each of (i) the Dixon Facility and (ii) the Charlevoix Facility.

"Restricted Cement Region" means, unless this definition is modified pursuant to Section 6.13, (i) the State of Michigan and (ii) the areas that fall within a 150 mile radius around each of (A) the Dixon Facility, (B) the Terminals located in the cities of Milwaukee, Manitowoc and Green Bay, Wisconsin and (C) the Terminal located in the city of Owen Sound, Ontario Canada.

"Seller Retained Environmental Fines and Penalties" means any fines and penalties arising out of or related to any violations of or non-compliance with Environmental Laws or Environmental Permits by Seller or any of its Affiliates with respect to the Facilities or the Purchased Assets during the period of Seller's ownership of the Facility or Purchased Asset; provided, however, that "Seller Retained Environmental Fines and Penalties" shall not include (i) any costs associated with correcting any such violations or non-compliance, (ii) any such fines or penalties that arise out of any Known Environmental Matter or (iii) any fines or penalties attributable to violations of, or non-compliance with, Environmental Laws or Environmental Permits that occur after the Closing Date, including any portion of any fine or penalty to the extent that portion is attributed to the continuation after the Closing Date of any violations of, or non-compliance with, applicable Environmental Laws or Environmental Permits that commenced prior to the Closing Date.

"Seller Retained Off-Site Liabilities" means Liabilities relating to or resulting or arising from the off-site transportation, storage, disposal, treatment, or recycling of Hazardous Substances generated by and transported by or on behalf of Seller or any of its Affiliates in connection with the Business prior to the Closing Date, including claims related to loss of life, injury to persons or property or Remediation of Environmental Conditions.

"Shipping Act" means the Shipping Act, 1916 (46 U.S.C. ss. 801 et seq.), as amended, and the rules and regulations promulgated thereunder.

"Significant Business Combination Transaction" means any business combination transaction (including any merger, consolidation, stock purchase or sale or other similar transaction) involving Seller or any of its subsidiaries or Affiliates where immediately following the consummation of such transaction the shareholders of the other party to such transaction or any of such Person's Affiliates or subsidiaries owns at least 20% of the outstanding equity of CEMEX, S.A. de C.V. (or any Person who shall be a successor, by merger or otherwise, to Seller or any of its subsidiaries or Affiliates of any of the foregoing in connection with or at any time after such transaction).

"Significant Restricted Business" means, with respect to a particular Person, the Restricted Cement Businesses of such Person if more than 25% of such Person's consolidated total revenues during the most recently completed fiscal year were derived from such Person's Restricted Cement Businesses.

"Specified Affiliates" means, collectively, CCPC and CMC.

"Straddle Period" means any taxable period beginning on or prior to and ending after the Closing Date.

"Tax Returns" means any report, return, declaration or other filing required to be supplied to any taxing authority or jurisdiction with respect to any Tax, including any amendments or attachments thereto and including any information return, claim for refund, amended return or declaration of estimated Tax.

"Taxes" means any and all taxes, assessments, charges, duties, tariffs, imposts, fees, levies or other governmental charges, including all federal, state, local, foreign or other income, windfall or other profits, unitary, gross receipts, payroll, business, franchise, capital stock, real property, personal property, intangible taxes, withholding, FICA, unemployment compensation, transfer, sales, use, ad valorem, stamp, value added, excise and other taxes, assessments, charges, duties, fees, or levies of any kind whatsoever (whether or not requiring the filing of returns), any transferee or secondary liability in respect of taxes and all deficiency assessments, additions to tax, penalties and interest.

"Transaction Documents" means this Agreement, the General Assignment and Assumption Agreement, the General Bill of Sale, the Deeds, the Conquest Bill of Sale, the Detroit Lease Agreement and any other deeds, endorsements, assignments or other documents delivered in connection with this Agreement.

"Valenciana" means CEMEX Espana, S.A., a company organized and existing under the laws of Spain that was formerly known as Compania Valenciana De Cementos Portland, S.A.

"Vessels" means, collectively, the Challenger and the Conquest.

"WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended from time to time, and the rules and regulations promulgated thereunder.

1.2 Other Definitional Provisions.

(a) Any reference to an Article, Section, Exhibit or Annex is a reference to an Article or Section of, or an Exhibit or Annex to, this Agreement, unless otherwise specified.

(b) Terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(c) The words "include," "includes" and "including" are not limiting.

(d) The terms "dollars" and "$" mean United States dollars.

(e) The phrases "the date of this Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to February 4, 2005.

ARTICLE II

TRANSFER OF ASSETS AND LIABILITIES

2.1 Assets.

(a) Purchased Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall, and shall cause its Specified Affiliates to, sell, transfer, convey, assign, lease and deliver to Purchaser and/or one or more Affiliates or, with respect to the Conquest, the nominee of Purchaser (as designated by Purchaser), and Purchaser shall, and shall cause any such designated Affiliate or, with respect to the Conquest, such nominee to, purchase, acquire and accept from Seller all of Seller's and the Specified Affiliates' right, title and interest in all of the (y) fixed assets located at the Facilities and (z) other properties, assets, rights, claims and contracts (collectively, the "Purchased Assets") primarily used in (or intended to be primarily used in) or primarily related to Seller's business of producing, marketing, distributing and selling portland cement and coarse construction aggregates (as customarily performed by Seller prior to the Closing) at or from the Facilities (the "Business"), free and clear of any and all Liens (other than Permitted Liens) and excluding the Excluded Assets. Without limiting the generality of the foregoing, the Purchased Assets shall include (other than Excluded Assets) all right, title and interest in the

following assets, rights, properties and contracts of Seller and its Specified Affiliates as of the Closing Date:

(i) the Inventory for which title of ownership has not passed from Seller to its customers prior to the Closing;

(ii) all prepaid expenses, prepaid Taxes, advance payments, deposits and prepaid items, including prepaid interest and deposits with lessors, suppliers or utilities, to the extent related to the Business;

(iii) Seller's and Seller's Affiliates' accounts receivable primarily arising out of and primarily related to the conduct of the Business and outstanding as of the Closing, other than the Intracompany Receivables ("Accounts Receivable");

(iv) the Owned Real Property, including, to the extent of Seller's or its Specified Affiliates' rights, titles and interests therein, all mineral rights appurtenant to the Owned Real Property, all buildings, structures, fixtures and other improvements located thereon and all easements, rights-of-way and other rights and interests appurtenant thereto;

(v) all equipment, motor vehicles and other tangible personal property owned or leased by Seller and/or a Specified Affiliate, as the case may be, and located on the Real Property or used primarily in the conduct of the Business as presently conducted, including all vehicles (both plant and delivery), office furniture, and operating and other supplies (including fuel), tools, repair parts and spare parts located at the Facilities, including those assets listed in Section 2.1(a)(v) of the Seller Disclosure Schedule (collectively, "Tangible Personal Property");

(vi) subject to receipt of any required contractual consents, all Assumed Leases;

(vii) subject to receipt of any required contractual or governmental consents and, with respect to the Challenger Agreements, Purchaser satisfying its obligations under Section 6.15, all Assumed Contracts;

(viii) other than the Charlevoix Landfill Operating License, all Permits issued to Seller or its Specified Affiliates in connection with its operation of the Business or its ownership, possession, occupancy or use of any of the Purchased Assets, including those Permits listed in Section 2.1(a)(viii) of the Seller Disclosure Schedule;

(ix) all claims and rights of action, including warranty, indemnification and other rights (including performance guarantees and, except as set forth in Section 6.10, rights to insurance proceeds) (to the extent transferable), in each case to the extent primarily relating to the ownership or operation of, or primarily used for the conduct of, the Business or the Purchased Assets, but excluding (A) any of the foregoing that exclusively relate to any Excluded Liabilities, (B), except as set forth in Section 6.10, any claim for reimbursement under insurance policies for losses or damages suffered or incurred with respect to the Business or any Purchased Assets prior to the Closing Date and (C) those referred to in Sections 2.1(b)(xv) and 2.1(b)(xvii);

(x) all originals (or if originals are unavailable, copies) of (A) the Assumed Contracts and other documents that constitute an Assumed Liability, and (B) all other books of account, records, files, customer and supplier lists, price lists, vessel records and logs and correspondence (including that on microfiche and computer tapes and disks) primarily associated with, or used by Seller in the operation, ownership or use of, the Facilities

or the ownership, use, possession or occupancy of any of the Purchased Assets, but specifically excluding records that are a part of Seller's accounting system; provided that Seller may, subject to Section 6.16, retain one copy of any such items listed in clauses (A) and (B) of this Section 2.1(a)(x);

(xi) the goodwill of the Business;

(xii) subject to Purchaser satisfying its obligations under Section 6.15, the Conquest;

(xiii) subject to receipt of contractual consents from the applicable union, to the Assumed Collective Bargaining Agreements;

(xiv) all Real Property Tax Returns and sales Tax Returns specified in Section 2.1(a)(xiv) of the Seller Disclosure Schedule and related workpapers to the extent exclusively related to the Purchased Assets or the Business; and

(xv) the assets described in Section 2.1(a)(xv) of the Seller Disclosure Schedule.

(b) Excluded Assets. Except to the extent expressly described above, Purchased Assets shall not include any other assets, properties, rights and interest of Seller or any of its Affiliates, and, without limiting the generality of the foregoing and notwithstanding Section 2.1(a), Purchased Assets shall not include the following:

(i) the assets described in Section 2.1(b)(i) of the Seller Disclosure Schedule;

(ii) cash, cash equivalents and other short term investments;

(iii) any Inventory sold or otherwise disposed of in accordance with Section 6.1(d) to non-Affiliates of Seller during the period from the date of this Agreement until the Closing;

(iv) except as set forth in Section 6.10, any insurance policies or insurance coverage (or assumed coverage) of Seller or any of its Affiliates, including any policy or coverage relating to the Purchased Assets or the Business (the "Retained Policies");

(v) any rights pursuant to any agreement or contract between Seller and any of its Affiliates, unless otherwise listed on Section 2.1(b)(v) of the Seller Disclosure Schedule;

(vi) subject to Section 6.7, all outstanding amounts, including Accounts Receivable, owing to the Business from other businesses of Seller or Seller's Affiliates (the "Intracompany Receivables");

(vii) all rights, including the right to use, in or to (a) any intellectual property of Seller and its Affiliates, whether or not exclusively used in or necessary for the conduct of the Business, including Seller's and its Affiliates' patents, copyrights, tradenames, trademarks, service marks, logos, slogans, internet domain names, licenses and software (whether or not registered in any country in the world), (b) Seller's and its Affiliates' rights to the trademarks "CEMEX", "Southdown" or "Medusa" and (c) those items listed on Section 2.1(b)(vii) of the Seller Disclosure Schedule (such names, collectively, the "Retained Names");

(viii) the services of the Non-Transferred Employees;

(ix) all refunds, rebates or similar payments of Taxes to the extent related to the Excluded Taxes (other than any such amount for which Seller has received a Purchase Price adjustment pursuant to Section 2.4);

(x) the assets of any employee benefits plan, program, agreement or arrangement maintained by Seller or any of its Affiliates;

(xi) all Tax Returns of Seller other than those specified in Section 2.1(a)(xiv) of the Seller Disclosure Schedule;

(xii) any books and records related to the Business that Seller or any of its Affiliates is required by Law to retain, so long as Seller delivers at least one copy thereof to Purchaser;

(xiii) rights of Seller or any of its Affiliates under this Agreement and the other Transaction Documents entered into by Seller or any of its Affiliates pursuant to or in connection with this Agreement;

(xiv) all other assets and rights (excluding Purchased Assets) of every kind and nature, real or personal, tangible or intangible, used primarily or held by Seller or any of its Affiliates for use primarily in connection with its ownership, possession, occupancy, use or management of the Excluded Assets;

(xv) all rights with respect to claims or legal proceedings relating to the Business set forth on Section 2.1(b)(xv) of the Seller Disclosure Schedule;

(xvi) the shares of ownership or other ownership interests in any Affiliate or subsidiary of Seller and any Tax attributes of any Affiliate or subsidiary of Seller;

(xvii) all rights, privileges, claims, demands, choses in action, prepayments, deposits, refunds, claims in bankruptcy, indemnification agreements with, and indemnification rights against, third parties, warranty claims, offsets and other rights and claims primarily relating to any Excluded Asset or any Excluded Liability and the rights and claims excluded from the Purchased Assets pursuant to Section 2.1(b)(xv);

(xviii) all correspondence and documents prepared by Seller for its internal evaluation purposes or related to any third party bid to purchase the assets of the Business in connection with the sale of the Business;

(xix) any collective bargaining agreement between Seller or any of its Affiliates and any union other than the Assumed Collective Bargaining Agreements; and

(xx) the Charlevoix Landfill Operating License.

The assets retained by Seller and/or any of its Affiliates pursuant to this Section 2.1(b) are "Excluded Assets".

2.2 Liabilities.

(a) Assumed Liabilities. Subject to the terms and conditions set forth herein, at Closing, Purchaser agrees to assume and pay, discharge and perform when due (or to cause its Affiliates or, with respect to the Conquest, its nominee to pay, discharge and perform when due) and shall assume (or cause its Affiliates or, with respect to the Conquest, its nominee to assume) pursuant to the General Assignment and Assumption Instrument (or such other assignment and assumption agreement acceptable to Purchaser and Seller), the following Liabilities, except for the Excluded Liabilities (the

"Assumed Liabilities"):

(i) Liabilities relating to periods on or after the Closing Date (and all Liabilities arising prior to the Closing Date in the ordinary course of business to the extent performance is required after the Closing Date and to the extent Purchaser receives the benefit corresponding to such Liabilities) under the Leases (excluding Leases that are Unassigned Contracts) that are either (A) listed on Section 4.9(c) of the Seller Disclosure Schedule (unless designated in such Schedule as not being assumed by Purchaser), or (B) entered into between the date hereof and the Closing by the Seller or any of its Specified Affiliates in accordance with Section 6.1, excluding in each case Liabilities attributable to any breach or default of such Lease by Seller or any Specified Affiliate prior to the Closing (collectively, the "Assumed Leases");

(ii) Liabilities relating to periods on or after the Closing Date (and all Liabilities arising prior to the Closing Date in the ordinary course of business to the extent performance is required after the Closing Date and to the extent Purchaser receives the benefit corresponding to such Liabilities) under the Contracts (excluding Contracts that are Unassigned Contracts) related to the Business that are either (A) listed on Section 2.2(a)(ii) of the Seller Disclosure Schedule (unless designated in such Schedule as not being assumed by Purchaser), or (B) entered into between the date hereof and the Closing by Seller or any of its Specified Affiliates in accordance with Section 6.1, excluding in each case Liabilities attributable to any breach or default of such Contract by Seller or any Specified Affiliate prior to the Closing (collectively, the "Assumed Contracts");

(iii) reclamation obligations with respect to the Charlevoix Facility and the Dixon Facility;

(iv) all Liabilities for Taxes (other than Excluded Taxes) with respect to the Purchased Assets or the Business, including those taxes for which Purchaser is liable pursuant to Section 2.6(a) for taxable periods (or portions thereof) ending after the Closing Date and Section 10.1(a);

(v) all Liabilities relating to, or occurring or existing in connection with, or arising out of, the ownership and operation of the Purchased Assets or the conduct of the Business on or after the Closing Date;

(vi) all Liabilities of Seller or any of its Specified Affiliates under any Permit constituting a Purchased Asset that arise on or after the Closing Date (and all Liabilities arising prior to the Closing Date in the ordinary course of business to the extent performance is required after the Closing Date and to the extent Purchaser receives the benefit corresponding to such Liabilities);

(vii) all Liabilities arising out of or in connection with product liability claims for personal injuries, property damage or losses that involve the use of any product sold or otherwise disposed of by Purchaser or any of its Affiliates on or after the Closing Date;

(viii) all Liabilities relating to or resulting or arising from the following: (A) any violation or alleged violation of or non-compliance with Environmental Laws or Environmental Permits whether prior to, on or after the Closing Date, with respect to the ownership, lease, maintenance or operation of the Facilities, the Purchased Assets or the Business, including any fines or penalties and the costs associated with correcting any such violations or non-compliance, but excluding any Seller Retained Environmental Fines or Penalties; (B) Environmental Conditions or exposure to Hazardous

Substances at, on, in, under, adjacent to or migrating or discharged to or from the Facilities or Purchased Assets prior to, on or after the Closing Date, including loss of life, injury to persons or property (including from exposure to asbestos-containing materials), damage to natural resources, and Remediation of Environmental Conditions; (C) the off-site transportation, storage, disposal, treatment, or recycling of Hazardous Substances generated by and transported by or on behalf of Purchaser or any of its Affiliates in connection with the Business on or after the Closing Date, including claims related to loss of life, injury to persons or property or Remediation of Environmental Conditions; and (D) Known Environmental Matters. The Liabilities described in this subsection are collectively the "Assumed Environmental Liabilities."

(ix) all Liabilities reflected on the Final Closing Statement;

(x) the Assumed Collective Bargaining Agreements;

(xi) all Liabilities arising out of, relating to, or occurring or existing in connection with, for the period after the Closing Date, the employment, compensation, benefits, severance or termination of employment of the Transferred Employees by Purchaser or its Affiliates pursuant to plans, arrangements and policies of Purchaser or its Affiliates (including the Assumed Collective Bargaining Agreements), except as otherwise provided in Article VII of this Agreement; and

(xii) all Liabilities specifically assumed by Purchaser pursuant to Sections 6.10(d).

(b) Excluded Liabilities. Except as otherwise provided in this Section 2.2(b) with respect to the Prairie Allocated Liabilities, Seller and its Specified Affiliates shall retain, and shall be responsible for paying, performing and discharging when due, and Purchaser shall not assume or have any responsibility for, the Liabilities of Seller and the Specified Affiliates other than the Assumed Liabilities (the "Excluded Liabilities"), including:

(i) all Liabilities with respect to Excluded Taxes;

(ii) all Liabilities relating to, or occurring or existing in connection with, or arising out of, the ownership and operation of the Excluded Assets, whether before, on or after, the Closing Date;

(iii) relating to, or occurring or existing in connection with, or arising out of, the ownership and operation of the Business prior to the Closing Date, except obligations or liabilities assumed pursuant to Sections 2.2(a)(i), (ii), (iii), (iv), (vi), (viii), (ix) and (xii);

(iv) all Liabilities arising out of or in connection with product liability claims for personal injuries, property damage or losses that involve the use of any product sold or otherwise disposed of by Seller or any of its Affiliates prior to the Closing Date;

(v) all Liabilities relating to litigation of Seller and its Affiliates pending as of the Closing, including the Actions identified in Section 2.2(b)(v) of the Seller Disclosure Schedule;

(vi) all Excluded Environmental Liabilities;

(vii) all Liabilities arising out of, relating

to, or occurring or existing in connection with, (A) for the period ending on and including the Closing Date, the employment, compensation, benefits, severance or termination of employment of the Business Employees by Seller or its Affiliates, (B) for the period prior to, on and after the Closing Date, the employment, compensation, benefits, severance or termination of employment of the Non-Transferred Employees and (C) for the period prior to, on and after the Closing Date, the employment, compensation, benefits, severance or termination of employment of any former employees, officers or directors of the Facilities, in each case except as otherwise provided in Article VII;

(viii) all Liabilities relating to indebtedness for borrowed money, obligations evidenced by notes, bonds, debentures or similar instrument or obligations as lessee under capital leases (other than, to the extent assumed by Purchaser, Liabilities under the Challenger Agreements) relating to the Business; and

(ix) all amounts, including accounts payable, due from the Business to other businesses of Seller or any of its Affiliates (the "Intracompany Liabilities");

provided, however, that, notwithstanding the foregoing, with respect to any such Liabilities that constitute Prairie Allocated Liabilities, such liabilities shall not constitute Excluded Liabilities to the extent that either (x) Seller has an indemnification right with respect thereto pursuant to Section 8.11(a) or (y) Purchaser is not entitled to seek indemnification from Seller with respect thereto under Section 8.11(b).

2.3 Purchase Price. The purchase price for the sale, conveyance, assignment, transfer and delivery of the Purchased Assets, shall be the sum of (a) $389,200,000, plus (b) the value of the Landfill Account as of the Closing Date (the "Purchase Price"), subject to adjustment as set forth in Section 2.4, plus the assumption of the Assumed Liabilities in accordance with Section 2.2(a). Notwithstanding any other provision of this Agreement, if Seller does not deliver the certificate described in Section 3.5(e) at or prior to the Closing, Purchaser shall be permitted to withhold from the Purchase Price the amount required to be withheld pursuant to Section 1445 of the Code as calculated by Purchaser in good faith.

2.4 Purchase Price Adjustment.

(a) As promptly as practicable, but in any event not later than 60 calendar days after the Closing Date, Seller shall cause to be prepared and delivered to Purchaser a statement (the "Preliminary Closing Statement") substantially in the form of Exhibit 2.4-1, setting forth (i) the balance sheet of the Business at the close of business on the day immediately preceding the Closing Date, which shall be prepared in accordance with GAAP on a basis consistent with the preparation of the Reference Balance Sheet and consistent with the accounting principles, practices and methodologies set forth in Exhibit 2.4-2 (and excluding the items identified therein) and (ii) Seller's calculation (based on the amounts set forth on the balance sheet contained in the Preliminary Closing Statement) of the Closing Working Capital. Seller shall allow Purchaser's employees, accountants and other authorized representatives the opportunity to review Seller's preparation of the Preliminary Closing Statement, including the opportunity (A) to observe any counting of inventory and similar activity conducted in the preparation of the Preliminary Closing Statement and other accounting procedures, and (B) to obtain copies of Seller's work papers and, to the extent Seller can obtain access using commercially reasonable efforts, access to Seller's accountant's work papers).

(b) Subject to the provisions of Section 2.4(c), Purchaser shall have 30 calendar days from the date of delivery of the Preliminary Closing Statement to review and approve or disapprove the Preliminary Closing Statement. Seller shall provide Purchaser and its representatives with copies of Seller's work papers and, to the extent Seller can obtain access using commercially reasonable efforts, access to Seller's

accountants' work papers generated in connection with the preparation of the Preliminary Closing Statement, as well as access to employees and representatives of Seller and its accounting firm to assist Purchaser in its review of such work papers and the Preliminary Closing Statement. If Purchaser has no objections to the Preliminary Closing Statement or to Seller's calculation of the Closing Working Capital contained in the Preliminary Closing Statement, Purchaser shall promptly so advise Seller in writing. If Purchaser so advises Seller, or if Purchaser fails to deliver the Notice of Disagreement referred to below within the requisite 30 calendar day period, the calculation of the Closing Working Capital set forth in the Preliminary Closing Statement shall be deemed final.

(c) If Purchaser has any objections to the Preliminary Closing Statement or to the calculation of the Closing Working Capital set forth in the Preliminary Closing Statement, including objections to the valuation of the Inventory, Purchaser shall notify Seller in writing (the "Notice of Disagreement") of such disagreement within 30 calendar days after delivery of the Preliminary Closing Statement (such 30 calendar day period, the "Resolution Period"). The Notice of Disagreement shall set forth in reasonable detail the basis for the disagreement. Thereafter, Seller and Purchaser shall attempt in good faith to resolve any such objection. Except with respect to disagreements regarding the valuation of the Inventory (which will be resolved pursuant to Section 2.4(d)), if Seller and Purchaser are unable to resolve the disagreement within 30 calendar days after the delivery of the Notice of Disagreement, such disagreement shall be referred to Grant Thornton LLP ("Grant Thornton") or, if for any reason such public accounting firm is not independent of Seller or Purchaser or is not able or declines to be engaged to resolve such disagreement, an independent public accounting firm mutually selected by Seller and Purchaser for resolution of such disagreement, in accordance with the requirements of Section 2.4(a) (either Grant Thornton or the selected or appointed public accounting firm, as the case may be, the "Independent Accounting Firm"). If Seller and Purchaser do not promptly agree on the selection of an independent public accounting firm, each of them shall appoint an independent public accounting firm and such two independent public accounting firms shall jointly select the Independent Accounting Firm. The determinations made by the Independent Accounting Firm with respect to any such disagreement shall be final and binding upon Seller and Purchaser for all purposes under this Agreement. Each of Seller and Purchaser shall use its commercially reasonable efforts to cause the Independent Accounting Firm to render its determination as soon as practicable after referral of such disagreement to such firm, and each shall cooperate with such firm and shall provide such firm with reasonable access to its books, records, personnel and representatives and such other information as such firm may require in order to render its determination. The scope of the Independent Accounting Firm's engagement (which shall not be an audit) shall be limited to the resolution of the items contained in the Notice of Disagreement (other than the resolution of any disagreement regarding the valuation of the Inventory), and the recalculation, if any, of the Closing Working Capital in light of such resolution. In its review of the Preliminary Closing Statement and recalculation of the Closing Working Capital, the Independent Accounting Firm will be limited to using the procedures and methodologies set forth in Exhibit 2.4-2, and if there is a disagreement as to the valuation of the Inventory, the Independent Accounting Firm shall use the Final Valuation determined pursuant to Section 2.4(d). The fees, costs and expenses of the Independent Accounting Firm, if any, will be borne equally by Seller and Purchaser. The Preliminary Closing Statement, as adjusted in accordance with the resolution of any disagreement with respect thereto or, if no Notice of Disagreement is timely given, as delivered to Purchaser pursuant to Section 2.4(a), is referred to in this Agreement as the "Final Closing Statement."

(d) Subject to Section 2.4(c), if Purchaser has any objections to the valuation of the Inventory included in the Preliminary Closing Statement, Purchaser shall notify Seller of such disagreement in the Notice of Disagreement. If Seller and Purchaser are unable to resolve the disagreement within the Resolution Period, such disagreement shall be referred to Construction Technology Laboratories, Inc. ("CTL") or, if for any reason such organization or firm is not independent of Seller or Purchaser or is not able or declines to be engaged to resolve such disagreement, an organization or

firm mutually selected by Seller and Purchaser for resolution of such disagreement (either CTL or the selected or appointed organization or firm, as the case may be, the "Independent Appraiser"). If Seller and Purchaser do not promptly agree on the selection of an independent appraiser, each of them shall appoint an independent appraiser and such two independent appraisers shall jointly select the Independent Appraiser. The determinations made by the Independent Appraiser with respect to any such Inventory valuation disagreement shall be final and binding upon Seller and Purchaser for all purposes under this Agreement. Each of Seller and Purchaser shall use its commercially reasonable efforts to cause the Independent Appraiser to render its determination as soon as practicable after referral of such disagreement to such organization, and each shall cooperate with such organization and shall provide such organization with reasonable access to its books, records, personnel and representatives and such other information as such firm may require in order to render its determination. The scope of the Independent Appraiser's engagement shall be limited to the resolution of the valuation of the Inventory contained in the Notice of Disagreement. The fees, costs and expenses of the Independent Appraiser, if any, will be borne equally by Seller and Purchaser. The valuation of the Inventory, as adjusted in accordance with the resolution of any disagreement with respect thereto is referred to in this Agreement as the "Final Valuation."

(e) No later than five Business Days after the time the Preliminary Closing Statement becomes final pursuant to the provisions of this Section 2.4, the following payments shall be made in immediately available funds by wire transfer to an account specified by the recipient prior to such date:

(i) if the Closing Working Capital as shown on the Final Closing Statement is less than the Base Working Capital, Seller shall pay to Purchaser an amount equal to such shortfall, together with interest on such amount at an annual rate equal to the prime rate of interest (as quoted daily by The Wall Street Journal), calculated on the basis of a 365-day year (the "Interest Rate") from and including the Closing Date to but excluding the date of the payment of such amount to Purchaser; and

(ii) if the Closing Working Capital as shown on the Final Closing Statement is greater than the Base Working Capital, Purchaser shall pay to Seller an amount equal to such excess, together with interest on such amount at the Interest Rate from and including the Closing Date to but excluding the date of the payment of such amount to Seller.

2.5 Allocation of the Purchase Price.

(a) Seller and Purchaser agree that (i) the sum of the Purchase Price and the Assumed Liabilities shall be allocated among the Purchased Assets in accordance with Section 1060 of the Code and the Treasury regulations promulgated thereunder and (ii) the portion of the Purchase Price allocable to the Owen Sound Terminal is $20 million (the "Allocation"). No later than 90 days after the Closing Date, Purchaser shall provide Seller with a proposed Allocation for Seller's review. Purchaser shall allow Seller's employees, accountants and other authorized representatives the opportunity (y) to review Purchaser's proposed Allocation and (z) to obtain and review copies of Purchaser's work papers and appraisal reports and, to the extent Purchaser can obtain access using commercially reasonable efforts, access to Purchaser's accountant's work papers and Purchaser's appraiser's work papers.

(b) If Seller has any objections to the proposed Allocation, Seller shall notify Purchaser in writing (the "Allocation Disagreement") of such disagreement no later than 30 calendar days after delivery of the proposed Allocation. The Allocation Disagreement, if any, shall set forth in reasonable detail the basis for the disagreement. Thereafter, Seller and Purchaser shall attempt in good faith to resolve any such objection. If Seller and Purchaser are unable to resolve the disagreement no later than 30 calendar days after the delivery of the Allocation Disagreement, such disagreement shall be referred to the Independent Accounting Firm. If for any

reason the Independent Accounting Firm is no longer independent of Seller or Purchaser or is not able or declines to be engaged to resolve such disagreement, another independent public accounting firm shall be mutually selected by Seller and Purchaser for resolution of such disagreement. If Seller and Purchaser do not promptly agree on the selection of an independent public accounting firm, each of them shall appoint an independent public accounting firm and such two independent public accounting firms shall jointly select a new independent accounting firm (such new accounting firm shall also be deemed the "Independent Accounting Firm" for purposes of this Section 2.5(b)). Absent manifest error, the determinations made by the Independent Accounting Firm with respect to any such disagreement shall be final and binding upon Seller and Purchaser for all purposes under this Agreement. Each of Seller and Purchaser shall use its commercially reasonable efforts to cause the Independent Accounting Firm to render its determination as soon as practicable after referral of such disagreement to such firm, and each shall cooperate with such firm and shall provide such firm with reasonable access to its books, records, personnel and representatives and such other information as such firm may require in order to render its determination. The scope of the Independent Accounting Firm's engagement (which shall not be an audit) shall be limited to the resolution of the items contained in the Allocation Disagreement, and the determination of an Allocation that accurately conforms to Section 1060 of the Code and the Treasury regulations promulgated thereunder. The fees, costs and expenses of the Independent Accounting Firm, if any, will be borne equally by Seller and Purchaser. The Allocation, as adjusted in accordance with the resolution of any disagreement with respect thereto or, if no Allocation Disagreement is timely given, as delivered to Seller pursuant to Section 2.5(a), is referred to in this Agreement as the "Final Allocation."

(c) After determination of the Final Allocation by agreement of Seller and Purchaser or by binding determination of the Independent Accounting Firm, Seller and Purchaser shall follow the Final Allocation for all Tax purposes (including the filing of any Tax Return). Any subsequent adjustments to the sum of the Purchase Price and Assumed Liabilities shall be reflected in the Final Allocation in a manner consistent with Section 1060 of the Code and the Treasury regulations promulgated thereunder. The transactions contemplated in this Agreement shall be reported in a manner consistent with the terms of this Agreement (including the Final Allocation), and neither Seller nor Purchaser shall, except as required by applicable Law, take any position inconsistent therewith in any Tax Return, in any refund claim, in any litigation, or otherwise. Each of Seller and Purchaser agrees to cooperate with the other in preparing IRS Form 8594, and to furnish the other with a copy of such form within a reasonable period before its filing due date.

2.6 Proration of Certain Amounts and Utilities.

(a) All real property, personal property Taxes and similar ad valorem obligations levied with respect to the Purchased Assets for a taxable period that includes (but does not end on) the Closing Date shall be apportioned between Purchaser and Seller as of the Closing Date based on the number of days of such taxable period included in the period prior to and ending with and including the Closing Date (with respect to any such taxable period, the "Pre-Closing Tax Period"), and the number of days of such taxable period beginning with, but excluding, and continuing after the Closing Date (with respect to any such taxable period, the "Post-Closing Tax Period"). Seller shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Tax Period (except to the extent any such amount is reflected in the Final Closing Statement and is taken into account in determining any Purchase Price adjustment under Section 2.4), and Purchaser shall be liable for the proportionate amount of such Taxes that is attributable to the Post-Closing Tax Period. Notwithstanding the foregoing, if the amount of accrued real property taxes for the period included in the period prior to and ending with and including the Closing Date is not known at the time of the Closing, the foregoing apportionment shall be based upon the most current actual tax bill, and promptly after such time in which the bill evidencing the actual amount of the accrued real property taxes is issued (but in no event later than 30 days after the issuance of such bills), there shall be a cash adjustment between the parties to this Agreement with the appropriate reimbursements. The provisions of this Section 2.6(a) shall survive the

Closing.

(b) Seller and Purchaser further agree to prorate at Closing all other items which are normally prorated in connection with transactions similar to the transaction contemplated by this Agreement, with all such prorations being final. Notwithstanding the foregoing, if the amount of prorations with respect to any such transaction provided for in this Section 2.6(b) for the period included in the period prior to and ending with and including the Closing Date is not known at the time of the Closing, such apportionment shall be based upon the most current actual bill, and promptly after such time in which the bill evidencing the actual amount of the accrued Liability is issued (but in no event later than 30 days after the issuance of such bills), there shall be a cash adjustment between the parties to this Agreement with the appropriate reimbursements. The provisions of this Section 2.6(b) shall survive the Closing.

(c) Seller shall be responsible for all utilities used in the conduct of the Business prior to the Closing Date (except to the extent any such amount is reflected in the Final Closing Statement and is taken into account in determining any Purchase Price adjustment under Section 2.4). Purchaser shall be responsible for all utilities used in the conduct of the Business on or after the Closing Date. Promptly upon receipt of any utility bill that includes charges for periods prior to the Closing Date, Purchaser shall forward a copy of such utility bill to Seller, and Seller shall promptly pay to Purchaser its pro rata share of such bill (based on the number of days prior to the Closing Date included in such bill as compared to the total number of days included in such bill.) Promptly after the Closing (but in any event, no later than 30 days after the Closing), Purchaser shall notify all relevant utilities that Purchaser's name or the name of an Affiliate designated by Purchaser should replace Seller's name on all bills and that Purchaser or such designee shall be responsible for payment of all utility bills going forward.

ARTICLE III

THE CLOSING

3.1 Generally. The payments and deliveries contemplated by Sections 3.5 and 3.6 (the "Closing") will be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, commencing at 10:00 a.m., local time on (a) the third Business Day following the satisfaction or waiver of the conditions to Closing set forth in Sections 3.2, 3.3 and 3.4 (other than those conditions that by their nature can only be satisfied at the time of Closing) or (b) at such other place, time or date as Seller and Purchaser may agree in writing (the "Closing Date").

3.2 General Conditions. The obligations of each party to this Agreement to consummate the transactions contemplated by this Agreement and the other Transaction Documents shall be subject to the satisfaction at or prior to the Closing of the following conditions:

(a) No Challenge to Transaction. No action, suit, arbitration or proceeding shall have been instituted, proposed or threatened by any Governmental Authority that has not been withdrawn, dismissed with prejudice, rescinded, or otherwise eliminated either to enjoin, restrain or prohibit the performance of this Agreement.

(b) Governmental Consents Obtained or Requirements Satisfied. All authorizations, consents and approvals, if any, of any Governmental Authority necessary for the execution, delivery and performance of this Agreement and the other Transaction Documents shall have been obtained and being in full force and effect. Without limiting the foregoing, (i) all applicable governmental pre-acquisition filing, information furnishing and waiting period requirements (including those under the HSR Act) shall have been met or such compliance shall have been waived by the Governmental Authorities having authority to grant such waivers and (ii), with respect to the transfer and assignment of the Conquest and the Challenger Agreements, all approvals from the United States Maritime Administration, if required, shall have been obtained.

(c) Third Party Consents. All third party consents, each in form and substance reasonably satisfactory to Seller and Purchaser, relating to the Assumed Contracts set forth in Section 3.2(c) to the Seller Disclosure Schedule shall have been obtained.

(d) No Restraints. No Governmental Order or Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority or instrumentality that prohibits the consummation of the transactions contemplated by this Agreement.

(e) FERC Filing. The Federal Energy Regulatory Commission shall have (i) approved the parties' application under Section 203 of the Federal Power Act in connection with the transfer of the Co-Generation Lease from Seller to Purchaser or (ii) disclaimed jurisdiction over that transaction under Section 203 of the Federal Power Act.

3.3 Conditions to Seller's Obligations. Seller's obligation to consummate the transactions contemplated by this Agreement and the other Transaction Documents shall be subject to the satisfaction or waiver at or prior to the Closing of each of the following conditions:

(a) Representations and Warranties True. The representations and warranties of Purchaser contained in this Agreement (i) that are qualified by "materiality" shall have been true and correct in all respects when made and shall be true and correct in all respects as of the Closing as though made on and as of the Closing Date (except to the extent any such representation and warranty is expressly made as of an earlier date, in which case as of such date) and (ii) that are not so qualified shall be true and correct in all material respects as of the Closing as though made on and as of the Closing Date (except to the extent any such representation and warranty is expressly made as of an earlier date, in which case as of such date).

(b) Agreements Complied With. Purchaser shall have performed or complied in all material respects with all covenants and agreements required to be performed or complied with by Purchaser under this Agreement at or prior to the Closing.

(c) Payment of Purchase Price. Seller shall have received from Purchaser the Purchase Price.

(d) Officer's Certificate. Seller shall have received from Purchaser a certificate signed by an appropriate officer of Purchaser that the conditions set forth in paragraphs (a) and (b) of this Section 3.3 have been satisfied.

(e) Deliveries. Seller shall have received the documents referred to in Section 3.6 in form and substance reasonably satisfactory to Seller.

(f) Detroit Lease Agreement. Seller shall have received a Lease Agreement, substantially in the form attached hereto as Exhibit 3.3(f) (the "Detroit Lease Agreement"), duly executed by Purchaser.

3.4 Conditions to Purchaser's Obligations. Purchaser's obligation to consummate the transactions contemplated by this Agreement and the other Transaction Documents shall be subject to the satisfaction or waiver at or prior to the Closing of each of the following conditions:

(a) Representations and Warranties True. The representations and warranties of Seller contained in this Agreement (i) that are qualified by "Material Adverse Effect" shall have been true and correct in all respects when made and shall be true and correct in all respects (subject to such qualifier) as of the Closing as though made on and as of the Closing Date (except to the extent any such representation and warranty is expressly made as of an earlier date, in which case as of such date), (ii) that are qualified by "materiality" or that are not qualified by either "materiality" or "Material Adverse Effect" (other than the representations and warranties set

forth in Sections 4.2 and 4.3) shall be true and correct (without giving effect to any limitation as to "materiality" set forth therein) in all respects as of the Closing as though made on and as of the Closing Date (except to the extent any such representation and warranty is expressly made as of an earlier date, in which case as of such date), except where the failure or failures of such representations or warranties to be so true and correct would not have, in the aggregate, a Material Adverse Effect and (iii) that are set forth in Sections 4.2 and 4.3 shall be true and correct in all respects as of the Closing as though made on and as of the Closing Date (except to the extent any such representation and warranty is expressly made as of an earlier date, in which case as of such date).

(b) Agreements Complied With. Seller shall have performed or complied in all material respects with all covenants and agreements required to be performed or complied with by Seller under this Agreement at or prior to the Closing.

(c) Officer's Certificate. Purchaser shall have received from Seller a certificate signed by an appropriate officer of Seller that the conditions set forth in paragraphs (a) and (b) of this Section 3.4 have been satisfied.

(d) Permits. All Permits shall have been transferred to Purchaser or, if such Permits are not transferable, shall have been reissued to Purchaser, except where the failure to have transferred or reissued such Permits would not reasonably prohibit Purchaser from operating the Facilities and the Purchased Assets after the Closing in substantially the same manner as operated by Seller prior to the Closing.

(e) No Material Adverse Change. Since the Reference Balance Sheet Date, no event, circumstance or development shall have occurred that, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect.

(f) Deliveries. Purchaser shall have received the documents referred to in Section 3.5 in form and substance reasonably satisfactory to Purchaser.

3.5 Deliveries by Seller. Seller will deliver or cause to be delivered to Purchaser at the Closing the following:

(a) General Bill of Sale. The General Bill of Sale, duly executed by Seller and/or its Specified Affiliates, as appropriate.

(b) General Assignment and Assumption Instrument. The General Assignment and Assumption Instrument, duly executed by Seller and/or its Specified Affiliates, as appropriate.

(c) Deeds. A special warranty deed (or its local equivalent) in substantially the form of Exhibit 3.5(c) with respect to each tract of Owned Real Property in proper statutory form for recording, duly executed and acknowledged by Seller and with all required documentary and transfer tax stamps affixed, conveying fee simple title to the Owned Real Property to Purchaser free and clear of all Liens (other than Permitted Liens) (collectively, the "Deeds").

(d) Assignment of Permits. An assignment of, or documentation requesting the assignment of, the Permits of the Facilities to be transferred hereunder in the form reasonably acceptable to Purchaser and, to the extent applicable, the Governmental Authorities issuing such Permits, duly executed by Seller.

(e) Code ss. 1445 Affidavit. A certificate from each of Seller and CCPC, in the form described in Treasury Regulation Section 1.1445-2(b)(2)(iv)(B), certifying its compliance with Treasury Regulation Section 1.1445-2(b) that, as of the Closing Date, such Person is not a "foreign person" within the meaning of Section 1445.

(f) Title Insurance for Owned Real Property. Purchaser shall have received from First American Title Insurance Company (the "Title Company") an ALTA owner's policy of title insurance, or irrevocable and unconditional binder to issue the same (the "Title Policy"), in the amount of the fair market value of the applicable Owned Real Property (as reasonably determined by Seller and Purchaser), dated, or updated to, the Closing Date, insuring, or committing to insure, Purchaser's good and marketable title in fee simple to each parcel of Owned Real Property with extended coverage over the standard exceptions waived, and containing at Purchaser's option such affirmative endorsements as desired by Purchaser, acting reasonably. Each of Seller and Purchaser shall pay one-half of the costs of the premium for each of the Title Policies (including the costs of any endorsements).

(g) Title Affidavits. Such customary affidavits, documents, disclosures and forms as reasonably requested by the Title Company in connection with the issuance of each of the Title Policies and consummation of the transactions contemplated by this Agreement.

(h) Surveys. Surveys of each parcel of the Owned Real Property (other than the Dixon Facility) (collectively, the "Surveys") certified to Seller, Purchaser and the Title Company in accordance with a form of certification which is reasonably acceptable to Seller, Purchaser and the Title Company, such certification to include a statement that the Surveys have been prepared in accordance with 1999 (or most recent) minimum standard details for a land survey jointly adopted by ALTA/ACSM and to include Table A Items 1-4, 6-11 and 13-16. Each of Seller and Purchaser shall pay one-half of the costs of the Surveys.

(i) Conquest Bill of Sale. A Bill of Sale for the Conquest (the "Conquest Bill of Sale") in form suitable for recordation of title thereto in the name of Purchaser or its nominee, duly executed by the appropriate Specified Affiliate.

(j) Releases of Liens. Releases of liens evidencing the discharge and removal of all Liens on the Purchased Assets, other than Permitted Liens.

(k) Receipt. A receipt for the Purchase Price.

(l) Other Instruments. All such other deeds, endorsements, assignments or other instruments, in form and substance reasonably satisfactory to Purchaser, as shall be necessary to vest in Purchaser title to the Purchased Assets.

(m) Detroit Lease Agreement. The Detroit Lease Agreement, duly executed by Seller.

3.6 Deliveries by Purchaser. Purchaser shall pay or deliver or shall cause to be paid or delivered to Seller at the Closing the following:

(a) Payment of Purchase Price. Payment to Seller of the Purchase Price in same day funds (in U.S. dollars) by wire transfer based on wiring instructions given by Seller to Purchaser at least three Business Days prior to the Closing Date.

(b) General Assignment and Assumption Instrument. The General Assignment and Assumption Instrument, duly executed by Purchaser and/or its designated Affiliate, as appropriate.

(c) General Bill of Sale. The General Bill of Sale, duly executed by Purchaser and/or its designated Affiliate, as appropriate.

(d) Legal Opinion. The opinion of Ray, Robinson, Carle & Davies, P.L.L. in the form attached hereto as Exhibit 3.6(d).

(e) Detroit Lease Agreement. The Detroit Lease Agreement, duly executed by Purchaser.

(f) Affidavit of Citizenship. An affidavit from Purchaser or Purchaser's nominee that it meets all requirements of 46 U.S.C. ss. 12102(a)(4).

3.7 Post-Closing Actions.

(a) Mail. From and after the Closing Date, (i) Purchaser may open all mail and other communications received by Purchaser at the Facilities addressed to Seller, and may act with respect to such communications in such manner as Purchaser may elect if such communications relate to the Purchased Assets, the Assumed Liabilities or the Facilities and the Business (other than payments to which Seller is entitled) or if such communications do not so relate, Purchaser will forward the same promptly to Seller, and (ii) Seller may open all mail and other communications received by it with respect to the Facilities and the Business, and if such communications relate to the Purchased Assets, the Assumed Liabilities or the Facilities and the Business (including payments to which Purchaser is entitled), Seller will promptly forward the same to Purchaser.

(b) Access to Books and Records. From and after the Closing Date, and until the seventh anniversary of the Closing Date, each of Seller and Purchaser shall permit the other and its authorized representatives to have reasonable access to the books and records relating to the Business in its possession and to make copies of them upon the following conditions: (i)(A) with respect to Seller, the requested information relates to the Excluded Assets or the Excluded Liabilities and (B) with respect to Purchaser, the requested information relates to the Purchased Assets or the Assumed Liabilities, (ii) the requesting party providing notice to the other that sets forth a valid business reason for the request for access and (iii) the access being at such times and on such other reasonable conditions appropriate to avoid any material interference with the other party's business operations.

ARTICLE IV

SELLER'S REPRESENTATIONS AND WARRANTIES

Except as set forth in the disclosure schedules (the "Seller Disclosure Schedule") delivered by Seller to Purchaser concurrently with the execution of this Agreement, Seller and its Specified Affiliates, jointly and severally, hereby represent and warrant to Purchaser on the date of this Agreement as follows:

4.1 Organization, Etc. Each of Seller and its Specified Affiliates is a corporation, limited liability company or other entity, duly organized, validly existing and in good standing under the Laws of the State of Louisiana, with respect to Seller, the Laws of the State of Delaware, with respect to CCPC, and the Laws of Ontario, Canada, with respect to Canadian Medusa Cement Limited. Each of Seller and its Specified Affiliates has all requisite power and authority to carry on the Business as it is now being conducted and to own or lease and operate the Purchased Assets as and in the places where now conducted, owned, leased or operated. Each of Seller and its Specified Affiliates is duly licensed or qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership or operation of the Purchased Assets or the conduct of the Business requires such qualification, except where the failure to be so qualified or licensed or in good standing, as the case may be, would not, individually or in the aggregate, (a) adversely affect the ability of Seller or any of the Specified Affiliates to carry out its respective obligations under, or consummate the transactions contemplated by, this Agreement or (b) otherwise have a Material Adverse Effect.

4.2 Authorization. Each of the Seller and each Specified Affiliate has the requisite power and authority to execute and deliver each Transaction Document to which it is a party and to perform its obligations thereunder. The execution, delivery and performance of this Agreement by Seller has been, and the execution, delivery and performance of each other Transaction Document to which each of Seller or the Specified Affiliates is a party shall

be, on or prior to the Closing Date, duly and validly authorized by all necessary corporate or other similar action on the part of Seller or such Specified Affiliate, as the case may be, and no additional authorization on the part of Seller is necessary in connection with the execution, delivery and performance by Seller of this Agreement.

4.3 Binding Effect. This Agreement has been, and each other Transaction Document will be, duly executed and delivered by each of Seller and each Specified Affiliate that is a party thereto, and (assuming the due authorization, execution and delivery by the other parties thereto) this Agreement constitutes, and each other Transaction Document to which Seller or a Specified Affiliate is to be a party, when so executed and delivered, will constitute legal, valid and binding obligations of Seller or such Specified Affiliate that is a party thereto, enforceable against Seller or such Specified Affiliate, as the case may be, in accordance with its terms, subject to applicable bankruptcy, insolvency and similar Laws affecting creditors' rights generally and to the general principles of equity.

4.4 No Violations. The execution, delivery and performance by Seller or any Specified Affiliate of the Transaction Documents to which it is or will be a party, and the consummation of the transactions contemplated thereby, do not and will not (a) conflict with or violate any provision of the articles of incorporation, bylaws or similar governing documents of Seller or any of its Specified Affiliates, or (b) (i) violate any Law, Permit or Judgment applicable to Seller or any of its Specified Affiliates, or any of its respective properties or assets, or (ii) subject to obtaining the consents set forth in Section 4.4(ii) of the Seller Disclosure Schedule, violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the respective properties or assets of Seller or any of its Specified Affiliates, including the Purchased Assets, under, any of the terms, conditions or provisions note, bond, mortgage, indenture, of any deed of trust, license, Lease, Contract or other instrument or obligation to which Seller or any of its Specified Affiliates is a party, or by which Seller, any of its Specified Affiliates or any of their respective properties or assets, including the Purchased Assets, may be bound or affected, except (in the case of clause (b)(ii) above) for such violations, conflicts, breaches or defaults which, would not, individually or in the aggregate, (a) adversely affect the ability of Seller and any of the Specified Affiliates to carry out its respective obligations under, and to consummate the transactions contemplated by, this Agreement and the other Transaction Documents or (b) otherwise have a Material Adverse Effect.

4.5 Financial Information. True and complete copies of the Reference Balance Sheet and the unaudited balance sheets of the Business for (a) the Charlevoix Facility, the Terminals, and the Detroit Terminal for each of the two fiscal years ended December 31, 2002 and December 31, 2003 and for the period between January 1, 2004 and October 31, 2004 and (b) the Dixon Facility for the period between October 1, 2003 and October 31, 2004, and the related statements of income of the Business (with such statements of income including income related to the Detroit Terminal), together with all related notes and schedules thereto (collectively referred to herein as the "Financial Statements") have been delivered by Seller to Purchaser. To Seller's Knowledge, the Reference Balance Sheet (i) has been prepared in accordance with the books of account and other financial records of Seller and (ii) has been prepared in accordance with GAAP applied on a basis consistent with the past practices of Seller and Seller's normal monthly reporting process (except that it excludes the Excluded Assets and Excluded Liabilities) and consistent with the accounting principles, practices and methodologies set forth in Exhibit 2.4-2. To Seller's Knowledge, the Financial Statements (x) were prepared in accordance with the books of account and other financial records of Seller and (y) have been prepared in accordance with GAAP applied on a basis consistent with the past practices of Seller.

4.6 Conduct in the Ordinary Course; Absence of Certain

Changes, Events and Conditions. Except as (i) contemplated by this Agreement or (ii) set forth in Section 4.6 of the Seller Disclosure Schedule, since the Reference Balance Sheet Date and as of the date of this Agreement, Seller has conducted the Business in the ordinary and usual course and consistent with past practice. As amplification and not limitation of the foregoing, except as set forth in Section 4.6 of the Seller Disclosure Schedule, since the Reference Balance Sheet Date and as of the date of this Agreement, Seller has not, in respect of the Business, (x) taken or allowed to occur any actions that would, if taken after the date hereof, constitute a breach of clauses (c) through (l) of Section 6.1 or (y) suffered any casualty loss or damage with respect to any of the Purchased Assets (other than any such loss or damage that has been repaired in all material respects by Seller) which in the aggregate have replacement costs of more than $150,000, whether or not such loss or damage shall have been covered by insurance.

4.7 Litigation. Except as set forth in Section 4.7 of the Seller Disclosure Schedule (which, with respect to each Action set forth therein, sets forth the parties, nature of the proceeding, date and method commenced, amount of charges or other relief sought (if known) and, if applicable, paid or granted), to Seller's Knowledge, there are no material Actions by or against Seller or any Specified Affiliate and relating to the Business or the Purchased Assets pending before any Governmental Authority (or threatened in writing to be brought by or before any Governmental Authority). Except as set forth in Section 4.7 of the Seller Disclosure Schedule, to Seller's Knowledge, neither Seller nor any of the Specified Affiliates, nor any of the Purchased Assets, is subject to any Governmental Order (nor has any Governmental Authority threatened in writing any such Governmental Order) that (a) would have a Material Adverse Effect or (b) as of the date of this Agreement, would affect the consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

4.8 Material Contracts.

(a) Section 4.8(a) of the Seller Disclosure Schedule lists each of the material Contracts, written or, to Seller's Knowledge, oral, of Seller or any Specified Affiliate relating to the Business that is currently in effect and was entered into by Seller or any Specified Affiliate since September 25, 2003, with respect to any such Contract relating to the Dixon Facility, and November 16, 2000, with respect to any such Contract relating to the Charlevoix Facility and the Terminals (such Contracts being referred to herein as the "Post-Acquisition Contacts"). Neither Seller nor any Specified Affiliate has received any notice of breach or default under any Post-Acquisition Contracts that would have, individually or in the aggregate, a Material Adverse Effect. Seller has made available to Purchaser true and complete copies (or with respect to oral contracts, summaries thereof) of all Post-Acquisition Contracts.

(b) To Seller's Knowledge, (i) Section 4.8(b) of the Seller Disclosure Schedule lists each of the material Contracts, written or oral, of Seller or any Specified Affiliate relating to the Business that is currently in effect and was acquired by Seller or a Specified Affiliate in connection with Seller's acquisition of the Dixon Facility or of the Charlevoix Facility and the Terminals (such Contracts being referred to herein as the "Pre-Acquisition Contacts"), (ii) neither Seller nor any Specified Affiliate has received any notice of breach or default under any Pre-Acquisition Contracts that would have, individually or in the aggregate, a Material Adverse Effect and (iii) Seller has made available to Purchaser true and complete copies (or with respect to oral contracts, summaries thereof) of all Post-Acquisition Contracts, provided that Seller makes no representation or warranty that it received as a result of such acquisitions accurate and complete originals or copies of the Pre-Acquisition Contracts.

(c) Except as specified in Section 4.8(c) of the Seller Disclosure Schedule, and in each case other than any such failure, breach, default, or waiver, as applicable, which would not be reasonably likely to have a Material Adverse Effect, (i) to the Knowledge of Seller, the Dixon Purchase Agreement is valid, binding, in full force and effect, and enforceable by Seller or its Specified Affiliate, as the case may be, in accordance with

its terms; (ii) neither Seller nor any Specified Affiliate, as the case may be, is in breach or default under the Dixon Purchase Agreement that has had, or if not cured would have, individually or in the aggregate, a material adverse effect on Seller's rights and remedies under the Dixon Purchase Agreement; (iii) neither Seller nor any Specified Affiliate, as the case may be, has waived any of its rights under the Dixon Purchase Agreement or modified any of the terms thereof and (iv) to the Knowledge of Seller, no other party to the Dixon Purchase Agreement is in breach or default thereunder. Seller has provided to Purchaser prior to the date of this Agreement a complete and correct copy of the Dixon Purchase Agreement.

(d) Section 4.8(d) of the Seller Disclosure Schedule sets forth the supply schedule under the Cement Supply Agreement, dated as of September 25, 2003, as amended (the "Prairie CSA"), between Seller and Prairie, for calendar year 2005, as such supply schedule is in effect as of the date of this Agreement.

4.9 Owned Real Property; Tangible Personal Property; Leases; Vessel.

(a) Owned Real Property. (i) Section 4.9(a) of the Seller Disclosure Schedule lists all of the real property owned by Seller and/or a Specified Affiliate, as the case may be, which are primarily used in (or intended to be used in) or primarily related to the Business and are intended to be transferred to Purchaser pursuant to the terms of this Agreement (collectively, the "Owned Real Property"). Seller has made available to Purchaser correct and complete copies of each deed for each parcel of Owned Real Property to the extent that the same are in Seller's possession or control. Either Seller or a Specified Affiliate, as the case may be, is in peaceful and undisturbed possession of each parcel of Real Property, subject to Permitted Liens and Liens designated on Schedule B as unpermitted exceptions that will be released on or prior to the Closing. As of the date of this Agreement, there are no condemnation proceedings or eminent domain proceedings of any kind pending or, to the Knowledge of Seller, threatened against the Real Property.

(b) Tangible Personal Property. Section 2.1(a)(v) of the Seller Disclosure Schedule lists all of the Tangible Personal Property.

(c) Leases. Section 4.9(c) of the Seller Disclosure Schedule (i) lists (A) each Real Property Lease and Real Property Sublease and (B) each other written Lease exclusively used in or exclusively related to the Business that has annual aggregate rental payments of $250,000 or more and a term of more than 12 months (copies of which have been made available to Purchaser) and (ii) generally describes the terms of each oral Lease exclusively used in or exclusively related to the Business.

(d) Vessel. Seller or one of its Specified Affiliates is the owner of the Conquest and, upon recordation of the Bill of Sale contemplated by this Agreement, title to the Conquest will be vested in Purchaser or its nominee free and clear of all Liens except Permitted Liens. At the time of delivery the Conquest will be documented under the laws and flag of the United States and in class.

(e) Title to Property. Seller has good title to all of the Tangible Personal Property, free and clear of all Liens other than Permitted Liens. Seller is in possession of the Leased Real Property or Tangible Personal Property, as the case may be, leased pursuant to each Lease, and each such Lease grants to Seller the exclusive right to possess, without disruption, the property leased pursuant thereto. Seller has not assigned its interest in any such Lease to any Person. Immediately following the Closing, Purchaser (or its designated Affiliates or, with respect to the Conquest, its nominee) will own, with good, valid and marketable title, or lease, under valid and subsisting leases, the Purchased Assets, free and clear of any Liens, other than Permitted Liens.

4.10 Permits. Section 2.1(a)(viii) of the Seller Disclosure Schedule list all material Permits possessed by Seller or a

Specified Affiliate in connection with the Business, and true and complete copies of all such Permits have heretofore been made available to Purchaser. Except as set forth in Section 4.10 of the Seller Disclosure Schedule, neither Seller nor any Specified Affiliate has received any written notice or, to Seller's Knowledge, oral communication from any Governmental Authority regarding non-compliance with or the possible non-renewal of any such Permits, except for such non-compliance or non-renewal as would not have, individually or in the aggregate, a Material Adverse Effect.

4.11 Notices of Violations. Except as set forth in Section 4.11 of the Seller Disclosure Schedule, neither the Seller nor any Specified Affiliate has, since September 25, 2003, with respect to the Dixon Facility, and November 16, 2000, with respect to the Charlevoix Facility and the Terminals, been charged with or received any notice of, or, to Seller's Knowledge, been under investigation with respect to, any failure or alleged failure to comply with any provision of any applicable Law in the operation of the Business (except where any such issue of non-compliance has been resolved to the satisfaction of the party sending such notice or conducting such investigation), except for such failures to comply that would not have, individually or in the aggregate, a Material Adverse Effect.

4.12 Employee, Employee Benefit and Labor Matters.

(a) Seller has provided to Purchaser under separate cover the following information relating to each individual employed by Seller or its Affiliates in respect of the Facilities (including individuals on maternity leave, short-term disability leave or another approved leave of absence, and excluding any individuals on long-term disability leave, the individuals employed in connection with the Detroit Terminal or individuals identified in Section 4.12(a) of the Seller Disclosure Schedule) (the "Facility Employees"): a true and complete list of the names, date of hire, position or job title, department, employment location, status as full or part-time and active or on leave, description of such leave (if applicable), base salary or wages for the 2004 fiscal year, two-year incentive compensation and equity award history, compensation guarantees payable in 2004 or any future years, legal employer, or work authorization and status as unionized, non-unionized, exempt or non-exempt employee.

(b) Section 4.12(b) of the Seller Disclosure Schedule sets forth a complete list all benefit and compensation plans, contracts, policies or arrangements, including, but not limited to, "employee benefit plans" within the meaning of Section 3(3) of ERISA, and any workers' compensation, disability, vacation, leave of absence, change in control, employment agreements, severance agreements, plans and policies, and deferred compensation, stock option, stock purchase, stock appreciation rights, stock based, incentive and bonus plans, to which Seller or its ERISA Affiliates is a party, with respect to which Seller or its ERISA Affiliates has any obligation or which is maintained, sponsored, contributed to or required to be contributed to by Seller or its ERISA Affiliates on behalf of any current or former employee or officer of the Business (all of which are hereinafter referred to as the "Plans"). True and complete copies of all Plans have been made available to Purchaser.

(c) None of Seller or its ERISA Affiliates has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than for payment of premiums to the Pension Benefit Guaranty Corporation in the ordinary course of business), and no fact or event exists which would reasonably be expected to give rise to any such liability that would reasonably be expected to result in a Lien on the Purchased Assets or a Liability of Purchaser.

(d) Except as set forth in Section 4.12(d) of the Seller Disclosure Schedule, neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (i) entitle any Transferred Employees to severance pay or any increase in severance pay upon any termination of employment after the date hereof or (ii) in respect of Transferred Employees, accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or

benefits under, or increase the amount payable or trigger any other material obligation pursuant to, any of the Plans.

(e) Except as set forth in Section 4.12(e) of the Seller Disclosure Schedule, in respect of the Business, neither Seller nor its Affiliates is a party to, or otherwise bound by, any collective bargaining agreement, contract or other agreement with a labor union or labor organization nor, to Seller's Knowledge, are there any activities or proceedings of any labor union to organize any Facility Employee nor, as of the date of this Agreement, is Seller or the Specified Affiliates the subject of any Action asserting that Seller or the Specified Affiliates has committed an unfair labor practice or seeking to compel it to bargain with any labor union or labor organization nor is there pending or, to the Knowledge of Seller, threatened, nor has there been (with respect to the Charlevoix Facility and the Terminals, in the past three years and, with respect to the Dixon Facility, since September 25, 2003) any labor strike, material dispute, walk-out, work stoppage, slow-down or lockout involving Seller or its Affiliates. In respect of the Business, Seller and its Affiliates are currently in compliance in all material respects with all applicable Laws relating to the employment of labor, including, but not limited to, the Fair Labor Standards Act of 1938, as amended.

4.13 Environmental Matters. To the Seller's Knowledge, Seller has made available to Purchaser prior to the date of this Agreement all material documents (or copies thereof) in the possession or control of Seller or any Specified Affiliate that relate to Environmental Conditions, Environmental Laws, Environmental Liabilities, Environmental Permits or Hazardous Substances, in each case as it relates to the Business or the Real Property; provided that Seller makes no representation or warranty with respect to the completeness or accuracy of such documents prepared prior to September 25, 2003, with respect to the Dixon Facility, and November 16, 2000, with respect to the Charlevoix Facility and the Terminals.

4.14 Taxes. (a) All material Tax Returns required to be filed by or with respect to the Business or the Purchased Assets have been timely filed, (b) all Taxes required to be shown on such Tax Returns or all material Taxes otherwise due by or with respect to the Business or the Purchased Assets have been timely paid, (c) all such Tax Returns are true, correct and complete in all material respects, (d) no adjustment relating to such Tax Returns has been proposed formally or informally by any taxing authority and (e) neither Seller nor any Specified Affiliate has received any notice or inquiry from any jurisdiction where Seller or such Specified Affiliate does not currently file Tax Returns to the effect that such filings may be required with respect to the Purchased Assets or the Business or that the Business may otherwise be subject to taxation by such jurisdiction.

4.15 Brokers and Finders. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Seller or any Affiliate of Seller who might be entitled to any fee or commission from Seller or any Affiliate of Seller in connection with the transactions contemplated by this Agreement.

4.16 DISCLAIMERS. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS ARTICLE IV, THE DEEDS AND THE CERTIFICATE TO BE DELIVERED BY SELLER AT THE CLOSING PURSUANT TO SECTION 3.4(C), (I) NEITHER SELLER NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION OR WARRANTY, AND HEREBY DISCLAIMS ANY OTHER REPRESENTATION AND WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, RELATING TO THE BUSINESS, THE PURCHASED ASSETS, THE ASSUMED LIABILITIES OR THE FACILITIES, INCLUDING ANY REPRESENTATION OR WARRANTY AS TO VALUE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR FOR ORDINARY PURPOSES, OR ANY OTHER MATTER, WHETHER MADE BY SELLER OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES OR ANY OTHER PERSON, AND NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO PURCHASER OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OR ANY OTHER PERSON OF ANY DOCUMENTATION OR OTHER INFORMATION BY SELLER OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, REPRESENTATIVES OR ANY OTHER PERSON, AND (II) THE BUSINESS, THE PURCHASED ASSETS, THE ASSUMED LIABILITIES AND THE FACILITIES

BEING TRANSFERRED TO PURCHASER ARE CONVEYED ON AN "AS IS, WHERE IS" BASIS AS OF THE CLOSING, AND PURCHASER SHALL RELY UPON ITS OWN EXAMINATION THEREOF. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NEITHER SELLER NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATION OR WARRANTY REGARDING ANY ASSETS OTHER THAN THE PURCHASED ASSETS OR ANY LIABILITIES OTHER THAN THE ASSUMED LIABILITIES OR ANY OPERATIONS OTHER THAN THE FACILITIES, AND NONE SHALL BE IMPLIED AT LAW OR IN EQUITY.

ARTICLE V

PURCHASER'S REPRESENTATIONS AND WARRANTIES

Purchaser hereby represents and warrants to Seller as follows:

5.1 Organization. Purchaser is duly organized, validly existing and in good standing under the Laws of the Federative Republic of Brazil.

5.2 Authorization. Purchaser has the requisite power and authority to execute and deliver each Transaction Document to which it is a party and to perform its obligations thereunder. The execution, delivery and performance of this Agreement by Purchaser have been, and the execution, delivery and performance of each other Transaction Document to which Purchaser is a party shall be, on or prior to the Closing Date, duly and validly authorized by all necessary corporate action on the part of Purchaser and no additional authorization on the part of Purchaser is necessary in connection with the execution, delivery and performance by Purchaser of this Agreement.

5.3 Binding Effect. This Agreement has been, and each other Transaction Document will be, duly executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties thereto) this Agreement constitutes, and each other Transaction Document to which Purchaser is to be a party, when so executed and delivered, will constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency and similar Laws affecting creditors' rights generally and to general principles of equity.

5.4 No Violations. The execution, delivery and performance by Purchaser of the Transaction Documents to which it is or will be a party, and the consummation of the transactions contemplated thereby, do not and will not (a) conflict with or violate any provision of the certificate of incorporation, bylaws or other organizational documents of Purchaser or any of its Affiliates, or (b) (i) violate any Law, Permit or Judgment applicable to Purchaser or any of its Affiliates or any of their respective properties or assets, or (ii) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, result in the termination of or a right of termination or cancellation under, accelerate the performance required by, or result in the creation of any Lien upon any of the properties or assets of Purchaser or any of its Affiliates under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which Purchaser or any of its Affiliates is a party, or by which Purchaser, any of its Affiliates or any of their respective properties or assets may be bound or affected, except (in the case of clause (b)(ii) above) for such violations, conflicts, breaches or defaults which, either individually or in the aggregate, would not materially impair Purchaser's ability to effect the Closing.

5.5 Financing. Purchaser has available to it sufficient funds to enable it to consummate the transactions contemplated by this Agreement.

5.6 Brokers and Finders. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Purchaser or any Affiliate of Purchaser who might be entitled to any fee or commission from Purchaser or any Affiliate of Purchaser in connection with the transactions contemplated by this Agreement.

5.7 Vessels. As of the Closing Date, Purchaser will be, or will have nominated, a Citizen that will be qualified to purchase and document the Conquest under the Laws of the United States so as to permit Seller to transfer the Conquest and assign the Challenger Agreements to Purchaser or its nominee pursuant to the terms of this Agreement without contravention of the Shipping Act or any other requirements of United States maritime law.

ARTICLE VI

COVENANTS

6.1 Operation of the Business Between Signing and Closing. During the period from the date of this Agreement to the Closing (except as otherwise expressly provided for in this Agreement or as Purchaser shall otherwise consent to in writing, which consent shall not be unreasonably withheld, delayed or conditioned), Seller covenants and agrees (x) to operate the Business only in the ordinary course and consistent with past practice and (y), except as described in Section 6.1 of the Seller Disclosure Schedule or as required by Law, during the period from the date of this Agreement to the Closing:

(a) Seller shall, and shall cause each of its Specified Affiliates to, (i) carry on the Business substantially in the manner heretofore conducted by Seller and its Specified Affiliates and (ii) use commercially reasonable efforts to (A) keep available to the Business the services of the Facility Employees and (B) maintain its relationships with suppliers, customers and others having business relations with Seller or such Specified Affiliate, as the case may be, that relate to the Business;

(b) Seller shall, and shall cause each of its Specified Affiliates to, use, operate, maintain and repair the Facilities and the Conquest in a manner consistent with past practices;

(c) Seller shall, and shall cause each of its Specified Affiliates to, not loan or borrow any money or otherwise incur any indebtedness that would constitute an Assumed Liability or that would impose any Lien on any Purchased Asset; provided, however, that the foregoing does not prohibit credit extended to customers in the ordinary course of business consistent with past practice or trades payables or other current expenses incurred in the ordinary course of business consistent with past practice;

(d) Seller shall, and shall cause each of its Specified Affiliates to, not transfer, assign, lease or otherwise convey any interest in any property that would otherwise be a Purchased Asset (except for sales of Inventory in the ordinary course of business consistent with past practice);

(e) Seller shall, and shall cause each of its Specified Affiliates to, not enter into any Lease or other Contract that would otherwise be a Purchased Asset and Assumed Liability (or modify or terminate any existing one) except to the extent required by this Agreement and except Contracts for the purchase of raw materials, products and supplies and the sale of Inventory entered into in the ordinary course of business consistent with past practice;

(f) Seller shall, and shall cause each of its Specified Affiliates to, not (i) grant any increase, or announce any increase, in the wages, salaries, compensation, bonuses, incentives, pension or other benefits payable to any of its employees to whom offers of employment will be made pursuant to Section 7.1, including any increase or change pursuant to any Plan, or (ii) establish or increase or promise to increase any benefits under any Plan in respect of the Facility Employees to whom offers will be made pursuant to Section 7.1, in either case except as required by Law or any collective bargaining agreement or involving ordinary increases consistent with the past practices;

(g) Seller shall, and shall cause each of its Specified Affiliates to, not permit or allow any of the Purchased Assets to be subjected to any Lien, other than Permitted Liens or Liens that will be released at or prior to the Closing;

(h) Seller shall, and shall cause each of its Specified Affiliates to, (i) not write down or write up the value of any Inventory or receivables or revalued any of the Purchased Assets other than in the ordinary course of business consistent with past practice and in accordance with GAAP or (ii) not fail to write down or write up the value of any Inventory or receivables or any of the Purchased Assets in accordance with GAAP;

(i) Seller shall, and shall cause each of its Specified Affiliates to, not amend, terminate, cancel or compromise any material claims related to the Business or waive any other rights of substantial value to the Business or amend, modify or consent to the termination of any Assumed Contract or Seller's or any Specified Affiliate's rights thereunder;

(j) except as necessary to safeguard life, property or the environment, Seller shall, and shall cause each of its Specified Affiliates to, not make any capital expenditure or commitment for any capital expenditure, in each case relating to the Business, in excess of $100,000 individually or $500,000 in the aggregate;

(k) Seller shall, and shall cause each of its Specified Affiliates to, not make any Tax election or change any method of accounting, other than in the ordinary course of business consistent with past practice, or settle any Tax contest not involving federal income Taxes, in each case, with respect to the Purchased Assets or the Business; and

(l) Seller shall, and shall cause each of its Specified Affiliates to, not enter into any agreement, contract, commitment or arrangement to do any of the foregoing.

6.2 Access to Information.

(a) Beginning on the date of this Agreement and ending on the Closing Date, Seller shall, and shall cause each of its Specified Affiliates to, cause its officers, employees and agents to (i) afford Purchaser and its authorized representatives reasonable access, during normal business hours and upon reasonable advance notice, to the offices, properties, plants, other facilities, books and records of Seller and the Specified Affiliates relating to the Business and to those officers, directors, employees, agents, accountants and counsel of the Seller and the Specified Affiliates who have any knowledge relating to the Business, (ii) furnish to Purchaser and its authorized representatives such additional financial and operating data and other information (or legible copies thereof) regarding the Business that is available with respect to the Business or the Purchased Assets as Purchaser may from time to time reasonably request, provided that Purchaser shall have no right to have access to, to be furnished with or to review any Tax Returns of Seller or any of its subsidiaries or Affiliates (other than any Tax Returns that are described in Section 2.1(a)(xiv)), and (iii) provide Purchaser and its authorized representatives access to the Real Property in order to conduct environmental assessments, provided that such environmental assessments shall not include any sampling or testing, and provided, further, that Purchaser and its authorized representatives shall not (A) have access to the Real Property or (B) communicate with any environmental Governmental Authority or any employees or representatives of Seller regarding any environmental matters relating to the Business or the Purchased Assets unless Dan Heintz or another authorized representative of Seller accompanies Purchaser or its authorized representatives on such visits to the Real property or participates with Purchaser or its authorized representatives with respect to such communications; provided, however, that if Dan Heintz or another authorized representative of Seller does not respond to a request by Purchaser to communicate with an environmental Governmental Authority within a reasonable period of time (which shall be no longer than four Business Days), Purchaser and its authorized representatives shall be able to communicate with any

Governmental Authority without Dan Heintz or another authorized representative of Seller participating in such communication. Purchaser and its authorized representatives will conduct all such information gathering in a manner that will minimize any disruptions of the Business. Notwithstanding the foregoing, neither Seller nor any of its Affiliates shall be required to disclose information where such disclosure would violate or jeopardize any attorney-client privilege or contravene any Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement. Both Seller and Purchaser will make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

(b) (i) Prior to the Closing, each of Purchaser or any of Purchaser's Affiliates, agents, employees or representatives will hold and will cause its representatives to hold in strict confidence all documents and information concerning the Purchased Assets and the Business to the extent and in accordance with the terms and conditions of the Confidentiality Agreement and (ii) after the Closing, Purchaser shall promptly return to Seller all documents and information concerning the Excluded Assets and the Retained Liabilities furnished by Seller or any of Seller's Affiliates, agents, employees, or representatives (including all copies, if any) and shall hold in strict confidence all such documents and information to the extent and in accordance with the terms and conditions of the Confidentiality Agreement (except with respect to the NOx Technology as provided in Section 6.8(d)).

6.3 Commercially Reasonable Efforts.

(a) Upon the terms and subject to the conditions of this Agreement, (i) each of Seller and Purchaser will cooperate and use commercially reasonable efforts to promptly prepare and file all necessary documentation, to effect all applications, notices, petitions and filings, and to obtain as promptly as practicable all Permits, consents, approvals and authorizations of all Governmental Authorities that are necessary or advisable to consummate the transactions contemplated by this Agreement, and (ii) Seller shall use its commercially reasonable efforts, and Purchaser shall cooperate with Seller, to obtain all consents, authorizations or approvals, and to send all notices, required in connection with the assignment or transfer of any Permit, Assumed Contract or Lease to Purchaser as contemplated by this Agreement; provided, however, that Seller shall have no obligation to give any guarantee or other consideration in connection with any such consent, authorization or approval. Without limiting the generality of the foregoing, Seller and Purchaser shall cooperate with one another: (A) in the preparation and filing of any required filings under the applicable Environmental Laws; (B) in determining whether action by or in respect of, or filing with, any Governmental Authority is required, proper or advisable or any actions, consents, waivers or approvals are required to be obtained from parties to any Assumed Contracts, in connection with the transactions contemplated by this Agreement; and (C) in seeking timely to obtain any such actions, consents, waivers or to make any such filings. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement shall take all such necessary action.

(b) Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall not constitute an agreement to transfer, sell or otherwise assign any of the Assumed Contracts or Leases that requires the consent of or notice to the other party thereto to avoid any breach or default thereunder, to the extent any required consent, approval or authorization in respect of such Contract, Lease or Permit obtained (collectively, the "Unassigned Contracts"). Without limitation of any right Purchaser or Seller may have not to consummate the transactions contemplated by this Agreement pursuant to Section 3.2(c) and if Purchaser and Seller waive such right and the Closing occurs, the beneficial interest in and to each Unassigned Contract shall in any event pass to Purchaser at the Closing, and Seller covenants and agrees to use commercially reasonable efforts to obtain the consent, approval or authorization to such Unassigned Contract as promptly thereafter as possible; provided, however, that Seller shall have no obligation to give any guarantee or other consideration in connection with any such consent, authorization or approval. If such consent, approval or authorization

cannot be obtained, Seller shall use commercially reasonable efforts, in any lawful and economically reasonable arrangement to provide Purchaser with Seller's and its Specified Affiliates' entire interest in the benefits under each of the Unassigned Contracts. Seller shall, and shall cause each of its Specified Affiliates to, exercise or exploit their respective rights and options under all such Unassigned Contracts referred to in this Section 6.3(b) only as reasonably directed by Purchaser; provided, that, except in cases of gross negligence or willful misconduct on the part of Seller or its Specified Affiliates (or their respective officers, employees, agents or representatives), Purchaser shall be responsible, and shall indemnify, defend and hold harmless Seller and its Specified Affiliates hereunder from and against, for any liability or Damages to the extent incurred by Seller or any of its Specified Affiliates as a result of such direction. If and solely to the extent Seller provides the rights and benefits under an Unassigned Contract, Purchaser shall accept the burdens and perform the obligations under such Unassigned Contract as subcontractor of Seller or its Specified Affiliates to the extent such burdens and obligations would have constituted an Assumed Liability if such Unassigned Contract had been transferred to Purchaser at the Closing. Furthermore, if the other party(ies) to an Unassigned Contract subsequently consent to the assignment of such contract to Purchaser, Purchaser shall thereupon agree to assume and perform all Liabilities arising thereunder after the date of such consent, at which time such Unassigned Contract shall be deemed a Purchased Asset and the Liabilities so assumed thereunder shall be deemed Assumed Liabilities, without the payment of further consideration.

(c) In addition to the requirements set forth above in this Section 6.3 (and subject to the limitations set forth therein), each of Seller and Purchaser shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as reasonably practicable the transactions contemplated by this Agreement, including the obtaining of all necessary waivers, consents and approvals and the fulfillment of each condition to the other party's obligations set forth in Article III of this Agreement (it being understood and agreed that neither Seller nor Purchaser shall be required to expend any amounts, assume any obligations or incur any liabilities in connection with obtaining any third-party waivers, consents or approvals).

6.4 Government Notification. Seller and Purchaser have filed with the United States Federal Trade Commission (the "FTC") and the Antitrust Division of the United States Department of Justice (the "Antitrust Division") pursuant to HSR Act, the notification and documentary material required in connection with the acquisition of the Purchased Assets by Purchaser, pursuant to this Agreement. Seller and Purchaser shall as soon as practicable, comply with any request for additional information and documentary practicable, comply with any request for additional information and documentary material received from the FTC or Antitrust Division and shall coordinate and cooperate with one another in exchanging such information and providing such reasonable assistance as may be requested in connection with such request.

6.5 Bulk Transfer Laws. Without admitting the applicability of the bulk transfer Laws of any jurisdiction, each of Seller and Purchaser hereby waives compliance by the other party with any applicable bulk sale or bulk transfer Laws of any jurisdiction in connection with the sale of the Purchased Assets to Purchaser (other than any obligations of Seller with respect to the application of the proceeds therefrom).

6.6 Public Announcements. Purchaser and Seller shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated by this Agreement, and neither Purchaser nor Seller shall issue any such press release or make any such public statement without the prior approval of the other party to this Agreement, such approval not to be unreasonably conditioned, delayed or withheld, except as may be required by applicable Law or any securities exchange on which the securities of Seller or its Affiliates are listed.

6.7 Accounts Receivable; Receipts and Disbursements.

(a) Accounts Receivable. In the event that Seller receives any payments relating to any Accounts Receivable (other than Intracompany Receivables) after the Closing, such payments shall be the property of, and shall be forwarded and remitted to Purchaser on a monthly basis. Seller shall advise Purchaser of any counterclaims or set offs of which it receives notice subsequent to the Closing with respect to any such Accounts Receivable.

(b) Intracompany Receivables. In the event that Purchaser receives any payments after the Closing relating to any Intracompany Receivables, such payments shall be the property of, and shall be forwarded and remitted to Seller on a monthly basis. Notwithstanding the foregoing and for the avoidance of doubt, Seller shall not be obligated to, and shall not owe or make payments to Purchaser in respect of Intracompany Receivables, and Purchaser shall not be obligated to, and shall not owe or make any payments to Seller in respect of Intracompany Liabilities.

6.8 Transition Services.

(a) Services. In order to facilitate an orderly transition of the Business to Purchaser, Seller agrees to provide to Purchaser in respect of the Business, as reasonably required by Purchaser, the following services:

(i) E-mail Services. Seller shall use commercially reasonable efforts, prior to the Closing Date, to assist Purchaser in transitioning the Transferred Employees to Purchaser's e-mail systems by (A) instructing the Transferred Employees how to save contact lists in the Lotus Notes system and transfer personal files to a central server, and (B) providing such contact lists and personal files to Purchaser.

(ii) Payroll Services. Seller shall use commercially reasonable efforts, prior to the Closing Date, to obtain from the applicable vendors the right to use the ADP payroll software and the eTime time clock software, and to obtain from SourceNet Solutions the permission to use its services, in each case for Seller or a newly-created Affiliate of Seller, on Purchaser's behalf, to continue processing payrolls for Transferred Employees (the "Payroll Services") for 60 days following the Closing Date or such earlier date that Purchaser shall designate to Seller (the "Payroll Transition Period"). Such Payroll Services shall be subject to the following conditions:

(A) No new employees may be added to the Payroll Services during the Payroll Transition Period, and Purchaser shall promptly notify Seller of any Transferred Employees that are terminated by Purchaser. Seller and such Affiliate shall have no liability in connection with payments made to any such terminated Transferred Employees.

(B) Purchaser must provide to Seller all required Federal, State, and Local Employer Identification Numbers, along with Purchaser's current unemployment rates, at least 15 Business Days prior to the Closing Date.

(C) Seller or such Affiliate will not withhold benefit deductions from employee payrolls. Seller or such Affiliate will only withhold required federal, state, local and payroll taxes. At or before the Closing, Seller or such Affiliate will solicit from each Transferred Employee a new IRS Form W-4, to be effective as of Closing. Seller or such Affiliate will continue tax withholdings at the level in effect as of Closing for any Transferred Employee who does not properly complete such a new Form W-4.

(D) Seller or such Affiliate will not be responsible for any payroll or human resources administrative issues

in respect of the Transferred Employees, including updating employee addresses, tracking cost centers, processing salary increases, transferring employees between locations, tracking vacation or sick time or providing any type of benefits in respect of the period after the Closing Date.

(E) Seller or such Affiliate shall provide the Payroll Services using Seller's existing payroll forms, including Seller's check stock, provided that Seller or such Affiliate may use appropriate disclaimers and/or other notices with respect to the fact that Seller or such Affiliate is providing the Payroll Services on Purchaser's behalf.

(F) On a weekly basis, Seller or such Affiliate shall provide documentation to Purchaser of the Payroll amount to be processed for that week (including wages and applicable taxes) (the "Payroll Amount"). Purchaser shall execute a wire transfer for the Payroll Amount to Seller's account in immediately available funds by the end of business on the Business Day following the day Seller or such Affiliate provides documentation of the Payroll Amount. Seller's obligation to provide Payroll Services shall terminate immediately if Purchaser defaults on its obligations under this paragraph (F).

(iii) Procurement, Maintenance and Parts Inventory Services. Seller shall use its commercially reasonable efforts to allow continued use by Purchaser of the JDE procurement, maintenance and parts inventory software systems (A) at the Charlevoix Facility and the Dixon Facility for 60 days following the Closing Date and (B) the Terminals for 30 days following the Closing Date.

(b) Third Party Consents. If Seller and Purchaser are unable to obtain any of the third party consents required for the services contemplated under this Section 6.8, each of Seller and Purchaser shall work together in good faith to find alternate means to provide Purchaser with the services contemplated in this Section 6.8; provided that neither Seller nor its Affiliates shall be required to make any payments or incur any out-of-pocket costs, obligations or liabilities in connection therewith, and Seller shall not be obligated to provide any service for which a required third-party consent is not obtained.

(c) Reimbursement. Purchaser shall reimburse Seller for (i) the direct hourly or equivalent salary cost of the employee providing the services described in this Section 6.8, (ii) the hiring of temporary personnel from the payroll service provider, or other source, to set up the Employer Identification Numbers and transfer all the Transferred Employees to the new payroll service provider, (iii) all out of pocket costs and expenses in providing such services, including communications costs, (iv) a per employee pro rata share of Seller's or such Affiliate's allocated costs for providing the Payroll Services and (v) all transaction charges directly associated with Purchaser's payroll. Purchaser shall execute a wire transfer to Seller's account in the amount of reimbursement requested by Seller within three business days of receipt from Seller of the request.

(d) NOx Technology.

(i) Purchaser acknowledges that (A) Seller has developed certain technology that reduces NOx emissions by injecting water into a cement kiln flame (the "NOx Technology"), which technology is currently implemented at the Charlevoix Facility, (B) the NOx Technology is an Excluded Asset, (C) the NOx Technology is the proprietary and confidential information of Seller, and (D) except as set forth in this Section, Purchaser is acquiring no rights in the NOx Technology.

(ii) Within 90 days after the Closing Date, Purchaser shall remove the NOx Technology from all facilities owned or controlled by Purchaser or its Affiliates.

(iii) Absent a written license agreement from Seller, neither Purchaser nor any of its Affiliates may implement the NOx Technology, or any improvement or derivative thereof, at any facility owned or controlled by Purchaser or its Affiliates for the longer of (A) any period in which Seller or its assignee owns or controls any United States patent that would be infringed by the use of the NOx Technology, including the Current NOx Patent Application (and any patents claiming priority therefrom, and any divisions, continuations, reissues, reexaminations, extensions and renewals thereof) and (B) five years and after such five-year period, the shorter of (1) any period in which Seller or its assignee owns or controls any United States patent application that relates to the NOx Technology, including the Current NOx Patent Application (and any patent applications claiming priority therefrom, and any divisions, continuations, reissues, reexaminations, extensions and renewals thereof) and (2) eight years. Upon Seller's request, the senior officer for Purchaser's United States operations shall certify Purchaser's compliance with the provisions of this Section 6.8(d).

(iv) With respect to the NOx Technology, the provisions of Section 6.16 shall survive the termination of this Agreement indefinitely, provided that information disclosed in any United States patent or patent application that is made available for public examination by the United States Patent and Trademark Office shall no longer be deemed the confidential information of Seller.

(e) Release From Liability. Except in the case of gross negligence or willful misconduct on the part of Seller or its Affiliates (or their respective officers, employees, agents and representatives), Purchaser does hereby release and forever discharge Seller and its Affiliates and any of their respective present, future and former agents, representatives, attorneys, and associates and their respective predecessors, successors, assigns, with respect to, and shall indemnify, defend and hold harmless each such Person from and against, any matter, liability or cause of action, arising out of or in any way relating to, directly or indirectly, any of the matters described in this Section 6.8.

6.9 Like-Kind Exchange.

(a) Seller, upon providing written notice at least 30 calendar days prior to Closing Date, may, with respect to some or all of the Purchased Assets, elect to effect a simultaneous or non-simultaneous tax-deferred exchange pursuant to Section 1031 of the Code and the regulations thereunder. Purchaser expressly agrees to use reasonable efforts to cooperate with Seller, upon Seller's reasonable request, in connection with any such exchange, including by executing any and all documents, including escrow instructions or agreements and consenting to Seller's assignment of its rights hereunder to an exchange entity, which are reasonably necessary to carry out such an exchange. Any and all representations, obligations, agreements, warranties and covenants made by Seller to Purchaser in connection with this Agreement shall remain in full force and effect and continue to inure to the benefit of Purchaser, notwithstanding any assignment of this Agreement to a third party in connection with such Section 1031 exchange. Nothing in this Section 6.9 shall in any manner relieve Seller from any of its obligations under this Agreement, and Seller shall remain primarily liable to Purchaser pursuant to the terms of this Agreement.

(b) Purchaser's obligation to cooperate in a Section 1031 exchange is conditioned upon each of the following: (i) Purchaser shall not be required to incur any additional costs, expenses or Liabilities (including professional fees and transfer taxes) as a result of, or in connection with, any action taken by Purchaser under Section 6.9(a) or such Section 1031 exchange, and Seller shall indemnify and hold Purchaser harmless from any Damages or any other cost, expense, liability or loss of Tax benefits incurred by Purchaser in connection with any action taken by Purchaser under Section 6.9(a) or such Section 1031 exchange, (ii) the Closing shall not be

delayed as a result of such Section 1031 exchange, (iii) all acknowledgments, releases, representations, warranties, covenants and agreements made by Seller (as set forth in this Agreement) shall remain in full force and effect in favor of Purchaser as if such Section 1031 exchange had not been made and (iv) Purchaser shall not be required to hold legal title to any assets other than the Purchased Assets.

6.10 Insurance; Risk of Loss.

(a) Purchaser acknowledges that the Retained Policies will not continue to insure the Purchased Assets or the Business after the Closing Date. Purchaser hereby further acknowledges (and acknowledges on behalf of its Affiliates) that after the Closing Date, if the Business suffers any casualty or loss for which Purchaser is responsible under the terms of this Agreement, such loss shall be payable solely from any substitute policies to be obtained by the Purchaser. Each of Purchaser and Seller shall, and shall cause its Affiliates to, not assert any claim with respect to indemnified Damages under insurance policies maintained by the other party or any subsidiary, division or Affiliate of the other party. Except as Seller shall otherwise consent to in writing (which consent shall not be unreasonably withheld, delayed or conditioned), such substitute policies shall include a waiver of any rights of subrogation that the insurance carriers underwriting such policies may have against Seller or Seller's Affiliates or under the Retained Policies.

(b) Except as set forth in this Section 6.10(b), the risk of loss or damage by fire or other casualty to any of the Owned Real Property or Tangible Personal Property before the Closing is retained by Seller. In the event that any of the Owned Real Property or Tangible Personal Property shall suffer any damage as a result of a fire or other casualty prior to the Closing (each such event, a "Casualty Loss"), in addition to and without limitation of any right of Purchaser not to consummate the transactions contemplated by this Agreement pursuant to Section 3.4, Seller agrees to, at its option, (i) repair the damage at its sole cost and expense before the Closing, or (ii) make an appropriate reduction in the Purchase Price herein set forth based on Seller's good faith estimate for the cost of such repair, or (iii) assign to Purchaser at Closing all insurance claims and proceeds payable to Seller as a result of such fire or other casualty, and to the extent the costs of repair for the applicable Casualty Loss are in excess of the insurance proceeds, the Purchase Price will be appropriately reduced only to the extent of such excess costs (each a "Casualty Loss Election"). Notwithstanding the foregoing, in the event that Seller's good faith estimate of the cost of repairing any Casualty Loss does not exceed $50,000 and Seller makes a Casualty Loss Election under subclause (iii), there shall be no adjustment of the Purchase Price regardless of whether the insurance proceeds are sufficient to cover the Casualty Loss. In addition to its right to make a Casualty Loss Election pursuant to the foregoing, in the event that Seller's good faith estimate of the cost of repairing any Casualty Loss exceeds $2,500,000 (the "Threshold Damage Amount"), Seller shall also have the right, exercisable in its sole discretion, to terminate this Agreement unless Purchaser waives any rights it may have against Seller in respect of such Casualty Loss (a "Casualty Termination Election"), in which case Seller and Purchaser shall have not further obligations under this Agreement (other than obligations that are expressly intended to survive the termination of this Agreement). In the event that any of the Owned Real Property or Tangible Personal Property shall suffer a Casualty Loss prior to the Closing, Seller shall deliver a written notice thereof to Purchaser on or before the earlier of (i) ten days after Seller obtains Knowledge of the damage or (ii) the Closing Date, which written notice shall include Seller's good faith estimate of the cost to repair such damage and an identification of Seller's Casualty Loss Election or Casualty Termination Election, as the case may be. In the event that Seller fails to timely deliver notice of its election to Purchaser, (A) if Seller's good faith estimate of the cost of repairing the Casualty Loss does not exceed the Threshold Damage Amount, Seller shall be deemed to have made a Casualty Loss Election pursuant to clause (iii) above or (B) if Seller's good faith estimate of the cost of repairing the Casualty Loss exceeds the Threshold Damage Amount, Seller shall be deemed to have made a Casualty Termination Election and Seller subsequently notifies Purchaser of such Casualty Loss prior to the Closing (and the Closing does not occur). Seller shall have no right to terminate this

Agreement pursuant to this Section 6.10(b) if Seller's good faith estimate of the cost to repair the damage does not exceed the Threshold Damage Amount.

(c) Except as set forth in this Section 6.10(c), the risk of loss or damage to the Owned Real Property by condemnation before the Closing is retained by the Seller. In the event any condemnation proceeding is commenced with respect to the Owned Real Property, in addition to and without limitation of any right of Purchaser not to perform its obligations under this Agreement pursuant to Section 3.4(f), Seller shall assign to Purchaser at the Closing all of Seller's right, title and interest in and to all awards made in respect of such condemnation and shall pay over to the Purchaser all amounts theretofore received by Seller in connection with such condemnation.

(d) Upon the Closing, the full risk of loss with respect to the Owned Real Property and the Tangible Personal Property shall pass to, and be assumed by, Purchaser.

6.11 Intracompany Arrangements. Notwithstanding any other provision herein (other than Section 6.8), as of the Closing, all services, commitments or other arrangements that existed pre-Closing among the Business and other businesses of Seller or Seller's Affiliates shall cease.

6.12 Retained Names. To the extent any of the Retained Names appear on any plants, buildings, signs, equipment or other structures that constitute Purchased Assets, Purchaser shall, within 60 calendar days after the Closing Date, remove or obliterate, or cause to be removed or obliterated, the Retained Names from such plants, buildings, signs, equipment or other structures. Seller shall use commercially reasonable efforts to remove, or cause to be removed, from the Real Property on or prior to the Closing all stationery, business forms, packaging, containers and other similar personal property on which any of the Retained Names appear; provided, however, to the extent any such items are inadvertently left on the Real Property, Purchaser shall not use any such items without first removing or obliterating, or causing to be removed or obliterated, the Retained Names from such materials. For the avoidance of doubt, except as set forth in this Section 6.12, Purchaser shall have no rights to, and shall not use in any manner, the Retained Names on or after the Closing.

6.13 Owen Sound Terminal.

(a) The parties acknowledge that CMC, in accordance with its obligations under Section 11.2 of the Cement Supply & Distribution Agreement (the "Miller Supply Agreement"), dated as of December 18, 1989, by and among CMC, Miller Cement Limited (f/k/a 835675 Ontario Limited) and Miller Paving Limited ("Miller"), has delivered to Miller a notice of Seller's receipt of Purchaser's offer to purchase the Owen Sound Terminal for a purchase price of $20 million and on the other terms and subject to the conditions set forth in this Agreement that relate to the Owen Sound Terminal. In the event that Miller exercises its right, in accordance with the Miller Supply Agreement, to purchase the Owen Sound Terminal on the terms and subject to the conditions set forth in such notice:

(i) the Owen Sound Terminal shall no longer be deemed to be a "Terminal" for purposes of this Agreement;

(ii) the Owen Sound Terminal shall no longer be deemed to be part of the Owned Real Property;

(iii) the Purchase Price shall be $369,200,000;

(iv) the current assets and current liabilities of the Owen Sound Terminal shall be disregarded for purposes of the Preliminary Closing Statement and the Final Closing Statement;

(v) the Base Working Capital shall be $28,461,000;

(vi) all items relating solely to the Owen Sound

Terminal set forth in the Seller Disclosure Schedule shall be disregarded, and for purposes of this Agreement (including Section 3.4(a) and Article VIII), Seller's representations and warranties set forth in Article IV shall be deemed to have been made without reference to the Owen Sound Terminal and, for avoidance of doubt, the representations and warranties of Seller set forth in Article IV shall not be deemed untrue or incorrect as of the date of this Agreement by virtue of the exercise by Miller of its right to purchase the Owen Sound Terminal under the Miller Supply Agreement, or by virtue of any matter relating to the Owen Sound Terminal; and

(vii) the definition of "Restricted Cement Region" set forth in Section 1.1 shall be deleted in its entirety and the following language shall be substituted in lieu thereof: "Restricted Cement Region" means (i) the State of Michigan and (ii) the areas that fall within a 150 mile radius around each of (A) the Dixon Facility, and (B) the Terminals located in the cities of Milwaukee, Manitowoc and Green Bay, Wisconsin."

(b) Each of Seller and Purchaser shall pay one-half of the CDN$750,000 fee required to be paid by CMC pursuant to Section 11.2 of the Miller Supply Agreement.

6.14 Maintenance of Indemnification Rights. Purchaser shall not, and shall cause each of its Affiliates and subsidiaries to not, take or fail to take any action that would limit or otherwise adversely affect any indemnification rights of Seller, Seller's Affiliates and their respective directors, officers, shareholders, attorneys, accountants, agents and employees, and their respective heirs, successors and assigns would have been entitled to under the Dixon Purchase Agreement had the transactions contemplated by this Agreement not occurred.

6.15 Vessels.

(a) Prior to the Closing, Purchaser shall, or shall cause each of its Affiliates to, use its commercially reasonable efforts to take all actions necessary to establish, or nominate, a Person that is a Citizen and qualified to purchase and document the Conquest under 46 U.S.C. ss. 12102(a)(4) so as to permit Seller to transfer the Conquest and assign the Challenger Agreements to Purchaser or its nominee pursuant to the terms of this Agreement without contravention of the Shipping Act or any other requirements of United States maritime law.

(b) The Seller or its Specified Affiliate shall deliver the Conquest to the Purchaser or its nominee in class with all equipment, machinery, items of outfit and spares, bunkers, any unused lubricating oils and other materials on board, together with all equipment and spare parts specific and exclusive to the Conquest stored on shore.

6.16 Confidentiality. From and after the Closing, Seller agrees to, and shall cause its agents, representatives, Affiliates, employees, officers and directors (collectively, the "Seller Representatives") to: (a) treat and hold as confidential (and not disclose or provide access to any Person to) any information primarily relating to the Business, including trade secrets, processes, price, customer and supplier lists, pricing and marketing plans, policies and strategies, details of client and consultant contracts, operations and methods, (b) in the event that Seller or any of the Seller Representatives becomes legally compelled to disclose any such information, provide Purchaser with prompt written notice of such requirement so that Purchaser may seek a protective order or other remedy or waive compliance with this Section 6.16, and in the event that such protective order or other remedy is not obtained, or Purchaser waives compliance with this Section 6.16, furnish only that portion of such confidential information which is legally required to be provided and exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such information, and (c) except with respect to copies allowed under Section 2.1(a)(ix), promptly furnish (prior to, at, or as soon as practicable following, the Closing) to Purchaser all such confidential information (in whatever form or medium) then

in the possession of Seller or any of the Seller Representatives and destroy any and all additional copies then in the possession of Seller or any of the Seller Representatives of such information and of any analyses, compilations, studies or other documents prepared, in whole or in part, on the basis thereof; provided, however, that this Section 6.16 shall not apply to any information (v) that is or becomes generally available to the public other than as a result of a disclosure by Seller or any of the Seller Representatives, (w) that becomes available to Seller or any of the Seller Representatives on a non-confidential basis from a source that did not acquire such information from Seller or Purchaser on a confidential basis, (x) to the extent reasonably necessary for Seller to retain, perform and/or discharge any Retained Liability, provided Seller exercises reasonable efforts to obtain reasonable assurance that confidential treatment is accorded such information so disclosed, or (y) that is disclosed in connection with the prosecution or defense of a dispute between Purchaser and Seller with respect to this Agreement and the other Transaction Documents or the transactions contemplated hereby or thereby.

6.17 Notice of Developments. Prior to the Closing, each of Seller and Purchaser shall promptly notify the other in writing of all events, circumstances, facts and occurrences arising subsequent to the date of this Agreement that has resulted in a breach of a representation or warranty or covenant of Seller or Purchaser, as the case may be, in this Agreement in a manner that would cause a condition set forth in Section 3.2, 3.3 or 3.4, as the case may be, not to be satisfied.

6.18 Non-Competition.

(a) Non-Compete.

(i) Subject to Section 6.18(b), during the five-year period immediately following the Closing Date (the "Restricted Period"), neither Seller nor any Affiliate of Seller (for so long during such period as such Person shall remain an Affiliate of Seller) shall actively sell or distribute (including through any distributorship arrangement to resell bulk gray portland cement on behalf of Seller or any of its Affiliates) gray portland cement for delivery in the Restricted Cement Region (the "Restricted Cement Business").

(ii) Subject to Sections 6.18(b)(v) and 6.18(b)(vi), during the Restricted Period, neither Seller nor any Affiliate of Seller (for so long during such period as such Person shall remain an Affiliate of Seller) shall construct and commence commercial operation of (A) a gray portland cement manufacturing facility in the Restricted Building Region or (B) a gray portland cement terminal in the area that falls within a 20 mile radius around the Cleveland Terminal; provided, however, that the foregoing restriction shall not apply with respect to the operation of any manufacturing facility or gray portland cement terminal (or the prosecution or completion of construction or development, or commencement of commercial operation, of any project in respect of such facility or terminal) of any Person that engages in the Restricted Cement Business (or any of such Person's Affiliates or subsidiaries) acquired in accordance with Section 6.18(b).

(iii) Nothing contained in this Agreement shall be construed to prohibit Seller or any of its Affiliates or subsidiaries from engaging in any businesses other than the Restricted Businesses.

(b) Exceptions. Nothing contained in this Agreement shall prohibit Seller or any of its subsidiaries or Affiliates from:

(i) acquiring (whether by merger, consolidation, stock or asset purchase or other similar transaction) or holding any or all of the shares of capital stock or any or all of the partnership or other equity interest in, or all or substantially all of the

business or assets of, any Person that engages in the Restricted Cement Business if such Restricted Cement Business does not constitute a Significant Restricted Business. In such event, the conduct of such Restricted Cement Business shall not be prohibited by this Agreement;

(ii) acquiring or holding shares of capital stock or a partnership or other equity interest in any Person that engages in the Restricted Cement Business if such Restricted Cement Business constitutes a Significant Restricted Business, where such shares or interest represent no more than (A) 10% of the outstanding voting power, or 15% of the outstanding equity interest, in such Person, if such Person does not have any class of equity securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or (B) 15% of the outstanding voting power or equity interest in such Person, if such Person has any class of equity securities registered under the Exchange Act; provided, however, that in each such case, such shares or interests are purchased and/or held solely for investment purposes and Seller has no management or similar rights with respect to such Person, provided that, notwithstanding the foregoing, Seller will be able to possess rights customarily held by a minority investor (including the right to appoint no more than one member of the board of directors of such Person);

(iii) acquiring (whether by merger, consolidation, stock or asset purchase or other similar transaction) all or substantially all of the shares of capital stock of, or all or substantially all of the partnership or other equity interest in, or all or substantially all of the assets or business of, any Person that engages in the Restricted Cement Business where such Restricted Cement Business constitutes a Significant Restricted Business; provided, however, that, solely in the case of the acquisition of a Significant Restricted Business, if either (A) the total sales of such Significant Restricted Business during the most recently completed fiscal year exceeded $70,000,000, or (B) the total revenues derived from such Significant Restricted Business during the most recently completed fiscal year exceeded 50% of such Person's total revenues during the most recently completed fiscal year, then Seller shall use reasonable efforts to sell to an unaffiliated third party within 12 months after such acquisition such portion of the business or operations of such Significant Restricted Business as shall be necessary so that the revenues derived from the remaining Restricted Cement Business of such Person following such sale would not constitute more than (x) $70,000,000 or (y) 50% of the pro forma total revenues of such Person during the most recently completed fiscal year, as the case may be (in each case, after giving effect to such sale); provided, further, however, that notwithstanding the foregoing, there shall be no such divestiture obligation if the transaction in which such Significant Restricted Business was acquired constituted a Significant Business Combination Transaction. In each such event, the conduct of such Restricted Cement Business pending such sale and the conduct of such remaining Restricted Cement Business following such sale shall not be prohibited by this Agreement;

(iv) engaging in (A) any sales of gray portland cement to, or swaps of gray portland cement with, other cement companies ("industry transactions") or (B) the Restricted Cement Business solely to the extent Seller or any of its Affiliates is selling gray portland cement to any Person for which Seller or any of its Affiliates then has an account if no more than 20% of the cement purchased by such Person (not to exceed 25,000 tons per annum) is purchased for use in the Restricted Cement Region;

(v) entering into an agreement providing for, or from consummating, a Significant Business Combination Transaction, and in the event that Seller or any of its subsidiaries or Affiliates consummates any Significant Business Combination Transaction, then nothing contained in this Agreement shall prohibit Seller or any of its Affiliates or subsidiaries (including, in each case, any such

Person who shall be a successor, by merger or otherwise, to Seller or any of its subsidiaries or Affiliates or to all or substantially all of the business or assets of any of the foregoing in connection with or at any time after such Significant Business Combination Transaction) from (A) engaging in the Restricted Cement Business, if the other party to such Significant Business Combination Transaction or any of its Affiliates or subsidiaries is engaged in the Restricted Cement Business at the time of such transaction, or (B) taking any action that would otherwise be prohibited under Section 6.18(a)(ii); or

(vi) entering into an agreement providing for, or from consummating, a Change of Control Transaction, and in the event that Seller or any of its subsidiaries or Affiliates consummates any Change of Control Transaction, then nothing contained in this Agreement shall prohibit the other party to such transaction or any of its subsidiaries or Affiliates (including, in each case any such Person who shall be a successor, by merger or otherwise, to Seller or any of its subsidiaries or Affiliates or to all or substantially all of the business or assets of any of the foregoing in connection with or at any time after such Change of Control Transaction) from (A) engaging in the Restricted Cement Business or (B) taking any action that would otherwise be prohibited under Section 6.18(a)(ii).

(c) Non-Solicitation. Except with respect to Non-Transferred Employees, as a separate and independent covenant, Seller agrees with Purchaser that, for a period of five years following the Closing, Seller will not in any way, directly or indirectly, interfere with or attempt to interfere with any officers, employees, representatives or agents of the Business, or induce or attempt to induce any of them to leave the employ of Purchaser or any of its Affiliates or violate the terms of their contracts, or any employment arrangements, with Purchaser or any of its Affiliates; provided, however, that (i) the foregoing will not prohibit a general solicitation or general advertisement that is not directed to such employees, and (ii) in the event that Seller or any of its subsidiaries or Affiliates consummates any Significant Business Combination Transaction or Change of Control Transaction, then the foregoing shall not apply to the other party to such transaction or any of its subsidiaries or Affiliates (including, in each case any such Person who shall be a successor, by merger or otherwise, to Seller or any of its subsidiaries or Affiliates or to all or substantially all of the business or assets of any of the foregoing in connection with, or at any time after, such Significant Business Combination Transaction or Change of Control Transaction, as the case may be).

(d) Seller acknowledges that the covenants of Seller set forth in this Section 6.18 are an essential element of this Agreement and that, but for the agreement of Seller to comply with these covenants, Purchaser would not have entered into this Agreement. Seller acknowledges that this Section 6.18 constitutes an independent covenant that shall not be affected by performance or nonperformance of any other provisions in this Agreement by Purchaser or any Affiliates or, with respect to the Conquest, the nominee, of Purchaser unless a Governmental Authority determines that Seller's non-compliance with this Section 6.18 is an appropriate remedy for any breach of this Agreement by Purchaser or any Affiliates or, with respect to the Conquest, the nominee, of Purchaser. Seller has independently consulted with its counsel and after such consultation agrees that the covenants set forth in this Section 6.18 are reasonable and proper. Seller agrees and acknowledges that remedies at law for any breach of its obligations under this Section 6.18 are inadequate and that in addition thereto the Purchaser shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any such breach.

6.19 White Oak Litigation. Seller agrees that, without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, delayed or conditioned), it shall not enter into any settlement with the Dixon Township in connection with the lawsuit filed in September 2004 in the Circuit Court of the Fifteenth Judicial Circuit in Lee County, Illinois.

6.20 Charlevoix Landfill Operating License. Each of Seller and Purchaser acknowledge that: (a) Seller has received a Solid Waste Disposal Area Operating License for the operation of a Type III Low Hazard Industrial Landfill ("Charlevoix Landfill"), License No. 9069, in connection with the Charlevoix Facility ("Charlevoix Landfill Operating License"), such license being necessary to operate the Charlevoix Landfill; (b) the Charlevoix Landfill Operating License is not transferable to Purchaser; and (c) there exists an escrow account known as the Perpetual Care Fund (the "Landfill Account"), which was established pursuant to that certain Solid Waste Landfill Perpetual Care Fund Escrow Agreement dated as of December 14, 1998, by and between Southdown, Inc., the Michigan Department of Environment Quality and National City Bank of Indianapolis, IN, as escrow agent, the value of such account to be determined as of the Closing Date, which value shall be the price of this Purchased Asset. The parties agree that: (x) on or before the Closing Date, the Landfill Account shall be transferred to Purchaser or its designees as part of the Purchased Assets; (y) on or before the Closing Date, the parties shall perform whatever actions are necessary to transfer the benefits of the Landfill Account to Purchaser, including entering into an amendment of the agreement governing the Landfill Account transferring Seller's interest in such account to Purchaser or its designees; and (z) if Purchaser is not able to obtain a license to operate the Charlevoix Landfill on or before the Closing Date, Purchaser and Seller shall, in accordance with Section 6.3(c) hereof, work together in good faith to facilitate Purchaser's ability to operate the Charlevoix Landfill, including entering into an agreement providing that Purchaser shall act as Seller's agent with respect to the operation of the Charlevoix Landfill until such time as Purchaser obtains its own operating license for the Charlevoix Landfill or receives a final denial of its application for an operating license.

ARTICLE VII

EMPLOYEE MATTERS

7.1 Offers of Employment. No more than 21 and at least three days before the Closing Date, Purchaser shall offer employment to (a) at least 85% of the Facility Employees in the aggregate and (b) at least 85% of the Facility Employees employed in each of the Dixon Facility and the Charlevoix Facility. In making hiring determinations pursuant to this Section 7.1, Purchaser shall comply with all applicable Laws respecting employment offers and hiring, including the National Labor Relations Act, Title VII of the Civil Rights Act or 1964, the Americans with Disabilities Act and the Age Discrimination in Employment Act. Seller shall provide Purchaser and its representatives reasonable access to the Facility Employees to assist Purchaser in its determination. Purchaser agrees that following the Closing Date, it shall maintain employee benefit and compensation plans, programs and arrangements for the benefit of the Transferred Employees (as defined below) that in the aggregate provide a level of compensation and benefits that is substantially similar to the level provided under the corresponding employee benefit plans and arrangements of Purchaser or its Affiliates that are applicable to their respective similarly situated employees, or, as applicable, in accordance with the terms and conditions of any Assumed Collective Bargaining Agreement. Each Facility Employee who receives an offer and accepts such offer of employment shall be referred to herein as a "Transferred Employee," and each other Business Employee (including those individuals identified on Section 4.12(a) of the Seller Disclosure Schedule and the Facility Employees who do not receive offers of employment from Purchaser) shall be referred to herein as a "Non-Transferred Employee," provided, however, that in the event a Transferred Employee fails to pass the drug test(s) given by the Purchaser in the ordinary course of hiring new employees and in accordance with applicable Law, such Transferred Employee shall be deemed a Non-Transferred Employee for all purposes of this Agreement. Seller shall terminate the employment of each Transferred Employee effective as of 11:59 p.m. on the Closing Date. Purchaser shall inform Seller not later than one Business Day after the Closing Date of the identity of the Transferred Employees, subject to subsequent updates based on the foregoing.

7.2 Employee-Related Obligations and Costs.

(a) Subject to Section 8.11, Seller agrees to remain obligated for expenses in connection with (i) any claim of a Business Employee arising under the workers' compensation laws of any state (a "Worker's Compensation Claim") that was incurred on or prior to the Closing Date and (ii) any Worker's Compensation Claim of a Non-Transferred Employee that was incurred prior to, on or after the Closing Date. Effective as of the day following the Closing Date, Purchaser shall assume all obligations and Liabilities for all Worker's Compensation Claims arising from events occurring after the Closing Date with respect to any Transferred Employee. A Worker's Compensation Claim is deemed to be incurred when the facts and events giving rise to such claim occur.

(b) Seller agrees to remain obligated to provide continuation health care coverage (including the issuance of any required notices), in accordance with Section 4980B of the Code and Section 601 et seq. of ERISA ("COBRA"), to all Business Employees and their qualified dependents and beneficiaries (x) who incur a qualifying event on or prior to the Closing Date and (y) to whom Seller is on the Closing Date providing such continuation coverage or under an obligation to provide such continuation coverage at the election of the Business Employee, including solely as a result of the transactions contemplated by this Agreement. Seller also agrees to remain obligated to provide continuation coverage to all Non-Transferred Employees and their qualified dependents and beneficiaries (x) who incur a qualifying event prior to, on and after the Closing Date and (y) to whom Seller is on the Closing Date providing such continuation coverage or under an obligation to provide such continuation coverage at the election of the Non-Transferred Employee. Purchaser shall have responsibility for any and all obligations under COBRA with respect to any Transferred Employees and their qualified dependents and beneficiaries who incur qualifying events following the Closing Date.

(c) Effective as of the day following the Closing Date, Purchaser shall be responsible for (i) any Liability arising under the WARN Act and any state or local equivalent in connection with the termination of the employment of any Transferred Employee by Purchaser after the Closing Date, (ii) issuance of any notices required by the WARN Act with respect to the termination of any Transferred Employee after the Closing Date and (iii) any obligation with respect to the Transferred Employees under any applicable state or local equivalent arising or accruing after the Closing Date. Seller shall be responsible for any Liability arising under the WARN Act and any state or local equivalent in connection with the termination of the employment of any Business Employee prior to or on the Closing Date and with the termination of employment of any Non-Transferred Employee prior to, on or after the Closing Date. Each of Seller and Purchaser shall cooperate to the extent necessary in determining such other party's duties under the WARN Act and any state or local equivalent.

7.3 Severance. Seller shall remain solely responsible for all Liabilities and claims with respect to severance as a result of or related to the termination of employment of a Facility Employee prior to the Closing (including severance (if any) payable to any Transferred Employee as a result of the termination of employment with Seller or any of its Affiliates as a consequence of the transactions contemplated hereby, or in the event a Facility Employee who receives an offer of employment from Purchaser does not accept such offer), and any such severance claims shall not count against the Seller's Severance Cap. Seller shall also remain responsible for all Liabilities and claims with respect to severance for (a) each Non-Transferred Employee who is not offered employment with Purchaser because of the Non-Transferred Employee's failure to pass a required, lawfully-administered drug test, (b) up to an additional 15 Non-Transferred Employees (at an average severance rate for all of the Non-Transferred Employees whose employment is terminated, excluding a termination as a result of clauses (a) or (c) in this Section 7.3), and (c) each of the individuals listed on Section 4.12(a) of the Seller Disclosure Schedule (collectively (a), (b) and (c) are referred herein as "Seller's Severance Cap"). Subject to the foregoing and once Seller's Severance Cap has been met, Purchaser shall promptly reimburse Seller, upon written demand, for all Liabilities with respect to all other severance for Non-Transferred Employees. Purchaser shall also be responsible for all Liabilities and claims with respect to severance for any Transferred Employee as a result of any termination of employment with the Purchaser or one of its

Affiliates following the Closing. Any severance paid in accordance with the immediately preceding sentence shall be in accordance with Purchaser or one of its Affiliates' severance benefit plans as in effect at the time of the termination of employment, or, as applicable, in accordance with the terms and conditions of any Assumed Collective Bargaining Agreement.

7.4 Service Credit. As of the day immediately following the Closing Date, Purchaser shall, and shall cause its Affiliates to, credit Transferred Employees with all service with Seller and its Affiliates for purposes of eligibility and vesting (but not for purposes of benefit accruals, other than with respect to vacation benefits) under any employee benefit plans, programs, agreements or arrangements maintained by Purchaser or its Affiliates, to the extent such service was recognized by the Seller immediately prior to the Closing Date, provided, that such crediting of service shall not operate to duplicate any benefit or the funding of any such benefits. Effective as of 11:59 p.m. on the Closing Date, each Transferred Employee shall cease to accrue benefits, earn service credit or otherwise actively participate under any employee benefits plan, program, agreement or arrangement maintained by Seller or any of its Affiliates.

7.5 Welfare Plans.Purchaser shall (a) waive all limitations as to preexisting conditions exclusions and waiting periods with respect to participation and coverage requirements applicable to the Transferred Employees under any welfare benefit plans that such employees may be eligible to participate in after the Closing Date and (b) provide each Transferred Employee with credit for any payments and deductibles paid prior to the Closing Date in satisfying any applicable deductible or out-of-pocket requirements under any welfare plans that the Transferred Employee is eligible to participate in after the Closing Date.

7.6 Bonuses. As soon as practicable after December 31, 2004, Seller shall pay to each Transferred Employee a bonus (but only if payable and not already paid) pursuant to any annual bonus plan maintained by Seller or its Affiliates for Transferred Employees in respect of 2004, including Seller's Plant Employee Compensation Plan and Seller's Logistics Incentive Plan, in any event determined without regard to any requirement otherwise applicable under such plan that a Transferred Employee be employed by Seller on the date the bonus payment is made.

ARTICLE VIII

SURVIVAL; INDEMNIFICATION

8.1 Survival of Representations and Warranties.

(a) The covenant Seller made pursuant to Section 6.17 and the representations and warranties of Seller contained in this Agreement shall survive for a period of 18 months following the Closing Date; provided, however, that (i) the representations and warranties made pursuant to Sections 4.1, 4.2, 4.3, 4.9(d), 4.9(e) and 4.15 shall survive indefinitely, (ii) the representations and warranties made pursuant to Section 4.14 shall survive until 60 days after the expiration of the relevant statute of limitations for the assessment or collection of any Tax and (iii) the representations and warranties made pursuant to Sections 4.12 and 4.13 shall survive the Closing until the third anniversary of the Closing Date. Neither the period of survival nor the liability of Seller with respect to Seller's representations and warranties shall be reduced by any investigation made at any time by or on behalf of Purchaser. If written notice of a claim, which sets forth the facts that Purchaser believes, in good faith, constitute a reasonable basis for indemnification, has been given prior to the expiration of the applicable representations and warranties by Purchaser to Seller, then the relevant representations and warranties shall survive as to such claim, until such claim has been finally resolved.

(b) The covenant Purchaser made pursuant to Section 6.17 and the representations and warranties of Purchaser contained in this Agreement shall survive the Closing for a period of 18 months following the Closing Date; provided, however, that the representations and warranties made

pursuant to Sections 5.1, 5.2, 5.3 and 5.6 shall survive indefinitely. Neither the period of survival nor the liability of Purchaser with respect to Purchaser's representations and warranties shall be reduced by any investigation made at any time by or on behalf of Seller. If written notice of a claim, which sets forth the facts that Seller believes, in good faith, constitute a reasonable basis for indemnification, has been given prior to the expiration of the applicable representations and warranties by Seller to Purchaser, then the relevant representations and warranties shall survive as to such claim, until such claim has been finally resolved.

8.2 Indemnification by Seller. From and after the Closing and subject to the provisions of this Article VIII, Seller agrees to pay and to indemnify, defend and hold Purchaser and its Affiliates and their respective directors, officers, employees and agents harmless from and against any and all claims and/or losses, Liabilities, damages, judgments, settlements, costs and expenses (including interest and penalties recovered by a third party with respect thereto, reasonable attorneys' fees, and expenses and reasonable accountants' fees and expenses incurred in the investigation or defense of any of the same or in asserting, preserving or enforcing any rights, but excluding, unless payable to a third party, punitive, exemplary, special losses or damages) (collectively, "Damages") arising out of or relating to any of the following:

(a) Excluded Liabilities. Any Excluded Liability;

(b) Representations and Warranties. Any breach of any representation or warranty made by Seller in Article IV of this Agreement, the Deeds or the certificate to be delivered by Seller at the Closing pursuant to Section 3.4(c) (it being understood that such representations and warranties shall be interpreted without giving effect to any limitations or qualifications as to "materiality" (including the word "material") or "Material Adverse Effect" set forth therein);

(c) Covenants. Any breach of any covenant or agreement of Seller contained in this Agreement or the other Transaction Documents;

(d) Allocation. The failure by Seller to report the sale of the Purchased Assets in accordance with the Final Allocation;

(e) Other Environmental Matters. The Environmental Cost-Sharing Matters, subject to any relevant and applicable provisions of this Agreement, including the limitations and conditions set forth in Section 8.8;

(f) Detroit Terminal. Except as provided in the Detroit Lease Agreement, Liabilities with respect to claims and/or Damages of unaffiliated third parties arising from, or related to, Purchaser's operation of the Detroit Terminal, except to the extent any such Liabilities (i) are caused by the negligence, gross negligence or willful misconduct of Purchaser, any of its Affiliates or any of their respective employees, representatives or agents (excluding, for this purpose, any employee, representative or agent of Seller or any of its Affiliates) or (ii) relate to portland cement sold by Purchaser and its Affiliates, including product liability claims for personal injuries, property damages or other losses (such exceptions, collectively, the "Purchaser Detroit Liabilities");

(g) Bulk Transfers. Liabilities arising from or related to any failure to comply with laws relating to bulk transfers or bulk sales with respect to the transactions contemplated by this Agreement (notwithstanding the waiver contained in Section 6.5); and

(h) Charlevoix PSD Matter. Any fines and penalties arising out of certain changes at the Charlevoix Facility undertaken during outages in 2003 and 2004 that may be subject to enforcement, as described in Section 2.2(a)(viii) of the Seller Disclosure Schedule, Charlevoix Facility, item D. (the "Charlevoix PSD Matter"), and (ii) the reasonable costs associated with the defense thereof, but only to the extent attributable to the period of Seller's ownership or operation of the Charlevoix Facility and subject to the

limitations set forth in Section 8.4(f) (collectively, the "PSD Damages"). The PSD Damages shall not include any costs to correct such violations (or alleged violations) or non-compliance (or alleged non-compliance) with applicable Environmental Law. Seller shall take the lead with respect to the defense of this matter, provided, that (i) Purchaser shall retain the right to make final determinations (subject to applicable Environmental Law) with respect to any actions required to correct any violation or non-compliance with applicable Environmental Law associated with such matter, (ii) Seller shall promptly provide copies to Purchaser of all written correspondence from Seller to any applicable Governmental Authority, and from any applicable Governmental Authority to Seller, and (iii) Seller shall provide Purchaser with reasonable advance notice of all planned meetings and telephone conferences with the applicable Governmental Authority and Purchaser shall have the right to send representative to attend and participate in such meetings.

8.3 Indemnification by Purchaser. From and after the Closing and subject to the provisions of this Article VIII, Purchaser agrees to pay and to indemnify, defend and hold Seller and its Affiliates and their respective directors, officers, employees and agents harmless from and against any and all claims and/or Damages arising out of or relating to any of the following:

(a) Assumed Liabilities. Any Assumed Liability, except to the extent such Assumed Liability is subject to indemnification by Purchaser pursuant to Section 8.2(h) or Section 8.8;

(b) Representations and Warranties. Any breach of any representation or warranty made by Purchaser in Article V of this Agreement or the certificate to be delivered by Purchaser pursuant to Section 3.3(d) (it being understood that such representations and warranties shall be interpreted without giving effect to any limitations or qualifications as to "materiality" (including the word "material") set forth therein);

(c) Covenants. Any breach of any covenant or agreement of Purchaser contained in this Agreement or the other Transaction Documents;

(d) Detroit Terminal. Any Purchaser Detroit Liabilities; and

(e) Allocation. The failure by Purchaser to report the purchase of the Purchased Assets in accordance with the Final Allocation.

8.4 Certain Limitations.

(a) Deductible. No indemnification pursuant to Section 8.2(b) or Section 8.2(c), with respect to any breach by Seller of its obligations under Section 6.17, shall be required with respect to any individual Damage of Purchaser, unless (i) such item (of series of related items) exceeds $40,000 and (ii) the aggregate of all Damages of Purchaser described in Section 8.2(b) or Section 8.2(c), with respect to any breach by Seller of its obligations under Section 6.17, with respect to of this Agreement shall exceed $3,000,000, in which case Seller shall be liable only for the Damages in excess of $3,000,000.

(b) Cap. Except in the case of actual fraud, the maximum aggregate amount of Damages (other than with respect to Damages arising from a breach of representation or warranty in Section 4.14) against which Purchaser shall be entitled to be indemnified under (i) Sections 8.8 and 8.2(e), Section 8.2(c) solely with respect to any breach by Seller of its obligations under Section 6.17, and Section 8.2(b) with respect to all claims thereunder (other than with respect to claims for breach of a representation or warranty that, pursuant to Section 8.1, survive the Closing and remain in full force and effect indefinitely) shall be equal to 20% of the Purchase Price and (ii) Section 8.2(b) with respect to all claims for breaches of representation and warranty which, pursuant to Section 8.1, survive the Closing and remain in full force and effect indefinitely, shall be equal to the Purchase Price. Furthermore, as an additional limitation on Purchaser's indemnification rights

hereunder, the aggregate amount of Damages against which Purchaser shall be entitled to be indemnified under Section 8.2(b), with respect to any breach by Seller of its representations and warranties set forth in Sections 4.9(d) and 4.9(e) (collectively, "Title Representation Damages") shall be limited as follows: (x) Damages with respect to each individual Terminal shall not exceed the sum of the Purchase Price and the Assumed Liabilities allocated to such Terminal (including all Tangible Personal Property and other assets used primarily in connection with such Terminal) in the Final Allocation; (y) Damages with respect to the Dixon Facility shall not exceed the sum of the Purchase Price and the Assumed Liabilities allocated to the Dixon Facility (including all Tangible Personal Property and other assets used primarily in connection with the Dixon Facility) in the Final Allocation; and (z) Damages with respect to the Charlevoix Facility shall not exceed the sum of the Purchase Price and the Assumed Liabilities allocated to the Charlevoix Facility and all of the Terminals (including all Tangible Personal Property and other assets used primarily in connection with the Charlevoix Facility and such Terminals) in the Final Allocation. For the avoidance of doubt, any Title Representation Damages (x) are also subject to the other limitations set forth in this Agreement and (y) count against the other limitations set forth in this Agreement.

(c) Third Party Recoveries. The amount of any Damages for which indemnification is provided to an Indemnified Party under this Article VIII shall be net of any amounts recovered by the Indemnified Party with respect to such Damages from any third party. Upon making any payment to any Indemnified Party, the Indemnifying Party shall be subrogated to all rights of the Indemnified Party against any third party (other than any insurance carrier of Seller or its Affiliates or Purchaser or its Affiliates, as the case may be) in respect of Damages to which such payment relates, and such Indemnified Party will execute upon request all instruments reasonably necessary to evidence and perfect such subrogation rights.

(d) Consequential and Incidental Damages. No indemnification pursuant to Section 8.2 or Section 8.3 with respect to any Damages that are consequential or incidental damages shall be required (i) unless any such Damages related to a single item (or series of related items resulting from the same event, fact or occurrence) exceed $1,000,000, in which case Seller shall be liable for such Damages in excess of $1,000,000. Except in the case of actual fraud, the maximum aggregate amount of Damages against which either party shall be required to indemnify the other in respect of consequential or incidental Damages shall be an amount equal to 10% of the Purchase Price. Purchaser shall make commercially reasonable efforts to mitigate any consequential or incidental Damages that an Indemnified Party asserts under this Article VIII. For the avoidance of doubt, any consequential or incidental damages (x) are also subject to the other limitations set forth in this Agreement and (y) count against the other limitations set forth in this Agreement.

(e) No Duplication. Notwithstanding anything in this Article VIII to the contrary, Purchaser shall not be deemed to have incurred any Damages with respect to any Liability to the extent such Liability was included in the calculation of the Closing Working Capital pursuant to the Final Closing Statement.

(f) Charlevoix PSD Matter. With respect to the indemnification for the Charlevoix PSD Matter, Seller shall be responsible for the first $250,000 in PSD Damages; Purchaser shall be responsible for the next $250,000 in PSD Damages; and each party to this Agreement shall be responsible for fifty percent (50%) of the PSD Damages in excess of $500,000.

8.5 Indemnification Process. The party or parties making a claim for indemnification under Section 8.2 or Section 8.3 shall be, for the purposes of this Agreement, referred to as the "Indemnified Party" and the party or parties against whom such claims are asserted under this Article VIII shall be, for the purposes of this Agreement, referred to as the "Indemnifying Party." All claims by any Indemnified Party under this Article VIII shall be asserted and resolved as follows:

(a) Notice. In the event that (i) any Action (whether or not by or before a Governmental Authority) is asserted or instituted by any Person other than Purchaser or Seller or their respective Affiliates that could give rise to Damages for which an Indemnifying Party could be liable to an Indemnified Party under this Agreement (such claim, demand or proceeding, a "Third Party Claim") or (ii) any Indemnified Party under this Agreement shall have a claim to be indemnified by any Indemnifying Party under this Agreement that does not involve a Third Party Claim (such claim, a "Direct Claim"), the Indemnified Party shall promptly send to the Indemnifying Party a written notice specifying the nature of such claim, demand or proceeding and the amount or estimated amount thereof if known (which amount or estimated amount shall not be conclusive of the final amount, if any, of such claim, demand or proceeding) (a "Claim Notice"); provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII except to the extent that the Indemnifying Party is materially prejudiced by such failure. In the event of a Direct Claim, the Indemnifying Party shall notify the Indemnified Party within 90 Business Days of receipt of a Claim Notice whether or not the Indemnifying Party disputes such claim.

(b) Right to Contest Third Party Claims. In the event of a Third Party Claim, if the Indemnifying Party acknowledges in writing its obligations to indemnify the Indemnified Party hereunder against any Damages that may result from such Third Party Claim, the Indemnifying Party shall be entitled to appoint counsel of the Indemnifying Party's choice at the expense of the Indemnifying Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in connection with such claim, demand or proceeding (in which case the Indemnifying Party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by any Indemnified Party except as set forth below). Notwithstanding an Indemnifying Party's election to appoint counsel to represent an Indemnified Party in connection with a Third Party Claim, an Indemnified Party shall have the right to employ separate counsel, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the Indemnified Party reasonably believes that there exists a conflict of interest that, under applicable principles of legal ethics, could prohibit a single legal counsel from representing both the Indemnified Party and the Indemnifying Party in such claim, demand or proceeding or (ii) the Indemnifying Party has failed or is failing to prosecute or defend vigorously such claim, demand or proceeding. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any claim, demand or proceeding which the Indemnifying Party defends, or, if appropriate and related to the claim, demand or proceeding in question, in making any counterclaim against the person asserting the Third Party Claim, or any cross-complaint against any Person.

(c) Settlement. No Third Party Claim may be settled or compromised (i) by the Indemnified Party without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably conditioned, withheld or delayed, or (ii) by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably conditioned, withheld or delayed; provided that if the Indemnifying Party submits to the Indemnified Party a bona fide settlement offer from a third party claimant of any Third Party Claim (which settlement offer will include as an unconditional term of it the full and unconditional release by the claimant or the plaintiff to the Indemnified Party from all liability in respect of such claim) and the Indemnified Party refuses to consent to such settlement, then thereafter the Indemnifying Party's liability to the Indemnified Party with respect to such Third Party Claim will not exceed the settlement amount included in such bona fide settlement offer, and the Indemnified Party will either assume control and responsibility for the payment of the defense of such Third Party Claim or pay the attorneys' fees and other out-of-pocket costs and expenses incurred by the Indemnifying Party thereafter in continuing the defense of such Third Party Claim. In the event any Indemnified Party settles or compromises or consents to the entry of any Judgment with respect to any Third Party Claim without the prior written consent of the Indemnifying Party, such Indemnified Party shall be deemed to have waived all rights against the Indemnifying Party for indemnification under

this Article VIII with respect to such Third Party Claim.

(d) Access to Information. From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its representatives all reasonable access to the books, records and properties of such Indemnified Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access shall be granted during normal business hours and shall be granted under conditions that will not interfere with the business and operations of such Indemnified Party. The Indemnifying Party will not, and shall require that its representatives do not, use (except in connection with such Claim Notice) or disclose to any third person other than the Indemnifying Party's representatives (except as may be required by applicable Law) any information obtained pursuant to this Section 8.5(d).

8.6 Characterization of Indemnification Payments. Purchaser and Seller agree to treat any payment made under this Article VIII as an adjustment to the Purchase Price.

8.7 Satisfaction of Indemnification Obligations. Subject to the procedures set forth above and in accordance with the deadlines specified in the preceding subsections, claims for indemnified Damages will be satisfied as follows:

(a) By Seller. Seller will satisfy their liability for indemnified Damages by paying the amount of such liability to Purchaser.

(b) By Purchaser. Purchaser will satisfy its liability for such indemnified Damages by paying the amount of such liability to Seller.

Payments pursuant to the foregoing will be by wire transfer, as the recipient may direct in writing; provided, however, that in the absence of directions within a reasonable period of time, payment may be made by cashier's check.

8.8 Additional Environmental Indemnification.

(a) Seller shall indemnify, defend and hold harmless Purchaser and its Affiliates with respect to certain environmental matters that would otherwise be Assumed Environmental Liabilities as to which Purchaser owes a duty to defend, indemnify and hold harmless Seller and its Affiliates pursuant to Section 8.3. To the extent, pursuant to the terms of this Section 8.8, that Seller does not or no longer has an obligation to indemnify, defend and hold harmless Purchaser and its Affiliates with respect to such Assumed Environmental Liabilities (including because time periods with respect to such indemnification have expired or because Seller is only obligated to indemnify Purchaser and its Affiliates for a portion of the Damages associated with such matter), Purchaser shall be obligated to defend, indemnify and hold harmless Seller and its Affiliates pursuant to Section 8.3.

(b) The following Actions, Liabilities and Damages that are Assumed Environmental Liabilities are subject to indemnification by Seller on the terms and subject to the conditions set forth in this Section 8.8, except (x) that with respect to any such Actions, Liabilities and Damages that constitute Prairie Allocated Liabilities, Seller shall have no indemnification obligation to the extent that either (A) Seller has an indemnification right with respect thereto pursuant to Section 8.11(a) or (B) Purchaser is not entitled to seek indemnification from Seller with respect thereto under Section 8.11(b) and (y) to the extent that any such Actions, Liabilities and Damages arise from or relate to Known Environmental Matters: (i) any costs, including reasonable costs associated with the defense of such matters, associated with correcting violations of or non-compliance with Environmental Laws or Environmental Permits occurring prior to the Closing Date with respect to the ownership, lease, maintenance or operation of the Facilities, the Purchased Assets or the Business; (ii) Actions, Liabilities and Damages for or associated with Remediation of Environmental Conditions, or for property damage or damages to natural resources associated with such

Environmental Conditions, on, at, in, under or migrating from the Real Property, where such Environmental Conditions first came into existence at such locations prior to the Closing Date; and (iii) Actions, Liabilities and Damages for loss of life or injury to persons arising from exposure, prior to the Closing Date, to Hazardous Substances at, on, in, under, migrating from or Released from the Facilities or Purchased Assets (including from exposure to asbestos-containing materials).

(c) With respect to Environmental Cost-Sharing Matters as to which notice, as provided by this Agreement, is provided to Seller within six years after the Closing Date, Purchaser shall be responsible, in the aggregate, for the first $5,000,000 in Damages associated with all such matters. Subject to Section 8.8(d), Damages in excess of $5,000,000 with respect to Environmental Cost-Sharing Matters shall be shared by Purchaser and Seller as follows:

(i) With respect to Environmental Cost-Sharing Matters as to which notice is provided to Seller in the first two years after the Closing Date, Seller shall be responsible for 75% of the Damages incurred with respect to such matters;

(ii) With respect to Environmental Cost-Sharing Matters as to which notice is provided to Seller in the third and fourth years after the Closing Date, Seller shall be responsible for 60% of the Damages incurred with respect to such matters; and

(iii) With respect to Environmental Cost-Sharing Matters as to which notice is provided to Seller in the fifth and sixth years after the Closing Date, Seller shall be responsible for 50% of the Damages incurred with respect to such matters.

(d) Seller's obligation to indemnify Purchaser and its Affiliates pursuant to this Section 8.8 shall be subject to the limitation set forth in Section 8.4(b).

(e) Seller's obligation to indemnify Purchaser and its Affiliates pursuant to Section 8.8 shall expire six years after the Closing Date except with respect to any matter for which a written notice of a claim, which sets forth the facts that Purchaser believes, in good faith, constitute a reasonable basis for indemnification, has been given prior to that date. Except to the extent of Seller's indemnification obligation, if any, under this Section 8.8, Purchaser shall be obligated to defend, indemnify and hold harmless Seller with respect to the Environmental Cost-Sharing Matters pursuant to Section 8.3(a) of this Agreement.

(f) In the event that Purchaser sells, transfers or otherwise conveys any portion of the Purchased Assets, Seller's obligation to indemnify Purchaser and its Affiliates pursuant to Section 8.8 shall only survive with respect to Purchaser and for the benefit of the Person that is the recipient of said portion of the Purchased Assets to the extent that said Person abides by the terms and conditions of this Agreement that apply to said indemnification.

8.9 Remediation Procedures and Standards.

(a) Purchaser shall promptly provide Seller with written notice of any claim for indemnification relating to any Remediation with respect to Environmental Conditions on, at, under or migrating from the Real Property. Purchaser shall retain the right to take the lead with respect to any such Remediation, provided, however, that except and only to the extent necessary to address an emergency or imminent threat to human health or the environment, the following limitations shall apply to such rights:

(i) Purchaser shall retain a qualified independent environmental consultant, which consultant shall be subject to Seller's approval (such approval not to be unreasonably withheld).

(ii) Purchaser shall provide to Seller for review and comment drafts of any proposed work plans, reports or other submissions for any Remediation that Purchaser intends to deliver or submit to the appropriate Governmental Authority prior to such submission. Seller shall have 14 days to provide comments to Purchaser regarding any such draft submissions, unless such review period is not reasonably possible within the schedule or due date established by the Governmental Authority, in which case Purchaser shall endeavor to provide Seller as much time as reasonably possible under the schedule (up to the 14 days) for its review. Such review and comments shall be at Seller's own expense, which expense shall not count toward any indemnification limit under this Agreement. Purchaser shall give good faith consideration to Seller's comments regarding such draft submissions; provided, however, that in the event that, after such good faith consideration, there is a disagreement between Seller and Purchaser regarding whether Seller's comments should be incorporated into the draft, Purchaser shall have the final decision to include or exclude such comments, it being understood that such decision shall not have any effect on Seller's rights pursuant to this Agreement, including, without limitation, a right to assert that any Remediation resulting from said submission is in excess of the Most Cost Effective Manner.

(iii) Purchaser shall promptly provide copies to Seller of all written notices, final submissions, final work plans and final reports.

(iv) Purchaser shall provide Seller with reasonable advance notice of all planned meetings and telephone conferences with the applicable Governmental Authority, and Seller, at its own expense (which expense shall not count towards any indemnification limit under this Agreement) shall have the right to send representatives to attend and participate in such meetings.

(v) Seller may, at its own expense (which expense shall not count toward any indemnification limit under this Agreement), hire its own consultants, attorneys or other professionals to monitor the Remediation, including any field work undertaken by the Purchaser, and Purchaser shall provide Seller with the results of all such field work. Notwithstanding the above, Seller shall not take any actions that shall unreasonably interfere with Purchaser's performance of the Remediation.

(b) With respect to any Remediation conducted by or on behalf of Purchaser related to the Purchased Assets, Seller shall only be liable for its share of the costs incurred to the extent such a Remediation is conducted in the most cost effective manner ("Most Cost Effective Manner"). The Most Cost Effective Manner shall (i) include the least stringent cleanup standards that, based upon the use classification (industrial, commercial, or residential) of a subject Real Property as of the Closing Date, are allowed under applicable Environmental Law, and (ii) include the least costly methods that are allowed under applicable Environmental Law and that are approved by or otherwise acceptable to applicable Governmental Authorities to achieve such standards, including the use of institutional or engineering controls to eliminate or minimize exposure pathways; provided, however, that the Most Cost Effective Manner shall not include any standard or method that (A) disrupts or interferes with, in more than an insubstantial manner, the Business or the operations of the Real Property as such property was used as of the Closing, (B) from the perspective of a reasonable business person acting without regarding to the availability of indemnification hereunder, unreasonably exposes Purchaser to a risk of liability from third parties as a result of the off-site migration of Hazardous Substances, or (C) with respect to institutional or engineering controls, imposes for any Remediation in the aggregate operation and maintenance costs of more than $25,000 per annum on Purchaser or its successors or assigns. Purchaser shall be responsible for any operation and maintenance with respect to any such institutional or engineering controls and such costs shall not be subject to indemnification.

(c) Seller shall only be liable for its share of the costs incurred to conduct a Remediation to the extent consistent with a Remediation conducted in the Most Cost Effective Manner. If Purchaser undertakes a Remediation that is not consistent with a Remediation conducted in the Most Cost Effective Manner (such as a remediation standard to allow less restrictive use of the property), Purchaser shall be responsible for any additional costs associated with such action.

(d) Seller shall not be responsible for those costs in connection with a Remediation at the Real Property to the extent that such costs are caused by: (i) a Release of Hazardous Substances that first occurs and originates after the Closing Date in connection with Purchaser's operation of the applicable property after the Closing Date; (ii) Purchaser's negligent or reckless action after the Closing Date resulting in the exacerbation of Environmental Conditions otherwise subject to the indemnification pursuant to this Agreement; (iii) the performance of a Remediation not required by applicable Environmental Law or by a Governmental Authority or in response to a third party Action; or (iv) Purchaser's voluntary closure of a waste management treatment or storage unit, including a land based waste storage unit, or a Hazardous Substances storage unit, such as an underground storage tank, provided that Seller will continue to be liable for the costs of Remediation for Releases of Hazardous Substances from such units into surrounding environmental media to the extent otherwise provided in this Agreement. Sellers shall also not be responsible for any consequential damages, including costs incurred as a result of disruption of the business operations at the Real Property, as a result of a requirement to undertake a Remediation subject to indemnification pursuant to this Agreement.

8.10 Corrective Action Procedures and Standards.

(a) With respect to any claims for indemnification related to violations of applicable Environmental Law or Environmental Permit, other than matters that involve a Remediation of Environmental Conditions with respect to the Release of Hazardous Substances at the Real Property, Purchaser shall have the right, consistent with applicable Environmental Law, to determine and implement the appropriate actions to correct any failures to comply with applicable Environmental Law or Environmental Permit in effect as of the Closing Date, provided that Seller shall have the right to control the defense of any Actions seeking fines or penalties for violations of or noncompliance with applicable Environmental Law prior to the Closing Date, pursuant to Section 8.5 of this Agreement. Purchaser shall consult with Seller in all material respects in connection with undertaking said corrective actions, shall provide Seller with copies of all material correspondence submitted to and received by any Governmental Authorities with respect to such matters, and shall provide Seller with a reasonable opportunity to comment on any material submissions to Governmental Authorities with respect to such matters, including corrective action proposals; provided, that in the event of a disagreement between Seller and Purchaser regarding whether Seller's comments should be incorporated into the submission, Purchaser shall have the final decision to include or exclude such comments, it being understood that such decision shall not have any affect on Seller's rights pursuant to this Agreement, including, without limitation, a right to assert that any corrective action resulting from said submission is in excess of a corrective action meeting the standard set forth in subparagraph (b) below. Purchaser shall provide Seller with reasonable notice of all planned meetings and telephone conferences with the applicable Governmental Authority, and Seller, at its own expense (which expense shall not count towards any indemnification limit under this Agreement) shall have the right to send representatives to attend and participate in such meetings.

(b) Without limiting the foregoing, Seller shall not be obligated to indemnify Purchaser for its share of the capital costs incurred in connection with the implementation of a corrective action that are in excess of the minimum amount required to achieve compliance with applicable Environmental Law in effect as of the Closing Date, provided that the corrective action for purposes of this Section 8.10(b) shall be sufficient to allow Purchaser to operate the Facilities and the Purchased Assets in a manner and at a level of production that is consistent with the operations of the

Facilities and the Purchased Assets during the 12 month period prior to the date of this Agreement. Seller shall in no event be responsible for any operating costs related to compliance with applicable Environmental Law after the Closing Date. To the extent that Purchaser chooses to implement a corrective action that goes beyond the standard set forth above, including implementing a corrective action that allows for an expansion in operations at a property or that is required to achieve compliance with Environmental Law that does not become applicable to a property until after the Closing, Seller shall not be responsible for its share of any additional or excess costs associated with such corrective action.

(c) For the avoidance of doubt, corrective actions contemplated by this Section 8.10 shall not include any Remediation related to Releases of Hazardous Substances on the Real Property.

8.11 Dixon Purchase Agreement.

(a) Notwithstanding anything in this Agreement to the contrary, in the event that Seller or any of its Affiliates suffers or incurs any Liability or Damage with respect to any Prairie Allocated Liability (other than any Known Environmental Liability), then Purchaser shall indemnify and hold harmless Seller and/or such Affiliate from and against such Liability or Damage to the full extent that Purchaser recovers from Prairie under the Dixon Purchase Agreement or in the event that Purchaser does not use commercially reasonable efforts to pursue such claims, or Purchaser is in breach of its obligations under Section 6.14, the amount that Purchaser would have recovered from Prairie had Purchaser used commercially reasonable efforts to pursue remedies under the Dixon Purchase Agreement, as in effect as of the Closing, and without regard to the effect, if any, of a breach by Purchaser of its obligations under Section 6.14 on the indemnification rights under the Dixon Purchase Agreement. Purchaser shall, and shall cause its Affiliates to, use its commercially reasonable efforts to take all action and pursue all claims for such indemnification under the Dixon Purchase Agreement with respect to any such Liability or Damage.

(b) Notwithstanding anything in this Agreement to the contrary, to the extent that any claim for indemnification that Purchaser would have under this Article VIII but for the operation of this Section 8.11(b) arises out of or relates to a Prairie Allocated Liability, then (i) Seller will have no obligation to indemnify any Purchaser Indemnified Party in respect of such claim until Purchaser shall have used, and shall have caused its Affiliates to have used, its commercially reasonable efforts to take all action and pursue all claims for such indemnification under the Dixon Purchase Agreement with respect to any such Liability or Damage and (ii) in addition to the other limitations on indemnification set forth in this Article VIII, Seller's indemnification obligation with respect to such matter shall be limited to the amount by which such Liability or Damage exceeds the greater of (x) the amount that Purchaser recovers from Prairie under the Dixon Purchase Agreement or (y) in the event that Purchaser does not use commercially reasonable efforts to pursue such claims, or Purchaser is in breach of its obligations under Section 6.14, the amount that Purchaser would have recovered from Prairie had Purchaser used commercially reasonable efforts to pursue remedies under the Dixon Purchase Agreement, as in effect as of the Closing, and without regard to the effect, if any, of a breach by Purchaser of its obligations under Section 6.14 on the indemnification rights under the Dixon Purchase Agreement.

(c) Notwithstanding anything in this Agreement to the contrary, Purchaser hereby completely releases, acquits and forever discharges Seller and any of Seller's Affiliates from any and all Actions, Damages and Liabilities of any nature whatsoever (including Actions, Damages and Liabilities under Environmental Law), and hereby expressly waives any and all other rights, that may available either at law or in equity with respect to any Prairie Allocated Liability to the extent that either (i) Seller has an indemnification right with respect thereto pursuant to Section 8.11(a) or (ii) Purchaser is not entitled to seek indemnification from Seller with respect thereto under Section 8.11(b).

(d) Notwithstanding anything in this Agreement to the contrary, in the event that Purchaser or any of its Affiliates suffers or incurs any Liability or Damage with respect to any Former Prairie Allocated Liability, then Seller shall indemnify and hold harmless Purchaser and/or such Affiliate from and against such Liability or Damage to the same extent that, and on the same terms and conditions as, Prairie would have been required to indemnify Purchaser under the terms of the Dixon Purchase Agreement had the Dixon Amendment No. 1 not become effective; provided that Seller shall have no further liability or obligation under this Section 8.11(d) in the event that at the time of such claim by Purchaser or its Affiliates, or at the time payment of such claim would otherwise be due, (i) Prairie is insolvent, (ii) Prairie or any of its significant subsidiaries is in payment default under the terms of any material indebtedness with obligations in excess of $2,500,000, (iii) Prairie shall have filed any petition for voluntary bankruptcy or similar proceeding or (iv) a Governmental Authority shall have entered a judgment, decree or order for relief in respect of Prairie in an involuntary bankruptcy case or proceeding.

8.12 Exclusive Remedies. Except in the case of actual fraud, Seller's and Purchaser's respective rights to indemnification under this Article VIII with respect to any Damages (including Damages under Environmental Law) shall be their sole and exclusive remedy and they shall not be entitled to pursue, and hereby expressly waive, any and all rights that may otherwise be available either at law or in equity with respect thereto. Any party's right to indemnification hereunder shall not be affected by a party's waiver of its right of termination pursuant to Article IX hereof if such right of termination arises from a willful breach of this Agreement.

ARTICLE IX

TERMINATION AND ABANDONMENT

9.1 Termination. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Closing:

(a) by the mutual written agreement of Purchaser and Seller;

(b) by either Purchaser or Seller by giving written notice of such termination to the other party, if the Closing shall not have occurred by June 30, 2005, unless the failure of the Closing to occur by such date shall be due to the failure of the party seeking to terminate this Agreement to perform or observe the covenants and agreements of such party set forth herein;

(c) by either Purchaser or Seller if there shall be any Law that makes the consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or if consummation of the transactions contemplated by this Agreement would violate any nonappealable final Judgment of any Governmental Authority having competent jurisdiction;

(d) by either Purchaser or Seller (provided that the terminating party is not then in material breach of any material representation, warranty, covenant or other material agreement contained herein) if there shall have been a material breach of any of the representations or warranties set forth in this Agreement on the part of the other party, which breach is not cured within 30 calendar days following written notice to the party committing such breach, or which breach, by its nature, cannot be cured prior to the Closing; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 9.1(d) unless the breach of representation or warranty, together with all other such breaches, would entitle the party receiving such representation not to consummate the transactions contemplated hereby under Section 3.3(a) (in the case of a breach of representation or warranty by Purchaser) or Section 3.4(a) (in the case of a breach of representation or warranty by Seller); or

(e) by either Purchaser or Seller (provided that the

terminating party is not then in material breach of any material representation, warranty, covenant or other material agreement contained herein) if there shall have been a material breach of any of the covenants or agreements set forth in this Agreement on the part of the other party, which breach shall not have been cured within 30 calendar days following receipt by the breaching party of written notice of such breach from the other party hereto, or which breach, by its nature, cannot be cured prior to the Closing; provided, however, that neither party shall have the right to terminate this Agreement pursuant to this Section 9.1(e) unless the breach of covenant or agreement, together with all other such breaches, would entitle the party receiving such covenant or agreement not to consummate the transactions contemplated hereby under Section 3.3(b) (in the case of a breach of a covenant or agreement by Purchaser) or Section 3.4(b) (in the case of a breach of a covenant or agreement by Seller).

9.2 Effect of Termination. If this Agreement is terminated as permitted under Section 9.1, such termination shall be without liability to any party to this Agreement or to any Affiliate, shareholder, director, officer or representative of such party, and following such termination no party to this Agreement shall have any liability under this Agreement or relating to the transactions contemplated by this Agreement to any other party except as contemplated in Section 10.1; provided that no such termination shall relieve any party to this Agreement that has willfully breached any provision of this Agreement from liability for such breach, and any such breaching party shall remain fully liable for any and all Damages incurred or suffered by another party to this Agreement as a result of such breach. The provisions of this Section 9.2, Section 9.3, Section 10.1 and the Confidentiality Agreement shall survive any termination of this Agreement pursuant to this Article IX.

9.3 Detroit Terminal Liquidated Damages. In the event this Agreement is terminated by Seller pursuant to Section 9.1(b) as a result of Purchaser failing to perform or observe the covenants and agreements of Purchaser in this Agreement or Section 9.1(d) or 9.1(e) and Seller has sold its cement terminal located in Detroit, Michigan (the "Detroit Terminal") to the City of Detroit, Purchaser shall pay to Seller, as liquidated damages and in lieu of any other damages or amounts payable solely with respect to the Detroit Terminal, an amount equal to $3,000,000. Both Seller and Purchaser agree that the actual damages that may be sustained by Seller with respect to the Detroit Terminal as a result of Purchaser failing to fulfill its obligations under this Agreement, for reasons unexcused by this Agreement, are uncertain and difficult to ascertain and that liquidated damages specified in this Section 9.3 are, therefore, an appropriate remedy. Notwithstanding the foregoing, this Section 9.3 shall not relieve Purchaser from any other liability for willfully breaching any provision of this Agreement, and, in addition to the liquidated damages contemplated by this Section 9.3, Purchaser shall remain fully liable for any and all Damages incurred or suffered by Purchaser as a result of such breach.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Expenses and Taxes.

(a) Except as set forth in Sections 3.5(f), 3.5(h) and 6.13(b) and below, each of Seller and Purchaser shall pay all fees and expenses incurred by it in connection with this Agreement and the transactions contemplated by this Agreement; provided however, that Seller and Purchaser agree that all applicable Conveyance Taxes that may be imposed upon, or payable or collectible or incurred in connection with, this Agreement and the transactions contemplated by this Agreement shall be borne 50% by Seller and 50% by Purchaser and all refunds, credits, rebates or other reductions of such Taxes shall be allocated 50% to Seller and 50% to Purchaser. Each of Seller and Purchaser agrees to file all necessary documentation (including all Tax Returns) with respect to such Taxes in a timely manner. Seller and Purchaser shall reasonably cooperate in reducing or obtaining exemptions from the assessment of any Conveyance Taxes.

(b) With respect to the Transferred Employees, Purchaser shall notify Seller as to which procedure set forth in Revenue Procedure 2004-53, 2004-34 I.R.B. 320, will be followed. Purchaser shall notify Seller on or before the later of 90 calendar days after the Closing Date or the earliest date Seller could be required to file any Tax Return that could be affected by such decision of Purchaser.

(c) After the Closing, Purchaser and Seller shall reasonably cooperate in the filing of any Tax Returns, to the extent such filing requires providing each other with necessary records and documents relating to the Purchased Assets or the Business or providing access to employees on a mutually convenient basis. Seller and Purchaser shall reasonably cooperate in the same manner in defending or resolving any Tax audit, examination or Tax-related litigation. Any information obtained under this Section 10.1 shall be kept confidential, except as may be otherwise necessary in connection with dealing with a Governmental Authority.

(d) At the other party's request, Seller or Purchaser, as the case may be, shall use reasonable efforts to obtain and deliver to the other party any Tax clearance certificates available from the relevant taxing authorities.

(e) The covenants and agreements of the parties hereto contained in this Section 10.1 and any related rights of indemnification shall survive the Closing and shall remain in full force and effect until 60 days after the expiration of the applicable statute of limitations on an assessment or collection of Tax, as such may be extended from time to time at the request of any Governmental Authority.

10.2 Further Assurances. From time to time after the Closing and without further consideration, Seller, upon the request of Purchaser, shall execute and deliver such documents and instruments of conveyance and transfer as Purchaser may reasonably request in order to consummate more effectively the purchase and sale of the Purchased Assets as contemplated by this Agreement and to vest in Purchaser title to the Purchased Assets transferred under this Agreement.

10.3 Notices. Any notices or other communications required or permitted under this Agreement or otherwise in connection herewith shall be in writing and shall be deemed to have been duly given when delivered in person or upon confirmation of receipt when transmitted by facsimile transmission or on receipt after dispatch by internationally recognized courier service or by registered or certified mail, postage prepaid, addressed, as follows:

If to Seller:

CEMEX, Inc.
840 Gessner, Suite 1400
Houston, Texas 77024

Attention: General Counsel
Facsimile: 713-722-5110

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
1600 Smith Street, Suite 4400
Houston, Texas 77002

Attention: Frank Ed Bayouth II
Facsimile: 713-655-5200

If to Purchaser to:

Votorantim Participacoes S.A.
Rua Amauri 255

Sao Paulo SP Brazil 01448-000

Attention: Alexandre D'Ambrosio
Facsimile: 55-11-3079-9345

With a copy to:

Votorantim Cimentos Ltda.
Praca Prof. Jose Lannes 40
Sao Paulo SP Brazil 04571-100

Attention: Marcelo Martins
Facsimile: 55-11-2162-0670

With a copy to:

St. Marys Cement Inc.
55 Industrial Street
Toronto, Ontario
Canada M4G 3W9

Attention: Dave Lumsden
Facsimile: 416-696-4435

With a copy to:

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022

Attention: John J. Madden
Facsimile: 212-848-7055

or such other address as the person to whom notice is to be given has furnished in writing to the other parties. A notice of change in address shall not be deemed to have been given until received by the addressee.

10.4 Headings and Schedules. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The disclosure or inclusion of any matter or item on any Schedule to the Seller Disclosure Schedule or the Purchaser Disclosure Schedule shall not be deemed an acknowledgment or admission that any such matter or item is required to be disclosed or is material for purposes of the representations and warranties set forth in this Agreement.

10.5 Applicable Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, and as to the Vessels, the general maritime and statutory law of the United States.

10.6 No Third Party Rights. This Agreement is intended to be solely for the benefit of the parties to this Agreement and is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the parties to this Agreement.

10.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

10.8 Amendment. Except as set forth in Section 6.13, this Agreement may not be amended except by an instrument in writing signed by Purchaser and Seller.

10.9 Waiver. Either party to this Agreement may (a) extend the time for the performance of any of the obligations or other acts of the other party to this Agreement, (b) waive any inaccuracies in the representations and warranties of the other party contained in this Agreement or in any document delivered by the other party pursuant to this Agreement or

(c) waive compliance with any of the agreements, or satisfaction of any of the conditions, contained herein by the other party to this Agreement. Any agreement on the part of a party to this Agreement to any such extension or waiver shall be valid only if set forth in an instrument in writing signed by such party and will not restrict subsequent enforcement of any of the obligations of this Agreement.

10.10 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

10.11 Entire Agreement. This Agreement, the other Transaction Documents and the Confidentiality Agreement set forth the entire understanding and agreement between the parties as to the matters covered in this Agreement, the other Transaction Documents and the Confidentiality Agreement and supersede and replace any prior understanding, agreement or statement of intent, in each case, written or oral, of any and every nature with respect to the subject matter hereof and thereof. Purchaser acknowledges that it has conducted its own independent review and analysis of the Business and the Purchased Assets. In entering into this Agreement, Purchaser has relied solely upon its own investigation and analysis and the representations and warranties set forth in this Agreement, the Deeds and the certificate to be delivered by Seller pursuant to Section 3.4(c).

10.12 Consent to Jurisdiction.

(a) All disputes, litigation, proceedings or other legal actions by any party to this Agreement in connection with or relating to this Agreement or any matters described or contemplated in this Agreement (other than with respect to matters referred to in Section 2.5) shall be instituted in the courts of the State of New York or of the United States in the State of New York, in either case sitting in the Borough of Manhattan of the City of New York. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the courts of the State of New York and of the United States sitting in the State of New York in connection with any such dispute, litigation, action or proceeding arising out of or relating to this Agreement. Each party to this Agreement irrevocably appoints CT Corporation System as its agent for the sole purpose of receiving service of process or other legal summons in connection with any such dispute, litigation, action or proceeding brought in any such court.

(b) Each party to this Agreement irrevocably waives the right to a trial by jury in connection with any matter arising out of this Agreement and, to the fullest extent permitted by applicable Law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding under this Agreement brought in the courts of the State of New York or of the United States sitting in the Borough of Manhattan of the City of New York and any claim that any proceeding under this Agreement brought in any such court has been brought in an inconvenient forum.

10.13 Binding Effect; No Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and legal representatives. This Agreement is not assignable by any party to this Agreement without the prior written consent of the other party to this Agreement, which consent shall not be unreasonably withheld, and any other purported assignment shall be null and void; and provided, however, that Purchaser may assign, in its sole discretion, any or all of its rights and interests hereunder (including the right to acquire one or more of the Purchased Assets and excluding any rights under this Agreement with respect to the Vessels) to one or more direct or indirect wholly owned Subsidiaries of Purchaser; and provided further that no such assignment shall relieve Purchaser of its obligations if such assignee does not perform any of the obligations of Purchaser hereunder.

[SIGNATURES ARE ON THE NEXT PAGE]

Each of the parties to this Agreement has caused this Agreement to be executed on its behalf by its duly authorized representative, all as of the date first above written.

VOTORANTIM PARTICIPACOES S.A.

By: /s/ Marcelo Martins

Name: Marcelo Martins
Title: Attorney-In-Fact

By: /s/ Alexandre S. Dambrosio

Name: Alexandre S. Dambrosio
Title: Attorney-In-Fact

CEMEX, INC.

By: /s/ Gilberto Perez

Name: Gilberto Perez
Title: President

By: /s/ Philippe Gastone

Name: Philippe Gastone
Title: Vice President

EXHIBIT 4.20.1

AMENDMENT NO. 1

TO ASSET PURCHASE AGREEMENT

AMENDMENT NO. 1 TO ASSET PURCHASE AGREEMENT, dated as of March 31, 2005 (this "Amendment"), by and between CEMEX, Inc., a Louisiana corporation ("Seller"), and Votorantim Participacoes S.A., a corporation (sociedade anonima) organized under the laws of the Federative Republic of Brazil ("Purchaser"). Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Purchase Agreement (as defined below).

WITNESSETH:

WHEREAS, Seller and Purchaser have entered into that certain Asset Purchase Agreement, dated as of February 4, 2005 (the "Purchase Agreement");

WHEREAS, Section 10.8 of the Purchase Agreement provides that the Purchase Agreement may be amended by the parties thereto by an instrument in writing signed by Purchaser and Seller; and

WHEREAS, the Closing has not occurred and Seller and Purchaser wish to amend the Purchase Agreement as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in the Purchase Agreement and this Amendment, and intending to be legally bound hereby, Seller and Purchaser hereby agree as follows:

ARTICLE I

AMENDMENTS, ACKNOWLEDGEMENT AND COVENANTS

SECTION 1.1 Amendments to Article VI.

(a) Article VI of the Purchase Agreement (entitled "Covenants") is hereby amended by adding the following new Section 6.21:

Section 6.21. Toledo Supplemental Sublease.

(a) As set forth on Section 2.2(a)(ii) of the Seller Disclosure Schedule, that certain Sublease Agreement, dated August 1, 1986 (the "Toledo Sublease"), among Toledo-Lucas County Port Authority ("TCPA"), Medusa Corporation ("Medusa"), and Merce Industries, Incorporated ("Merce") constitutes an Assumed Contract. TCPA, Medusa and Merce also entered into a certain Supplemental Sublease Agreement, dated as of December 1, 1986 (the "Toledo Supplemental Sublease") to (i) provide for the issuance of certain industrial development revenue bonds (as defined in the Supplemental Sublease, the "1986 Series Bonds") to fund certain improvements (as defined in the Supplemental Sublease, the "Project") on the property subleased by Medusa pursuant to the Toledo Sublease, (ii) provide for the payment of "additional rent" to the Authority for payment of principal, interest and any premium on the 1986 Series Bonds and (iii) set forth certain other provisions governing the use by Medusa of, and rights of Medusa with respect to, the Project. Except to the extent hereinafter provided in this Section 6.21, the Toledo Supplemental Sublease and the rights of Seller thereunder constitute an Excluded Asset, and the obligations of Seller under the Toledo Supplemental Sublease constitute an Excluded Liability. The rights and obligations set forth in Article III and Sections 4.7, 4.8, 5.1, 5.3 and 6.5 (to the extent not relating to Purchaser's use of the property subject to the Toledo Sublease and the Toledo Supplemental

Sublease) and Section 6.9 (with respect to the second sentence) of the Toledo Supplemental Sublease (the "Bond Rights and Obligations") shall be exercisable by, and be a burden upon, only Seller, and shall not run to the benefit or burden (as the case may be) of Purchaser. Seller shall exercise and/or exploit all of its rights and options under the Toledo Supplemental Sublease only as reasonably directed by Purchaser or Purchaser's designated Affiliate (except that Seller may exercise any rights included within the Bond Rights and Obligations in its sole discretion to the extent such exercise does not materially impair Purchaser's use of the property leased pursuant to the Toledo Sublease and the Toledo Supplemental Sublease); provided, that, except in cases of gross negligence or willful misconduct on the part of Seller (or its officers, employees, agents or representatives), Purchaser shall be responsible, and shall indemnify, defend and hold harmless Seller hereunder from, against, for any liability or Damages to the extent incurred by Seller as a result of such direction. If and solely to the extent Seller preserves its rights under, and the benefits of, the Toledo Supplemental Sublease for the enjoyment of Purchaser and complies with the obligations included within the Bond Rights and Obligations, Purchaser shall accept at the Closing the burdens and perform the obligations under the Supplemental Sublease (other than the obligations included within the Bond Rights and Obligations) as subcontractor of Seller to the extent such burdens and obligations would have constituted an Assumed Liability if the Toledo Supplemental Sublease constituted an Assumed Contract.

(b) Upon the satisfaction of all of Seller's Bond Rights and Obligations, each of Seller and Purchaser shall cooperate and use commercially reasonable efforts obtain the necessary consents and approvals in connection with the assignment of the Toledo Supplemental Sublease to Purchaser (in form and substance reasonably acceptable to Purchaser and Seller); provided, however, that neither Seller nor Purchaser shall have any obligation to give any guarantee or other consideration in connection with any such consent or approval. Upon receipt of such consent or approval of such assignment, Purchaser shall thereupon agree to assume and perform all Liabilities arising under the Toledo Supplemental Sublease after the date of such consent, at which time the Toledo Supplemental Sublease shall be deemed a Purchased Asset and the Liabilities assumed thereunder shall be deemed Assumed Liabilities, without payment of any further consideration.

(c) This Section 6.21 shall survive the Closing until the expiration or earlier termination of the Toledo Supplemental Sublease, unless such earlier termination results from a default by either party with respect to its obligations set forth in this Section 6.21.

(b) Miller Termination Fee. Section 6.13(b) to the Purchase Agreement is hereby amended by deleting it in its entirety and substituting in lieu thereof the following sentence: Seller shall pay the CDN$750,000 fee required to be paid by CMC pursuant to Section 11.2 of the Miller Supply Agreement.

SECTION 1.2 Acknowledgement. Notwithstanding the provisions of Section 6.8 of the Purchase Agreement (entitled "Transition Services"), Seller shall not provide Purchaser, or its designated Affiliate, any Payroll Services.

SECTION 1.3 Waivers.

(a) Owen Sound Lease. Each of Purchaser and Seller hereby waives the requirement under Section 3.2(c) that the third party consent relating to Item 3 set forth in Section 3.2(c) of the Seller Disclosure Schedule (Lease for 38.65 square meters of wharf space in the Public Harbour of Owen Sound, Ontario, Canada; dated August 28, 1987, by and between Her Majesty, the Queen in right of Canada, represented by the Minister of

Transport as lessor; and Miller Paving Company as tenant, and subsequently assigned to Miller Terminals Limited by the Assignment by Tenant dated March 27, 1990, and consented to by the Department of Transport Consent to Assignment dated May 3, 1990; as amended by the Supplemental Agreement dated as of November 1, 1989) be obtained prior to the Closing.

(b) Employment Offers. Seller hereby waives the requirement under Section 7.1 of the Purchase Agreement that Purchaser makes its employment offers to Facility Employees at least three days before the Closing Date.

SECTION 1.4 Challenger Documents.

(a) Each of Purchaser and Seller hereby waives the requirement under Section 3.2(c) that the third party consents relating to Items 1 and 2 set forth in Section 3.2(c) of the Seller Disclosure Schedule ((1) Time Charter Party dated May 31, 2002 between Wilmington Trust Company, not in its individual capacity but solely as owner trustee under an Owner Amended and Restated Trust Agreement dated May 28, 2002 between Wilmington Trust Company as owner trustee and Citicorp Railmark, Inc. as owner participant and CEMEX, Inc. as time charterer (the "Time Charter") and (2) Participation Agreement dated as of May 28, 2002 among Cemex, Inc., as charterer, Compania Valenciana de Cementos Portland, S.A., as guarantor, Citicorp Railmark, Inc., as owner participant, and Wilmington Trust Company, not in its individual capacity, except as expressed therein, but solely as owner trustee (the "Participation Agreement", and together with the Time Charter, the "Challenger Documents")) be obtained prior to the Closing.

(b) Both Purchaser and Seller acknowledge that the Challenger Documents shall be Unassigned Contracts as of the Closing Date. Notwithstanding Section 6.3(b) of the Purchase Agreement, Seller and Purchaser covenant and agree to use, and to cause their respective Affiliates to use, commercially reasonable efforts to obtain the consent, approval or authorization to the assignment of the Challenger Documents as promptly after the Closing as possible; provided, however, that Seller shall have no obligation to give any guarantee or other consideration in connection with any such consent, authorization or approval. During the time between the Closing and the receipt of such consent, approval or authorization, subject to the terms of the Challenger Documents, Seller shall use commercially reasonable efforts in any lawful and economically reasonable arrangement to provide Purchaser with Seller's entire interest in the benefits under each of the Challenger Documents. Seller shall exercise or exploit its rights and options under Challenger Documents only as reasonably directed by Purchaser. Except in cases of gross negligence or willful misconduct on the part of Seller or its Affiliates (or their respective officers, employees, agents or representatives), Purchaser shall be responsible, and shall indemnify, defend and hold harmless Seller and its Affiliates in accordance with Article VIII of the Purchase Agreement from and against any and all liabilities or Damages incurred by Seller or any of its Affiliates arising on or after the Closing Date in connection with or arising out of the Challenger Documents. If and solely to the extent Seller provides to Purchaser, as a sub-charterer, the rights and benefits under the Challenger Documents, Purchaser shall accept the burdens and perform the obligations under the Challenger Documents as sub-charterer of Seller or its Affiliates to the extent such burdens and obligations would have constituted an Assumed Liability if the Challenger Documents had been transferred to Purchaser at the Closing. When the other party(ies) to the Challenger Documents subsequently consent to the assignment of the Challenger Documents to Purchaser, Purchaser shall thereupon agree to assume and perform all Liabilities arising thereunder after the date of such consent (in accordance with the terms of the Challenger Assignment Agreement (as defined below)), at which time each of the Challenger Documents shall be deemed a Purchased Asset and the Liabilities so assumed thereunder shall be deemed Assumed Liabilities, without the payment of further consideration.

(c) Purchaser shall also reimburse Seller and it Affiliates for any and all costs and expenses incurred by Seller in its fulfillment of obligations under the Challenger Documents on and after the Closing Date (including, but not limited to, all costs associated with insuring the

Challenger in accordance with the Challenger Documents during such time). Purchaser shall execute a wire transfer to Seller's account in the amount of reimbursement requested by Seller within three business days of receipt from Seller of the request.

(d) Seller and Purchaser hereby acknowledge and agree that this provision is subject to and subordinate to the terms of the Time Charter, and Purchaser hereby acknowledges that it has been provided with a copy of the Time Charter and is fully familiar with the terms thereof.

(e) Seller and Purchaser hereby agree that neither Seller nor Purchaser shall amend the terms of the Assignment, Assumption and Amendment Agreement in the form attached hereto as Exhibit A (the "Challenger Assignment Agreement") without the written consent of the other party (which consent shall not be unreasonably, withheld, conditioned or delayed).

SECTION 1.5 Consent Order. Seller represents and warrants that it has paid and satisfied its financial assurance obligations under Section 2.7 of that certain Consent Order identified as WHMD Order No. 115-17-02, between Seller and the State of Michigan Department of Environmental Quality, (the "Consent Order"), through October 24, 2005. From and after the Closing, the parties shall reasonably cooperate to ensure the obligations under the Consent Order are satisfied.

ARTICLE II

REPRESENTATIONS

Each of Seller and Purchaser hereby represents to the other that (a) it has full organizational power and authority to execute and deliver this Amendment and to consummate the transactions contemplated hereby, (b) the execution and delivery of this Amendment by such party have been duly and validly authorized by all necessary corporate action on the part of such party and (c) this Amendment has been duly and validly executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity and the discretion of the court before which any proceedings seeking injunctive relief or specific performance may be brought.

ARTICLE III

MISCELLANEOUS

SECTION 3.1 Headings. The headings contained in this Amendment are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amendment.

SECTION 3.2 Counterparts. This Amendment may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

SECTION 3.3 Governing Law. This Amendment shall be governed, construed and enforced in accordance with the Laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

SECTION 3.4 No Other Effect on the Purchase Agreement. Except as modified by this Amendment, all of the terms of the Purchase Agreement are hereby ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Amendment to be signed by their respective officers thereunto duly authorized as of the

date first written above.

VOTORANTIM PARTICIPACOES S.A.

By: /s/ Alexandre S. Dambrosio

Name: Alexandre S. Dambrosio
Title: Attorney-In-Fact

By: /s/ Marcelo Martins

Name: Marcelo Martins
Title: Attorney-In-Fact

CEMEX, INC.

By: /s/ Jill Simeone

Name: Jill Simeone
Title: Assistant Secretary

By: /s/ Philippe Gastone

Name: Philippe Gastone
Title: Vice President

EXHIBIT 4.21

CLIFFORD
CHANCE

EXECUTION VERSION

RMC GROUP LIMITED
CEMEX ESPANA, S.A.
CEMEX CARACAS INVESTMENTS B.V.
CEMEX CARACAS II INVESTMENTS B.V.
CEMEX EGYPTIAN INVESTMENTS B.V.
CEMEX MANILA INVESTMENTS B.V.
CEMEX AMERICAN HOLDINGS B.V.
CEMEX SHIPPING B.V.
AS ORIGINAL GUARANTORS

RMC GROUP LIMITED
AS ORIGINAL BORROWER

BANC OF AMERICA SECURITIES LIMITED
BNP PARIBAS
HSBC INVESTMENT BANK PLC
THE ROYAL BANK OF SCOTLAND PLC
WESTLB AG, LONDON BRANCH
AS MANDATED LEAD ARRANGERS

THE ROYAL BANK OF SCOTLAND PLC
AS AGENT

AND OTHERS

(pound)1,000,000,000 TERM AND REVOLVING CREDIT AGREEMENT DATED 18 OCTOBER 2002 AS AMENDED ON 10 DECEMBER 2002, 12 JANUARY 2004 AND AS AMENDED AND RESTATED ON 16 MARCH 2005

CONTENTS

Clause Page

THIS AGREEMENT is a restatement of the (pound)1,000,000,000 term and revolving credit agreement originally dated 18 October 2002, setting out the terms of that agreement as amended on 10 December 2002, 12 January 2004 and 16 March 2005 and in its restated form is made:

BETWEEN

(1) RMC GROUP LIMITED (registered no. 00249776) (in its capacity as borrower hereunder, the "Original Borrower");

(2) RMC GROUP LIMITED, CEMEX ESPANA, S.A., CEMEX CARACAS INVESTMENTS B.V., CEMEX CARACAS II INVESTMENTS B.V., CEMEX EGYPTIAN INVESTMENTS B.V., CEMEX

MANILA INVESTMENTS B.V., CEMEX AMERICAN HOLDINGS B.V. and CEMEX SHIPPING B.V. (the "Original Guarantors");

(3) BANC OF AMERICA SECURITIES LIMITED, BNP PARIBAS, HSBC INVESTMENT BANK PLC, THE ROYAL BANK OF SCOTLAND PLC and WESTLB AG, LONDON BRANCH as mandated lead arrangers of the Facilities (the "Mandated Lead Arrangers");

(4) THE ROYAL BANK OF SCOTLAND PLC as agent for the Banks (the "Agent"); and

(5) THE BANKS (as defined below).

IT IS AGREED as follows.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions In this Agreement:

"Accession Memorandum" means a memorandum substantially in the form set out in Schedule 6 (Form of Accession Memorandum).

"Additional Borrower" means any company which has become an Additional Borrower in accordance with Clause 35 (Changes to the Obligors).

"Additional Guarantors" means any company which has become an Additional Guarantor in accordance with Clause 35 (Changes to the Obligors).

"Advance" means a Revolving Advance or a Term Advance.

"Adjusted EBITDA" has the meaning given to it in Clause 21 (Financial Condition).

"Amendment Agreement" means the amendment agreement in relation to this Agreement entered into on 16 March 2005.

"Asia Fund" means Cemex Asia Holdings Ltd. ("CAH") or any other vehicles used by the Parent 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 Parent maintaining control of its management.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Authorised Signatory" means, in relation to an Obligor or proposed Obligor, any person who is duly authorised (in such manner as may be reasonably acceptable to the Agent) and in respect of whom the Agent has received a certificate signed by a director or another Authorised Signatory of such Obligor or proposed Obligor setting out the name and signature of such person and confirming such person's authority to act.

"Available Commitment" means, in relation to a Bank at any time, its Available Revolving Commitment and its Available Term Commitment.

"Available Revolving Commitment" means, in relation to a Bank at any time and save as otherwise provided herein, its Revolving Commitment at such time less its share of the Sterling Amount of Revolving Advances which are then outstanding provided that such amount shall not be less than zero.

"Available Revolving Facility" means, at any time, the aggregate amount of the Available Revolving Commitments adjusted, in the case of any proposed drawdown, so as to take into account:

(a) any reduction in the Revolving Commitment of a Bank pursuant to the

terms hereof;

(b) any Revolving Advance which, pursuant to any other drawdown, is to be made; and

(c) any Revolving Advance which is due to be repaid,

on or before the proposed drawdown date.

"Available Term Commitment" means, in relation to a Bank at any time and save as otherwise provided herein, its Term Commitment at such time less the aggregate of its share of the Original Sterling Amount of the Term Advances which are then outstanding.

"Available Term Facility" means, at any time, the aggregate amount of the Available Term Commitments adjusted, in the case of any proposed drawdown, so as to take into account any reduction in the Term Commitment of a Bank on or before the proposed drawdown date pursuant to the terms hereof.

"Bank" means any financial institution:

(a) listed in Part I of Schedule 1 (The Original Parties); or

(b) which has become a party hereto in accordance with Clause 34.4 (Assignments by Banks) or Clause 34.5 (Transfers by Banks),

and which has not ceased to be a party hereto in accordance with the terms hereof.

"Borrowers" means the Original Borrower and each Additional Borrower, provided that such company has not been released from its rights and obligations hereunder in accordance with Clause 35.3 (Resignation of an Additional Borrower).

"Business Day" means a day (other than a Saturday or Sunday) which is not a public holiday and on which banks are open for general business in London and:

(a) (in relation to any date for payment or purchase of a sum denominated in a currency other than the euro) the principal financial centre of the country of such currency; or

(b) (in relation to any date for payment or purchase of a sum denominated in the euro) any TARGET Day.

"Capital Lease" means any lease that is capitalised on the balance sheet prepared in accordance with Spanish GAAP.

"Cemex Existing Facility Agreement" means the US$3,800,000,000 facility agreement dated 24 September 2004 made between the Parent as borrower, certain subsidiaries of the Parent as guarantors and the banks defined therein.

"Cemex Capital Contributions" has the meaning given to it in Clause 21 (Financial Condition).

"Clean-Up Date" means the date falling 180 days after 1 March 2005.

"Clean-Up Period" means the period commencing on 1 March 2005 and ending on the Clean-Up Date.

"Commitment" means, in relation to a Bank at any time, the aggregate of its Revolving Commitment and its Term Commitment.

"Compliance Certificate" means, in relation to the Parent, a certificate substantially in the form set out in Part I of Schedule 5 (Form of Compliance Certificate) and, in relation to the Original Borrower, a

certificate substantially in the form set out in Part II of Schedule 5 (Form of Compliance Certificate).

"Confidentiality Undertaking" means a confidentiality undertaking in the standard form from time to time of the LMA or in such other form as may be agreed between the Parent 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.

"Dispute" means any dispute referred to in Clause 42 (Jurisdiction).

"EBITDA" has the meaning given to it in Clause 21 (Financial Condition).

"Effective Date" has the meaning given to that term in the Amendment Agreement.

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Law" means any applicable law 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 amount to be advanced to or owing by an Obligor under the Finance Documents on which interest for a given period is to accrue:

(a) the percentage rate per annum determined by the Banking Federation of the European Union for the offering of deposits in euro for such period displayed at the appropriate page of the Telerate screen or, if such page or such service shall cease to be available, such other page or such other service for the purpose of displaying the percentage rate per annum determined by the Banking Federation of the European Union for the offering of deposits in euro for such period as the Agent, after consultation with the Banks and the Parent, shall select; or

(b) if no percentage rate per annum for the offering of deposits in euro is displayed for the relevant period, the arithmetic mean (rounded upwards to four decimal places) of the rates (as notified to the Agent) at which each of the Reference Banks was offering to prime banks in the European interbank market deposits in euro of such amount and for a period comparable to the relevant Interest Period, as the case may be, as of 11 a.m. (Brussels time) on the Quotation Date for such period.

"Event of Default" means any circumstance described as such in Clause 23 (Events of Default).

"Existing Amount" means, in relation to any Term Advance and any two successive Interest Periods relating thereto, the amount of such Term Advance at the beginning of the last day of the first of those Interest Periods less any part thereof falling to be repaid on such day.

"Existing Facilities" means:

(a) the (pound)450 million syndicated revolving credit facility made available to the Original Borrower and others on the terms of a credit agreement dated 8th November, 1999 (as amended) (but not, for the avoidance of doubt, the amortising term loan outstanding as Term B under that credit agreement);

(b) the following bilateral facilities made available to the Original Borrower:

(i) (euro)38,346,891 facility with Westdeutsche Landesbank (Ireland) plc;

(ii) (euro)38,346,891 facility with Bayerische Hypo-und Vereinsbank AG;

(iii) (euro)38,340,000 facility with Dresdner Bank AG;

(iv) (euro)38,346,891 facility with Sal. Oppenheim jr & Cie;

(v) (euro)25,560,000 facility with Deutsche Bank AG; and

(vi) (euro)38,340,000 facility with Commerzbank AG.

(c) the (euro)306,775,129 facility made available to the Original Borrower by Deutsche Bank AG, Commerzbank AG, Dresdner Bank AG and National Westminster Bank AG.

"Facilities" means the Revolving Facility and the Term Facility.

"Facility Office" means, in relation to the Agent, the office identified with its signature below or such other office as it may select by notice and, in relation to any Bank, the office notified by it to the Agent in writing prior to the date hereof (or, in the case of a Transferee, at the end of the Transfer Certificate to which it is a party as Transferee) or such other office as it may from time to time select by notice to the Agent.

"Final Term Repayment Date" means the day which is 60 months after the date hereof.

"Finance Charges" has the meaning given to it in Clause 21 (Financial Condition).

"Finance Document" means this Agreement, any Accession Memorandum, any fee letter delivered pursuant to Clause 25 (Commitment Commission and Fees), the Syndication Letter and any other document designated as such by the Agent and the Parent.

"Finance Parties" means the Agent, the Mandated Lead Arrangers and the Banks.

"Financial Indebtedness" means any indebtedness for or in respect of, and without double counting:

(a) moneys borrowed (including, but not limited to, any amount raised by acceptance under any acceptance credit facility and receivables sold or discounted on a recourse basis (it being understood that Permitted Securitisations shall be deemed not to be on a recourse basis));

(b) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(c) the amount of any liability in respect of any lease or hire purchase

contract that would, in accordance with Spanish GAAP, be treated as a Capital Lease;

(d) the deferred purchase price of assets or the deferred payment of services, except trade accounts payable in the ordinary course of business;

(e) obligations of a person under repurchase agreements for the stock issued by such person or another person;

(f) obligations of a person with respect to product invoices incurred in connection with exporting financing;

(g) all Financial Indebtedness of others secured by Security on any asset of a person, regardless of whether such Financial Indebtedness is assumed by such person in an amount equal to the lower of (i) the net book value of such asset and (ii) the amount secured thereby; and

(h) 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 Parent and its Subsidiaries from time to time.

"Guarantees" has the meaning given to it in Clause 21 (Financial Condition).

"Guarantors" means each Original Guarantor and each Additional Guarantor.

"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 concerning, among other things, the Original Obligors and the proposed acquisition of RMC Group Limited by Cemex UK Limited dated December 2004 which, at their request and on their behalf, has been prepared in relation to this transaction, approved by the Parent and distributed by The Royal Bank of Scotland plc to selected financial institutions.

"Instructing Group" means:

(a) before any Advances have been made, a Bank or Banks whose Commitments amount in aggregate to more than sixty-six and two thirds per cent. of the Total Commitments; and

(b) thereafter, a Bank or Banks to whom in aggregate more than sixty-six and two thirds per cent. of the Sterling Amount of the Loan is (or, immediately prior to its repayment, was then) owed.

"Intellectual Property Rights" has the meaning given to it in Clause 21 (Financial Condition).

"Interest Period" means, save as otherwise provided herein:

(a) any of those periods mentioned in Clause 5.1 (Interest Periods for Term Advances); and

(b) in relation to an Unpaid Sum, any of those periods mentioned in Clause 27.1 (Default Interest Periods).

"Legal Opinions" means the legal opinions delivered to the Agent pursuant to the Amendment Agreement in relation to the Original Obligors or pursuant to Clause 35 (Changes to the Obligors) in relation to any Additional Obligors.

"LIBOR" means, in relation to any amount to be advanced to or owing by an Obligor under the Finance Documents on which interest for a given period is to accrue:

(a) the percentage rate per annum equal to the offered quotation which appears on the page of the Telerate Screen which displays the British Bankers Association Interest Settlement Rate for the currency of the relevant amount (being currently 3740 or, as the case may be, 3750) for such period at or about 11.00 a.m. on the Quotation Date for such period or, if such page or such service shall cease to be available, such other page or such other service for the purpose of displaying the British Bankers Association Interest Settlement Rate for such currency as the Agent, after consultation with the Banks and the Parent, shall select; or

(b) if no quotation for the relevant currency and the relevant period is displayed and the Agent has not selected an alternative service on which a quotation is displayed, the arithmetic mean (rounded upwards to four decimal places) of the rates (as notified to the Agent) at which each of the Reference Banks was offering to prime banks in the London interbank market deposits in the currency of such amount and for a period comparable to the relevant Interest Period or Term, as the case may be, as of 11.00 a.m. on the Quotation Date for such period.

"LMA" means the Loan Market Association.

"Loan" means, at any time, the aggregate of the Revolving Loan and the Term Loan.

"Loan Notes" means the loan notes (if any) issued to the shareholders of the Original Borrower.

"Mandatory Cost" means the rate determined in accordance with Schedule 9 (Mandatory Cost).

"Margin" means from the Effective Date until delivery of the first Compliance Certificate thereafter in accordance with Clause 20.2(b) (Compliance Certificate), 0.60 per cent. per annum. Thereafter, the Margin at any time is calculated by reference to the RMC Borrowing/EBITDA Ratio. If the RMC Borrowing/EBITDA Ratio as shown by the Compliance Certificate most recently delivered under Clause 20 (Financial Information) is:

(a) greater than 3.0:1.0, the Margin shall be 0.90 per cent. per annum;

(b) greater than 2.5:1.0 but less than or equal to 3.0:1.0, the Margin shall be 0.75 per cent. per annum;

(c) greater than 2.0:1.0 but less than or equal to 2.5:1.0, the Margin shall be 0.60 per cent. per annum;

(d) greater than 1.5:1 but less than or equal to 2.0:1, the Margin shall be 0.50 per cent. per annum; or

(e) less than or equal to 1.5:1.0, the Margin shall be 0.425 per cent. per annum.

Any change in the Margin shall take effect in relation to any Advance outstanding or current Interest Period at the time of receipt by the Agent of the Compliance Certificate pursuant to Clause 20 (Financial Information) at the time of that receipt provided that if at any time there is an Event of Default or Default then the Margin shall be 0.90 per cent. per annum for such time.

"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, at any time:

(a) from the Effective Date, the companies listed in Schedule 11 (Material Subsidiaries); and

(b) in addition, following the date on which the first Compliance Certificate is delivered in accordance with Clause 20.2(a) (Compliance Certificate), any other Subsidiary of the Parent:

(i) which becomes a Subsidiary of the Parent after the Effective Date or acquires substantial assets or businesses after the Effective Date; and

(ii) which:

(A) has total assets representing 5 per cent. or more of the total consolidated assets of the Group; and/or

(B) 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 already an Obligor hereunder).

Compliance with the conditions set out in sub-paragraphs (i) and (ii) of paragraph (b) shall be determined by reference to the most recent Compliance Certificate supplied by the Parent 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 Parent that a Subsidiary is a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all Parties.

"Net Borrowings" has the meaning given to it in Clause 21 (Financial Condition).

"New Amount" means, in relation to any Term Advance and any two successive Interest Periods relating thereto, the amount of such Term Advance at the beginning of the second of those Interest Periods, as determined in accordance with Clause 4.3 (Amounts of Term Advances).

"Notarisation" has the meaning ascribed to such term in Clause 22.5 (Notarisation).

"Notice of Drawdown" means a notice substantially in the form set out in Schedule 4 (Notice of Drawdown).

"Obligors" means the Borrowers and the Guarantors.

"Off-Balance Sheet Transactions" has the meaning given to it in Clause 21 (Financial Condition).

"Optional Currency" means Australian dollars, US dollars, Swiss francs, Japanese yen and euros or any other currency (except sterling) which has been previously approved in writing by the Agent (acting on the instructions of all the Banks) as an optional currency for the purpose of any drawdown at least three Business Days prior to delivery of the Notice of Drawdown for such Advance or request under Clause 4.1 (Borrower's Request for Optional Currency) and, at the time of drawdown or denomination of Advance, the currency is:

(a) freely transferable and freely convertible into sterling; and

(b) available to banks in the relevant interbank market.

"Original Financial Statements" means:

(a) in relation to RMC Group Limited, its audited consolidated financial statements for its financial year ended 31st December, 2003;

(b) in relation to each Guarantor (other than the Original Borrower, the Parent, Cemex American Holdings B.V. and Cemex Shipping B.V.), its respective audited unconsolidated (and, to the extent available, its audited consolidated) financial statements for its financial year ended 31 December 2003;

(c) in relation to the Parent, its audited consolidated financial statements for its financial year ended 31 December 2003; and

(d) in relation to any Additional Borrower or Additional Guarantor, its audited financial statements delivered pursuant to Schedule 7 (Additional Conditions Precedent).

"Original Obligors" means the Original Borrower and the Original Guarantors.

"Original Sterling Amount" means:

(a) in relation to a Revolving Advance, the amount specified in the Notice of Drawdown relating thereto, as the same may be reduced pursuant to Clause 7.4 (Reduction of Available Revolving Commitment) or, if such Revolving Advance is not denominated in sterling, the equivalent of such amount (as the same may be so reduced) in Sterling as at the date of such Notice of Drawdown; and

(b) in relation to a Term Advance:

(i) where such Advance came into existence as a result of a drawing under the Term Facility, the amount specified as such in the Notice of Drawdown relating thereto, as the same may be reduced pursuant to Clause 3.3 (Reduction of Available Term Commitment);

(ii) where such Term Advance came into existence upon the consolidation of two or more Term Advances, the aggregate of the Original Sterling Amounts of the Term Advances so consolidated; and

(iii) where such Term Advance came into existence upon the division of a Term Advance, the amount specified as such by the Borrower pursuant to Clause 5.4 (Division of Term Advances)

"Outlook" means a rating outlook of the Parent with regard to the Parent's economic and/or fundamental business condition, as assigned by a Rating Agency.

"Parent" means CEMEX Espana, S.A.

"Participating Member State" means any member state of the European Union that adopts or has adopted the euro as its lawful currency at the relevant time in accordance with legislation of the European Union relating to the Economic and Monetary Union.

"Party" means a party to this Agreement.

"Permitted Notarisations" has the meaning ascribed to such term in Clause 22.5 (Notarisation).

"Permitted Securitisation" means a sale, transfer or other securitisation of receivables and related assets by any member of the Group, including a sale at a discount, provided that:

(a) such receivables have been transferred, directly or indirectly, by the originator hereof 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;

(b) such Special Purpose Vehicle issues notes, certificates or other obligations which are to be repaid from collections and other proceeds of such receivables; and

(c) except for customary representations, warranties, covenants and indemnities, such sale, transfer or other securitisation is carried out on a non-recourse basis.

"Permitted Security" has the meaning given to it in Clause 22.6 (Negative pledge).

"Proportion" means, in relation to a Bank:

(a) whilst no Advances are outstanding, the proportion borne by its Commitment to the Total Commitments (or, if the Total Commitments are then zero, by its Commitment to the Total Commitments immediately prior to their reduction to zero); or

(b) whilst at least one Advance is outstanding, the proportion borne by its share of the Sterling Amount of the Loan to the Sterling Amount of the Loan.

"Qualifying Lender" means a Bank which is:

(a) a bank for the purposes of Section 349 of the Income and Corporation Taxes Act 1988 which is within the charge to United Kingdom corporation tax as regards interest payable or paid to it under this Agreement and is beneficially entitled to such interest; or

(b) not resident for tax purposes in the United Kingdom but is a financial institution which is resident in a country with which the United Kingdom has an appropriate double taxation treaty pursuant to which that financial institution is entitled to complete exemption from United Kingdom tax on interest and is entitled to apply to receive interest under this Agreement without withholding or deduction on account of tax and is beneficially entitled to such interest or is otherwise entitled to receive such interest without withholding or deduction on account of tax.

"Quotation Date" means, in relation to any period for which an interest rate is to be determined under the Finance Documents, the day on which quotations would ordinarily be given by prime banks in the relevant interbank market for deposits in the currency in relation to which such rate is to be determined for delivery on the first day of that period, provided that, if, for any such period, quotations would ordinarily be

given on more than one date, the Quotation Date for that period shall be the last of those dates.

"Rating" means at any time the solicited long term credit rating or the senior implied rating of the Parent or an issue of securities of or guaranteed by the Parent, where the rating is based primarily on the senior unsecured credit risk of the Parent and/or, in the case of the senior implied rating, on the characteristics of any particular issue, assigned by a Rating Agency.

"Rating Agency" means Standard & Poors Corporation or Moody's Investors Service Inc.

"Reference Banks" means, in relation to LIBOR, EURIBOR and Mandatory Cost, the principal London offices of The Royal Bank of Scotland plc, BNP Paribas and HSBC Bank plc.

"Relevant Period" has the meaning given to it in Clause 21 (Financial Condition).

"Repayment Date" means, in relation to any Revolving Advance, the last day of the Term thereof.

"Repeated Representations" means each of the representations set out in Clause 19.1 (Status) to Clause 19.6 (Governing law and enforcement), Clause 19.9 (No default), paragraphs (a) and (b) of Clause 19.11 (Financial statements), Clause 19.12 (Pari passu ranking), 19.13 (No proceedings pending or threatened), Clause 19.14 (No winding-up) and Clause 19.15 (Material Adverse Change).

"Resignation Notice" means, in relation to a Borrower, a notice substantially in the form set out in Part I of Schedule 8 (Form of Resignation Notice) and, in relation to a Guarantor, a notice substantially in the form set out in Part II of Schedule 8 (Form of Resignation Notice).

"Revolving Advance" means an advance made or to be made by the Banks under the Revolving Facility.

"Revolving Availability Period" means in relation to the Revolving Facility the period from and including the Syndication Date to and including the date one month prior to the Revolving Termination Date.

"Revolving Commitment" means, in relation to a Bank at any time and save as otherwise provided herein, the amount set opposite its name under the heading Revolving Commitment in Part I of Schedule 1 (The Banks).

"Revolving Facility" means the multicurrency revolving loan facility granted to the Borrowers under paragraph (a) of Clause 2.1 (Grant of the Facilities).

"Revolving Loan" means, at any time, the aggregate principal amount of the outstanding Revolving Advances.

"Revolving Termination Date" means the day which is 72 months after the date hereof.

"RMC Adjusted EBITDA" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Borrowing/EBITDA Ratio" means, at any time, the ratio as at the end of the last RMC Relevant Period of RMC Consolidated Total Net Borrowings as at the end of that RMC Relevant Period to RMC Adjusted EBITDA for the last RMC Relevant Period.

"RMC Cemex Capital Contributions" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Consolidated Net Worth" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Consolidated Net Interest Payable" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Consolidated Total Net Borrowings" has the meaning given to it in Clause 21 (Financial Condition).

"RMC EBITDA" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Group" means RMC Group Limited and its Subsidiaries from time to time.

"RMC Indebtedness for Borrowed Money" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Relevant Period" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Royalty Expenses" has the meaning given to it in Clause 21 (Financial Condition).

"RMC Subordinated Debt" has the meaning given to it in Clause 21 (Financial Condition).

"Rolling Basis" has the meaning given to it in Clause 21 (Financial Condition).

"Rollover Advance" means a Revolving Advance which is used to refinance a maturing Revolving Advance and which is the same amount or less and the same currency as such maturing Revolving Advance and is to be drawn on the day such maturing Revolving Advance is to be repaid.

"Royalty Expenses" has the meaning given to it in Clause 21 (Financial Condition).

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Spain" means the Kingdom of Spain.

"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.

"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.

"Sterling Amount" means:

(a) in relation to an Advance, its Original Sterling Amount as reduced by the proportion (if any) of such Advance which has been repaid; and

(b) in relation to the Loan, the aggregate of the Sterling Amounts of the outstanding Advances.

"Subordinated Debt" has the meaning given to it in Clause 21 (Financial Condition).

"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;

(a) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or

(b) 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.

"Syndication Date" means the last day of the Syndication Period.

"Syndication Letter" means the Syndication Letter dated on or about the date of this Agreement between the Original Borrower, the Mandated Lead Arrangers and the Banks originally party to this Agreement in relation to the syndication process and other arrangements.

"Syndication Period" has the meaning ascribed to it in the Syndication Letter.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET DAY" means any day on which TARGET is open for settlement of payments in euro.

"Term" means, save as otherwise provided herein, in relation to any Revolving Advance, the period for which such Revolving Advance is borrowed, as specified in the Notice of Drawdown relating thereto.

"Term Advance" means an advance (as from time to time consolidated, divided or reduced by repayment) made or to be made by the Banks under the Term Facility.

"Term Availability Period" means, in relation to the Term Facility, the period from and including the Syndication Date to and including the date 90 days after the Syndication Date.

"Term Commitment" means, in relation to a Bank at any time and save as otherwise provided herein, the amount set opposite its name under the heading Term Commitment in Part I of Schedule 1 (The Banks).

"Term Facility" means the multicurrency term loan facility granted to the Borrower under paragraph (b) of Clause 2.1 (Grant of the Facilities).

"Term Loan" means, at any time, the, aggregate principal amount of outstanding Term Advances.

"Term Repayment Date" means each of the dates set out in Clause 12 (Repayment of the Term Facility) including the Final Term Repayment Date.

"Total Borrowings" has the meaning given to it in Clause 21 (Financial Condition).

"Total Commitments" means, at any time, the aggregate of the Banks' Commitments. "Transfer Certificate" means a certificate substantially in the form set out in Schedule 2 (Form of Transfer Certificate) signed by a Bank and a Transferee under which:

(a) such Bank seeks to procure the transfer to such Transferee of all or a part of such Bank's rights, benefits and obligations under the Finance Documents upon and subject to the terms and conditions set out in Clause 34.3 (Assignments and Transfers by Banks); and

(b) such Transferee undertakes to perform the obligations it will assume as a result of delivery of such certificate to the Agent as contemplated in Clause 34.5 (Transfers by Banks).

"Transfer Date" means, in relation to any Transfer Certificate, the date for the making of the transfer as specified in such Transfer Certificate.

"Transferee" means a person to which a Bank seeks to transfer by novation all or part of such Bank's rights, benefits and obligations under the Finance Documents.

"Unpaid Sum" means the unpaid balance of any of the sums referred to in Clause 27.1 (Default Interest Periods).

1.2 Interpretation
Any reference in this Agreement to:

an "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;

the "Agent", any "Bank" or any "Mandated Lead Arranger" shall be construed so as to include its and any subsequent successors and permitted transferees in accordance with their respective interests;

a document being in an "agreed form" means that document in the form initialled by or on behalf of the Parent and the Agent;

"continuing", in relation to an Event of Default, shall be construed as a reference to an Event of Default which has not been waived in accordance with the terms hereof and, in relation to a Default, one which has not been remedied within the relevant grace period or waived in accordance with the terms hereof;

the "equivalent" on any date in one currency (the "first currency") of an amount denominated in another currency (the "second currency") is a reference to the amount of the first currency which could be purchased with the amount of the second currency at the spot rate of exchange quoted by the Agent at or about 11.00 a.m. on such date for the purchase of the first currency with the second currency;

"indebtedness" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "law" shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body of court;

a "member state" shall be construed as a reference to a member state of the European Union;

a "month" is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month save that:

(a) if any such numerically corresponding day is not a Business Day, such period shall end on the immediately succeeding Business Day to occur in that next succeeding calendar month or, if none, it shall end on the immediately preceding Business Day; and

if there is no numerically corresponding day in that next succeeding calendar month, that period shall end on the last Business Day in that next succeeding calendar month.

The above rules will only apply to the last month of any period. All references to months and monthly shall be construed accordingly.

a "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;

"repay" (or any derivative form thereof) shall, subject to any contrary indication, be construed to include prepay (or, as the case may be, the corresponding derivative form thereof);

a "successor" shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of its jurisdiction of incorporation or domicile has assumed the rights and obligations of such party under this Agreement or to which, under such laws, such rights and obligations have been transferred;

"tax" shall be construed so as to include any tax, levy, impost, duty or other charge 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) of any jurisdiction;

"VAT" shall be construed as a reference to value added tax including any similar tax which may be imposed in place thereof from time to time of any jurisdiction;

a "wholly-owned Subsidiary" of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly-owned Subsidiaries or persons acting on behalf of that other company or corporation or its wholly-owned Subsidiaries; and

the "winding-up", "dissolution" or "administration" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law 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, bankruptcy, winding-up, reorganisation, dissolution or administration.

1.3 Currency Symbols and Definitions

(a) (pound) and sterling denote lawful currency of the United Kingdom; US$ and US dollars denote lawful currency of the United States of America; A$ and Australian dollars denote lawful currency of the Commonwealth of Australia; Swiss francs denotes lawful currency of Switzerland; and Japanese yen denotes lawful currency of Japan.

(b) euro, (euro) and EUR means the single currency of the Participating Member States.

1.4 Agreements and Statutes
Any reference in this Agreement to:

(a) this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented; and

(b) a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

1.5 Headings
Clause and Schedule headings are for ease of reference only.

1.6 Time
Any reference in this Agreement to a time of day shall, unless a contrary indication appears, be a reference to London time.

1.7 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 enjoy the benefit of any term of this Agreement other than any director, officer or employee of the Agent or the Mandated Lead Arrangers as referred to in, and for the purposes of, Clause 33.7 (No Actions).

2. THE FACILITIES

2.1 Grant of the Facilities

The Banks grant to the Borrowers, upon the terms and subject to the conditions hereof:

(a) a multicurrency revolving loan facility in an aggregate amount of (pound)425,558,038 or its equivalent from time to time in Optional Currencies; and

(b) a multicurrency term loan facility in an aggregate amount of (pound)178,796,154 or its equivalent from time to time in Optional Currencies.

2.2 Purpose and Application of the Term Facility The proceeds of each Term Advance will be applied in or towards:

(a) refinancing the Existing Facilities; and/or

(b) general corporate purposes

and none of the Finance Parties shall be obliged to concern themselves with such application.

2.3 Purpose and Application of the Revolving Facility
The Revolving Facility is intended for general corporate purposes and, accordingly, each Borrower shall apply all amounts raised by it hereunder in or towards satisfaction of its general corporate purposes and none of the Finance Parties shall be obliged to concern themselves with such application.

2.4 Conditions Precedent
Save as the Banks may otherwise agree, none of the Borrowers may deliver any Notice of Drawdown requesting a Term Advance or a Revolving Advance unless:

(a) the Agent has confirmed to the Original Borrower and the Banks that it has received all of the documents and other evidence listed in Schedule 3 (Conditions Precedent) and that each is, in form and substance, satisfactory to the Agent; and

(b) the Syndication Period has expired.

2.5 Banks' Obligations Several
The obligations of each Bank are several and the failure by a Bank to perform its obligations hereunder shall not affect the obligations of an Obligor towards any other party hereto nor shall any other party be liable for the failure by such Bank to perform its obligations hereunder.

2.6 Banks' Rights Several
The rights of each Bank are several and any debt arising hereunder at any time from an Obligor to any of the other parties hereto shall be a separate and independent debt. Each such party shall be entitled to

protect and enforce its individual rights arising out of this Agreement independently of any other party (so that it shall not be necessary for any party hereto to be joined as an additional party in any proceedings for this purpose).

3. UTILISATION OF THE TERM FACILITY

3.1 Drawdown Conditions for Term Advances
A Term Advance will be made by the Banks to a Borrower if:

(a) not less than one Business Day, in the case of any Term Advance to be denominated in sterling, or three Business Days, in the case of any Term Advance to be denominated in an Optional Currency, before the proposed date for the making of such Term Advance, the Agent has received a completed Notice of Drawdown from such Borrower;

(b) the proposed date for the making of such Term Advance is a Business Day within the Term Availability Period;

(c) the proposed Original Sterling Amount of such Term Advance is (a) (if less than the Available Term Facility) a minimum amount of (pound)25,000,000 and an integral multiple of (pound)5,000,000 or (b) equal to the amount of the Available Term Facility;

(d) there would not, immediately after the making of such Term Advance, be more than six Term Advances outstanding; and

(e) on and as of the proposed date for the making of such Term Advance (i) no Event of Default or Default is continuing or would result from the proposed Term Advance and (ii) the Repeated Representations are true in all material respects.

3.2 Each Bank's Participation in Term Advances
Each Bank will participate through its Facility Office in each Term Advance made pursuant to Clause 3.1 (Drawdown Conditions for Term Advances) in the proportion borne by its Available Term Commitment to the Available Term Facility immediately prior to the making of that Term Advance.

3.3 Reduction of Available Term Commitment
If a Bank's Available Term Commitment is reduced in accordance with the terms hereof after the Agent has received the Notice of Drawdown for a Term Advance and such reduction was not taken into account in the Available Term Facility, then both the Original Sterling Amount and the amount of that Term Advance shall be reduced accordingly.

4. MULTICURRENCY OPTION

4.1 Borrower's Request for Optional Currency
If a Term Advance has been or is to be made to a Borrower, the relevant Borrower may, not later than three Business Days before the first day of an Interest Period, request (by notice to the Agent) that any Term Advance be denominated in any Optional Currency during such Interest Period, in which event such Term Advance shall, subject to Clause 4.2 (Conditions for Denominating a Term Advance in an Optional Currency), be denominated in such Optional Currency. If the relevant Borrower does not make such a request, each Term Advance shall be denominated in the currency in which it was denominated during the preceding Interest Period.

4.2 Conditions for Denominating a Term Advance in an Optional Currency
If a Term Advance is to be denominated in an Optional Currency during any Interest Period relating thereto, but:

(a) no later than one hour after the time at which the rate is to be determined on the Quotation Date for such Interest Period, the Agent notifies the relevant Borrower and the Banks that the Agent is of the opinion by reason of circumstances affecting the London

interbank market generally that it is not feasible for such Term Advance to be made in such Optional Currency or, as the case may be, denominated in such Optional Currency; or

(b) to give effect to such request would cause the Term Loan to be denominated in more than four Optional Currencies,

the agent shall notify the relevant Borrower and the Banks and such Term Advance shall be denominated in sterling in an amount equal to the Original Sterling Amount.

4.3 Amounts of Term Advances

The amount of a Term Advance during an Interest Period relating thereto (in determining which it shall be assumed that any part of such Term Advance falling to be repaid on or before the last day of the preceding Interest Period, if any, relating thereto is duly repaid) shall be:

(a) the Sterling Amount of such Term Advance if such Term Advance is to be denominated in sterling during such Interest Period; or

(b) if such Term Advance is to be denominated in an Optional Currency, the amount of such Optional Currency which could be purchased with the Sterling Amount of such Term Advance at the spot rate of exchange quoted by the Agent at or about 11.00 a.m. on the third Business Day preceding the first day of such Interest Period for the purchase of such Optional Currency with sterling,

provided that if a Term Advance is to be denominated in the same Optional Currency during two successive Interest Periods and the amount of such Term Advance, calculated in accordance with paragraph (b), is no more than five per cent. higher or lower than its Existing Amount, its New Amount shall be its Existing Amount.

4.4 Currency Change

If a Term Advance is to be denominated in different currencies during two successive Interest Periods, then, on the last day of the first of those Interest Periods:

(a) each Bank shall pay an amount equal to its portion of the New Amount of such Term Advance to the Agent, who shall hold the same on behalf of such Bank;

(b) the Agent shall:

(i) apply the amount so made available to it by each Bank in or towards the purchase of such Bank's portion of the Existing Amount of such Term Advance and pay the amount so purchased to such Bank; and

(ii) pay any portion of the amount made available to it by the Banks and not applied in accordance with paragraph (b)(i) to the relevant Borrower or, if a Default or an Event of Default shall have occurred and the Agent or an Instructing Group so determines, to the Banks, any amount so paid to the Banks being treated as if it were a prepayment made by the relevant Borrower, in respect of a Term Advance, under Clause 13.2 (Prepayment of the Term Loan)); and

(c) the relevant Borrower shall pay to the Agent for the account of each Bank a sum equal to the amount (if any) by which such Bank's share of the Existing Amount of such Term Advance exceeds the portion thereof purchased by the Agent pursuant to paragraph (b)(i).

4.5 Same Currency

Subject to Clause 4.3 (Amounts of Term Advances), if a Term Advance is to be denominated in the same Optional Currency during two successive

Interest Periods and there is any difference between the Existing Amount of such Term Advance and its New Amount, then, on the last day of the first of those Interest Periods:

(a) if the Existing Amount of such Term Advance exceeds its New Amount, the relevant Borrower shall pay to the Agent for the account of the Banks an amount equal to the amount of such excess; or

(b) if the New Amount of such Term Advance exceeds its Existing Amount:

(i) each Bank shall pay to the Agent for the account of the relevant Borrower an amount equal to its portion of the amount of such excess; or

(ii) if a Default or an Event of Default shall have occurred and the Agent or an Instructing Group so determines, no such payments shall be made and a sum equal to the aggregate amount which would have been so payable shall be treated as having been prepaid by the relevant Borrower, in respect of a Term Advance, under Clause 13.2 (Prepayment of the Term Loan).

5. INTEREST PERIODS FOR TERM ADVANCES

5.1 Interest Periods for Term Advances
The period for which a Term Advance is outstanding shall be divided into successive periods each of which (other than the first, which shall begin on the day such Term Advance is made) shall start on the last day of the preceding such period.

5.2 Duration of Interest Periods for Term Advances
The duration of each Interest Period in respect of a Term Advance shall, save as otherwise provided herein, be one, two, three or six months, in each case as the Borrower to which such Term Advance is made may by not less than one Business Day's, in the case of any Term Advance denominated in sterling, or three Business Days', in the case of any Term Advance denominated in an Optional Currency, prior notice to the Agent select, provided that:

(a) if such Borrower fails to give such notice of its selection in relation to an Interest Period, the duration of that Interest Period shall, subject to paragraph (b), be one month; and

(b) any Interest Period which would otherwise end during the month preceding, or extend beyond, a Term Repayment Date shall be of such duration that it shall end on such Term Repayment Date.

5.3 Consolidation of Term Advances
If two or more Interest Periods relating to Term Advances denominated in the same currency and borrowed by the same Borrower end at the same time then, on the last day of those Interest Periods, the Term Advances to which they relate shall be consolidated into and treated as a single Term Advance.

5.4 Division of Term Advances
The Borrower to which such Term Advance is made may, by not less than one Business Day's, in the case of any Term Advance denominated in sterling, or three Business Days', in the case of any Term Advance denominated in an Optional Currency, prior notice to the Agent, direct that any Term Advance shall, at the beginning of any Interest Period relating thereto, be divided into (and thereafter, save as otherwise provided herein, treated in all respects as) two or more Term Advances having such Original Sterling Amounts (in aggregate, equalling the Sterling Amount of the Term Advance being so divided) as shall be specified by such Borrower in such notice, provided that such Borrower shall not be entitled to make such a direction if:

(a) as a result of so doing, there would be more than six outstanding

Term Advances; or

(b) any Term Advance thereby coming into existence would have an Original Sterling Amount of less than (pound)25,000,000.

5.5 Consolidated and Divided Term Advances

For the purpose of Clause 4 (Multicurrency Option), a Term Advance which comes into existence upon the consolidation of two or more existing Term Advances or the division of an existing Term Advance shall be treated as having existed prior to the date on which it comes into existence and:

(a) in the case of a consolidated Term Advance, having an amount equal to the aggregate of the amounts of the Term Advances so consolidated;

(b) in the case of a divided Term Advance, having an amount equal to the portion of the Term Advance so divided which bears the same proportion to the amount of the Term Advance so divided as the Sterling Amount of the Term Advance coming into existence bears to the Sterling Amount of the Term Advance so divided.

6. PAYMENT AND CALCULATION OF INTEREST ON TERM ADVANCES

6.1 Payment of Interest
On the last day of each Interest Period relating to a Term Advance (and, if the Interest Period of such Term Advance exceeds six months, on the expiry of each period of six months during that Interest Period) the Borrower to which such Term Advance has been made shall pay accrued interest on the Term Advance to which such Interest Period relates.

6.2 Calculation of Interest
The rate of interest applicable to a Term Advance from time to time during an Interest Period relating thereto shall be the rate per annum which is the sum of:

(a) the relevant Margin from time to time during such period;

(b) the Mandatory Cost in respect thereof at such time; and

(c) LIBOR, or in relation to any Term Advance in euro, EURIBOR on the Quotation Date therefor.

7. UTILISATION OF THE REVOLVING FACILITY

7.1 Drawdown Conditions for Revolving Advances
A Revolving Advance will be made by the Banks to a Borrower if:

(a) not more than one Business Day, in the case of any Revolving Advance denominated in sterling, or three Business Days, in the case of any Revolving Advance denominated in an Optional Currency, before the proposed date for the making of such Revolving Advance, the Agent has received a completed Notice of Drawdown from such Borrower;

(b) the proposed date for the making of such Revolving Advance is a Business Day within the Revolving Availability Period;

(c) the proposed Original Sterling Amount of such Revolving Advance is (i) (if less than the Available Revolving Facility) a minimum amount of (pound)25,000,000 and an integral multiple of (pound)5,000,000 or (ii) equal to the amount of the Available Revolving Facility;

(d) the proposed Term of the Revolving Advance requested is a period of one, two, three or six months or such other period as the Banks may agree in each case ending on or before the Revolving Termination Date;

(e) there would not, immediately after the making of such Revolving

Advance, be more than ten Revolving Advances outstanding;

(f) on and as of the proposed date for the making of such Revolving Advance, (i) no Event of Default or (save in relation to a Rollover Advance) Default is continuing or would result from the proposed Revolving Advance and (ii) the Repeated Representations are true in all material respects,

then, save as otherwise provided herein, such Revolving Advance will be made in accordance with the provisions hereof.

7.2 Conditions for Denominating a Revolving Advance in an Optional Currency If a Borrower requests that a Revolving Advance be denominated in an Optional Currency but:

(a) no later than one hour after the time at which the rate is to be determined on the Quotation Date for such Revolving Advance, the Agent notifies the relevant Borrower and the Banks that, by reason of circumstances affecting the London interbank market generally, the Agent is of the opinion that it is not feasible for such Revolving Advance to be denominated in such Optional Currency; or

(b) to give effect to such request would cause the Revolving Loan to be denominated in more than four Optional Currencies,

the Agent shall notify the relevant Borrower and the Banks and such Revolving Advance shall be denominated in sterling.

7.3 Each Bank's Participation in Revolving Advances
Each Bank will participate through its Facility Office in each Revolving Advance made pursuant to this Clause 7 in the proportion borne by its Available Revolving Commitment to the Available Revolving Facility immediately prior to the making of that Revolving Advance.

7.4 Reduction of Available Revolving Commitment
If a Bank's Revolving Commitment is reduced in accordance with the terms hereof after the Agent has received the Notice of Drawdown for a Revolving Advance and such reduction was not taken into account in the Available Revolving Facility, then both the Original Sterling Amount and the amount of that Revolving Advance shall be reduced accordingly.

8. PAYMENT AND CALCULATION OF INTEREST ON REVOLVING ADVANCES

8.1 Payment of Interest
On the Repayment Date relating to each Revolving Advance (and, if the Term of such Revolving Advance exceeds six months, on the expiry of each period of six months during such Term) the Borrower to which such Revolving Advance has been made shall pay accrued interest on that Revolving Advance.

8.2 Calculation of Interest
The rate of interest applicable to a Revolving Advance from time to time during its Term shall be the rate per annum which is the sum of:

(a) the relevant Margin from time to time during such period;

(b) the Mandatory Cost; and

(c) LIBOR or, in relation to any Revolving Advance in euro, EURIBOR on the Quotation Date therefor.

9. MARKET DISRUPTION AND ALTERNATIVE INTEREST RATES

9.1 Market Disruption
If, in relation to any Advance:

(a) LIBOR or, if applicable, EURIBOR is to be determined by reference to Reference Banks and at or about the time at which the rate is to be

determined on the Quotation Date for the relevant Interest Period or Term none or only one of the Reference Banks supplies a rate for the purpose of determining LIBOR or, if applicable, EURIBOR for the relevant Interest Period or Term; or

(b) before the close of business in London on the Quotation Date for such Advance the Agent has been notified by a Bank or each of a group of Banks to whom in aggregate thirty-five per cent. or more of such Advance is owed (or, in the case of an undrawn Advance, if made, would be owed) that LIBOR or, if applicable, EURIBOR does not accurately reflect the cost of funding its participation in such Advance,

then, the Agent shall notify the Parent, the relevant Borrower and the Banks of such event and, notwithstanding anything to the contrary in this Agreement, Clause 9.2 (Substitute Interest Period and Interest Rate) shall apply to such Advance.

9.2 Substitute Interest Period and Interest Rate

If paragraph (a) of Clause 9.1 (Market Disruption) applies to an Advance, the duration of the relevant Interest Period or Term shall be one month or, if less, such that it shall end on a Term Repayment Date (in the case of a Term Advance) or the Revolving Termination Date (in the case of a Rollover Advance). If either paragraph (a) or (b) of Clause 9.1 (Market Disruption) applies to an Advance, the rate of interest applicable to such Advance during the relevant Interest Period or Term shall (subject to any agreement reached pursuant to Clause 9.3 (Alternative Rate)) be the rate per annum which is the sum of:

(a) the Margin at such time;

(b) the Mandatory Cost; and

(c) the rate per annum determined by the Agent to be the arithmetic mean (rounded upwards to four decimal places) of the rates notified by each Bank to the Agent before the last day of the relevant Interest Period or Term to be those which express as a percentage rate per annum the cost to each Bank of funding from whatever sources it may reasonably select its portion of such Advance during such Interest Period or Term.

9.3 Alternative Rate

If (a) either of those events mentioned in paragraph (a) and (b) of Clause 9.1 (Market Disruption) occurs in relation to an Advance or (b) by reason of circumstances affecting the London interbank market during any period of three consecutive Business Days LIBOR is not available for sterling to prime banks in the London interbank market, then if the Agent or the Parent so requires, the Agent and the Parent shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis (i) for determining the rates of interest from time to time applicable to the Advances and/or (ii) upon which the Advances may be maintained (whether in sterling or some other currency) thereafter and any such substitute basis that is agreed shall take effect in accordance with its terms and be binding on each party hereto, provided that the Agent may not agree any such substitute basis without the prior consent of each Bank.

10. NOTIFICATION

10.1 Advances

Not less than three Business Days, in the case of any Advance denominated in an Optional Currency, or one Business Day, in the case of any Advance denominated in sterling, before the first day of an Interest Period or Term, the Agent shall notify each Bank of:

(a) the Facility that is to be utilised and the name of the Borrower;

(b) the proposed Sterling Amount of the relevant Advance;

(c) the proposed length of the relevant Interest Period or Term;

(d) whether or not such Advance is to be denominated in an Optional Currency (and, if so, the amount of such Advance in the relevant Optional Currency); and

(e) the aggregate principal amount of the relevant Advance allocated to such Bank pursuant to Clause 7.3 (Each Bank's Participation in Revolving Advances), or Clause 3.2 (Each Bank's Participation in Term Advances).

10.2 Interest Rate Determination
The Agent shall promptly notify the relevant Borrower and the Banks of each determination of LIBOR, EURIBOR, the Margin, the Mandatory Cost and other costs, if any.

10.3 Changes to Advances or Interest Rates
The Agent shall promptly notify the relevant Borrower and the Banks of any change to (a) the proposed currency of an Advance occasioned by the operation of Clause 7.2 (Conditions for Denominating a Revolving Advance in an Optional Currency) or Clause 4.2 (Conditions for Denominating a Term Advance in an Optional Currency), (b) the proposed length of an Interest Period or Term or (c) any interest rate occasioned by the operation of Clause 9 (Market Disruption and Alternative Interest Rates).

11. REPAYMENT OF THE REVOLVING FACILITY
The Borrower shall repay the Revolving Advance made to it in full on the Repayment Date relating thereto.

12. REPAYMENT OF THE TERM FACILITY
The Parent shall procure (and each Borrower which has drawn a Term Advance shall repay its share of the Term Loan in order to ensure) that the Term Loan is repaid in full by the Final Term Repayment Date and in part by each Term Repayment Date set out in the table below by the aggregate amount set beside that Term Repayment Date in the table below.

Term Repayment Date	Aggregate Amount of Term Loan to have been repaid
36 months from 18 October 2002	(pound) 5,192,673
48 months from 18 October 2002	(pound) 63,060,500
60 months from 18 October 2002	(pound) 178,796,154

13. CANCELLATION AND PREPAYMENT

13.1 Cancellation of the Term Facility
The Parent may, by giving to the Agent not less than five Business Days' prior notice to that effect, cancel the whole or any part (being an amount or integral multiple of (pound)50,000,000) of the Available Term Facility. Any such cancellation shall reduce the Available Term Commitment and Term Commitment of the Banks rateably.

13.2 Prepayment of the Term Loan
The Borrower to which a Term Advance has been made may, if it has given to the Agent not less than five Business Days' prior notice to that effect and subject always to the provisions of Clause 27.4 (Break Costs), prepay the whole of any Term Advance or any part of any Term Advance (being an amount such that the Sterling Amount of the Term Advance will be reduced by an amount or integral multiple of (pound)50,000,000).

13.3 Cancellation of the Revolving Facility
The Parent may, by giving to the Agent not less than five Business Days'

prior notice to that effect, cancel the whole or any part (being an amount or integral multiple of (pound)50,000,000) of the Available Revolving Facility. Any such cancellation shall reduce the Sterling Amount of the Available Revolving Commitment and Revolving Commitment of each Bank rateably.

13.4 Prepayment of the Revolving Loan
The Borrower to which a Revolving Advance has been made may, by giving to the Agent not less than five Business Days' prior notice to that effect and subject always to the provisions of Clause 27.4 (Break Costs), prepay the whole or any part of a Revolving Advance (being an amount such that the Sterling Amount of the Revolving Loan will be reduced by an amount or integral multiple of (pound)50,000,000).

13.5 Notice of Cancellation or Prepayment
Any notice of cancellation or prepayment given by a Borrower pursuant to this Clause 13.5 shall be irrevocable, shall specify the date upon which such cancellation or prepayment is to be made and the amount of such cancellation or prepayment and, in the case of a notice of prepayment, shall oblige the relevant Borrower to make such prepayment on such date.

13.6 Repayment of a Bank's Share of the Loan
If:

(a) any sum payable to any Bank by an Obligor is required to be increased pursuant to Clause 14.1 (Tax Gross-up); or

(b) any Bank claims indemnification from the Parent under Clause 14.2 (Tax Indemnity) or Clause 16.1 (Increased Costs),

the Parent may, whilst such circumstance continues, give the Agent at least ten Business Days' notice (which notice shall be irrevocable) of its intention to procure the repayment of such Bank's share of the loan. If the Parent gives such notice to the Agent, each Borrower to which an Advance has been made shall repay such Bank's portion of the Advance to which such Interest Period or Term relates, subject always to the provisions of Clause 27.4 (Break Costs). Any repayment of a Term Advance so made after the last day of the Term Availability Period shall reduce rateably the obligation under Clause 12 (Repayment of the Term Facility) on a pro rata basis.

13.7 No Further Advances
A Bank for whose account a repayment is to be made under Clause 13.6 (Repayment of a Bank's Share of the Loan) shall not be obliged to participate in the making of Advances on or after the date upon which the Agent receives the Parent's notice of its intention to procure the repayment of such Bank's share of the Loan, and such Bank's Available Revolving Commitment and Available Term Commitment shall be reduced to zero.

13.8 Mandatory Prepayment on Change of Control
(a) If any person or group of connected persons which does not at the Effective Date have direct or indirect control of RMC Group Limited acquires such control then:

(i) the Parent will give notice of that event to the Agent promptly on becoming aware thereof;

(ii) following receipt of that notice, or if any Bank otherwise becomes aware of such an event and notifies the Agent, the Agent (acting on the instructions of an Instructing Group) will enter into negotiations with the Parent in good faith for a period not exceeding 30 days (the Negotiation Period) as to the terms on which the Banks may be prepared (without obligation) to continue to provide financing facilities to the Borrowers (the "Revised Terms"); and

(iii) during the Negotiation Period, no further Advances (other

than Rollover Advances) may be made.

(b) If the Revised Terms have not been agreed within 5 days of the end of the Negotiation Period, the Agent may (after receipt of a notice from a Bank that it is not prepared to continue to provide financing facilities on the Revised Terms) give notice to the Parent that such Bank is exercising its rights under this Clause 13.8 whereupon:

(i) all Commitments of such Bank shall immediately be cancelled; and

(ii) all outstanding Advances of such Bank shall become due and payable and shall be repaid by the relevant Borrowers together with accrued interest and all other amounts payable by the Borrowers hereunder within 5 days of the date of such notice.

(c) For the purpose of this Clause 13.8, control and connected person shall respectively be construed in accordance with Section 416 and Section 839 of the Income and Corporation Taxes Act 1988.

13.9 No Other Repayments

The Borrowers shall not repay all or any part of the Loan except at the times and in the manner expressly provided for in this Agreement.

13.10 No Reborrowing of the Term Facilities

None of the Borrowers shall be entitled to reborrow any amount of the Term Facility which is repaid.

14. TAXES

14.1 Tax Gross-up

All payments to be made by an Obligor to any Finance Party under the Finance Documents shall be made free and clear of and without deduction for or on account of tax unless such Obligor is required to make such a payment subject to the deduction or withholding of tax, in which case the sum payable by such Obligor (in respect of which such deduction or withholding is required to be made) shall, subject to Clause 14.3 (Excluded Claims), be increased to the extent necessary to ensure that such Finance Party receives a sum net of any deduction or withholding equal to the sum which it would have received had no such deduction or withholding been made or required to be made.

14.2 Tax Indemnity

Without prejudice to Clause 14.1 (Tax Gross up), but subject to Clause 14.3 (Excluded Claims), if any Finance Party is required to make any payment of or on account of tax on or in relation to any sum received or receivable under the Finance Documents (including any sum deemed for purposes of tax to be received or receivable by such Finance Party whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against any Finance Party, the Parent shall, upon demand of the Agent, promptly indemnify the Finance Party which suffers a loss or liability as a result against such payment or liability, together with any interest, penalties, costs and expenses payable or incurred in connection therewith, provided that this Clause 14.2 shall not apply to:

(a) any tax imposed on and calculated by reference to the net income actually received or receivable by such Finance Party (but, for the avoidance of doubt, not including any sum deemed for purposes of tax to be received or receivable by such Finance Party but not actually receivable) by the jurisdiction in which such Finance Party is incorporated or resident for tax purposes; or

(b) any tax imposed on and calculated by reference to the net income of the Facility Office of such Finance Party actually received or receivable by such Finance Party (but, for the avoidance of doubt, not including any sum deemed for purposes of tax to be received or,

receivable by such Finance Party but not actually receivable) by the jurisdiction in which its Facility Office is located.

14.3 Excluded Claims

If any Bank is not or ceases to be a Qualifying Lender, no Obligor shall be liable to pay to that Bank under Clause 14.1 (Tax Gross-up) or Clause 14.2 (Tax Indemnity) any amount in respect of taxes levied or imposed in excess of the amount it would have been obliged to pay if that Bank had been or had not ceased to be a Qualifying Lender provided that this Clause 14.3 shall not apply (and each Obligor shall be obliged to comply with its obligations under Clause 14.1 (Tax Gross-up) or, as the case may be, Clause 14.2 (Tax Indemnity)) if:

(a) after the date hereof, there shall have been any introduction of, change in, or change in the interpretation, administration or application of, any law or regulation or order or governmental rule or treaty or any published practice or published concession of any applicable tax authority and as a result thereof such Bank ceased to be a Qualifying Lender; or

(b) such Bank is not or ceases to be a Qualifying Lender as a result of the actions of or omission to act by any Obligor; or

(c) the relevant Obligor would be required to make a deduction or withholding in respect of tax irrespective of whether the Bank is or is not a Qualifying Lender.

14.4 Double Taxation Relief

If, and to the extent that, the effect of Clause 14.1 (Tax Gross-up) or Clause 14.2 (Tax Indemnity) can be mitigated by virtue of the provisions of any applicable double tax convention entered into by an Obligor's jurisdiction of incorporation or the jurisdiction through which an Obligor is borrowing under this Agreement (whether by claim to repayment of any taxes referred to in Clause 14.1 (Tax Gross up) or Clause 14.2 (Tax Indemnity) or otherwise) each Bank and the Agent agrees to co operate with the relevant Obligor with a view to submitting any forms required for the purpose of ensuring the application of such double tax convention so far as relevant, provided that neither a Bank nor the Agent shall be required pursuant to this Clause 14.4 to complete or co-operate in completing any form which is not substantially similar to any form in use at the date of this Agreement (for the purpose of` claiming exemption or relief from or repayment of taxes envisaged under the Finance Documents pursuant to a double taxation convention between an Obligor's jurisdiction of incorporation or the jurisdiction through which an Obligor is borrowing under this Agreement and such Bank's or the Agent's jurisdiction of residence) to the extent that completing or co operating in completing such form would result in a Bank or the Agent being subject to greater obligations under this Clause 14.4 than those imposed on it on the date hereof.

14.5 Banks' Tax Status Confirmation

Each Bank confirms in favour of the Agent and each Obligor (on the date hereof or, in the case of a Bank which becomes a party hereto pursuant to a transfer or assignment, on the date on which the relevant transfer or assignment becomes effective) that it is a Qualifying Lender and each Bank shall promptly notify the Agent and the Parent if there is any change in its position from that set out above.

14.6 Claims by Banks

A Bank intending to make a claim pursuant to Clause 14.2 (Tax Indemnity) shall notify the Agent of the event giving rise to the claim, whereupon the Agent shall notify the Parent thereof.

15. TAX RECEIPTS

15.1 Notification of Requirement to Deduct Tax

If, at any time, an Obligor is required by law to make any deduction or withholding from any sum payable by it under the Finance Documents (or

if thereafter there is any change in the rates at which or the manner in which such deductions or withholdings are calculated), such Obligor shall promptly notify the Agent.

15.2 Evidence of Payment of Tax

If an Obligor makes any payment under the Finance Documents in respect of which it is required to make any deduction or withholding, it shall pay the full amount required to be deducted or withheld to the relevant taxation or other authority within the time allowed for such payment under applicable law and shall deliver to the Agent for each Bank, within thirty days after it has made such payment to the applicable authority, an original receipt (or a certified copy thereof) issued by such authority evidencing the payment to such authority of all amounts so required to be deducted or withheld in respect of that Bank's share of such payment.

15.3 Tax Credit Payment

If an additional payment is made under Clause 14 (Taxes) by an Obligor for the benefit of any Finance Party and such Finance Party, acting in good faith in its sole discretion, determines that it has obtained (and has derived full use and benefit from) a credit against, a relief or remission for, or repayment of, any tax, then, if and to the extent that such Finance Party, acting in good faith in its sole opinion, determines that:

(a) such credit, relief, remission or repayment is in respect of or calculated with reference to the additional payment made pursuant to Clause 14 (Taxes); and

(b) its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled,

such Finance Party shall, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to such Obligor such amount as such Finance Party shall, in its sole opinion acting in good faith, determine to be the amount which will leave such Finance Party (after such payment) in no worse after tax position than it would have been in had the additional payment in question not been required to be made by such Obligor.

15.4 Tax and Other Affairs

No provision of this Agreement shall interfere with the right of any Finance Party to arrange its tax or any other affairs in whatever manner it thinks fit, oblige any Finance Party to claim any credit, relief, remission or repayment in respect of any payment under Clause 14 (Taxes) in priority to any other credit, relief, remission or repayment available to it nor oblige any Finance Party to disclose any information relating to its tax or other affairs or any computations in respect thereof. Each Finance Party shall have an absolute discretion as to whether to claim any Tax Credit (and, if it does claim, the extent, order and manner in which it does so) and whether any amount is due from it under Clause 15.3 (Tax Credit Payment) (and if so, what amount and when).

16. INCREASED COSTS

16.1 Increased Costs

If, by reason of (a) the introduction of or change in any law or regulation or in its interpretation or administration or application and/or (b) compliance with any request or requirement relating to the maintenance of capital or any other request from or requirement of any central bank or other fiscal, monetary or other authority:

(a) a Bank or any Holding Company of such Bank is unable to obtain the rate of return on its capital which it would have been able to obtain but for such Bank's entering into or assuming or maintaining

a commitment or performing its obligations under the Finance Documents;

(b) a Bank or any Holding Company of such Bank incurs a cost as a result of such Bank's entering into or assuming or maintaining a commitment or performing its obligations under the Finance Documents;

(c) there is any increase in the cost to a Bank or any Holding Company of such Bank of funding or maintaining such Bank's share of the Advances or any Unpaid Sum; or

(d) there is a reduction of any amount due and payable under any Finance Document,

then the Parent shall, from time to time on demand of the Agent, promptly pay to the Agent for the account of that Bank amounts certified by that Bank as necessary to indemnify that Bank or to enable that Bank to indemnify its Holding Company from and against, as the case may be, (i) such reduction in the rate of return of capital, (ii) such cost, (iii) such increased cost, or (iv) such reduction of amount due.

16.2 Increased Costs Claims
A Bank intending to make a claim pursuant to Clause 16.1 (Increased Costs) shall promptly after becoming aware of the circumstances giving rise to such claim notify the Agent and the Parent and deliver to the Parent a certificate specifying the amount of such claim and the basis of computation thereof in reasonable detail.

16.3 Exclusions
Notwithstanding the foregoing provisions of this Clause 16, no Bank shall be entitled to make any claim under this Clause 16 in respect of:

(a) any cost, increased cost or liability as referred to in Clause 16.1 (Increased Costs) to the extent the same is compensated by the Mandatory Cost; or

(b) any cost, increased cost or liability compensated by Clause 14 (Taxes).

17. ILLEGALITY
If, at any time, it becomes unlawful for a Bank to make, fund or allow to remain outstanding all or part of its share of the Advances, then that Bank shall, promptly after becoming aware of the same, deliver to the Parent through the Agent a notice to that effect and:

(a) such Bank shall not thereafter be obliged to participate in the making of any Advances and the amount of its Available Term Commitment and Available Revolving Commitment shall be immediately reduced to zero; and

(b) if the Agent on behalf of such Bank so requires, the Parent shall procure that each Borrower which has drawn an Advance shall on such date as the Agent shall have specified (which shall be a Repayment Date or the last day of the relevant Interest Period(s), as the case maybe, or on such earlier date (if any) as such Bank shall certify to be necessary to comply with the relevant law) repay such Bank's share of any outstanding Advances together with accrued interest thereon and all other amounts owing to such Bank under the Finance Documents and any repayment of a Term Advance so made after the last day of the Term Availability Period shall reduce rateably the obligations under Clause 12 (Repayment of the Term Facility),

but, in each case, only to the extent to which such cancellation and/or repayment is required to prevent or remedy such unlawfulness.

18. MITIGATION
If, in respect of any Bank, circumstances arise which would or would upon the giving of notice result in:

(a) an increase in any sum payable to it or for its account pursuant to Clause 14.1 (Tax Gross-up);

(b) a claim for indemnification pursuant to Clause 14.2 (Tax Indemnity) or Clause 16.1 (Increased Costs); or

(c) the reduction of its Available Commitment to zero or any repayment to be made, pursuant to Clause 17 (Illegality),

then, without in any way limiting, reducing or otherwise qualifying the rights of such Bank or the obligations of the Obligors under any of the Clauses referred to in paragraphs (a), (b) and (c) above, such Bank shall promptly upon becoming aware of such circumstances notify the Agent thereof and, in consultation with the Agent and the Parent and to the extent that it can do so lawfully, and without prejudice to its own position, take reasonable steps (including a change of location of its Facility Office or the transfer of its rights, benefits and obligations under the Finance Documents to another financial institution acceptable to the Parent and willing to participate in the Facility) to mitigate the effects of such circumstances, provided that such Bank shall be under no obligation to take any such action if, in the reasonable opinion of such Bank, to do so might have any adverse effect upon its business, operations or financial condition (other than any minor costs and expenses of an administrative nature). If as a result of taking any such action to which the Parent has given written consent a Bank is no longer a Qualifying Lender the provisions of Clause 14.3 (Excluded Claims) shall not apply.

19. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 19 to each Finance Party.

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, 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,

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 subject to any reservations which are specifically referred to in any Legal Opinion.

(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.

19.7 No Deduction or Witholding

(a) Subject to paragraph (b) below, 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.

(b) Under the laws of its jurisdiction of incorporation in force at the date hereof as modified by applicable Inland Revenue practice, the Original Borrower will not be required to make any deduction or withholding from any payment it may make under the Finance Documents provided that, in the case of interest payments, the Banks are at the date of receipt of any such payment Qualifying Lenders (provided with regard to Banks falling within sub-paragraph (b) of the definition of Qualifying Lender an appropriate direction has been made).

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 Advance.

(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 Parent 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 Parent's best estimate of its future performance.

(c) So far as the Parent is aware, after reasonable enquiry, nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.

(d) All material 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 material 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 19.20 (Times on which representations are made)) 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 are likely to be adversely determined and which, if so determined, 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, to the Parent's knowledge after reasonable enquiry, are being threatened, in relation to the winding-up, dissolution, administration or reorganisation of any Obligor or Material Subsidiary (other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor).

19.15 Material Adverse Change

There has been no material adverse change in the Parent'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.

19.16 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.

19.17 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.

19.18 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.

19.19 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.

19.20 Times on which representations are made

(a) All the representations and warranties in this Clause 19 are made to each Finance Party on the date of the Amendment Agreement and on the Effective Date.

(b) The Repeated Representations are deemed to be made by each Obligor to each Finance Party on the date of each Notice of Drawdown and on the first day of each Interest Period.

(c) The Repeated Representations and each of the representations and warranties set out in Clause 19.5 (Validity and admissibility in evidence), Clause 19.9 (No default), paragraph (b) of Clause 19.10 (No misleading information) (in respect only of information given by it) and Clause 19.14 (No winding-up) are deemed to be made by each Additional Borrower and each Additional Guarantor to each Finance Party on the day on which it becomes an Additional Borrower or an Additional Guarantor, as the case may be.

(d) Each representation or warranty deemed to be made after the date of this Agreement shall be made by reference to the facts and circumstances existing at the date the representation or warranty is made.

20. FINANCIAL INFORMATION

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

(a) The Parent shall supply to the Agent:

(i) as soon as the same become available, but in any event within 180 days after the end of each of the Obligor's (other than RMC Group Limited) respective financial years:

(A) the Parent's audited consolidated and unconsolidated financial statements for that financial year; and

(B) each other Obligor's respective audited consolidated (to the extent available and other than in respect of RMC Group Limited) and unconsolidated financial statements for that financial year; and

(ii) as soon as the same become available, but in any event within 90 days after the end of each of the first three quarters of each of its financial years its unaudited consolidated financial statements for that period.

(b) The Original Borrower shall supply to the Agent:

(i) as soon as the same become available, but in any event within 180 days after the end of each of its financial years, the audited consolidated financial statements of the RMC Group for such financial year; and

(ii) as soon as the same become available, but in any event

within 120 days after the end of the first half of each of its financial years (beginning with the financial half year ending on 30 June 2005), the unaudited consolidated financial statements of the RMC Group for such period.

20.2 Compliance Certificate

(a) The Parent shall supply to the Agent, with each set of consolidated financial statements delivered pursuant to paragraphs (a)(i)(A) and (a)(ii) of Clause 20.1 (Financial statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21.2 (Financial Condition of the Group).

(b) The Original Borrower shall supply to the Agent, with each set of consolidated financial statements delivered pursuant to Clause 20.1(b) (Financial statements), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21.1 (Financial Condition of the RMC Group) and the calculation of the Margin as at the date as at which those financial statements were drawn up.

(c) Each Compliance Certificate delivered under paragraph (a) of this Clause 20.2 shall be signed by an Authorised Signatory of the Parent 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 Parent's auditors. Each Compliance Certificate delivered under paragraph (b) of this Clause 20.2 shall be signed by the Original Borrower's auditors and a director (in the case of a Compliance Certificate delivered with its financial statements delivered pursuant to paragraph (b)(i) of Clause 20.1 (Financial statements) or by a director of the Original Borrower (in the case of a Compliance Certificate delivered with its annual financial statements delivered pursuant to paragraph (b)(ii) of Clause 20.1 (Financial statements).

20.3 Requirements as to financial statements

(a) Each set of financial statements delivered by the Parent 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 Parent 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 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 Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Banks to determine whether Clause 21 (Financial condition) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

(c) If the Parent adopts International Accounting Standards or, subject to paragraph (b) above, there are changes to GAAP, or the accounting

practices or reference periods, the Parent and the Agent shall, at the Parent's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 21.2 (Financial Condition of the Group) 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 Banks protection equivalent to that which would have been enjoyed by them had the Parent not adopted International Accounting Standards or there had not been a change in GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the Parent subject to the consent of an Instructing Group. If no such agreement is reached within 90 days of the Parent's request, the Parent will remain subject to the obligation to deliver the information specified in paragraph (b) of this Clause 20.3.

(d) If the Original Borrower adopts International Accounting Standards or, subject to paragraph (b) above, there are changes to GAAP, or the accounting practices or reference periods, the Original Borrower and the Agent shall, at the Original Borrower's request, negotiate in good faith with a view to agreeing such amendments to the financial covenants in Clause 21.1 (Financial Condition of the RMC Group) 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 RMC Group's financial condition grant to the Banks protection equivalent to that which would have been enjoyed by them had the Original Borrower not adopted International Accounting Standards or there had not been a change in GAAP, or the accounting practices or reference periods (subject to compliance with paragraph (b) above). Any amendments agreed will take effect on the date agreed between the Agent and the Original Borrower subject to the consent of an Instructing Group. If no such agreement is reached within 90 days of the Original Borrower's request, the Original 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 Parent shall supply to the Agent:

(a) all documents dispatched by the Parent to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, or which, to the Parent's knowledge after reasonable enquiry, are being threatened or are pending and are likely to be adversely determined against any member of the Group which, in the reasonable opinion of the Parent, are not spurious or vexatious, and which might, if adversely determined, have a Material Adverse Effect;

(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 Ratings, 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 Parent shall use reasonable efforts to be released from any such confidentiality agreement; and

(d) promptly upon becoming aware of them, the details of any Environmental Claim which is current, threatened or pending against any member of the Group which is referred to in Clause 22.12 (Environmental claims) which are not spurious or vexatious, which are likely to be adversely determined against any member of the

Group and which could reasonably be expected, if adversely determined, to have a Material Adverse Effect;

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 Parent shall supply to the Agent a certificate signed by an Authorised Signatory on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.6 "Know your client" checks

(a) Each Obligor shall promptly upon the request of the Agent or any Bank and each Bank shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Bank) or any Bank (for itself or on behalf of any prospective new Bank) in order for the Agent, such Bank or any prospective new Bank to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the transactions contemplated in the Finance Documents.

(b) The Parent shall, by not less than five Business Days' written notice to the Agent, notify the Agent (which shall promptly notify the Banks) of its intention to request that one of its Subsidiaries becomes an Additional Obligor pursuant to Clause 35 (Changes to the Obligors).

(c) Following the giving of any notice pursuant to paragraph (b) above, the Parent shall promptly upon the request of the Agent or any Bank supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Bank) or any Bank (for itself or on behalf of any prospective new Bank) in order for the Agent, such Bank or any prospective new Bank to carry out and be satisfied with the results of all necessary "know your client" or other checks in relation to the identity of any person that it is required by law to carry out in relation to the accession of such Additional Obligor to this Agreement.

20.7 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 CONDITION

21.1 Financial condition of the RMC Group

The Parent shall ensure that the financial condition of the RMC Group shall be such that RMC Consolidated Net Worth shall not be less than (pound)1,000,000,000.

21.2 Financial Condition of the Group

The Parent 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 definitions

In the definition of "Margin" and this Clause 21 (Financial condition) the following terms have the following meanings:

"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 Parent need only make the adjustments contemplated by "(b)" above if the operating income and depreciation and amortization expense of the acquired business in the 12 months prior to its acquisition amount to US$10,000,000 or more.

"Cemex Capital Contributions" means contributions in cash to the capital of the Parent by CEMEX S.A. de C.V. or by any of its Subsidiaries not being a Subsidiary of the Parent made after 1 January 2004.

"EBITDA" means for the Relevant Period immediately preceding the date on which it is to be calculated, operating profit plus annual depreciation for fixed assets plus annual amortisation of intangible assets plus annual amortisation of start-up costs of the Group plus dividends received from non-consolidated companies and from companies consolidated by the equity method plus an amount equal to the amount of Cemex Capital Contributions made during 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 of Financial Indebtedness of another person (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 Parent 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 Parent, 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 Revolving Termination Date in relation to the Revolving Facility; 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 US$100,000,000.

"Relevant Period" means each period of twelve months ending on the last day of each consecutive quarter of the Parent's financial year and each period of twelve months ending on the last day of the Parent's financial year.

"RMC Adjusted EBITDA" means, in respect of any RMC Relevant Period, RMC EBITDA for that RMC Relevant Period but adjusted to include the earnings before interest, tax, depreciation and amortisation (calculated by reference to management accounts) of a member of the RMC Group or business acquired during that RMC Relevant Period, including for any part of that RMC Relevant Period when it was not a member of the RMC Group and/or the business acquired was not owned by any member of the RMC Group.

"RMC Cemex Capital Contributions" means contributions in cash to the capital of RMC Group Limited by CEMEX S.A. de C.V. or by any of its Subsidiaries not being a Subsidiary of RMC Group Limited made after the Effective Date and any increase in the amount of RMC Subordinated Debt after 1 January 2006.

"RMC Consolidated Net Worth" means the consolidated total capital and reserves of the RMC Group as determined from the latest financial statements of the RMC Group delivered pursuant to Clause 20.1(b), currently under the heading Total Capital and Reserves as adjusted by:

(a) adding back any diminution due to the writing off or amortisation of acquisition goodwill or the debiting of acquisition goodwill to any reserve;

(b) deducting any amount attributable to any intangible asset (other than goodwill) included as an asset in the balance sheet; and

(c) including any RMC Subordinated Debt granted to any member of the RMC Group.

"RMC Consolidated Net Interest Payable" means, in respect of any RMC Relevant Period, the net interest expense of the RMC Group as determined from the most recent audited and/or, as the case may be, interim consolidated financial statements currently under the heading Interest Payable (NET) for that RMC Relevant Period but excluding amounts in respect of interests in joint ventures and associated undertakings and excluding any amount classified as interest in accordance with FRS 12 as referred to in the notes to the relevant financial statements under the heading unwinding of discount.

"RMC Consolidated Total Net Borrowings" means, at any time and without double counting, the aggregate amount of all obligations of the members of the RMC Group for or in respect of RMC Indebtedness for Borrowed Money less (i) the aggregate amount of the following items held by the Original Borrower and its Subsidiaries at such time: cash in hand, marketable securities, investments in money market funds, banker's acceptances, short term deposits and other liquid investments and (ii) any RMC Subordinated Debt.

"RMC EBITDA" means, in respect of any RMC Relevant Period, the consolidated profits of the RMC Group (for the avoidance of doubt but without duplication, calculated before any reduction on account of RMC Consolidated Net Interest Payable, without reference to profit derived from interests in joint ventures and associated undertakings and including any amount classified as interest in accordance with FRS 12 as referred to in the notes to the relevant financial statements under the heading "unwinding of discount", currently under the heading Interest Payable (NET)) as shown in the most recent audited and/or, as the case may be, interim consolidated financial statements currently under the heading Operating Profit (after adding back any amounts in respect of the writing off or the amortisation of goodwill and other intangible assets and depreciation and impairment of fixed assets) for the Relevant Period before the deduction of RMC Consolidated Net Interest Payable and corporation tax on the overall net income of the RMC Group payable in respect of the RMC Relevant Period plus an amount equal to the amount of RMC 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 RMC Royalty Expenses made in such period).

"RMC Indebtedness for Borrowed Money" means the principal amount of any indebtedness (other than indebtedness incurred by one member of the RMC Group in favour of another member of the RMC Group) for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility (excluding any bills of exchange or promissory notes owned by the relevant person and excluding any bill or note drawn, accepted or issued by that person in the ordinary course of trading and which is not refinancing another bill or note relating to the same underlying transaction);

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) any amount raised pursuant to any issue of shares which are expressed to be redeemable prior to the Revolving Termination Date;

(e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in the relevant jurisdiction, be treated as a finance or capital lease;

(f) the amount of any liability in respect of any advance or deferred purchase agreement if the primary reason for entering into such agreement is to raise finance;

(g) receivables sold or discounted (other than on a non-recourse basis) to the extent of any recourse to the vendor (it being understood that Permitted Securitisations shall be deemed not to be on a recourse basis);

(h) any agreement or option to re acquire an asset if the primary reason for entering into such agreement or option is to raise finance;

(i) any amount raised under any other transaction (including any forward sale or purchase or hedging or swap agreement) having the commercial effect of a borrowing; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"RMC Relevant Period" means each period of twelve months ending on the last day of the Original Borrower's financial year and each period of twelve months ending on the last day of the first half of the Original

Borrower's financial year.

"RMC Royalty Expenses" means expenses incurred by the Original Borrower or any of its Subsidiaries to CEMEX S.A. de C.V. or any of its Subsidiaries not being a Subsidiary of the Original Borrower as (a) consideration for the granting to RMC Group Limited 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 Original 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 paragraphs (a) and (b) such amounts shall have been taken into consideration in the calculation of RMC EBITDA.

"RMC 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 RMC Group to the Original 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 or other like event of the Original Borrower) until the Agent has confirmed in writing that all amounts outstanding hereunder have been paid in full.

"Rolling Basis" means the calculation of a ratio or an amount made at the end of a financial quarter in respect of that financial quarter and the three immediately preceding financial quarters.

"Royalty Expenses" means expenses incurred by the Parent or any of its Subsidiaries to CEMEX S.A. de C.V. or any of its Subsidiaries not being a Subsidiary of the Parent as (a) consideration for the granting to the Parent 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 Parent; or (b) fees, commissions or other amounts accrued in respect of any management contract, services contract, overhead expenses allocation arrangement or any other similar transaction; provided that in paragraphs (a) and (b) such amounts shall have been taken into consideration in the calculation of operating profit under Spanish GAAP.

"Subordinated Debt" means debt granted 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 Parent or any of its Subsidiaries on terms such that no payments of principal may be made thereunder (including but not limited to following any winding up, concurso de acreedores or other like event of the Parent) 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.

21.4 Financial testing

(a) The financial covenants set out in Clause 21.2 (Financial Condition of the Group) shall be tested quarterly by reference to each of the Parent'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(a) (Financial statements) and Clause 20.2(a) (Compliance Certificate).

(b) The financial covenants set out in Clause 21.1 (Financial Condition of the RMC Group) shall be tested and the Margin shall be calculated

semi-annually by reference to each of the Original Borrower's financial statements delivered pursuant to and/or each Compliance Certificate delivered with respect to any such consolidated financial statements pursuant to Clause 20.1(b) (Financial Statements) and Clause 20.2(b) (Compliance Certificate).

21.5 Accounting terms

All accounting expressions which are not otherwise defined herein shall have the meaning ascribed thereto in GAAP.

22. COVENANTS

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 Parent shall ensure that each of its Material Subsidiaries will), preserve and maintain its corporate existence and rights.

22.3 Preservation of properties

Each Obligor shall (and the Parent shall ensure that each of its Material 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 Parent shall (and shall procure that each of its Subsidiaries 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 (including ERISA) 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, at any time when notarised Spanish Public Documents have priority status on insolvency of a Spanish company under Spanish law, the Parent 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 12 (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 an Instructing Group;

(iv) any Notarisations securing indebtedness the principal amount of which (when aggregated with the principal amount of any other Notarisations other than any Permitted Notarisations under paragraphs (i) or (iii) above) do not exceed US$100,000,000 (or its equivalent in another currency or currencies); and

(v) any Notarisations relating to indebtedness in respect of any sale and purchase agreement customarily registered in a public register in Spain and payment of which indebtedness is made within seven days of the date of such agreement.

(b) Paragraph (a) of this Clause 22.5 shall not apply if the Parent, 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 Parent 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 material 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 10 (Existing Security) provided that the principal amount secured thereby is not increased;

(f) any Security on property acquired by the Parent 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 Parent 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 (in the form of Security) other than in relation to the item or items as referred to in (i) above;

(g) any Security renewing, extending or refinancing the indebtedness to which any Security permitted by paragraph (f) above relates; provided that the principal amount of indebtedness secured by such Security immediately prior thereto is not increased and such Security is not extended to other property;

(h) any Security created on shares representing no more than a Stake in the capital stock of any of the Parent'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 Parent'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 Company 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 Parent in its Subsidiaries;

(i) any Security permitted by the Agent, acting on the instructions of an Instructing Group;

(j) 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;

(k) in addition to the Security permitted by the foregoing paragraphs (a) to (j), Security securing indebtedness of the Parent 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 (k) 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 Parent shall not (and the Parent shall ensure that none of its Subsidiaries will), without the prior written consent of the Agent (acting on the instructions of an Instructing Group), 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 Parent, delivered pursuant to paragraph (a)(i)(A) of Clause 20.1 (Financial statements), unless (i) full value for such assets is received by the Parent or its Subsidiaries; (ii) an amount equal to the net proceeds of any such sale, lease, transfer or other disposal is reinvested within twelve months of receipt by the Parent 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 a downgrade from the then current Ratings of the Parent.

(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 neither an Obligor nor a Subsidiary of an Obligor unless the person to whom such sale, lease, transfer or other disposal is made (the "Relevant 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 Relevant Transferee shall be deemed to be a Material Subsidiary;

(iv) in respect of which the net proceeds are used to repay any amounts outstanding hereunder in an amount equal to such net proceeds and if the Available Commitments in an amount equal thereto are cancelled; or

(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 Agent (acting on the instructions of an Instructing Group), no Obligor shall (and the Parent 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 Parent's Subsidiaries inter se; (ii) a Reconstruction between the Parent and any of its Subsidiaries; (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 Banks 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 then existing Ratings of the Parent shall not be downgraded whether at the time of, or within 3 months of, the date of announcement of a Reconstruction, directly as a result of any merger involving the Parent, 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 Parent which shall in no event cease or substantially change its business) unless another Obligor continues to operate any such business).

(b) The Parent 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 Parent 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 where such insurance is available on reasonable commercial terms.

22.11 Environmental Compliance

The Parent shall (and the parent 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 Parent 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 Parent's knowledge and belief) is threatened against any member of the Group which is likely to be determined adversely to the 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 Parent 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 at all times its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law or regulation applying to companies generally from time to time.

22.15 Payment restrictions affecting Subsidiaries

The Parent 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 Parent shall use its reasonable endeavours to remove such limitations. If however, such limitations are reasonably likely to affect the ability of a Borrower or the Parent to satisfy their payment obligations under this Agreement, the Parent shall use its best endeavours to remove such limitations as soon as possible;

or

(b) repay or capitalise any intercompany indebtedness owed by any Subsidiary to any Obligor and, for the avoidance of doubt, subordination provisions shall not be considered a limitation for the purpose of this Clause 22.15.

22.16 Indebtedness of Obligors

None of the Obligors (other than the Parent and the Original Borrower) 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;

(d) Financial Indebtedness in relation to the Loan Notes;

(e) Financial Indebtedness pursuant to the Finance Documents; and

(f) Financial Indebtedness not falling within paragraphs (a) to (d) above, in an aggregate amount not exceeding EUR3,000,000 (or the equivalent thereof in any other currency).

22.17 Notification of adverse change in Ratings
The Parent shall promptly notify the Agent of any change in its Ratings 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 Condition) 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 21 (Financial condition)).

(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 Parent or the Parent 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 US$50,000,000 (or its equivalent in any other currency or currencies).

(d) Any event or circumstance described as an "Event of Default" occurs pursuant to clause 24.3 (Other Obligations) of the Cemex Existing Facility Agreement as a result of a breach of clause 23.7 (Disposals) or clause 23.20 (Indebtedness of Guarantors) under the Cemex Existing Facility Agreement provided that, at such time, the Original Borrower is an obligor under the Cemex Existing Facility Agreement.

23.6 Insolvency

(a) Any of the Obligors or Material Subsidiaries is unable or admits inability to pay its debts as they fall due or, by reason of actual or anticipated financial difficulties, suspends making payments on any of its debts or commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.

(b) The value of the assets of any of the Obligors or Material Subsidiaries is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any of the Obligors or Material Subsidiaries.

23.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any of the Obligors or Material Subsidiaries other than a solvent liquidation or reorganisation of any of the Material Subsidiaries not being Obligors;

(b) a composition, assignment or arrangement with any class of creditor of any of the Obligors or Material Subsidiaries;

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of any of the Material Subsidiaries 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.

This paragraph shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 days of commencement.

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 which is reasonably likely to cause a Material Adverse Effect.

(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 US$50,000,000 (or its equivalent in any other currency or currencies); and

(iii) the enforcement proceedings, attachment, distress or execution is or are discharged within 60 days of commencement.

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 where non-performance is reasonably likely to cause a Material Adverse Effect.

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 (directly or indirectly), 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 Parent;

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Parent;

(iii) give directions with respect to the operating and financial policies of the Parent which the directors or other equivalent officers of the Parent are obliged to comply with; or

(b) hold at least 51 per cent. of the common shares in the Parent.

23.14 Material adverse change
Any material adverse change arises in the financial condition of the Group taken as a whole which the Agent (acting on the instructions of an Instructing Group) reasonably determines 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, while such Event of Default is continuing and shall if so directed by an Instructing Group, by notice to the Parent:

(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 acting on the instructions of an Instructing Group.

23.16 Clean Up Period
If during the Clean-Up Period a matter or circumstance exists in respect of the Original Borrower and/or any Subsidiary of the Original Borrower which would constitute a breach under the Finance Documents including (i) a breach of any representation or warranty made in Clause 19 (Representations), or (ii) a breach of any covenant set out in Clause 22 (Covenants) or (iii) a Default, such matter or circumstance will not constitute a Default until after the end of the Clean-Up Period, provided that reasonable steps are being taken to cure such matter or circumstance (following the Parent becoming aware of the same), unless

such matter or circumstance (1) could reasonably be expected to have a Material Adverse Effect (assuming for this purpose that the definition thereof is deemed to be adjusted such that sub paragraph (c) thereof refers solely to payment obligations and financial covenant obligations) or (2) has been procured by, or approved by, the Parent.

24. GUARANTEE AND INDEMNITY

24.1 Guarantee and Indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Finance Party the due and punctual observance and performance of all the terms, conditions and covenants on the part of each Borrower contained in the Finance Documents and agrees to pay from time to time on demand any and every sum or sums of money which each Borrower is at any time liable to pay to any Finance Party under or pursuant to the Finance Documents and which has become due and payable but has not been paid at the time such demand is made; and

(b) agrees as primary obligation to indemnify each Finance Party from time to time on demand from and against any loss incurred by any Finance Party as a result of any of the obligations of each Borrower under or pursuant to the Finance Documents being or becoming void, voidable, unenforceable or ineffective as against such Borrower for any reason whatsoever, whether or not known to any Finance Party or any other person, the amount of such loss being the amount which the person or persons suffering it would otherwise have been entitled to recover from such Borrower.

24.2 Additional Security
The obligations of each Guarantor herein contained, shall be in addition to and independent of every other security which any Finance Party may at any time hold in respect of any of any Obligor's obligations under the Finance Documents.

24.3 Continuing Obligations
The obligations of each Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the obligations of the Borrowers under the Finance Documents and shall continue in full force and effect until final payment in full of all amounts owing by any Borrower under the Finance Documents and total satisfaction of all the Borrowers' actual and contingent obligations under the Finance Documents.

24.4 Obligations not Discharged
Neither the obligations of each Guarantor herein contained nor the rights, powers and remedies conferred in respect of any Guarantor upon any Finance Party by the Finance Documents or by law shall be discharged, impaired or otherwise affected by:

(a) the winding-up, dissolution administration or re-organisation of any Borrower or any other person or any change in its status, function, control or ownership;

(b) any of the obligations of any Borrower or any other person under the Finance Documents or under any other security taken in respect of any of its obligations under the Finance Documents being or becoming illegal, invalid, unenforceable or ineffective in any respect;

(c) time or other indulgence being granted or agreed to be granted to any Borrower or any other person in respect of its obligations under the Finance Documents or under any such other security;

(d) any amendment to, or any variation, waiver or release of, any

obligation of any Borrower or any other person, under the Finance Documents or under any such other security;

(e) any failure to take, or fully to take, any security contemplated hereby or otherwise agreed to be taken in respect of any Borrower's obligations under the Finance Documents;

(f) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any Borrower's obligations under the Finance Documents; or

(g) any other act, event or omission which, but for this Clause 24.4, might operate to discharge, impair or otherwise affect any of the obligations of any Guarantor herein contained or any of the rights, powers or remedies conferred upon any of the Finance Parties by the Finance Documents or by law.

24.5 Settlement Conditional
Any settlement or discharge, between an Obligor and any of the Finance Parties, shall be conditional upon no security or payment to any Finance Party by an Obligor or any other person on behalf of an Obligor being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application and, if any such security or payment is so avoided or reduced, each Finance Party shall be entitled to recover the value or amount of such security or payment from such Obligor subsequently as if such settlement or discharge had not occurred.

24.6 Exercise of Rights
No Finance Party shall be obliged before exercising any of the rights, powers or remedies conferred upon them in respect of any Guarantor by the Finance Documents or by law:

(a) to make any demand of any Borrower other than in accordance with Clause 24.1 (Guarantee and Indemnity);

(b) to take any action or obtain judgement in any court against any Borrower;

(c) to make or file any claim or proof in a winding-up or dissolution of any Borrower; or

(d) to enforce or seek to enforce any other security taken in respect of any of the obligations of any Borrower under the Finance Documents.

24.7 Deferral of Parent's Rights
Each Guarantor agrees that, so long as any amounts are or may be owed by a Borrower under the Finance Documents or a Borrower is under any actual or contingent obligations under the Finance Documents, it shall not exercise any rights which it may at any time have by reason of performance by it of its obligations under the Finance Documents:

(a) to be indemnified by a Borrower; and/or

(b) to claim any contribution from any other guarantor of any Borrower's obligations under the Finance Documents; and/or

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any security taken pursuant to, or in connection with, the Finance Documents by all or any of the Finance Parties.

24.8 Suspense Accounts
All moneys received, recovered or realised by a Bank by virtue of Clause 24.1 (Guarantee and Indemnity) may, in that Bank's discretion, be credited to an interest bearing suspense or impersonal account and may

be held in such account for so long as such Bank thinks fit pending the application from time to time (as such Bank may think fit) of such moneys in or towards the payment and discharge of any amounts owing by an Obligor to such Bank under the Finance Documents.

25. COMMITMENT COMMISSION AND FEES

25.1 Commitment Commission on the Term Facility

The Original Borrower shall pay to the Agent for account of each Bank a commitment commission on the amount of such Bank's Available Term Commitment from day to day during the period beginning on the date hereof and ending on the last day of the Term Availability Period, such commitment commission to be calculated at the rate of 45 per cent. of the Margin from time to time at such time and payable in arrear on the last day of each successive period of three months which ends during the Term Availability Period and on the last day of the Term Availability Period.

25.2 Commitment Commission on the Revolving Facility

The Original Borrower shall pay to the Agent for account of each Bank a commitment commission on the amount of such Bank's Available Revolving Commitment from day to day during the period beginning on the date hereof and ending on the Revolving Termination Date, such commitment commission to be calculated at the rate of 45 per cent. of the Margin from time to time at such time and payable in arrear on the last day of each successive period of three months which ends during such period and on the Revolving Termination Date.

25.3 Agency Fee

The Original Borrower shall pay to the Agent for its own account the agency fees specified in the letter dated 18 October 2002 from the Agent to RMC Group Limited at the times, and in the amounts, specified in such letter.

25.4 Other fees

The Original Borrower shall pay to the Agent for the account of the Banks, the fees specified in a letter dated on or around 16 March 2005.

26. COSTS AND EXPENSES

26.1 Transaction Expenses

The Original Borrower shall, from time to time on demand of the Agent, reimburse each of the Agent and the Mandated Lead Arrangers for all reasonable costs and expenses (including legal fees) together with any VAT thereon incurred by it in connection with the negotiation, preparation, underwriting, syndication, documentation and execution of the Finance Documents, any other document referred to in the Finance Documents and the completion of the transactions therein contemplated.

26.2 Preservation and Enforcement of Rights

The Original Borrower shall, from time to time on demand of the Agent, reimburse the Finance Parties for all costs and expenses (including legal fees) on a full indemnity basis together with any VAT thereon incurred in or in connection with the preservation and/or enforcement of any of the rights of the Finance Parties under the Finance Documents and any document referred to in the Finance Documents (including, without limitation, any costs and expenses relating to any investigation as to whether or not an Event of Default might have occurred or is likely to occur or any steps necessary or desirable in connection with any proposal for remedying or otherwise resolving an Event of Default or Default).

26.3 Stamp Taxes

The Parent shall pay all stamp, registration and other taxes to which the Finance Documents or any Judgement given in connection therewith is or, at any time may be subject (other than any document effecting an assignment as contemplated by Clause 34.3 (Assignments and Transfers by Banks) to Clause 34.5 (Transfers by Banks)) and shall, from time to time

on demand of the Agent, indemnify the Finance Parties against any liabilities, costs, claims and expenses resulting from any failure to pay or any delay in paying any such tax.

26.4 Amendment Costs
If an Obligor requests any amendment, waiver or consent then the relevant Obligor shall, within five Business Days of demand by the Agent, reimburse the Finance Parties for all costs and expenses (including legal fees) together with any VAT thereon reasonably incurred by such person in responding to or complying with such request.

26.5 Banks' Liabilities for Costs
If the Original Borrower fails to perform any of its obligations under this Clause 26, each Bank shall, in its Proportion, indemnify each of the Agent and the Mandated Lead Arrangers against any loss incurred by any of them as a result of such failure.

27. DEFAULT INTEREST AND BREAK COSTS

27.1 Default Interest Periods
If any sum due and payable by an Obligor hereunder is not paid on the due date therefor in accordance with Clause 30 (Payments) or if any sum due and payable by an Obligor under any judgement of any court in connection herewith is not paid on the date of such judgement, the period beginning on such due date or, as the case may be, the date of such judgement and ending on the date upon which the obligation of such Obligor to pay such sum is discharged shall be divided into successive periods, each of which (other than the first) shall start on the last day of the preceding such period and the duration of each of which shall (except as otherwise provided in this Clause 27) be selected by the Agent acting reasonably.

27.2 Default Interest
An Unpaid Sum shall bear interest during each Interest Period in respect thereof at the rate per annum which is one per cent. per annum above the percentage rate which would apply if such Unpaid Sum had been an Advance in the amount and currency of such Unpaid Sum and for the same Interest Period, provided that if such Unpaid Sum relates to an Advance which became due and payable on a day other than the last day of an Interest Period or Term relating thereto:

(a) the first Interest Period applicable to such Unpaid Sum shall be of a duration equal to the unexpired portion of the current Interest Period or Term relating to that Advance; and

(b) the percentage rate of interest applicable thereto from time to time during such period shall be that which exceeds by one per cent. the rate which would have been applicable to it had it not so fallen due, save that the Margin shall be, or be deemed to be, the highest rate specified in the definition thereof.

27.3 Payment of Default Interest
Any interest which shall have accrued under Clause 27.2 (Default Interest) in respect of an Unpaid Sum shall be due and payable and shall be paid by the Obligor owing such Unpaid Sum on the last day of each Interest Period in respect thereof or on such other dates as the Agent may specify (acting reasonably) by notice to such Obligor.

27.4 Break Costs
If any Bank or the Agent on its behalf receives or recovers all or any part of such Bank's share of an Advance or Unpaid Sum otherwise than on the last day of an Interest Period or Term relating thereto, the Original Borrower shall pay to the Agent on demand for account of such Bank an amount equal to the amount (if any) by which (a) the additional interest which would have been payable on the amount so received or recovered had it been received or recovered on the last day of that Interest Period or Term exceeds (b) the amount of interest which in the reasonable opinion of the Agent would have been payable to the Agent on

the last day of that Interest Period or Term in respect of a deposit in the currency of the amount so received or recovered equal to the amount so received or recovered placed by it with a prime bank in the relevant interbank market for a period starting on the Business Day following the date of such receipt or recovery and ending on the last day of that Interest Period or Term.

27.5 Break Costs Certificate

Each Bank shall, as soon as reasonably practicable after a demand by the Agent or the Original Borrower, provide a certificate to the Agent and the Original Borrower confirming the amount of its break costs for any Interest Period or Term in which they accrue.

28. PARENT'S INDEMNITIES

28.1 Parent's Indemnity

The Parent undertakes to indemnify:

(a) each Finance Party against any cost, claim, loss, expense (including legal fees) or liability together with any VAT thereon, whether or not reasonably foreseeable, which it may sustain or incur as a consequence of the occurrence of any Event of Default or any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;

(b) the Agent against any cost or loss it may suffer or incur as a result of its entering into, or performing, any foreign exchange contract for the purposes of Clause 4 (Multicurrency Option) or Clause 30 (Payments);

(c) each Bank against any cost or loss it may suffer under Clause 26.5 (Banks' Liabilities for Costs);

(d) each Bank against any cost or loss it may suffer or incur as a result of its funding or making arrangements to fund its portion of an Advance requested by any Borrower but not made by reason of the operation of this Agreement;

(e) each Bank against any loss it may suffer or incur as a result of any change to the Term or Interest Period or currency of any Advance as a result of the operation of this Agreement (other than by reason of default or negligence of that Bank alone);

(f) each Bank against any loss it may suffer or incur as a result of its funding its portion of any Advance which is denominated in sterling by reason of Clause 7.2 (Conditions for Denominating a Revolving Advance in an Optional Currency) or Clause 4.2 (Conditions for Denominating a Term Advance in an Optional Currency).

28.2 Currency Indemnity

If any sum (a Sum) due from any Obligor under the Finance Documents or any order or judgement given or made in relation thereto has to be converted from the currency (the "First Currency") in which such Sum is payable into another currency (the "Second Currency") for the purpose of:

(a) making or filing a claim or proof against such Obligor; or

(b) obtaining or enforcing an order or judgement in any court or other tribunal,

the Parent shall indemnify each person to whom such Sum is due from and against any loss suffered or incurred as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert such Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to such person at the time of receipt of such Sum.

28.3 Acquisition Indemnity

The Parent shall indemnify each Finance Party (each an "Indemnified Party") from time to time within five Business Days of demand of the Indemnified Party, against any cost, claim, loss, expense (including legal fees) or liability together with VAT thereon, whether or not reasonably foreseeable, which the relevant Indemnified Party may sustain or properly incur (except to the extent that the same result from the gross negligence or wilful misconduct of that Indemnified Party) arising out of a claim or action of any person relating to any use of the proceeds of any Advance.

29. CURRENCY OF ACCOUNT AND PAYMENT

Sterling is the currency of account and payment for each and every sum at any time due from an Obligor hereunder, provided that:

(a) each repayment of an Advance or Unpaid Sum or a part thereof shall be made in the currency in which such Advance or Unpaid Sum is denominated at the time of that repayment;

(b) each payment of interest shall be made in the currency in which the sum in respect of which such interest is payable is denominated;

(c) each payment in respect of costs and expenses shall be made in the currency in which the same were incurred;

(d) each payment pursuant to Clause 14.2 (Tax Indemnity), Clause 16.1 (Increased Costs) or Clause 28.1 (Parent's Indemnity) shall be made in the currency specified by the party claiming thereunder;

(e) any amount expressed to be payable in a currency other than sterling shall be paid in that other currency.

30. PAYMENTS

30.1 Notification of Payments

Without prejudice to the liability of each party hereto promptly to pay each amount owing by it hereunder on the due date therefor, whenever a payment is expected to be made by any of the parties hereto, the Agent shall, at least two Business Days prior to the expected date for such payment, notify all the parties hereto of the amount, currency and timing of such payment and the identity of the party liable to make such payment:

30.2 Payments to the Agent

On each date on which this Agreement requires an amount to be paid by an Obligor or a Bank such Obligor or, as the case may be, such Bank shall make the same available to the Agent for value on the due date at such time and in such funds and to such account with such bank as the Agent shall specify (acting reasonably) from time to time.

30.3 Payments by the Agent

(a) Save as otherwise provided herein, each payment received by the Agent pursuant to Clause 30.2 (Payments to the Agent) shall:

(i) in the case of payment received for the account of a Borrower, be made available by the Agent to such Borrower by application:

(A) first, in or towards payment (on the date, and in the currency and funds, of receipt) of any amount then due from such Borrower hereunder to the person from whom the amount was so received or in or towards the purchase of any amount of any currency to be so applied; and

(B) secondly, in or towards payment (on the date, and in the currency and funds, of receipt) to such account with such bank in the principal financial centre of the

country of the currency of such payment (or, in the relation to the euro in the financial centre in a Participating Member State or London) as such Borrower shall have previously notified to the Agent for this purpose; and

(ii) in the case of any other payment, be made available by the Agent to the person entitled to receive the payment in accordance with this Agreement (in the case of a Bank, for the account of its Facility Office) for value the same day by transfer to the account of the person with a bank in the principal financial centre of the country of the currency of such payment (or, in relation to the euro in the financial centre in a Participating Member State) as that person has previously notified to the Agent.

(b) A payment will be deemed to have been made by the Agent on the date on which it is required to be made under this Agreement if the Agent has, on or before that date, taken steps to make that payment in accordance with the regulations or operating procedures of the clearing or settlement system used by the Agent in order to make the payment.

30.4 Payments by the Agent to the Banks
Any amount payable by the Agent to the Banks under this Agreement in the currency of a Participating Member State shall be paid in euro.

30.5 No Set-off
All payments required to be made by an Obligor hereunder shall be calculated without reference to any set-off or counterclaim and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

30.6 Clawback
Where a sum is to be paid hereunder to the Agent for account of another person, the Agent shall not be obliged to make the same available to that other person or to enter into or perform any exchange contract in connection therewith until it has been able to establish to its satisfaction that it has actually received such sum, but if it does so and it proves to be the case that it had not actually received such sum, then the person to whom such sum or the proceeds of such exchange contract was so made available shall on request refund the same to the Agent together with an amount sufficient to indemnify the Agent against any cost or loss it may have suffered or incurred by reason of its having paid out such sum or the proceeds of such exchange contract prior to its having received such sum.

30.7 Partial Payments
If and whenever a payment is made by an Obligor hereunder and the Agent receives an amount less than the due amount of such payment the Agent may apply the amount received towards the obligations of the Obligors under this Agreement in the following order:

(a) first, in or towards payment of any unpaid fees, costs and expenses of each of the Agent and the Mandated Lead Arrangers for which any Obligor is liable;

(b) secondly, in or towards payment pro rata of any accrued interest due but unpaid;

(c) thirdly, in or towards payment pro rata of any principal due but unpaid; and

(d) fourthly, in or towards payment pro rata of any other sum due but unpaid.

30.8 Variation of Partial Payments
The order of payments set out in Clause 30.7 (Partial Payments) shall

override any appropriation made by the Obligor to which the partial payment relates but the order set out in paragraphs (b), (c) and (d) of Clause 30.7 (Partial Payments) may be varied if agreed by all the Banks.

30.9 Business Days

(a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal at the rate payable on the original due date.

31. SET-OFF

31.1 Contractual Set-off

At any time after an Event of Default has occurred and is continuing unremedied or unwaived, each Bank shall be entitled to apply any credit balance to which such Obligor is entitled on any account of such Obligor with such Bank in satisfaction of any sum due and payable from such Obligor to such Bank under the Finance Documents but unpaid. For this purpose, each Bank shall be entitled to purchase with the moneys standing to the credit of any such account such other currencies as may be necessary to effect such application.

31.2 Set-off not Mandatory

No Bank shall be obliged to exercise any right given to it by Clause

31.1 (Contractual Set-off).

32. SHARING

32.1 Payments to Banks

If a Bank (a Recovering Bank) applies any receipt or recovery from an Obligor to a payment due under this Agreement and such amount is received or recovered other than in accordance with Clause 30 (Payments), then such Recovering Bank shall:

(a) notify the Agent of such receipt or recovery;

(b) at the request of the Agent, promptly 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 such Recovering Bank as its share of any payment to be made in accordance with Clause 30.7 (Partial Payments).

32.2 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 Bank) in accordance with Clause 30.7 (Partial Payments).

32.3 Recovering Bank's Rights

The Recovering Bank will be subrogated into the rights of the parties which have shared in a redistribution pursuant to Clause 32.2 (Redistribution of Payments) in respect of the Sharing Payment (and the relevant Obligor shall be liable to the Recovering Bank in an amount equal to the Sharing Payment).

32.4 Repayable Recoveries

If any part of the Sharing Payment received or recovered by a Recovering Bank becomes repayable and is repaid by such Recovering Bank, then:

(a) each party which has received a share of such Sharing Payment pursuant to Clause 32.2 (Redistribution of Payments) shall, upon request of the Agent, pay to the Agent for account of such Recovering Bank an amount equal to its share of such Sharing

Payment; and

(b) such Recovering Bank's rights of subrogation in respect of any reimbursement shall be cancelled and the relevant Obligor will be liable to the reimbursing party for the amount so reimbursed.

32.5 Exception
This Clause 32 shall not apply if the Recovering Bank would not, after making any payment pursuant hereto, have a valid and enforceable claim against the relevant Obligor.

32.6 Recoveries Through Legal Proceedings
If any Bank intends to commence any action in any court it shall give prior notice to the Agent and the other Banks. If any Bank shall commence any action in any court to enforce its rights hereunder and, as a result thereof or in connection therewith, receives any amount, then such Bank shall not be required to share any portion of such amount with any Bank which has the legal right to, but does not, join in such action or commence and diligently prosecute a separate action to enforce its rights in another court.

33. THE AGENT, THE MANDATED LEAD ARRANGERS AND THE BANKS

33.1 Appointment of the Agent
Each of the Mandated Lead Arrangers and the Banks hereby appoints the Agent to act as its agent in connection herewith and authorises the Agent to exercise such rights, powers, authorities and discretions as are specifically delegated to the Agent by the terms hereof together with all such rights, powers, authorities and discretions as are reasonably incidental thereto.

33.2 Agent's Discretions
The Agent may:

(a) assume, unless it has, in its capacity as agent for the Banks, received notice to the contrary from any other party hereto, that (i) any representation made or deemed to be made by an Obligor in connection herewith is true, (ii) no Event of Default or Default has occurred, (iii) no Obligor is in breach of or default under its obligations under the Finance Documents and (iv) any right, power, authority or discretion vested herein upon an Instructing Group, the Banks or any other person or group of persons has not been exercised;

(b) assume that (i) the Facility Office of each Bank is that notified to it by such Bank in writing and (ii) the information provided by each Bank pursuant to Clause 38 (Notices), Clause 33.14 (Banks' Mandatory Cost Details) and Schedule 9 (Mandatory Costs) is true and correct in all respects until it has received from such Bank notice of a change to the Facility Office or any such information and act upon any such notice until the same is superseded by a further notice;

(c) engage and pay for the advice or services of any lawyers, accountants, surveyors or other experts whose advice or services may to it seem necessary, expedient or desirable and rely upon any advice so obtained;

(d) rely as to any matters of fact which might reasonably be expected to be within the knowledge of an Obligor upon a certificate signed by or on behalf of such Obligor;

(e) rely upon any communication or document believed by it to be genuine;

(f) refrain from exercising any right, power or discretion vested in it as agent hereunder unless and until instructed by Instructing Group as to whether or not such right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which

it should be exercised;

(g) refrain from acting in accordance with any instructions of an Instructing Group to begin any legal action or proceeding arising out of or in connection with this Agreement until it shall have received such security as it may require (whether by way of payment in advance or otherwise) for all costs, claims, losses, expenses (including legal fees) and liabilities together with any VAT thereon which it will or may expend or incur in complying with such instructions; and

(h) assume (unless it has specific notice to the contrary) that any notice or request made by the Parent is made on behalf of all the Obligors.

33.3 Agent's Obligations
The Agent shall:

(a) promptly inform each Bank of the contents of any notice or document received by it in its capacity as Agent from an Obligor under the Finance Documents;

(b) promptly notify each Bank of the occurrence of any Event of Default or any default by an Obligor in the due performance of or compliance with its obligations under this Agreement of which the Agent has notice from any other party hereto;

(c) save as otherwise provided herein, act as agent hereunder in accordance with any instructions given to it by an Instructing Group, which instructions shall be binding on the Mandated Lead Arrangers and the Banks; and

(d) if so instructed by an Instructing Group, refrain from exercising any right, power or discretion vested in it as agent under the Finance Documents.

The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

33.4 Excluded Obligations
Notwithstanding anything to the contrary expressed or implied herein, neither the Agent nor the Mandated Lead Arrangers shall:

(a) be bound to enquire as to (i) whether or not any representation made or deemed to be made by an Obligor in connection herewith is true, (ii) the occurrence or otherwise of any Event of Default or Default, (iii) the performance by an Obligor of its obligations under the Finance Documents or (iv) any breach of or default by an Obligor of or under its obligations under the Finance Documents;

(b) be bound to account to any Bank for any sum or the profit element of any sum received by it for its own account;

(c) be bound to disclose to any other person any information relating to any member of the Group if (i) such person, on providing such information, expressly stated to the Agent or, as the case may be, the Mandated Lead Arrangers, that such information was confidential or (ii) such disclosure would or might in its opinion constitute a breach of any law or be otherwise actionable at the suit of any person;

(d) be under any obligations other than those for which express provision is made herein; or

(e) be or be deemed to be a fiduciary for any other party hereto.

33.5 Indemnification
Each Bank shall, in its Proportion, from time to time on demand by the

Agent, indemnify the Agent against any and all costs, claims, losses, expenses (including legal fees) and liabilities together with any VAT thereon which the Agent may incur, otherwise than by reason of its own gross negligence or wilful misconduct, in acting in its capacity as agent hereunder (other than any which have been reimbursed by the Parent pursuant to Clause 28.1 (Parent's Indemnity)).

33.6 Exclusion of Liabilities

Except in the case of gross negligence or wilful default, none of the Agent and the Mandated Lead Arrangers accepts any responsibility:

(a) for the adequacy, accuracy and/or completeness of the Information Memorandum or any other information supplied by the Agent or the Mandated Lead Arrangers, by an Obligor or by any other person in connection herewith or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Finance Documents;

(b) for the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Finance Documents; or

(c) for the exercise of, or the failure to exercise, any judgement, discretion or power given to any of them by or in connection with the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Finance Documents.

Accordingly, none of the Agent and the Mandated Lead Arrangers shall be under any liability (whether in negligence or otherwise) in respect of such matters, save in the case of gross negligence or wilful misconduct.

33.7 No Actions

Each of the Banks agrees that it will not assert or seek to assert against any director, officer or employee of the Agent or the Mandated Lead Arrangers any claim it might have against any of them in respect of the matters referred to in Clause 33.6 (Exclusion of Liabilities).

33.8 Business with the Group

The Agent and the Mandated Lead Arrangers may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

33.9 Resignation

The Agent may resign its appointment hereunder at any time (after consultation with the Parent) without assigning any reason therefor by giving not less than thirty days' prior notice to that effect to each of the other parties hereto, provided that no such resignation shall be effective until a successor for the Agent is appointed in accordance with the succeeding provisions of this Clause 33.

33.10 Removal of Agent

An Instructing Group may remove the Agent from its role as agent hereunder (after consultation with the Parent) by giving notice to that effect to each of the other parties hereto. Such removal shall take effect only when a successor to the Agent is appointed in accordance with the terms hereof.

33.11 Successor Agent

If the Agent gives notice of its resignation pursuant to Clause 33.9 (Resignation) or it is removed pursuant to Clause 33.10 (Removal of Agent), then any reputable and experienced bank or other financial institution with an office in London may be appointed as a successor to the Agent by an Instructing Group (after consultation with the Parent) during the period of such notice but, if no such successor is so appointed, the Agent may appoint such a successor itself. The resigning

Agent shall provide its successor, with (or with copies of) such of its records as its successor requires to carry out its functions under this Agreement.

33.12 Rights and Obligations

If a successor to the Agent is appointed under the provisions of Clause 33.11 (Successor Agent), then (a) the retiring or departing Agent shall be discharged from any further obligation hereunder but shall remain entitled to the benefit of the provisions of this Clause 33 and (b) its successor and each of the other parties hereto shall have the same rights and obligations amongst themselves as they would have had if such successor had been a party hereto.

33.13 Own Responsibility

It is understood and agreed by each Bank that at all times it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into all risks arising under or in connection with the Finance Documents including, but not limited to:

(a) the financial condition, creditworthiness, condition, affairs, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy and enforceability of the Finance Documents and any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Finance Documents;

(c) whether such Bank has recourse, and the nature and extent of that recourse, against an Obligor or any other person or any of their respective assets under or in connection with the Finance Documents, the transactions therein contemplated or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with this Agreement; and

(d) the adequacy, accuracy and/or completeness of the Information Memorandum and any other information provided by the Agent or the Mandated Lead Arrangers, an Obligor, or by any other person in connection with the Finance Documents, the transactions contemplated therein or any other agreement, arrangement or document entered into, made or executed in anticipation of, pursuant to or in connection with the Finance Documents.

Accordingly, each Bank acknowledges to the Agent and the Mandated Lead Arrangers that it has not relied on and will not hereafter rely on the Agent and the Mandated Lead Arrangers or any of them in respect of any of these matters.

33.14 Banks' Mandatory Cost Details

Each Bank will supply the Agent with such information and in such detail as the Agent may require in order to calculate the Mandatory Cost in accordance with Schedule 9 (Mandatory Costs).

33.15 Agency Division Separate

In acting as agent hereunder for the Banks, 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 and, notwithstanding the foregoing provisions of this Clause 33, any information received by some other division or department of the Agent may be treated as confidential and shall not be regarded as having been given to the Agent's agency division.

34. ASSIGNMENTS AND TRANSFERS

34.1 Binding Agreement

The Finance Documents shall be binding upon and enure to the benefit of each party hereto and its or any subsequent successors and Transferees.

34.2 No Assignments and Transfers by the Obligors
No Obligor shall be entitled to assign or transfer all or any of its rights, benefits and obligations under the Finance Documents.

34.3 Assignments and Transfers by Banks

(a) Any Bank may, at any time, assign all or any of its rights and benefits under the Finance Documents or transfer in accordance with Clause 34.5 (Transfers by Banks) all or any of its rights, benefits and obligations under the Finance Documents to a bank or financial institution provided that such bank or financial institution takes an assignment or transfer of a minimum Sterling Amount of (pound)5,000,000 or, if less, the amount of the Bank's Commitment.

(b) A Bank may not assign any of its rights and benefits under the Finance Documents (without prejudice to the right of a Bank to transfer all or any of its rights, benefits and obligations under the Finance Documents in accordance with Clause 34.5 (Transfers by Banks)) without the prior consent of the Parent, such consent not to be unreasonably withheld or delayed, in respect of any Advance originally made by a Bank within sub-paragraph (b) of the definition of Qualifying Lender to a Bank within sub-paragraph (a) of that definition.

34.4 Assignments by Banks
If any Bank assigns all or any of its rights and benefits under the Finance Documents in accordance with Clause 34.3 (Assignments and Transfers by Banks), then, unless and until the assignee has delivered a notice to the Agent confirming in favour of the Agent, the Mandated Lead Arrangers and the other Banks that it shall be under the same obligations towards each of them as it would have been under if it had been an original party hereto as a Bank (whereupon such assignee shall became a party hereto as a Bank), the Agent, the Mandated Lead Arrangers and the other Banks shall not be obliged to recognise such assignee is having the rights against each of them which it would have had if it had been such a party hereto.

34.5 Transfers by Banks
If any Bank wishes to transfer all or any of its rights, benefits and/or obligations under the Finance Documents as contemplated in Clause 34.3 (Assignments and Transfers by Banks), then such transfer may be effected by the delivery to the Agent of a duly completed Transfer Certificate executed by such Bank and the relevant Transferee in which event, on the later of the Transfer Date specified in such Transfer Certificate and the fifth Business Day after (or such earlier Business Day endorsed by the Agent on such Transfer Certificate falling on or after) the date of delivery of such Transfer Certificate to the Agent:

(a) to the extent that in such Transfer Certificate the Bank party thereto seeks to transfer by novation its rights, benefits and obligations under the Finance Documents, each of the Obligors and such Bank shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another shall be cancelled (such rights and obligations being referred to in this Clause 34.5 as discharged rights and obligations);

(b) each of the Obligors and the Transferee party thereto shall assume obligations towards one another and/or acquire rights against one another which differ from such discharged rights and obligations only insofar as such Obligor and such Transferee have assumed and/or acquired the same in place of such Obligor and such Bank;

(c) the Agent, the Mandated Lead Arrangers, such Transferee and the other Banks shall acquire the same rights and benefits and assume the same obligations between themselves as they would have acquired and assumed had such Transferee been an original party hereto as a

Bank with the rights, benefits and/or obligations acquired or assumed by it as a result of such transfer and to that extent the Agent, the Mandated Lead Arrangers and the relevant Bank shall each be released from further obligations to each other under the Finance Documents; and

(d) such Transferee shall become a party hereto as a Bank.

34.6 Additional Costs
If any assignment or transfer by a Bank would, at the time thereof, result in additional amounts becoming payable under Clause 16.1 (Increased Costs) then, unless the assignment or transfer was being effected pursuant to Clause 18 (Mitigation), the relevant Obligor shall be required to pay such amounts or additional amounts to or for the account of the assignee or transferee only to the extent that it would have been required to pay the same had there been no such assignment or transfer.

34.7 Assignment and Transfer Fees
On the date upon which an assignment takes effect pursuant to Clause 34.4 (Assignments by Banks) or a transfer takes effect pursuant to Clause 34.5 (Transfers by Banks) the relevant assignee or Transferee shall pay to the Agent for its own account a fee of (pound)1,500.

34.8 Disclosure of Information
Any Bank may disclose to any person:

(a) to (or through) whom such Bank assigns or transfers (or may potentially assign or transfer) all or any of its rights, benefits and obligations under the Finance Documents;

(b) with (or through) whom such Bank enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the Finance Documents or any Obligor; or

(c) to whom information may be required to be disclosed by any applicable law,

such information about any Obligor or the Group and the Finance Documents as such Bank shall consider appropriate provided that, in relation to paragraphs (a) and (b) above, the person to whom such information is to be given has entered into a Confidentiality Undertaking.

34.9 Notification
The Agent shall within fourteen days of receiving a Transfer Certificate notify the Parent of any assignment or transfer completed pursuant to this Clause 34.

35. CHANGES TO THE OBLIGORS

35.1 Request for Additional Borrower
The Parent may request that any of its wholly-owned Subsidiaries becomes an Additional Borrower by delivering to the Agent an Accession Memorandum duly executed by the Parent and such Subsidiary, together with the documents and other evidence listed in Schedule 7 (Additional Conditions Precedent) in relation to such Subsidiary.

35.2 Borrower Conditions Precedent
A wholly-owned Subsidiary of the Parent in respect of which the Parent has delivered an Accession Memorandum to the Agent, shall become an Additional Borrower and assume all the rights, benefits and obligations of a Borrower as if it had been an Original Borrower on the date on which the Agent notifies the Parent that the Agent has received, in form and substance satisfactory to it, all documents and other evidence listed in Schedule 7 (Additional Conditions Precedent) in relation to such Subsidiary, unless on such date an Event of Default or Default is

continuing or would occur as a result of such Subsidiary becoming an Additional Borrower.

35.3 Resignation of an Additional Borrower
If at any time an Additional Borrower is under no actual or contingent obligation as a Borrower under or pursuant to any Finance Document, the Parent may request that such Borrower shall cease to be a Borrower by delivering to the Agent a Resignation Notice. Such Resignation Notice shall be accepted by the Agent on the date on which it notifies the Parent that it is satisfied that such Borrower is under no actual or contingent obligation as a Borrower under or pursuant to any Finance Document and such Borrower shall immediately cease to be a Borrower and shall have no further rights, benefits or obligations under the Finance Documents save for those which arose prior to such date.

35.4 Request for Additional Guarantor
The Parent may request that any of its wholly-owned Subsidiaries become an Additional Guarantor by delivering to the Agent an Accession Memorandum duly executed by the Parent and such Subsidiary, together with the documents and other evidence listed in Schedule 7 (Additional Conditions Precedent) in relation to such Subsidiary.

35.5 Guarantor Conditions Precedent
A wholly-owned Subsidiary of the Parent in respect of which the Parent has delivered an Accession Memorandum to the Agent, shall become an Additional Guarantor and assume all the rights, benefits and obligations of a Guarantor as if it had been an Original Guarantor on the date on which the Agent notifies the Parent that the Agent has received, in form and substance satisfactory to it, all documents and other evidence listed in Schedule 7 (Additional Conditions Precedent) in relation to such Subsidiary, unless on such date an Event of Default or Default is continuing or would occur as a result of such Subsidiary becoming an Additional Guarantor.

35.6 Resignation of a Guarantor
If at any time:

(a) a Guarantor makes a sale, lease, transfer or other disposal of all or substantially all (but not a part only) of its assets to another member of the Group which is or becomes a Guarantor in accordance with Clause 35.4 (Request for Additional Guarantors); or

(b) the Holding Company of a Guarantor (the "Relevant Guarantor") becomes a Guarantor, provided that:

(i) such Relevant Guarantor also, if applicable, ceases concurrently to be a guarantor in respect of any other indebtedness of the Group or of any member of the Group;

(ii) such Relevant Guarantor notifies the Agent of any sale, lease, transfer or other disposal in accordance with paragraph (a) of this Clause 35.6; and

(iii) the Parent may not resign without the consent of all Banks,

the Parent may request that such Guarantor shall cease to be a Guarantor by delivering to the Agent a Resignation Notice. Such Resignation Notice shall be accepted by the Agent on the date on which it notifies the Parent that it is satisfied that either of the conditions in paragraphs (a) and (b) above is satisfied and such Guarantor shall immediately cease to be a Guarantor and shall have no further rights, benefits or obligations under the Finance Documents save for those which arose prior to such date.

36. CALCULATIONS AND EVIDENCE OF DEBT

36.1 Basis of Accrual
Any interest, commission or fee accruing under the Finance Documents

will accrue from day to day and is calculated on the basis of actual number of days elapsed and a year of 360 days (or, in the case of any Advance denominated in sterling 365 days) or, in any case where market practice differs, in accordance with market practice.

36.2 Proportionate Reductions
Any repayment of an Advance denominated in an Optional Currency shall reduce the amount of such Advance by the amount of such Optional Currency repaid and shall reduce the Sterling Amount of such Advance proportionately.

36.3 Quotations
If on any occasion a Reference Bank or Bank fails to supply the Agent with a quotation required of it under the foregoing provisions of this Agreement, the rate for which such quotation was required shall be determined from those quotations which are supplied to the Agent, provided that, in relation to determining LIBOR or EURIBOR, this Clause 36.3 shall not apply if only one Reference Bank supplies a quotation.

36.4 Evidence of Debt
Each Bank shall maintain in accordance with its usual practice accounts evidencing the amounts from time to time lent by and owing to it hereunder.

36.5 Control Accounts
The Agent shall maintain on its books a control account or accounts in which shall be recorded (a) the amount of any Advance or any Unpaid Sum and each Bank's share therein, (b) the amount of all principal, interest and other sums due or to become due from an Obligor and each Bank's share therein and (c) the amount of any sum received or recovered by the Agent hereunder and each Bank's share therein.

36.6 Prima Facie Evidence
In any legal action or proceeding arising out of or in connection with this Agreement, the entries made in the accounts maintained pursuant to Clause 36.4 (Evidence of Debt) and Clause 36.5 (Control Accounts) shall be prima facie evidence of the existence and amounts of the specified obligations of the Obligors.

36.7 Certificates of Banks
A certificate of a Bank as to (a) the amount by which a sum payable to it hereunder is to be increased under Clause 14.1 (Tax Gross-up) or becomes payable pursuant to Clause 27.4 (Break Costs), (b) the amount for the time being required to indemnify it against any such cost, payment or liability as is mentioned in Clause 14.2 (Tax Indemnity), Clause 16.1 (Increased Costs) or Clause 28.1 (Parent's Indemnity) or (c) the amount of any credit, relief, remission or repayment as is mentioned in Clause 15.3 (Tax Credit Payment) shall, in the absence of manifest error, be prima facie evidence of the existence and amounts of the specified obligations of the Obligors.

36.8 Agent's Certificates
A certificate of the Agent as to the amount at any time due from a Borrower or a Parent hereunder or the amount which, but for any of the obligations of such Borrower or a Parent hereunder being or becoming void, voidable, unenforceable or ineffective, at any time would have been due from such Borrower hereunder shall, in the absence of manifest error, be conclusive for the purposes of Clause 24 (Guarantee and Indemnity).

36.9 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 Banks will be the amount specified in a certificate issued by (a) the Agent (as representative of the Banks) in accordance with Clause 36.8 (Agent's Certificates) reflecting the balance of the accounts referred to in

Clause 36.5 (Control Accounts) and/or (b) any Bank in accordance with Clause 36.7 (Certificates of Banks) reflecting the balance of the accounts referred to in Clause 36.4 (Evidence of Debt).

37. REMEDIES AND WAIVERS, PARTIAL INVALIDITY

37.1 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 thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

37.2 Partial Invalidity

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions thereof nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

38. NOTICES

38.1 Communications in Writing

Each communication to be made under the Finance Documents shall be made in writing and, unless otherwise stated, shall be made by fax or letter.

38.2 Addresses

Any communication or document to be made or delivered pursuant to the Finance Documents shall (unless the recipient of such communication or document has, by fifteen days' written notice to the Agent, specified another address or fax number) be made or delivered to the address or fax number:

(a) in the case of the Original Obligor and the Agent, identified with its name below:

Original Obligor:
Address: Cemex House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD
Attn: Julie Fields
Fax: +44 (0) 1932 58 3360

Agent:
Address: 135 Bishopsgate
London
EC2M 3UR
Attn: Paul Fletcher
Fax: +44 (0) 20 7085 4564

(b) in the case of each Bank, notified in writing to the Agent prior to the date hereof (or, in the case of a Transferee, at the end of the Transfer Certificate to which it is a party as Transferee); and

(c) in the case of each Additional Obligor, in the relevant Accession Memorandum,

provided that not more than one address may be specified by each party pursuant to this Clause 38.2 at any time.

38.3 Delivery

Any communication or document to be made or delivered by one person to

another pursuant to the Finance Documents shall:

(a) if by way of fax, be deemed to have been received when transmission has been completed; and

(b) if by way of letter, be deemed to have been delivered when left at the relevant address or, as the case may be, ten days after being deposited in the post postage prepaid in an envelope addressed to it at such address,

provided that any communication or document to be made or delivered to the Agent shall be effective only when received by its agency division and then only if the same is expressly marked for the attention of the department or officer identified with the Agent's signature below (or such other department or officer as the Agent shall from time to time specify for this purpose).

38.4 Notification of Changes
Promptly upon receipt of notification of a change or address of fax number pursuant to Clause 38.2 (Addresses) or changing its own address or fax number, the Agent shall notify the other parties hereto of such change.

38.5 English Language
Each communication and document made or delivered by one party to another pursuant to the Finance Documents shall be in the English language or accompanied by a translation thereof into English certified (by an officer of the person making or delivering the same) as being a true and accurate translation thereof.

38.6 Deemed Receipt by the Obligors
Any communication or document made or delivered to the Parent in accordance with Clause 38.3 (Delivery) shall be deemed to have been made or delivered to each of the Obligors.

39. COUNTERPARTS
This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

40. AMENDMENTS

40.1 Amendments
If the Agent has the prior consent of an Instructing Group, the Agent and the Obligors may from time to time agree in writing to amend the Finance Documents or to waive, prospectively or retrospectively, any of the requirements of the Finance Documents and any amendments or waivers so agreed shall be binding on all the Finance Parties and the Obligors provided that no such waiver or amendment shall subject any party hereto to any new or additional obligations without the consent of such party.

40.2 Amendments Requiring the Consent of all the Banks
An amendment or waiver which relates to:

(a) Clause 32 (Sharing) or this Clause 40;

(b) a change in the principal amount of or currency of any Advance, or deferral of the Revolving Termination Date or a Term Repayment Date or the Final Term Repayment Date;

(c) a change in the Margin, the amount or currency of any payment of interest, fees or any other amount payable hereunder to any Finance Party or deferral of the date for payment thereof;

(d) a release of the Parent from any of its obligations set out in Clause 24 (Guarantee and Indemnity);

(e) the definition of Event of Default, Instructing Group, Material Subsidiary, Default, Revolving Availability Period, Term

Availability Period, Term Repayment Date or Final Term Repayment Date; or

(f) any provision which contemplates the need for the consent or approval of all the Banks,

shall not be made without the prior consent of all the Banks.

40.3 Exceptions

Notwithstanding any other provisions hereof, the Agent shall not be obliged to agree to any such amendment or waiver if the same would:

(a) amend or waive this Clause 40, Clause 26 (Costs and Expenses) or Clause 33 (The Agent, the Mandated Lead Arrangers and the Banks); or

(b) otherwise amend or waive any of the Agent's rights hereunder or subject the Agent or the Mandated Lead Arrangers to any additional obligations hereunder.

41. GOVERNING LAW

(a) This Agreement is governed by English law.

(b) If any of the 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 shall govern the existence and extent of such attorney's or attorneys' authority and the effects of the exercise thereof.

42. JURISDICTION

42.1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a Dispute) arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or the consequences of its nullity).

42.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

42.3 Non-Exclusive Jurisdiction

This Clause 42 is for the benefit of the Finance Parties only. As a result and notwithstanding Clause 42.1 (English Courts), it does not prevent any Finance Party from taking proceedings relating to a Dispute (Proceedings) in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent Proceedings in any number of jurisdictions.

42.4 Service of process

Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England Wales):

(a) irrevocably appoints the Original Borrower as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and the Original Borrower, by its execution of this Agreement, accepts that appointment); and

(b) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

SCHEDULE 1
THE ORIGINAL PARTIES

Part I
The Banks

Name of Bank	Term Commitment (GBP)	Revolving Commitment (GBP)
The Royal Bank of Scotland plc	23,888,788	61,853,333
HSBC Bank plc	23,888,788	61,853,333
BNP Paribas SA (London Branch)	21,571,488	55,853,333
WestLB AG, London Branch	21,102,668	54,639,454
Lloyds TSB Bank plc	19,104,851	49,466,666
Bank of America International Limited	13,888,788	17,438,889
The Bank of Tokyo-Mitsubishi Ltd. (London Branch)	11,946,969	13,053,031
ING Bank N.V., London Branch	7,157,882	18,533,333
Societe Generale	7,157,882	18,533,333
Wachovia Bank N.A. (London Branch)	7,157,882	18,533,333
The Governor and Company of the Bank of Ireland	4,789, 087	12,400,000
BRED Banque Populaire	4,789,087	12,400,000
Banco Bilbao Vizcaya Argentaria S.A. (London Branch)	2,394,543	6,200,000
Banco Popolare di Lodi S.C.A.R.L., London Branch	2,394,543	6,200,000
IXIS Corporate & Investment Bank	2,394,543	6,200,000
Credit Agricole Ille de France	2,317,300	6,000,000
State Bank of India (London Branch)	1,666,667	3,333,333
Chang Hwa Commercial Bank Limited (London Branch)	1,184,398	3,066,667
Total	178,796,154	425,558,038

Part II

The Original Guarantors

Name	Company Number/Trade Register of the Chamber of Commerce and Industry in Amsterdam (The Netherlands)	Jurisdiction
RMC Group Limited	00249776	UK
CEMEX Espana, S.A.	No. Hoja-Registro Mercantil, Madrid: M-156542, NIF: A46/004214	Spain
CEMEX Caracas Investments B.V.	34121194	The Netherlands
CEMEX Egyptian Investment B.V.	34108365	The Netherlands

CEMEX Manila Investments B.V.	34108359	The Netherlands
CEMEX American Holdings B.V.	34213058	The Netherlands
CEMEX Shipping B.V.	34213063	The Netherlands
CEMEX Caracas II Investments B.V.	34159953	The Netherlands

SCHEDULE 2
FORM OF TRANSFER CERTIFICATE

To: The Agent

TRANSFER CERTIFICATE

relating to the agreement (as from time to time amended) varied, novated or supplemented (the Credit Agreement) dated 18th October, 2002 whereby a multicurrency term and revolving loan facility was made available to a group of borrowers including RMC Group Limited by a group of banks on whose behalf you act as agent in connection therewith.

1. Terms defined in the Credit Agreement shall, subject to any contrary indication, have the same meanings herein. The terms Bank, Transferee and Portion Transferred are defined in the schedule hereto.

2. The Bank (i) confirms that the details in the schedule hereto under the heading "Bank's Participation in the Revolving Facility", "Revolving Advances", "Bank's Participation in the Term Facility" and "Term Advances" accurately summarises its participation in the Credit Agreement and the Interest Period or Term of any existing Advances and (ii) requests the Transferee to accept and procure the transfer by novation to the Transferee of the Portion Transferred (specified in the schedule hereto) of its Revolving Commitment and its Term Commitment and/or its participation in such Advance(s) by counter signing and delivering this Transfer Certificate to the Agent at its address for the service of notices specified in the Credit Agreement.

3. The Transferee hereby requests the Agent to accept this Transfer Certificate as being delivered to the Agent pursuant to and for the purposes of Clause 34.5 (Transfers by Banks) of the Credit Agreement so as to take effect in accordance with the terms thereof on the Transfer Date or on such later date as may be determined in accordance with the terms thereof.

4. The Transferee confirms that it has received a copy of the Credit Agreement together with such other information as it has required in connection with this transaction and that it has not relied and will not hereafter rely on the Bank to check or enquire on its behalf into the legality, validity, effectiveness, adequacy, accuracy or completeness of any such information and further agrees that it has not relied and will not rely on the Bank to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Obligors.

5. The Transferee hereby undertakes with the Bank and each of the other parties to the Credit Agreement that it will perform in accordance with their terms all those obligations which by the terms of the Finance Documents, will be assumed by it after delivery of this Transfer Certificate to the Agent and satisfaction of the conditions (if any) subject to which this Transfer Certificate is expressed to take effect.

6. The Bank makes no representation or warranty and assumes no

responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any document relating thereto and assumes no responsibility for the financial condition of` the Obligors or for the performance and observance by the Obligors of any of its obligations under the Finance Documents or any document relating thereto and any and all such conditions and warranties, whether express or implied by law or otherwise, are hereby excluded.

7. The Bank hereby gives notice that nothing herein or in the Finance Documents (or any document relating thereto) shall oblige the Bank to (a) accept a re transfer from the Transferee of the whole or any part of its rights, benefits and/or obligations under the Finance Documents transferred pursuant hereto or (b) support any losses directly or indirectly sustained or incurred by the Transferee for any reason whatsoever including the non performance by an Obligor or any other party to the Finance Documents (or any document relating thereto) of its obligations under any such document The Transferee hereby acknowledges the absence of any such obligation as is referred to in (a) or (b) above.

8. This Transfer Certificate and the rights, benefits and obligations of the parties hereunder shall be governed by and construed in accordance with English law.

THE SCHEDULE

1. Bank:

2. Transferee:

3. Transfer Date:

4. Bank's Participation in the Revolving Facility:
Bank's Revolving Commitment — Portion Transferred

5. Revolving Advance(s): Amount of Bank's Participation — Term and Repayment Date — Portion Transferred

6. Bank's Participation in the Term Facility:
Bank's Term Commitment — Portion Transferred

7. Term Advance(s): Amount of Bank's Participation — Interest Period — Portion Transferred

[Transferor Bank] [Transferee Bank]

By: By:

Date: Date:

ADMINISTRATIVE DETAILS OF TRANSFEREE

Address:

Contact Name:

Account for Payments in sterling:

Fax:

Telephone:

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* Details of the Bank's Available Term Commitment should not be completed after the last day of the Term Availability Period

SCHEDULE 3

CONDITIONS PRECEDENT

1. In relation to Original Borrower:

   (a) a copy, certified as at the date of this Agreement a true and up to date copy by an Authorised Signatory of the Original Borrower, of the constitutional documents of the Original Borrower;

   (b) a copy, certified as at the date of this Agreement a true and up to date copy by an Authorised Signatory of the Original Borrower, of a board resolution of the Original Borrower approving the execution, delivery and performance of the Finance Documents and the terms and conditions thereof and authorising a named person or persons to sign the Finance Documents and any documents to be delivered by the Original Borrower pursuant thereto;

   (c) a certificate of an Authorised Signatory of the Original Borrower setting out the names and signatures of the persons authorised to sign, on behalf of the Original Borrower, the Finance Documents and any documents to be delivered by the Original Borrower pursuant thereto; and

   (d) a certificate of an Authorised Signatory of the Original Borrower confirming that utilisation of the Facilities would not breach any restriction of its borrowing powers.

2. An opinion of Clifford Chance LLP, solicitors to the Agent, in substantially the form distributed to the Banks prior to the signing of this Agreement.

3. Evidence that the fees, costs and expenses required to be paid by the Original Borrower pursuant Clause 25.3 (Agency Fee), Clause 26.1 (Transaction Expenses) and Clause 26.3 (Stamp Taxes) have been paid.

4. A copy, certified a true copy by an Authorised Signatory of the Original Borrower, of the Original Financial Statements of the Original Borrower.

5. A certificate signed by an Authorised Signatory of the Original Borrower confirming which companies within the RMC Group are Material Subsidiaries.

6. The Syndication Letter.

7. Evidence satisfactory to the Agent that the Existing Facilities will be repaid from the proceeds of the first drawdowns of the Facilities, and cancelled.

SCHEDULE 4

NOTICE OF DRAWDOWN

From: [Borrower]

To: [Insert name of Agent]

Dated:

Dear Sirs,

1. We refer to an agreement (the "Credit Agreement") dated 18th October, 2002 as amended and made between a group of borrowers including RMC Group Limited (the "Borrower"), Cemex Espana, S.A. (the "Parent") and others as guarantors, Banc of America Securities Limited, BNP Paribas, HSBC Investment Bank plc, The Royal Bank of Scotland plc and WestLB Aktiengesellschaft as Mandated Lead Arrangers, The Royal Bank of Scotland plc as Agent, and the financial institutions defined therein as Banks.

2. Terms defined in the Credit Agreement shall have the same meaning in this notice.

3. This notice is irrevocable [and we confirm that the purpose of this Advance is in conformity with Clause 2.3 (Purpose and Application of the Revolving Facility) of the Credit Agreement].*

4. We hereby give you notice that, pursuant to the Credit Agreement and on [date of proposed Advance], we wish to borrow a [Term/Revolving] Advance having an Original Sterling Amount of (pound)[o] upon the terms and subject to the conditions contained therein.

5. We would like this Advance to be denominated in [currency].

6. [We would like this Advance to have a first Interest Period of [ ] months duration.]*/[We would like this Advance to be divided upon the making thereof into Advances as follows:

Original Sterling Amount	Currency	[Duration of First Interest Period]*

OR

We would like this Advance to have a Term of [o] months duration.]**

7. We confirm that, at the date hereof, the Repeated Representations are true in all material respects and no Event of Default [or Default] is continuing.

8. The proceeds of this drawdown should be credited to [insert account details].

Yours faithfully

.....

Authorised Signatory

for and on behalf of
[Name of Borrower]

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* Only for Term Advances.
** Delete as appropriate.

SCHEDULE 5
FORM OF COMPLIANCE CERTIFICATE

Part I
Parent's Compliance Certificate

To: [Insert name of Agent]

Date:

Dear Sirs,

We refer to an agreement (the "Credit Agreement") dated 18th October, 2002 as amended and made between a group of borrowers including RMC Group Limited (the "Borrower"), Cemex Espana, S.A. (the "Parent") and others as guarantors, Banc of America Securities Limited, BNP Paribas, HSBC Investment Bank plc, The Royal Bank of Scotland plc and WestLB Aktiengesellschaft as Mandated Lead Arrangers, The Royal Bank of Scotland plc as Agent, and the financial institutions defined therein as Banks.

Terms defined in the Credit Agreement shall bear the same meaning herein.

We confirm that:

[Insert details of financial conditions to be certified]

We confirm that the following companies constitute Material Subsidiaries for the purposes of the Credit Agreement: [o].

[We confirm that, as at the date hereof, no Event of Default has occurred and is continuing.]*

This compliance certificate is given without liability by the [auditors/director].

[Signed: .....
Director
of
[Parent]
or

.....
for and on behalf of
[name of auditors of the Parent]

* Delete if compliance certificate signed by Auditors. If this statement cannot be made, the certificate should identify any Event of Default that is outstanding and the steps if any, being taken to remedy it.

Part II
Original Borrower's Compliance Certificate

To: [Insert name of Agent]

Date:

Dear Sirs,

We refer to an agreement (the "Credit Agreement") dated 18th October, 2002 as amended and made between a group of borrowers including RMC Group Limited (the "Borrower"), Cemex Espana, S.A. (the "Parent") and others as guarantors, Banc

of America Securities Limited, BNP Paribas, HSBC Investment Bank plc, The Royal Bank of Scotland plc and WestLB Aktiengesellschaft as Mandated Lead Arrangers, The Royal Bank of Scotland plc as Agent, and the financial institutions defined therein as Banks.

Terms defined in the Credit Agreement shall bear the same meaning herein.

We confirm that:

[Insert details of financial conditions to be certified]

We confirm that:

[insert details of RMC Borrowing/EBITDA Ratio for Margin calculation purposes]

This compliance certificate is given without liability by the [auditors/director].

[Signed: .....
Director
of
[Original Borrower]
or

.....
for and on behalf of
[name of auditors of the Original Borrower]

SCHEDULE 6
FORM OF ACCESSION MEMORANDUM

To: [Insert name of Agent]

From: [Subsidiary]
and
RMC Group Limited

Date:

Dear Sirs,

1. We refer to an agreement (the "Credit Agreement") dated 18th October, 2002 as amended and made between a group of borrowers including RMC Group Limited (the "Borrower"), Cemex Espana, S.A. (the "Parent") and others as guarantors, Banc of America Securities Limited, BNP Paribas, HSBC Investment Bank plc, The Royal Bank of Scotland plc and WestLB Aktiengesellschaft as Mandated Lead Arrangers, The Royal Bank of Scotland plc as Agent, and the financial institutions defined therein as Banks.

2. Terms defined in the Credit Agreement shall bear the same meaning herein.

3. The Parent requests that [Subsidiary] become an [Additional Borrower/Additional Guarantor] pursuant to Clause [35.1 (Request for Additional Borrower)/35.4 (Request for Additional Guarantor)] of the Credit Agreement.

4. [Subsidiary] is a company duly organised under the laws of [name of relevant jurisdiction].

5. [Subsidiary] confirms that it has received from the Parent a true and up to date copy of the Credit Agreement.

6. [Subsidiary] undertakes, upon its becoming a [Borrower/Guarantor], to perform all the obligations expressed to be undertaken under the Credit Agreement by a [Borrower/ Guarantor] and agrees that it shall be bound by the Credit Agreement in all respects as if it had been an original party thereto as an [Original Borrower/Original Guarantor].

7. The Parent confirms that, if [Subsidiary] is accepted as an [Additional Borrower/Additional Guarantor], its guarantee obligations pursuant to Clause 0 (Guarantee and Indemnity) of the Credit Agreement will apply to all the obligations of [Subsidiary] under the Finance Documents in all respects in accordance with the terms of the Credit Agreement.

8. The Parent:

   (a) repeats the Repeated Representations; and

   (b) confirms that no Event of Default or Default is continuing or would occur as a result of [Subsidiary] becoming an [Additional Borrower/Additional Guarantor].

9. [Subsidiary] makes the representations and warranties set out in Clause 19.1 (Status) to Clause 19.18 (No Immunity).

10. [Subsidiary's] administrative details are as follows:

Address:

Fax No.:

11. [Process Agent*

[Subsidiary] agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served [on it at [address of Subsidiary's place of business in England] or at any address in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985]/[on [name of process agent in England at, address of process agent] or, if different, its registered office. If [[Subsidiary], ceases to have a place of business in Great Britain]/[the appointment of the person mentioned above ceases to be effective], [Subsidiary] shall immediately appoint another person in England to accept service of process on its behalf in England. If it fails to do so (and such failure continues for a period of not less than fourteen days), the Agent shall be entitled to appoint such a person by notice. Nothing contained herein shall restrict the right to serve process in any other manner allowed by law. This applies to Proceedings in England and to Proceedings elsewhere.]

12. This Memorandum shall be governed by English law.

[Parent] [Subsidiary]

By:..... By:.....

* This clause is required only if the Additional Borrower is not incorporated in England or Wales.

SCHEDULE 7
ADDITIONAL CONDITIONS PRECEDENT

1. A copy certified as at the, date of the relevant Accession Memorandum a true and up to date copy by an Authorised Signatory of the proposed Additional Borrower or Additional Guarantor, of the constitutional documents of such proposed Additional Borrower or Additional Guarantor, as the case may be.

2. A copy, certified as at the date of the relevant Accession Memorandum a true and up to date copy by an Authorised Signatory of the proposed Additional Borrower or Additional Guarantor, of a board resolution of such proposed Additional Borrower or Additional Guarantor approving the execution and delivery of an Accession Memorandum, the accession of such proposed Additional Borrower or Additional Guarantor to this Agreement and the performance of its obligations under the Finance Documents and authorising a named person or persons to sign such Accession Memorandum, any other Finance Document and any other documents to be delivered by such proposed Additional Borrower or Additional Guarantor pursuant thereto.

3. A certificate of an Authorised Signatory of the proposed Additional Borrower or Additional Guarantor setting out the names and signatures of the person or persons authorised to sign, on behalf of such proposed Additional Borrower or Additional Guarantor, the Accession Memorandum, any other Finance Documents and any other documents to be delivered by such proposed Additional Borrower or Additional Guarantor pursuant thereto.

4. A certificate of an Authorised Signatory of the proposed Additional Borrower or Additional Guarantor confirming that the utilisation of the Facilities would not breach any restriction of its borrowing powers.

5. If the proposed Additional Borrower or Additional Guarantor is incorporated in a jurisdiction other than England and Wales, a copy, certified a true copy by or on behalf of the proposed Additional Borrower or Additional Guarantor, of each such law, decree, consent, licence, approval, registration or declaration as is, in the opinion of counsel to the Banks, necessary to render the relevant Accession Memorandum legal, valid, binding and enforceable to make such Accession Memorandum admissible in evidence in the proposed Additional Borrower's or Additional Guarantor's jurisdiction of incorporation and to enable the proposed Additional Borrower or Additional Guarantor to perform its obligations thereunder and under the other Finance Documents.

6. If the proposed Additional Borrower is incorporated in Spain, a certified copy of the form(s) PE-1 stamped by the Bank of Spain (Banco de Espana), whereby it assigns Financial Operation Number(s) to the Facilities.

7. A copy, certified a true copy by an Authorised Signatory of the proposed Additional Borrower or Additional Guarantor, of its latest financial statements.

8. If the proposed Additional Borrower or Additional Guarantor is incorporated in a jurisdiction other than England and Wales, an opinion of the Banks' local counsel in the relevant jurisdiction in form and substance satisfactory to the Agent.

9. An opinion of Clifford Chance LLP, solicitors to the Agent, in form and substance satisfactory to the Agent.

10. If the proposed Additional Borrower or Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in the relevant Accession Memorandum has agreed to act as its agent for the service or process in England.

SCHEDULE 8
FORM OF RESIGNATION NOTICE

Part I
Resignation of Additional Borrower

To: [Insert name of Agent]

From: Cemex Espana, S.A.

Dated:

Dear Sirs,

1. We refer to an agreement (the "Credit Agreement") dated 18th October, 2002 as amended and made between a group of borrowers including RMC Group Limited (the "Borrower"), Cemex Espana, S.A. (the "Parent") and others as guarantors, Banc of America Securities Limited, BNP Paribas, HSBC Investment Bank plc, The Royal Bank of Scotland plc and WestLB Aktiengesellschaft as Mandated Lead Arrangers, The Royal Bank of Scotland plc as Agent, and the financial institutions defined therein as Banks.

2. Terms defined in the Credit Agreement shall bear the same meaning herein.

3. We declare that [name of Borrower] is under no actual or contingent obligation under any Finance Document in its capacity as a Borrower.

4. Pursuant to Clause 35.3 (Resignation of an Additional Borrower) we hereby request that [name of Obligor] shall cease to be a Borrower under the Credit Agreement.

Yours faithfully

Cemex Espana, S.A.

Part II
Resignation of Guarantor

To: [Insert name of Agent]

From: Cemex Espana, S.A.

Dated:

Dear Sirs,

1. We refer to an agreement (the "Credit Agreement") dated 18th October, 2002 as amended and made between a group of borrowers including RMC Group Limited (the "Borrower"), Cemex Espana, S.A. (the "Parent") and others as guarantors, Banc of America Securities Limited, BNP Paribas,

HSBC Investment Bank plc, The Royal Bank of Scotland plc and WestLB Aktiengesellschaft as Mandated Lead Arrangers, The Royal Bank of Scotland plc as Agent, and the financial institutions defined therein as Banks.

2. Terms defined in the Credit Agreement shall bear the same meaning herein.

3. [We declare that [name of Guarantor] has made 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/ becomes a Guarantor in accordance with Clause 35.4 (Request for Additional Guarantors)].

[We declare that:

(a) [name of Guarantor]'s Holding Company becomes a Guarantor and [name of Guarantor] ceases concurrently to be a guarantor in respect of any other indebtedness of the Group or of any member of the Group; and

(b) [name of Guarantor] has notified the Agent of any sale, lease, transfer or other disposal in accordance with paragraph (a) of Clause 35.6 of the Credit Agreement.]

4. Pursuant to Clause 35.6 (Resignation of a Guarantor) we hereby request that [name of Obligor] shall cease to be a Guarantor under the Credit Agreement.

Yours faithfully

Cemex Espana, S.A.

SCHEDULE 9
MANDATORY COST

1. The Mandatory Cost is an addition to the interest rate to compensate the Banks for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. On the first day of each Interest Period (or as soon as possible thereafter) the Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Bank, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Agent as a weighted average of the Banks' Additional Cost Rates (weighted in proportion to the percentage participation of each Bank in the relevant Advance) and will be expressed as a percentage rate per annum.

3. The Additional Cost Rate for any Bank lending from a Facility Office in a Participating Member State will be the percentage notified by that Bank to the Agent. This percentage will be certified by that Bank in its notice to the Agent to be its reasonable determination of the cost (expressed as a percentage of that Bank's participation in all Advances 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 Bank lending from a Facility Office

in the United Kingdom will be calculated by the Agent as follows:

(a) in relation to a sterling Advance:

$$\frac{AB + C(B-D) + Ex0.01}{100 - (A+C)} \text{ per cent. per annum}$$

(b) in relation to a Advance in any currency other than sterling:

$$\frac{Ex0.01}{300} \text{ per cent. per annum}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Bank is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Margin and the Mandatory Cost and, if the Advance is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Clause 27.2 (Default interest)) payable for the relevant Interest Period on the Advance.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Agent on interest bearing Special Deposits.

E is designed to compensate Banks for amounts payable under the Fees Rules and is calculated by the Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Agent pursuant to paragraph 7 below and expressed in pounds per (pound)1,000,000.

5. For the purposes of this Schedule:

(a) "Eligible Liabilities" and "Special Deposits" have the meanings given to them from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

(b) "Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

(c) "Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and

(d) "Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

6. In application of the above formulae, A, B, C and D will be included in the formulae as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Agent, the rate of charge payable by that Reference Bank

to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per (pound)1,000,000 of the Tariff Base of that Reference Bank.

8. Each Bank shall supply any information required by the Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Bank shall supply the following information on or prior to the date on which it becomes a Bank:

(a) the jurisdiction of its Facility Office; and

(b) any other information that the Agent may reasonably require for such purpose.

Each Bank shall promptly notify the Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Bank for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Bank notifies the Agent to the contrary, each Bank's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical bank from its jurisdiction of incorporation with a Facility Office in the same jurisdiction as its Facility Office.

10. The Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Bank and shall be entitled to assume that the information provided by any Bank or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Banks on the basis of the Additional Cost Rate for each Bank based on the information provided by each Bank and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Bank shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Agent may from time to time, after consultation with the Parent and the Banks, determine and notify to all parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties.

SCHEDULE 10
EXISTING SECURITY

CONSOLIDATED GROUP

LIEN SCHEDULE (M (euro)) AS OF 12.31.04

COMPANY	LENDER	LIEN CONCEPT	BALANCE EURO
CEMEX, Inc.	GE Capital (FKIT 279, 280)	Equipment related with the credit	0.66
Kosmos Cement Company	First Corp (FKIT 101649)	Equipment related with the credit	0.02
CEMEX, Inc.	Hampton	Land related with the credit	0.20
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	0.13
Centro Distributor de Cemento, S.A. de C.V.	Bank of America		0.61
			1.61

SCHEDULE 11
MATERIAL SUBSIDIARIES

Name
Cemex Inc.
Cemex Corp.
Cemex Venezuela SACA
Vencement Investments
Construction Funding Corporation
RMC Europe Limited
RMC (UK) Limited

SCHEDULE 12
EXISTING NOTARISATIONS

Type of Agreement	Borrower/Guarantor	Maturity date	Total Principal Amount of Indebtedness notarised as of December 31, 2004
Bilateral Lines	Cemex Espana S.A./n.a.	Between Jan. 2005 and Dec. 2006	EUR 51,086,029 (1) (2)
Deferred Purchase Price	Aricemex S.A./n.a.	July, 2005	EUR 480,810

(1) Corresponds to the total committed amount under the facilities. Amount drawn as of 12.31.04: EUR 23,808,155.

(2) EUR 48,080,968 matured in January 26, 2005.

SIGNATURES

The Original Guarantor

RMC GROUP LIMITED

By: /s/ R. E. LAMBOURNE

The Original Borrower

RMC GROUP LIMITED

By: /s/ R. E. LAMBOURNE

The Mandated Lead Arrangers

BANC OF AMERICA SECURITIES LIMITED

By: /s/ CHARLES BINGHAM

BNP PARIBAS

By: /s/ MICHAEL REDFERNE /s/ SIMON ALLOCCA

HSBC INVESTMENT BANK PLC

By: /s/ E. M. FLANDERS

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ M. I. PORTER

WESTLB AG, LONDON BRANCH

By: /s/ A. SUTHERLAND /s/ T. SAI LOUIE

The Agent

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ M. I. PORTER

The Banks

BANK OF AMERICA, N.A.

By: /s/ CHARLES BINGHAM

BNP PARIBAS

By: /s/ MICHAEL REDFERNE /s/ SIMON ALLOCCA

HSBC BANK PLC

By: /s/ I. A. DUNN

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ M. I. PORTER

WESTLB AG, LONDON BRANCH

By: /s/ A. SUTHERLAND /s/ T. SAI LOUIE

EXHIBIT 4.22

TERM CREDIT AGREEMENT

among

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

and

CEMEX MEXICO, S.A. de C.V.,
as Guarantor

and

EMPRESAS TOLTECA de MEXICO, S.A. de C.V.,
as Guarantor

and

BARCLAYS BANK PLC,

as Administrative Agent

and

BARCLAYS CAPITAL,
THE INVESTMENT BANKING DIVISION
OF BARCLAYS BANK PLC,
as Joint Lead Arranger and Joint Bookrunner

and

CITIGROUP GLOBAL MARKETS INC.,
as Documentation Agent, Joint Lead Arranger and Joint Bookrunner

and

BARCLAYS BANK PLC,

CITIBANK, N.A.,

and

CITIBANK, N.A., NASSAU, BAHAMAS BRANCH

as Lenders

US$1,000,000,000

Dated as of April 5, 2005

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SCHEDULES

EXHIBITS

Exhibit E	--	Form of Opinion of Special New York Counsel to the Borrower and the Guarantors
Exhibit F	--	Form of Opinion of Mexican Counsel to the Borrower and the Guarantors
Exhibit G	--	Mandatory Cost Formula

TERM CREDIT AGREEMENT

TERM CREDIT AGREEMENT, dated as of April 5, 2005 among CEMEX, S.A. de C.V., a sociedad anonima de capital variable organized and existing pursuant to the laws of the United Mexican States (the "Borrower"), CEMEX MEXICO, S.A. de C.V., a sociedad anonima de capital variable organized and existing pursuant to the laws of the United Mexican States, EMPRESAS TOLTECA DE MEXICO, S.A. de C.V., a sociedad anonima de capital variable organized and existing pursuant to the laws of the United Mexican States (each a "Guarantor" and together, the "Guarantors"), CITIGROUP GLOBAL MARKETS INC., as Documentation Agent, BARCLAYS BANK PLC, as Administrative Agent and as a Lender, CITIBANK, N.A., as a Lender and CITIBANK, N.A., NASSAU, BAHAMAS BRANCH, as a Lender.

RECITALS

WHEREAS, the Borrower desires that the Lenders extend a multi-currency, multi-draw term credit facility to the Borrower to fund the repayment of certain indebtedness of the Borrower; and

WHEREAS, the Guarantors are willing to guaranty all of the Obligations of the Borrower.

NOW, THEREFORE, each of the Parties hereto hereby agrees as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Acquired Subsidiary" means any Subsidiary acquired by the Borrower or any other Subsidiary after the date hereof in an Acquisition, and any Subsidiaries of such Acquired Subsidiary on the date of such Acquisition.

"Acquiring Subsidiary" means any Subsidiary of the Borrower or any one of its Subsidiaries solely for the purpose of participating as the acquiring party in any Acquisition, and any Subsidiaries of such Acquiring Subsidiary acquired in such Acquisition.

"Acquisition" means any merger, consolidation, acquisition or lease of assets, acquisition of securities or business combination or acquisition, or any two or more of such transactions, if upon the completion of such transaction or transactions, the Borrower or any Subsidiary thereof has acquired an interest in any Person who is deemed to be a Subsidiary under this Agreement and was not a Subsidiary prior thereto.

"Adjusted Consolidated Net Tangible Assets" means, with

respect to any Person, the total assets of such Person and its Subsidiaries (less applicable depreciation, amortization and other valuation reserves), including any write-ups or restatements required under Mexican GAAP (other than with respect to items referred to in clause (ii) below), after deducting therefrom (i) all current liabilities of such Person and its Subsidiaries (excluding the current portion of long-term debt) and (ii) all goodwill, trade names, trademarks, licenses, concessions, patents, unamortized debt discount and expense and other intangibles, all as determined on a consolidated basis in accordance with Mexican GAAP.

"Administrative Agent" means Barclays Bank PLC, in its capacity as administrative agent for the Lenders, and its successors in such capacity.

"Administrative Agent's Payment Office" means the Administrative Agent's address for payments set forth on the signature pages hereof or such other address as the Administrative Agent may from time to time specify to the other Parties hereto pursuant to the terms of this Agreement.

"Affected Lender" has the meaning specified in Section 3.08(a).

"Affiliate" means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company.

"Aggregate Committed Amount" means the aggregate amount of all of the Commitments.

"Aggregate Exposure" means the aggregate principal amount of all Loans outstanding.

"Agreement" means this Credit Agreement, as the same may hereafter be amended, supplemented or otherwise modified from time to time.

"Applicable Margin" means, at any date, the applicable margin set forth below:

Date	Applicable Margin	
	Base Rate Loans	LIBOR and Euribor Loans
Effective Date up to and including the date 90 days following the Effective Date	0.30%	0.30%
Commencing on and including the date 91 days following the Effective Date until the Termination Date	0.40%	0.40%

"Assignee" has the meaning specified in Section 13.06(b).

"Assignment and Assumption Agreement" means an assignment and assumption agreement in substantially the form of Exhibit D.

"Base Rate" means, for any day, the higher of (a) the Prime Rate or (b) the Federal Funds Rate plus 1/2% per annum, in each case as in effect for such day. Any change in the Prime Rate announced by the Reference Banks shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means any Loan made or maintained at a rate of interest calculated with reference to the Base Rate.

"Bookrunners" or "Joint Bookrunners" means Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and Citigroup Global Markets Inc., in their capacity as joint bookrunners

hereunder, and each of their successors in such capacity.

"Borrower" has the meaning specified in the preamble hereto.

"Borrowing" means the aggregate amount of Loans hereunder to be made to the Borrower pursuant to Article II on a particular date by each of the Lenders.

"Borrowing Request" means a Notice of Borrowing.

"Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City are authorized or required by law to close and

(i) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, Japanese Yen) a day on which the Tokyo interbank market is also open for dealings in Japanese Yen; or

(ii) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, Sterling) a day on which the London interbank market is also open for dealings in Sterling; or

(iii) (in relation to any date for payment or lending or purchase of, or the determination of an interest rate or rate of exchange in relation to, Euro), any TARGET Day.

"Capital Lease" means, as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under Mexican GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with Mexican GAAP.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designed) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Commitment" means, with respect to each Lender, the aggregate principal amount set forth opposite the name of such Lender in Schedule 1.01(a) or in any Assignment and Assumption Agreement, as such amount may be reduced or increased from time to time in accordance with the provisions hereof.

"Commitment Percentage" means, with respect to each Lender, a fraction (expressed as a decimal) the numerator of which is the Commitment of such Lender at such time and the denominator of which is the Aggregate Committed Amount at such time. The initial Commitment Percentages are set out on Schedule 1.01(a).

"Commitment Period" means the period from and including the Effective Date to but excluding the earlier of (i) the Termination Date, or (ii) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"Confidential Information" means information that the Borrower or a Guarantor furnishes to the Administrative Agent, the Joint Bookrunners or any Lender in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent or the Joint Bookrunners or

such Lender from a source other than the Borrower or a Guarantor that is not, to the best of the Administrative Agent's, the Joint Bookrunners' or such Lender's knowledge, acting in violation of a confidentiality agreement with the Borrower or Guarantor or any other Person.

"Consolidated" refers to the consolidation of accounts in accordance with Mexican GAAP.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period and (b) to the extent not included in (a) above, payments during such period in respect of the financing costs of financial derivatives in the form of equity swaps.

"Consolidated Fixed Charge Coverage Ratio" means, for any period, the ratio of (a) EBITDA for such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Interest Expense" means, for any period, the total gross interest expense of the Borrower and its consolidated Subsidiaries allocable to such period in accordance with Mexican GAAP.

"Consolidated Leverage Ratio" means, at any time during any fiscal quarter, the ratio of (a) Consolidated Net Debt at such time to (b) EBITDA for the 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 Borrower and its Subsidiaries at such date, plus (b) to the extent not included in Debt, the aggregate amount of all derivative financing in the form of equity swaps outstanding at such date (save to the extent cash collateralized) minus (d) all Temporary Investments of the Borrower 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.

"Credit Party" means any of the Borrower or the Guarantors.

"Debt" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under Capital Leases, (v) all Debt of others secured by a Lien on any asset of such Person, up to the value of such asset, as recorded in such Person's most recent balance sheet, (vi) all obligations of such Person with respect to product invoices incurred in connection with export financing, and (vii) all obligations of such Person under repurchase agreements for the stock issued by such Person or another Person. For the avoidance of doubt, Debt does not include Derivatives. With respect to the Borrower and its subsidiaries, the aggregate amount of Debt outstanding shall be adjusted by the Value of Debt Currency Derivatives solely for the purposes of calculating the Consolidated Leverage Ratio. If the Value of Debt Currency Derivatives is a positive mark-to-market valuation for the Borrower and its subsidiaries, then Debt shall decrease accordingly, and if the Value of Debt Currency Derivatives is a negative mark-to-market valuation for the Borrower and its subsidiaries, then Debt shall increase by the absolute value thereof.

"Debt Currency Derivatives" means derivatives of the Borrower and its subsidiaries related to currency entered into for the purposes of hedging exposures under outstanding Debt of the Borrower and its subsidiaries, including but not limited to cross-currency swaps and currency forwards.

"Default" means any condition, event or circumstance which, with the giving of notice or lapse of time or both, would, unless cured or waived, become an Event of Default.

"Defaulting Lender" has the meaning specified in Section 2.01(d).

"Derivatives" means any type of derivative obligations, including but not limited to equity forwards, capital hedges, cross-currency swaps, currency forwards, interest rate swaps and swaptions.

"Disbursement Date" means the date on which such Loan is made by the Lenders.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollar Amount" shall mean, at any time with respect to the Loan, (a) with respect to Dollars or an amount denominated in Dollars, such amount and (b) with respect to an amount of any Foreign Currency or an amount denominated in a Foreign Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent at such time on the basis of the Spot Rate that has been in effect two Business Days prior to the Disbursement Date for such Loan (without regard to any subsequent fluctuations in the Spot Rate) for the purchase of Dollars with such Foreign Currency.

"Dollars", "$" and "U.S.$" each means the lawful currency of the United States.

"EBITDA" means, for any period, the sum for the Borrower and its Subsidiaries, determined on a consolidated basis of (a) operating income (utilidad de operacion), (b) cash interest income and (c) depreciation and amortization expense, in each case determined in accordance with Mexican GAAP consistently applied for such period. For the purposes of calculating EBITDA for any period of four consecutive fiscal quarters (each, a "Reference Period") pursuant to any determination of the Consolidated Leverage Ratio (but not Consolidated Fixed Charge Coverage Ratio), (i) if at any time during such Reference Period the Borrowers or any of its Subsidiaries shall have made any Material Disposition, the EBITDA for such Reference Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period (but when the Material Disposition is by way of a lease, income received by the Borrower or any of its Subsidiaries under such lease shall be included in EBITDA and (ii) if at any time during such Reference Period the Borrower or any of its Subsidiaries shall have made any Material Acquisition, EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Debt) as if such Material Acquisition had occurred on the first day of such Reference Period. Additionally, if since the beginning of such Reference Period any Person that subsequently shall have become a Subsidiary or was merged or consolidated with the Borrower or any of its Subsidiaries as a result of a Material Acquisition occurring during such Reference Period shall have made any Disposition or Acquisition of property that would have required an adjustment pursuant to clause (i) or (ii) above if made by the Borrower or any of its Subsidiaries during such Reference Period, EBITDA for such

period shall be calculated after giving pro forma effect thereto as if such Disposition or Acquisition had occurred on the first day of such Reference Period.

"Effective Date" has the meaning specified in Section 4.01.

"Environmental Action" means any audit procedure, action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, Environmental Permit or Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment, including (a) by any Governmental Authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any Governmental Authority or any third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

"Environmental Law" means any federal, state, local or foreign statute, law, ordinance, rule, regulation, technical standard (norma tecnica or norma oficial Mexicana), code, order, judgment, decree or judicial agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Environmental Permit" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto, as interpreted by the rules and regulations thereunder, all as the same may be in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

"ERISA Affiliate" means an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 4001(a)(14) of ERISA, or is a member of a group that includes the Borrower and that is treated as a single employer under Sections 414(b) or (c) of the Code.

"Euro" shall mean the single currency of Participating Member States.

"Euribor" means, in relation to any Loan in Euro:

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Administrative Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of approximately 11:00 a.m. (New York City time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the Interest Period for that Loan.

"Euribor Business Day" means any day other than a Saturday or Sunday or other day on which commercial banks in New York City are authorized or required by law to close that is also a TARGET Day.

"Euribor Loan" means any Loan made or maintained at a rate of interest calculated with reference to Euribor.

"Event of Default" has the meaning specified in Section 10.01.

"Facility Fee" has the meaning specified in Section 3.02.

"Federal Funds Rate" means, for any relevant day, the overnight Federal funds rate as published for such day in the Federal Reserve Statistical Release H.15 (519) or any successor publication, or, if such rate is not published for any day, the rate for such day will be the rate set forth in the daily statistical release designated as the Composite 3:30 p.m. Quotation for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the "Composite 3:30 p.m. Quotation" for such day under the caption "Federal Funds Effective Rate"). If on any relevant day the appropriate rate for such previous day is not yet published in either H.15 (519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of recognized standing of Federal funds transactions in New York City selected by the Administrative Agent.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letter" means the fee letter entered into by the Borrower and the Lenders dated as of March 30, 2005 referred to in Section 3.02.

"Foreign Currency" means each of (a) Euros, (b) Japanese Yen and (c) Sterling.

"Foreign Financial Institution" means an institution registered as a foreign financial institution with the Ministry of Finance in the Mexican Banking and Financial Institutions, Pensions, Retirement and Foreign Investment Funds Registry for purposes of Article 195, Section I of the Mexican Income Tax Law.

"Funding Default" means a default by a Lender pursuant to Section 2.01(d).

"Funding Losses" has the meaning specified in Section 3.05.

"Governmental Authority" means any branch of power or government or any state, department or other political subdivision thereof, or any governmental body, agency, authority (including any central bank or taxing or environmental authority), any entity or instrumentality (including any court or tribunal) exercising executive, legislative, judicial, regulatory, administrative or investigative functions of or pertaining to government.

"Guarantor" has the meaning specified in the preamble hereto.

"Hazardous Materials" means (a) radioactive materials, asbestos-containing materials, polychlorinated biphenyls, radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any applicable Environmental Law.

"Holding Company" means, in relation to a company or a corporation, any other company or corporation in respect of which it is a Subsidiary.

"Indemnified Party" has the meaning specified in Section 13.05.

"Interest Payment Date" means (i) with respect to any Base Rate Loan, the last day of each calendar month commencing in April 2005, the date of repayment of such Loan and the Termination Date and, (ii) with respect to any LIBOR Loan, and, if applicable, any Euribor Loan, the last day of each Interest Period for such Loan, the date of repayment of principal of such Loan and on the Termination Date. If an Interest Payment Date falls on a date that is not a Business Day, such Interest Payment Date shall be deemed to be the next succeeding Business Day, except that in the case of LIBOR Loans or, if applicable, Euribor Loans, where the next succeeding Business Day falls in the next succeeding calendar month, then on the immediately preceding Business Day.

"Interest Period" means, with respect to each Borrowing of LIBOR Loans, and, if applicable, Euribor Loans, the period (i) commencing (A) on the date of such Borrowing or conversion of Base Rate Loans into LIBOR Loans and, if applicable, Euribor Loans, or (B) in the case of the continuation of LIBOR Loans and, if applicable, Euribor Loans, for a further Interest Period, on the last day of the immediately preceding Interest Period and (ii) ending one month thereafter as stated by the Borrower in the applicable Notice of Borrowing or Notice of Continuation/Conversion; provided, however, that:

(1) any Interest Period which would otherwise end on a day which is not a LIBOR Business Day or, if applicable, a Euribor Business Day, shall, subject to paragraph (3) below, be extended to the next succeeding LIBOR Business Day or, if applicable, the next succeeding Euribor Business Day, unless such LIBOR Business Day or, if applicable, Euribor Business Day, falls in another calendar month, in which case such Interest Period shall end on the immediately preceding LIBOR Business Day or, if applicable, Euribor Business Day;

(2) any Interest Period which begins on the last LIBOR Business Day or, if applicable, Euribor Business Day, of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to paragraph (3) below, end on the last LIBOR Business Day or, if applicable, Euribor Business Day, of a calendar month;

(3) any Interest Period which would otherwise end after the last day of the Commitment Period shall end on the last day of the Commitment Period; and

(4) any Interest Period which would otherwise end after the Termination Date shall end on the Termination Date.

"Japanese Yen" means the lawful currency of Japan.

"Lender" means each financial institution designated as such on the signature pages hereof, each Assignee which becomes a Lender pursuant to Section 13.06(b), each Substitute Lender and each of their respective successors or assigns.

"Lending Office" means, with respect to any Lender, (a) the office or offices of such Lender specified as its "Lending Office" or "Lending Offices" in Schedule 1.01(b) or (b) such other office or offices of such Lender as it may designate as its Lending Office by notice to the Borrower and the Administrative Agent.

"LIBOR" means, in relation to any Loan (other than a Loan denominated in Euros):

(a) the applicable Screen Rate; or

(b) (if no Screen Rate is available for the currency or Interest Period of that Loan) the arithmetic mean of the rates (rounded upwards to four decimal

places) as supplied to the Administrative Agent at its request quoted by the Reference Banks to leading banks in the London interbank market,

as of approximately 11:00 a.m. (New York City time) on the Quotation Day for the offering of deposits in the currency of that Loan and for a period comparable to the Interest Period for that Loan.

"LIBOR Business Day" means any Business Day on which commercial banks are open in London for the transaction of international business, including dealings in Dollar deposits in the international interbank markets.

"LIBOR Loan" means any Loan made or maintained at a rate of interest calculated with reference to LIBOR.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. The Borrower or any Subsidiary of the Borrower shall be deemed to own, subject to a Lien, any asset that it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Capital Lease or other title retention lease relating to such asset, or any account receivable transferred by it with recourse (including any such transfer subject to a holdback or similar arrangement that effectively imposes the risk of collectability on the transferor).

"Loans" has the meaning specified in Section 2.01(a) hereof.

"Mandatory Cost" means the percentage rate per annum calculated by the Administrative Agent in accordance with Exhibit G.

"Material Acquisition" any (a) acquisition of property or series of related acquisitions of property that constitutes assets comprising all or substantially all of an operating unit, division or line of business or (b) acquisition of or other investment in the Capital Stock of any Subsidiary or any Person which becomes a Subsidiary or is merged or consolidated with the Borrower or any of its Subsidiaries, in each case, which involves the payment of consideration by the Borrower and its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Adverse Effect" means a material adverse effect on (a) the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement or any of the Notes or the rights and remedies of the Administrative Agent or any Lender under this Agreement or any of the Notes or (c) the ability of the Borrower and/or the Guarantors to perform their Obligations under this Agreement or any other Transaction Document.

"Material Debt" means Debt (other than the Loans) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal amount outstanding exceeding U.S.$50,000,000 (or the equivalent thereof in other currencies).

"Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Borrower or any of its Subsidiaries in excess of U.S.$25,000,000 (or the equivalent in other currencies).

"Material Subsidiary" means, at any date, (a) each Subsidiary of the Borrower (if any) (i) the assets of which, together with those of its Subsidiaries, on a consolidated basis, without duplication, constitute 5% or more of the consolidated assets of the

Borrower and its Subsidiaries as of the end of the then most recently ended fiscal quarter for which quarterly financial statements have been prepared or (ii) the operating profit of which, together with that of its Subsidiaries, on a consolidated basis, without duplication, constitutes 5% or more of the consolidated operating profit of the Borrower and its Subsidiaries for the then most recently ended fiscal quarter for which quarterly financial statements have been prepared and (b) each Guarantor.

"Mexican GAAP" means, generally accepted accounting principles in Mexico as in effect from time to time, except that for purposes of Section 8.01, Mexican GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 7.01. In the event that any change in Mexican GAAP shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such change in Mexican GAAP with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such change as if such change had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such change in Mexican GAAP had not occurred.

"Mexico" means the United Mexican States.

"Ministry of Finance" means the Ministry of Finance and Public Credit of Mexico.

"Notice of Borrowing" has the meaning specified in Section 2.01(c).

"Notice of Extension/Conversion" has the meaning specified in Section 2.01(e).

"Note" means a promissory note of the Borrower in substantially the form of Exhibit A, evidencing the obligation of the Borrower to repay the Loans made by a Lender.

"Obligations" means, (a) with respect to the Borrower, all of its indebtedness, obligations and liabilities to the Lenders, the Joint Bookrunners and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, whether direct or indirect, absolute or contingent, due or to become due, and (b) with respect to each Guarantor, all of its indebtedness, obligations and liabilities to the Lenders, the Joint Bookrunners and the Administrative Agent now or in the future existing under or in connection with the Transaction Documents, in each case whether direct or indirect, absolute or contingent, due or to become due.

"Obligors" means the Borrower and each Guarantor.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges, imposts, duties, fees, or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery, registration, performance or enforcement of, or otherwise with respect to, this Agreement or any other Transaction Document and which are imposed, levied, collected or withheld by any Governmental Authority.

"Participant" has the meaning specified in Section 13.06(d).

"Participating Member State" means any member state of the European Union that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Pension Plan" means a "pension plan", as such term is defined in Section 3(2) of ERISA, which is subject to Title IV of ERISA (other than a multiemployer plan as defined in Section 4001(a)(3) of ERISA), and to which any Credit Party or any of its ERISA Affiliates has any liability.

"Permitted Liens" has the meaning specified in Section 8.02.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture or other business entity or Governmental Authority, whether or not having a separate legal personality.

"Prime Rate" means the average of the rate of interest publicly announced by each of the Reference Banks from time to time as its Prime Rate in New York City, the Prime Rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by the Administrative Agent or any Lender in connection with extensions of credit to debtors of any class, or generally.

"Process Agent" has the meaning specified in Section 13.12(a).

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Borrower or any Subsidiary pursuant to which the Borrower or any Subsidiary may sell, convey or otherwise transfer to a Special Purpose Vehicle (in the case of a transfer by the Borrower or any other Seller) and any other person (in the case of a transfer by a Special Purpose Vehicle), or may grant a security interest in, any Receivables Program Assets (whether now existing or arising in the future); provided that:

(a) no portion of the indebtedness or any other obligations (contingent or otherwise) of a Special Purpose Vehicle (i) is guaranteed by the Borrower or any other Seller or (ii) is recourse to or obligates the Borrower or any other Seller in any way such that the requirements for off balance sheet treatment under Financial Accounting Standards Bulletin 140 are not satisfied; and

(b) the Borrower and the other Sellers do not have any obligation to maintain or preserve the financial condition of a Special Purpose Vehicle or cause such entity to achieve certain levels of operating results.

"Quotation Day" means, in relation to any period in which an interest rate is to be determined:

(a) (if the currency is Sterling) the first day of that period;

(b) (if the currency is Euro) two TARGET Days before the first day of that period; or

(c) (for any other currency) two Business Days before the first day of that period.

"Receivables" means all rights of the Borrower or any other Seller to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment of any interest or finance charges), which rights

are identified in the accounting records of the Borrower or such Seller as accounts receivable.

"Receivables Documents" means (a) a receivables purchase agreement, pooling and servicing agreement, credit agreement, agreements to acquire undivided interests or other agreement to transfer, or create a security interest in, Receivables Program Assets, in each case as amended, modified, supplemented or restated and in effect from time to time entered into by the Borrower, another Seller and/or a Special Purpose Vehicle, and (b) each other instrument, agreement and other document entered into by the Borrower, any other Seller or a Special Purpose Vehicle relating to the transactions contemplated by the items referred to in clause (a) above, in each case as amended, modified, supplemented or restated and in effect from time to time.

"Receivables Program Assets" means (a) all Receivables which are described as being transferred by the Borrower, another Seller or a Special Purpose Vehicle pursuant to the Receivables Documents, (b) all Receivables Related Assets in respect of such Receivables, and (c) all collections (including recoveries) and other proceeds of the assets described in the foregoing clauses.

"Receivables Program Obligations" means (a) notes, trust certificates, undivided interests, partnership interests or other interests representing the right to be paid a specified principal amount from the Receivables Program Assets and (b) related obligations of the Borrower, a Subsidiary of the Borrower or a Special Purpose Vehicle (including, without limitation, rights in respect of interest or yield hedging obligations, breach of warranty claims and expense reimbursement and indemnity provisions).

"Receivables Related Assets" means with respect to any "Receivables" (i) any rights arising under the documentation governing or relating to such Receivables (including rights in respect of liens securing such Receivables), (ii) any proceeds of such Receivables, (iii) other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable.

"Reference Banks" means two banks in the London interbank market, initially Barclays Bank PLC, and Citibank, N.A..

"Regulation T, U, or X" means Regulation T, U, or X, respectively, of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor to all or a portion thereof.

"Required Lenders" means, at any time, Lenders (other than Defaulting Lenders) whose Total Exposures, when aggregated, equal or exceed 50.01% of the Aggregate Exposure minus the Total Exposure of any Defaulting Lender at such time.

"Requirement of Law" means, as to any Person, any law, ordinance, rule, regulation or requirement of any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any Person means the Chief Financial Officer, the Corporate Planning and Finance Director, the Finance Director or the Comptroller of such Person.

"Screen Rate" means:

(a) in relation to LIBOR, the British Bankers Association Interest Settlement Rate for the

relevant currency and period; and

(b) in relation to Euribor, the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period,

displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Administrative Agent may specify another page or service displaying the appropriate rate after consultation with the Borrower and the Lenders.

"Seller" means the Borrower and any Subsidiary or other affiliate of the Borrower (other than a Subsidiary or affiliate that is a Special Purpose Vehicle) which is a party to a Receivables Document.

"Special Purpose Vehicle" means a trust, partnership or other special purpose person established by the Borrower and/or its Subsidiaries to implement a Qualified Receivables Transaction.

"Spot Rate" means, on any date, with respect to any Foreign Currency, the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of such Foreign Currency with Dollars through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made.

"Sterling" means the lawful currency of the United Kingdom.

"Subsidiary" means with respect to any Person, any corporation, partnership, joint venture, limited liability company, trust, estate or other entity of which (or in which) more than 50% of (a) in the case of a corporation, the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency not in the control of such Person), (b) in the case of a limited liability company, partnership or joint venture, the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) in the case of a trust or estate, the beneficial interest in such trust or estate, is at the time directly or indirectly owned or controlled by (X) such Person, (Y) such Person and one or more of its other Subsidiaries or (Z) one or more of such Person's other Subsidiaries. For purposes of determining whether a trust formed in connection with a Qualified Receivables Transaction is a Subsidiary, notes, trust certificates, undivided interests, partnership interests or other interests of the type described in clause (a) of the definition of Receivables Program Obligations shall be counted as beneficial interests in such trust.

"Substitute Lender" means a commercial bank or other financial institution, acceptable to the Borrower, the Lenders and the Administrative Agent, each in its sole discretion, and approved by the Joint Bookrunners (including such a bank or financial institution that is already a Lender hereunder), which assumes all or a portion of the Commitment of a Lender pursuant to the terms of this Agreement.

"TARGET" means Trans-European Automated Real-time Gross Settlement Express Transfer payment system.

"TARGET Day" means any day on which TARGET is open for the settlement of payments in Euro.

"Taxes" means any and all present or future income, stamp,

sales or other taxes, levies, imposts, duties, deductions, fees, charges or withholdings, and all liabilities with respect thereto collected, withheld or assessed by any Governmental Authority, excluding, (a) in the case of each Lender the Administrative Agent, and any Tax Related Persons, such taxes (including income taxes or franchise taxes) as are imposed on or measured by its net income or capital by the jurisdiction (or any political subdivision thereof) under the laws of which it is organized or maintains a Lending Office or its principal office or performs its functions as Administrative Agent or as are imposed on such Lender or the Administrative Agent or any of their Tax Related Persons (as the case may be) as a result of a present or former connection between the Lender, the Administrative Agent, or such Tax Related Person and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Lender or such Administrative Agent having executed, delivered or performed its obligations or received a payment under, or enforced, the Transaction Documents) and (b) any taxes, levies, imposts, deductions, charges or withholdings imposed by reason of any Lender's or Administrative Agent's failure to (i) register as a Foreign Financial Institution with the Ministry of Finance and (ii) be a resident (or have a principal office which is a resident, if such Lender lends through a branch or agency) for tax purposes of a jurisdiction with which Mexico has in effect a treaty for the avoidance of double taxation (but only in respect of those taxes payable in excess of taxes that would have been payable had such Lender complied with those conditions).

"Tax Related Person" means any Person whose income is realized through, or determined by reference to, the Administrative Agent or a Lender.

"Temporary Investments" means, at any date, all amounts that would, in conformity with Mexican GAAP consistently applied, be set forth opposite the caption "cash and cash equivalent" ("efectivo y equivalentes de efectivo") or "temporary investments" ("inversiones temporales") on a consolidated balance sheet of the Borrower at such date.

"Termination Date" means the date which is the earliest of (a) the date 180 days following the Effective Date, or if extended with the written consent of such Lender, such later date or (b) if no Loans are outstanding, the date the Commitments are terminated in accordance with this Agreement.

"Total Exposure" means at any time, as to any Lender, the amount of its Commitment at such time, or, if the Commitments shall have terminated, it's 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.

"Transaction Documents" means a collective reference to this Credit Agreement, the Notes, any Assignment and Assumption Agreement, the Fee Letter, and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"Value of Debt Currency Derivatives" means, on any given date, the aggregate mark-to-market value of Debt Currency Derivatives, expressed as a positive number (if, on a mark-to-market basis, such aggregate amount reflects a net amount owed to the Borrower and its subsidiaries) or as a negative number (if, on a mark-to-market basis, such aggregate amount reflects a net amount

owed by the Borrower and its subsidiaries).

"Welfare Plan" means a "welfare plan", as such term is defined in Section 3(1) of ERISA.

1.02 Other Definitional Provisions.

(a) The terms "including" and "include" are not limiting and mean "including but not limited to" and "include but are not limited to".

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, paragraph, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms.

(d) In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days, LIBOR Business Days or Euribor Business Days are expressly prescribed.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.03 Accounting Terms and Determinations. All accounting and financing terms not specifically defined herein shall be construed in accordance with Mexican GAAP.

ARTICLE II
THE LOAN FACILITIES

2.01 Loans.

(a) Commitment. During the Commitment Period, subject to the terms and conditions hereof, each Lender, severally and not jointly with any other Lender, agrees to make loans in Dollars and/or in Foreign Currencies (as specified by the Borrower) (the "Loans") to the Borrower from time to time in an aggregate principal Dollar Amount of up to such Lender's Commitment; provided that (i) with regard to the Lenders collectively, the aggregate principal amount of Loans outstanding at any one time shall not exceed the Aggregate Committed Amount, and (ii) with regard to each Lender individually, the aggregate principal Dollar Amount of such Lender's Commitment Percentage of all the Loans shall not exceed the Commitment of such Lender. Loans may consist of Base Rate Loans, LIBOR Loans, Euribor Loans, or a combination thereof, as the Borrower may request, and may be prepaid in accordance with the provisions hereof; provided that (A) Loans denominated in Japanese Yen or Sterling shall consist solely of LIBOR Loans, subject to Section 3.06 and Section 3.08, and (B) Loans denominated in Euro shall consist solely of Euribor Loans, subject to Section 3.06 and Section 3.08.

(b) Loans and Borrowings. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their Commitment Percentage. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(c) Loan Borrowings.

(i) Requests for Borrowings. (A) To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone, not later than 10:00 a.m., New York City time, (1) in the case of a request for a Base Rate Loan denominated in Dollars, on the Business Day prior to the day the Borrower designates therein as the Disbursement Date, and (2) in the case of a request for a LIBOR Loan or Euribor Loan, on the third LIBOR Business Day, or Euribor Business Day, if applicable, prior to the Disbursement Date. Each such telephonic Borrowing request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written notice (the "Notice of Borrowing") in the form attached as Exhibit B approved by the Administrative Agent and signed by a duly authorized representative of the Borrower. Each such telephonic request and written Notice of Borrowing shall specify the following information in compliance with this Section 2.01:

(1) that a Loan is requested;

(2) the requested Disbursement Date, which shall be a Business Day;

(3) the currency and the aggregate principal amount to be borrowed; and

(4) whether the Borrowing shall be composed of Base Rate Loans, LIBOR Loans, Euribor Loans, or a combination thereof, and if LIBOR Loans or Euribor Loans are requested, the Interest Period(s) therefor.

(B) If the Borrower shall fail to specify in any such Notice of Borrowing (i) an applicable Interest Period in the case of a LIBOR Loan or Euribor Loan, then such notice shall be deemed to be a request for an Interest Period of one (1) month, (ii) the type of Loan requested, then such notice shall be deemed to be a request for a LIBOR Loan hereunder, provided, however, that if the notice requests Euro, then such notice shall be deemed to be a request for a Euribor Loan hereunder, or (iii) the currency requested, then such notice shall be deemed to be a request for a Loan in Dollars.

(C) Not later than 1:00 p.m. New York City time on the Business Day on which the Notice of Borrowing is received, the Administrative Agent shall promptly advise each Lender of the details thereof and shall advise each Lender of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(ii) Minimum Amounts. Each Loan shall be in a minimum aggregate principal Dollar Amount of $5,000,000, in the case of LIBOR Loans or Euribor Loans, or $1,000,000 (or the remaining Aggregate Committed Amount, if less), in the case of Base Rate Loans, and integral multiples of $1,000,000 in excess thereof.

(iii) Maximum Borrowings. The Borrower may receive Borrowings pursuant to up to six (6) Notices of Borrowing. For avoidance of doubt, a Notice of Extension/Conversion is not a Notice of Borrowing. Amounts repaid hereunder may not be reborrowed.

(d) Funding of Borrowings. Each Lender shall make each Loan to be made by it hereunder on the Disbursement Date by wire transfer of immediately available funds by 1:00 p.m., New York City time, to the account held by the Administrative Agent for such purpose most

recently designated by it by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting on the same day the amounts so received, in like funds, to the account designated by the Borrower in the applicable Notice of Borrowing (the "Funding Account"). Unless the Administrative Agent shall have received notice from a Lender, prior to the time of any Borrowing, that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may, but shall not be required to, assume that such Lender has made such share available on such date in accordance with Section 2.01(c) and may in its sole discretion, but shall not be required to, in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender either does not make its share of the applicable Borrowing available to the Administrative Agent or delays in doing so past 4:00 p.m., New York City time, on the Disbursement Date (such Lender hereinafter referred to as a "Defaulting Lender"), then the Administrative Agent shall immediately notify the Borrower of such default. If the Administrative Agent has, in its sole discretion, made available to the Borrower an amount corresponding to such Defaulting Lender's share of the Borrowing, then the Defaulting Lender and the Borrower jointly and severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, on each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at:

(i) in the case of the Defaulting Lender, the Federal Funds Rate; or

(ii) in the case of the Borrower, the interest rate applicable to Base Rate Loans.

If, with respect to the immediately preceding sentence, the Borrower pays such amount to the Administrative Agent, then the Defaulting Lender shall indemnify and hold harmless the Borrower from and against such amount, and if such Defaulting Lender pays such amount to the Administrative Agent, then such amount shall constitute such Defaulting Lender's Loan included in such Borrowing. If the Administrative Agent, in its discretion, does not make available to the Borrower an amount corresponding to the Defaulting Lender's share of the Borrowing then (x) the Defaulting Lender shall indemnify and hold harmless the Borrower from and against such amount as well as any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs, and expenses (including reasonable fees and disbursements for counsel including allocated cost of internal counsel) resulting from any failure on the part of the Defaulting Lender to provide, or from any delay in providing, the Administrative Agent with such Defaulting Lender's pro rata share of the Borrowing, but no Lender shall be so liable for any such failure on the part of or caused by any other Lender or the Administrative Agent or the Borrower, and (y) such share of the applicable Borrowing that was not made available shall be disregarded for purposes of calculating the Facility Fee pursuant to Section 3.02 and in the event such share has not been disregarded for such purposes, any amount paid by the Borrower in respect of such share shall be reimbursed to the Borrower by the applicable Defaulting Lender with interest thereon at the Federal Funds Rate for each day from and including the date such share of the Facility Fee was paid by the Borrower to but excluding the date of reimbursement by the Defaulting Lender. The Administrative Agent, upon notice by the Borrower that such reimbursement is due from the applicable Defaulting Lender, shall notify such Defaulting Lender of the amount of the reimbursement due, including interest thereon, and shall forward such amount to the Borrower upon receipt from the Defaulting Lender. The Administrative Agent shall not, however, be liable to the Borrower for any failure by any Defaulting Lender to reimburse the Borrower for any amounts in respect of such Facility Fee.

(e) Extension and Conversion. The Borrower shall have the option, on any Business Day, to extend existing Loans into a subsequent permissible Interest Period or to convert Loans denominated in Dollars into Loans of another interest rate type or to convert Loans in Foreign Currencies into Dollars or to convert Loans in Dollars into Foreign Currencies; provided, however, that (i) except as provided in Section 3.08, LIBOR Loans may be converted into Base Rate Loans only on the last day of the Interest Period applicable thereto unless the Borrower agrees to pay all Funding Losses, (ii) LIBOR Loans may be extended, and Base Rate Loans may be converted into LIBOR Loans, only if the conditions in Section 4.02 have been satisfied, (iii) Loans extended as, or converted into, LIBOR Loans shall be subject to the terms of the definition of "Interest Period" set forth in Section 1.01 and shall be in such minimum amounts as provided in Section 2.01(c)(ii), and (iv) any request for extension or conversion of a LIBOR Loan that shall fail to specify an Interest Period shall be deemed to be a request for an Interest Period of one month. Each such extension or conversion shall be effected by the Borrower by giving a written notice (or telephone notice promptly confirmed in writing) (a "Notice of Extension/Conversion") to the Administrative Agent prior to 10:00 a.m., New York City time, on the LIBOR Business Day of, in the case of the conversion of a LIBOR Loan into a Base Rate Loan, and on the third LIBOR Business Day prior to, in the case of the extension of a LIBOR Loan as, or conversion of a Base Rate Loan into, a LIBOR Loan, the date of the proposed extension or conversion, substantially in the form of Exhibit C hereto, specifying (A) the date of the proposed extension or conversion, (B) the Loans to be so extended or converted, (C) the types of Loans into which such Loans are to be converted, (D) if appropriate, the applicable Interest Periods with respect thereto, and (E) the currency of such Loans. Each Notice of Extension/Conversion shall be irrevocable and shall constitute a representation and warranty by the Borrower of the matters specified in Sections 4.02(a) through (d). So long as there is no Default or Event of Default, in the event the Borrower does not request extension or conversion of any LIBOR Loan in accordance with this Section, or any such conversion or extension is not required by this Section, then such LIBOR Loan shall be continued as a Base Rate Loan at the end of each Interest Period applicable thereto, until the Borrower selects an alternate Interest Period or converts such Loans to LIBOR Loans. It being hereby understood and agreed that such failure by the Borrower to request such extension or conversion resulting in the automatic conversion of a LIBOR Loan into a Base Rate Loan shall also constitute a representation and warranty by the Borrower of the matters specified in Sections 4.02(a) through (d). In the event any LIBOR Loans are not permitted to be converted into another LIBOR Loan hereunder, such LIBOR Loans shall automatically be converted to Base Rate Loans at the end of the applicable Interest Period with respect thereto. The Administrative Agent shall give each Lender notice as promptly as practicable of any such proposed extension or conversion affecting any Loan.

(f) Repayment. The principal amount of all Loans shall be due and payable in full on the Termination Date.

(g) Notes. Each Lender's Commitment Percentage of the Loans shall be evidenced by a duly executed note in favor of such Lender in the form of Exhibit A attached hereto.

(h) Maximum Number of LIBOR Loans. The Borrower will be limited to a maximum number of six (6) LIBOR Loans and Euribor Loans outstanding at any time. For purposes hereof, LIBOR Loans and Euribor Loans with separate or different Interest Periods will be considered as separate LIBOR Loans, or, as applicable, Euribor Loans even if their Interest Periods expire on the same date.

2.02 Interest.

(a) Base Rate Loans. Each Base Rate Loan shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) LIBOR Loans. (i) Each LIBOR Loan (other than LIBOR Loans denominated in Sterling) shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin. (ii) Each LIBOR Loan denominated in Sterling shall bear interest at a rate per annum equal to LIBOR plus the Applicable Margin, plus Mandatory Costs, if any.

(c) Euribor Rate Loans. Each Euribor Loan shall bear interest at a rate per annum equal to Euribor plus the Applicable Margin, plus Mandatory Costs, if any.

(d) Default Interest. Notwithstanding the foregoing, if any principal of, or interest on, any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration, by mandatory prepayment or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided above or (ii) in the case of any other amount, 2% plus the rate applicable to Base Rate Loans as provided in Section 2.02(a).

(e) Payment of Interest. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (ii) in the event of any conversion of any LIBOR Loan prior to the end of the Interest Period therefore, accrued interest on such Loan shall be payable on the effective date of such conversion. Interest with respect to each Loan shall be paid in the currency in which such Loan is denominated.

(f) Computation. All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest computed by reference to the Base Rate at times when the Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day) and (ii) where the interest, is to accrue in respect of any amount denominated in Sterling, interest shall be computed on the basis of a year of 365 days. The applicable Base Rate or LIBOR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

ARTICLE III
TERMINATION AND REDUCTION OF COMMITMENTS; FEES, TAXES, PAYMENT PROVISIONS

3.01 Termination or Reduction of Commitments.

(a) Mandatory Termination. The Commitments shall terminate on the Termination Date.

(b) Voluntary Termination. Upon at least three Business Days' notice to the Administrative Agent and the Joint Bookrunners, the Borrower may terminate the existing Commitments; provided, however, that the existing Commitments may not be terminated so long as (i) any Loan is outstanding or (ii) any interest, fee or expenses remain unpaid.

(c) Any reduction of the Commitments shall reduce the Commitment of each Lender pro rata.

3.02 Fees. The Borrower agrees to pay to the Administrative Agent, on the Effective Date, for the account of the Lenders ratably in accordance with their Commitment Percentage a facility fee (the "Facility Fee") as agreed in the Fee Letter.

3.03 Taxes.

(a) Any and all payments by the Borrower or the Guarantor, as the case may be, to any Lender, the Joint Bookrunners or the Administrative Agent under this Agreement and the other Transaction Documents shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes. In addition, the Borrower shall promptly pay all Other Taxes.

(b) Except as otherwise provided in Section 3.03(c), the Borrower and the Guarantors agree to indemnify and hold harmless each Lender and the Administrative Agent for the full amount of Taxes or Other Taxes (without duplication) excluding in each case United States backup withholding Taxes imposed because of payee underreporting (including any Taxes or Other Taxes (without duplication) imposed by any jurisdiction on amounts payable under this Section 3.03) paid by or assessed against any Lender or the Administrative Agent in respect of any sum payable hereunder and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted, except to the extent that such penalties, interest, additions to tax or expenses are incurred solely as a result of any gross negligence or willful misconduct of such Lender or Administrative Agent, as the case may be. Payment under this indemnification shall be made within 30 days after the date any Lender or the Administrative Agent makes written demand 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 Borrower or the Guarantors, as the case may be, shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section 3.03, but excluding in each case United States backup withholding Taxes imposed because of payee underreporting) such Lender or the Administrative Agent receives an amount equal to the sum it would have received had no such deductions or withholdings been made; provided, that, the Borrower shall not be required to increase any amounts payable to such Lender or the Administrative Agent to the extent such increased amounts would be in excess of the amounts that would have been payable to such Lender or the Administrative Agent had such Lender or Administrative Agent complied with the requirements of Section 3.03(f) or to the extent provided in Section 3.03(g);

(ii) the Borrower or the Guarantors, as the case may be, shall make such deductions and withholdings; and

(iii) the Borrower or the Guarantors, as the case may be, shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law.

(d) Within 30 days after the date of any payment by the

Borrower or the Guarantors, as the case may be, of Taxes or Other Taxes, the Borrower or the Guarantors, as the case may be, shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to the Administrative Agent.

(e) If the Borrower or the Guarantors, as the case may be, is required to pay additional amounts to the Administrative Agent or any Lender pursuant to Section 3.03(c) other than amounts related to the withholding of Mexican tax at the rate applicable to interest payments received by foreign financial institutions registered with the Secretaria de Hacienda y Credito Publico as a Foreign Financial Institution for the purposes of Article 195, Section I of the Mexican Income Tax law, then the Administrative Agent or such Lender shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office, issuing office, or office for receipt of payments by the Borrower and Guarantors hereunder, as the case may be, so as to eliminate or reduce the obligation of the Borrower or the Guarantor, as the case may be, to pay any such additional amounts which may thereafter accrue or to indemnify the Administrative Agent or such Lender in the future, if such change in the reasonable judgment of the Administrative Agent or such Lender is not otherwise disadvantageous to such Lender.

(f) Each Lender and the Administrative Agent shall, from time to time at the request of the Borrower or the Administrative Agent (as the case may be), promptly furnish to the Borrower and the Administrative Agent (as the case may be), such forms, documents or other information (which shall be accurate and complete) as may be reasonably required to establish any available exemption from, or reduction in the amount of, applicable Taxes; provided, however, that none of any Lender or the Administrative Agent shall be obliged to disclose information regarding its tax affairs or computations to the Borrower in connection with this paragraph (f), it being understood that the identity of any Person shall not be considered for these purposes as information regarding its tax affairs or computations. Each of the Borrower and the Administrative Agent shall be entitled to rely on the accuracy of any such forms, documents or other information furnished to it by any Person and shall have no obligation to make any additional payment or indemnify any Person for any Taxes, interest or penalties that would not have became payable by such Person had such documentation been accurate.

(g) In the case of an assignment, transfer, grant of a participation, designation of a new Lending Office or Administrative Agent's Payment Office or appointment of a successor Administrative Agent, the Borrower and Guarantors shall not be required to pay or increase any amounts, pursuant to this Section 3.03 following such event, in excess of the amounts the Borrower and Guarantors were required to pay or increase immediately prior to such an event, except to the extent such event occurs pursuant to Section 3.10 or to the extent of increases in such amounts resulting from a change in applicable law occurring after such event.

(h) If the Administrative Agent or any Lender receives a refund or credit in respect of Taxes or Other Taxes as to which it has been indemnified by the Borrower or a Guarantor, as the case may be, pursuant to Section 3.03(b) and such refund or credit is directly and clearly attributable to this Agreement, it shall notify the Borrower or such Guarantor, as the case may be, of the amount of such refund or credit and shall return to the Borrower or such Guarantor, as the case may be, such refund or the benefit of such credit; provided, however, that (A) the Administrative Agent or such Lender, as the case may be, shall not be obligated to make any effort to obtain such refund or credit or to provide the Borrower or the Guarantors with any information on or justification for the arrangement of its tax affairs or otherwise disclose to the Borrower,

the Guarantors or any other Person any information that it considers to be proprietary or confidential, and (B) the Borrower or such Guarantor, as the case may be, upon the request of the Administrative Agent or such Lender, as the case may be, shall return the amount of such refund or the benefit of such credit to the Administrative Agent or such Lender, as the case may be, if the Administrative Agent or such Lender, as the case may be, is required to repay the amount of such refund or the benefit of such credit to the relevant authorities within six years of the date the Borrower or such Guarantor, as the case may be, is paid such amount by the Administrative Agent or such Lender, as the case may be.

(i) The agreements in this Section 3.03 shall survive the termination of this Credit Agreement and the payment of the Borrower's Obligations.

3.04 General Provisions as to Payments.

(a) All payments to be made by the Borrower or the Guarantors, as the case may be, shall be made without set-off, counterclaim or other defense. Except as otherwise expressly provided herein, all payments by the Borrower shall be made to the Administrative Agent for the account of the Lenders at the Administrative Agent's Payment Office, and shall be made in Dollars and in immediately available funds, no later than 3:30 p.m. (New York City time) on the dates specified herein. The Administrative Agent will promptly distribute to each Lender its Commitment Percentage (or other applicable share as expressly provided herein) of each payment in like funds as received. Any payment received by the Administrative Agent later than 3:30 p.m. (New York City time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(b) Except and to the extent otherwise specifically provided herein, whenever any payment to be made hereunder is due on a day which is not a Business Day, the date for payment thereof shall be extended to the immediately following Business Day and, if interest is stated to be payable in respect thereof, interest shall continue to accrue to such immediately following Business Day.

(c) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, cause to be distributed to each Lender, as the case may be, on such due date an amount equal to the amount then due to such Lender. If and to the extent that the Borrower shall not have made such payment, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender together with accrued interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent, at the Federal Funds Rate; provided, however, that if any amount remains unpaid by any Lender for more than five Business Days after the Administrative Agent has made a demand for such amount, such Lender shall, commencing on the day next following such fifth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 1%, and, provided further, that if any such amount remains unpaid by any Lender for more than ten Business Days, such Lender shall, commencing on the day next following such tenth Business Day, pay interest to the Administrative Agent at a rate per annum equal to the Federal Funds Rate plus 2.00%.

(d) Currency of account

(i) Subject to paragraphs (ii) through (v) below, Dollars are the currency of account and payment for any sum due from parties under any Transaction Document.

(ii) A repayment of an Obligation or a part of an Obligation shall be made in the currency in which that Obligation is denominated on its due date.

(iii) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated when that interest accrued.

(iv) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(v) Any amount expressed to be payable in a currency other than Dollars shall be paid in that other currency.

(e) Change of currency

Unless otherwise prohibited by law or regulation, if more than one currency or currency unit are at the same time recognized by the central bank of any country as the lawful currency of that country, then:

(A) any reference in the Transaction Documents to, and any Obligations arising under the Transaction Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country as agreed by the Administrative Agent and the Borrower; and

(B) any translation from one currency or currency unit to another shall be at the official rate of exchange recognized by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Administrative Agent (acting reasonably).

If a change in any currency of a country occurs, this Agreement will, to the extent the Administrative Agent and the Borrower deem necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency.

3.05 Funding Losses. If the Borrower makes any payment of principal with respect to any LIBOR Loan on any day other than the last day of the Interest Period applicable thereto, or if the Borrower fails to borrow any LIBOR Loans after notice has been given to any Lender in accordance with Section 2.01 or to convert or continue a Loan as a LIBOR Loan after a Notice of Extension/Conversion has been delivered by the Borrower pursuant to Section 2.01(e), or if the Borrower fails to prepay any LIBOR Loans after notice has been given pursuant to Section 2.01, the Borrower shall reimburse each Lender within 15 days after demand for any resulting loss or expense incurred by it, including any loss incurred in obtaining, liquidating or reemploying deposits bearing interest by reference to LIBOR from third parties ("Funding Losses"), provided such Lender shall have delivered to the Borrower a certificate setting forth in reasonable detail the computations for the amount of such loss or expense, which certificate shall be conclusive in the absence of manifest error.

3.06 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Interest Period for any LIBOR Loan:

(a) the Administrative Agent determines that by reason of circumstances affecting the London interbank market, reasonably adequate means do not exist for ascertaining LIBOR applicable to such Interest Period or that deposits in Dollars (in the applicable amounts) are not being offered in the London interbank market for such Interest Period, or

(b) the Required Lenders advise the Administrative Agent that LIBOR as determined by the Administrative Agent will not adequately and fairly reflect the cost to any Lender of making or maintaining its Loan for such Interest Period,

(c) then the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders. In the event of any such determination or advise, until the Administrative Agent shall have notified the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Loan of the affected amount or Interest Period, or a conversion to or continuation of a Loan of the affected amount or Interest Period shall be deemed rescinded and such request shall instead be considered a request for a Base Rate Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error.

3.07 Capital Adequacy.

If any Lender has determined, after the date hereof, that the adoption or the becoming effective of, or any change in, or any change by any Governmental Authority, central bank, or comparable agency charged with the interpretation or administration thereof in the interpretation or administration of, any applicable law, rule, or regulation regarding capital adequacy, or compliance by such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of increasing such Lender's cost of maintaining its Commitment or making or maintaining any Loans or reducing the rate of return on such Lender's capital or assets as a consequence of its commitments or obligations hereunder to a level below that which such Lender could have achieved but for such adoption, effectiveness, change, or compliance (taking into consideration such Lender's policies with respect to capital adequacy), then, upon notice from such Lender to the Borrower, the Borrower shall be obligated to pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received. Each determination by any such Lender of amounts owing under this Section shall, absent manifest error, be conclusive and binding on the parties hereto. The relevant Lender will, upon request, provide a certificate in reasonable detail as to the amount of such increased cost or reduction in amount received and method of calculation.

Upon any Lender's making a claim for compensation under this Section 3.07, (i) such Lender shall use commercially reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office or assign its rights and obligations hereunder to another of its offices, branches or affiliates so as to eliminate or reduce any such additional payment by the Borrower which may thereafter accrue, if such change is not otherwise disadvantageous to such Lender, and (ii) the Borrower may replace such Lender in accordance with Section 3.11.

3.08 Illegality.

(a) Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof occurring after the Effective Date shall make it unlawful for any Lender to make or maintain any Commitment or any Loan as contemplated by this Agreement, then such Lender, together with Lenders giving notice under Section 3.06(c), shall be an "Affected Lender" and by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that such Loans will not thereafter (for the duration of such unlawfulness or impossibility) be made by such Lender hereunder, whereupon, in the case of any request for a LIBOR Loan, as to such Lender, such request shall only be deemed a request for a Base Rate Loan (unless it should also be illegal for the Affected Lender to provide a Base Rate Loan, in which case such Loan shall bear interest at a commensurate rate to be agreed upon by the Administrative Agent and the Affected Lender, and so long as no Event of Default shall have occurred and be continuing, the Borrower), unless such declaration shall be subsequently withdrawn;

(ii) such Lender may require that all outstanding LIBOR Loans, made by it be converted to Base Rate Loans, in which event all such LIBOR Loans shall be automatically converted to Base Rate Loans as of the effective date of such notice as provided in paragraph (b) below; and

(iii) if it is also illegal for the Affected Lender to make Base Rate Loans, such Lender may declare all amounts owed to them by the Borrower to the extent of such illegality to be due and payable; provided, however, the Borrower has the right, with the consent of the Administrative Agent to find an additional Lender to purchase the Affected Lenders' rights and obligations.

In the event any Lender shall exercise its rights under (i) or (ii) above with respect to any Loans, all payments and prepayments of principal that would otherwise have been applied to repay the LIBOR Loans that would have been made by such Lender or the converted LIBOR Loans of such Lender shall instead be applied to repay the Base Rate Loans made by such Lender in lieu of, or resulting from the conversion, of such LIBOR Loans.

(b) For purposes of this Section 3.08, a notice to the Borrower by any Lender shall be effective as to each such Loan, if lawful, on the last day of the Interest Period currently applicable to such Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

3.09 Requirements of Law.

If, after the date hereof, the adoption of or any change in any Requirement of Law or in the interpretation or application thereof applicable to any Lender, or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made subsequent to the Effective Date (or, if later, the date on which such Lender becomes a Lender):

(a) shall impose, modify, or hold applicable any reserve, special deposit, compulsory loan, or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans, or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the LIBOR hereunder; or

(b) shall impose on such Lender any other condition (excluding any tax of any kind whatsoever);

and the result of any of the foregoing is to increase the cost to such Lender, by an amount that such Lender reasonably deems to be material, of making, converting into, continuing, or maintaining LIBOR Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, upon notice delivered to the Borrower from such Lender, through the Administrative Agent, in accordance herewith, the Borrower shall be obligated to promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable; provided that, in any such case, the Borrower may elect to convert the LIBOR Loans made

by such Lender hereunder to Base Rate Loans by giving the Administrative Agent at least one (1) Business Day's notice of such election. If any Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall provide notice thereof to the Borrower, promptly upon occurrence of such event, but in any case within three (3) days from the date of such event, through the Administrative Agent, certifying (x) that one of the events described in this paragraph (a) has occurred and describing in reasonable detail the nature of such event, (y) as to the increased cost or reduced amount resulting from such event and (z) as to the additional amount demanded by such Lender and a reasonably detailed explanation of the calculation thereof. Such a certificate as to any additional amounts payable pursuant to this subsection submitted by such Lender, through the Administrative Agent, to the Borrower shall be conclusive and binding on the parties hereto in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. If any Lender becomes aware of a proposed change in any Requirement of Law that would entitle it to claim any additional amounts pursuant to this Section it shall promptly, upon the Lender becoming aware of such event, provide notice to the Borrower through the Administrative Agent.

3.10 Substitute Lenders. If any Lender has demanded compensation (or if the Borrower is required to increase amounts payable hereunder) pursuant to Sections 3.03, 3.07, 3.08 or to 3.09, and such Lender does not waive its right to future additional compensation pursuant to Section 3.03, 3.07, 3.08 or 3.09, the Borrower shall have the right (i) to replace such Lender with a Substitute Lender or Substitute Lenders that shall succeed to the rights of such Lender under this Agreement upon execution of an Assignment and Assumption Agreement and payment by the Borrower of the related processing fee of U.S.$3,500 to the Administrative Agent; or (ii) to remove such Lender, reduce the Commitments by the amount of the Commitment of such Lender, and adjust the Commitment Percentage of each Lender such that the percentage of each other Lender shall be increased to equal the percentage equivalent of a fraction. The numerator of which is the Commitment of such other Lender and the denominator of which is the Commitments of the Lenders minus the Commitments of the Lender who demanded payment pursuant to Sections 3.03, 3.07, 3.08 or 3.09; provided, however, that such Lender shall not be replaced or removed hereunder until such Lender has been repaid in full all amounts owed to it pursuant to this Agreement and the other Transaction Documents (including Sections 3.07) unless any such amount is being contested by the Borrower in good faith.

3.11 Sharing of Payments, Etc.

(a) If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Obligations owing to it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Commitment Percentage of payments on account of the Obligations obtained by all the Lenders (an "excess payment"), such Lender shall forthwith (i) notify the Administrative Agent of such fact, and (ii) purchase from the other Lenders such participations in such Obligations owing to them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter -------- ------- recovered from the purchasing Lender, such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's Commitment Percentage (according to the proportion of (A) the amount of such paying Lender's required repayment to (B) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of demonstrable error) of participations purchased pursuant to this Section 3.11 and will in each case notify the Lenders following any such purchases.

(b) If any Lender shall commence any action or proceeding in any court to enforce its rights hereunder after consultation with the other Lenders and, as a result thereof or in connection therewith, it shall receive

any excess payment, then such Lender shall not be required to share any portion of such excess payment with any Lender which has the legal right to, but does not, join in any such action or proceeding or commence and diligently prosecute a separate action or proceeding to enforce its rights in another court.

(c) The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 3.11 may exercise all its rights of set-off with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

ARTICLE IV
CONDITIONS PRECEDENT

4.01 Conditions to Effectiveness. The obligations of the Lenders under this Agreement are subject to the satisfaction or waiver of the following conditions precedent (the date on which all such conditions precedent are satisfied or waived being the "Effective Date"):

(a) Agreement. The Administrative Agent shall have received counterparts of this Agreement duly executed by each party hereto.

(b) Opinions of Borrower's and each Guarantor's Counsel. The Administrative Agent shall have received (i) the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, New York counsel to the Borrower and the Guarantors, in substantially the form of Exhibit E, and (ii) the opinion of Lic. Ramiro G. Villareal Morales, Mexican counsel to the Borrower, in substantially the form of Exhibit F.

(c) Opinion of Counsel to the Administrative Agent. The Administrative Agent shall have received (i) a favorable opinion of Ritch, Heather y Mueller, S.C., special Mexican counsel to the Administrative Agent and the Lenders, and (ii) the opinion of Sullivan & Cromwell LLP, New York counsel to the Lenders.

(d) Governmental Approvals. The Administrative Agent shall have received certified copies of any and all necessary approvals, authorizations, or consents of, or notices to, or registrations with any Governmental Authority required for the Borrower and each Guarantor to enter into, or perform its obligations under, the Transaction Documents.

(e) Organizational Documents of the Borrower and the Guarantors. The Administrative Agent shall have received certified copies of (i) the acta constitutiva and estatutos sociales in effect on the Effective Date of the Borrower and each Guarantor, (ii) the powers-of-attorney of each Person executing any Transaction Document on behalf of the Borrower and each Guarantor, together with specimen signatures of such Person and (iii) all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to the authorization for the execution, delivery and performance of each such Transaction Document and the transactions contemplated hereby and thereby. All certificates shall state that the resolutions or other information referred to in such certificates have not been amended, modified, revoked or rescinded as of the date of such certificates (which shall not be earlier than five Business Days before the Effective Date).

(f) Agent for Service of Process. The Administrative Agent shall have received a power of attorney, notarized under Mexican law, granted by the Borrower and each Guarantor to the Process Agent in respect of the Transaction Documents together with evidence that the Process Agent has accepted its appointment as Process Agent pursuant to Section 13.12.

(g) Fees and Expenses. The Borrower shall have paid all fees

and expenses owing to the Lenders, the Joint Bookrunners and the Administrative Agent to the extent of and payable on or before the Effective Date of the Agreement, and all other fees and expenses owing hereunder and under the Fee Letter to the extent due and payable on or before the Effective Date of the Agreement.

(h) No Default. No Default or Event of Default shall have occurred and be continuing either prior to or after giving effect to the transactions contemplated on the Effective Date, and the Borrower and each Guarantor shall have provided a certificate from a Responsible Officer of the Borrower to such effect to the Administrative Agent.

(i) Representations and Warranties. The representations and warranties of the Borrower and of each Guarantor contained in this Agreement and each other Transaction Document shall be true on and as of the Effective Date, and the Borrower and each Guarantor shall have provided a certificate to such effect to the Administrative Agent.

(j) No Material Adverse Effect. No Material Adverse Effect shall have occurred since December 31, 2003 and there shall have occurred no circumstance and/or event of a financial, political or economic nature in Mexico that has a reasonable likelihood of having a material adverse effect on the ability of the Borrower or the Guarantors to perform their obligations under this Agreement and the other Transaction Documents.

(k) Other Documents. The Administrative Agent shall have received such other certificates, powers of attorney and other documents and undertakings relating to the authority for, and the execution, delivery and validity of, the Transaction Documents, as may be reasonably requested by the Administrative Agent or any Lender through the Administrative Agent.

4.02 Conditions Precedent to Borrowings and Continuation or Conversion of the Loans. The obligation of any Lender to make a Loan on the occasion of any Borrowing or to continue or convert any Loan is subject to the satisfaction of the following conditions:

(a) Notes. If requested by a Lender, there shall have been delivered to the Administrative Agent for the account of such Lender, a Note, executed by the Borrower;

(b) Notices. In the case of Borrowings, continuance or conversion of Loans, the Administrative Agent shall have received a Notice of Borrowing or a Notice of Extension/Conversion as required by Section 2.01(c) or 2.01(e), respectively;

(c) Availability. Immediately after such Borrowing or the continuation or conversion of any Loan, the Total Outstandings shall not exceed the Aggregate Committed Amount;

(d) No Default. Immediately before and after giving effect to such Borrowing or the continuation or conversion of any Borrowing, no Default or Event of Default shall have occurred and be continuing and such Borrowing or continuation or conversion of any Loan will not cause or result in a Default or Event of Default; and

(e) Representations and Warranties. The representations and warranties of the Borrower contained in this Agreement and in each other Transaction Document and of each Guarantor contained in this Agreement shall be true and correct in all material respects on and as of the date of any Borrowing or continuation or conversion of any Loan.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE BORROWER

The Borrower represents and warrants that:

5.01 Corporate Existence and Power.

(a) The Borrower is a corporation (sociedad anonima de capital variable) duly incorporated, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of the Borrower has been validly issued and is fully paid and non-assessable.

5.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by the Borrower of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within the Borrower's corporate powers and have been duly authorized by all necessary corporate action pursuant to the estatutos sociales of the Borrower.

(b) This Agreement and the other Transaction Documents to which the Borrower is a party have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principles.

5.03 Compliance with Law and Other Instruments. The execution, delivery of and performance under this Agreement and each of the other Transaction Documents to which the Borrower is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of the Borrower pursuant to, any Contractual Obligation of the Borrower or (b) result in any violation of the estatutos sociales of the Borrower or any provision of any Requirement of Law applicable to the Borrower.

5.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by the Borrower of this Agreement and the other Transaction Documents to which the Borrower is a party or the taking of any action contemplated hereby or by any other Transaction Document.

5.05 Financial Information.

(a) The consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2003, and the related consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the fiscal year then ended, accompanied by an opinion of KPMG Cardenas Dosal, S.C., independent public accountants, copies of which have been furnished to each Lender, fairly present, the consolidated financial condition of the Borrower and its Subsidiaries as at such date and the consolidated results of the operations of the Borrower and its Subsidiaries for the period ended on such date, all in accordance with Mexican GAAP, consistently applied.

(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries as at December 31, 2004 and the related consolidated statements of income, changes in equity and changes in financial position for the fiscal year then ended, copies of which have been furnished to each Lender, were prepared in conformity with Mexican GAAP and fairly present the consolidated financial condition of the Borrower and its Subsidiaries as at December 31, 2004 and the results of operations for the fiscal period ended on such date.

(c) Since December 31, 2003 there has been no development or event which has had or is reasonably likely to have a Material Adverse Effect.

5.06 Litigation. Except as set forth in Schedule 5.06, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (a) would be reasonably likely to have a Material Adverse Effect or (b) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the litigation described in Schedule 5.06.

5.07 No Immunity. The Borrower is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by the Borrower constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither the Borrower nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

5.08 Governmental Regulations. The Borrower is not, and is not controlled by, (a) an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) a "holding company", or of a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

5.09 Direct Obligations; Pari Passu; Liens.

(a) (i) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of the Borrower, and (ii) the Loans, when made, will constitute direct, unconditional unsubordinated and unsecured obligations of the Borrower.

(b) The obligations of the Borrower under this Agreement and the Loans rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of the Borrower.

(c) There are no Liens on the property of the Borrower or any of its Subsidiaries other than Permitted Liens.

5.10 Subsidiaries. All Material Subsidiaries of the Borrower are listed on Schedule 5.10.

5.11 Ownership of Property. (a) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, each of the Borrower and its Subsidiaries has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except Permitted Liens and (b) each Credit Party maintains insurance as required by Section 7.05.

5.12 No Recordation Necessary.

(a) This Agreement and the Notes are in proper legal form under the law of Mexico for the enforcement thereof against the Borrower under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement, unless such stamp or similar taxes have been paid by the Borrower; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

(b) It is not necessary (i) in order for the Administrative Agent or any Lender to enforce any rights or remedies under the Transaction Documents or (ii) solely by reason of the execution, delivery and performance of this Agreement by the Administrative Agent or any Lender, that the Administrative Agent or such Lender be licensed or qualified with any Mexican Governmental Authority or be entitled to carry on business in Mexico.

5.13 Taxes.

(a) Each Obligor has filed all material tax returns which are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any material assessment received by the Borrower, except where the same may be contested in good faith by appropriate proceedings and as to which such Obligor maintains reserves to the extent it is required to do so by law or pursuant to Mexican GAAP. The charges, accruals and reserves on the books of each Obligor in respect of taxes or other governmental charges are, in the opinion of the Borrower, adequate.

(b) Except for tax imposed by way of withholding on interest, fees and commissions remitted from Mexico, there is no tax (other than taxes on, or measured by, income or profits), levy, impost, deduction, charge or withholding imposed, levied, charged, assessed or made by or in Mexico or any political subdivision or taxing authority thereof or therein either (i) on or by virtue of the execution or delivery of this Agreement or any of the other Transaction Documents or (ii) on any payment to be made by the Borrower pursuant to this Agreement or any of the other Transaction Documents. The Borrower and each Guarantor is permitted to pay any additional amounts payable pursuant to Section 3.03.

5.14 Compliance with Laws. The Borrower and its Subsidiaries are in compliance in all material respects with all applicable Requirements of Law (including with respect to the licenses, certificates, permits, franchises, and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, antitrust laws or Environmental Laws and the rules and regulations and laws with respect to social security, workers' housing funds, and pension funds obligations), except where the failure to so comply would not have a Material Adverse Effect.

5.15 Absence of Default. No Default or Event of Default has occurred and is continuing.

5.16 Full Disclosure. All information heretofore furnished by the Borrower to the Administrative Agent, the Joint Bookrunners or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby (other than projections and other "forward-looking" information that have been prepared on a reasonable basis and in good faith by

the Borrower) is, and all such information hereafter furnished by the Borrower to the Administrative Agent, the Joint Bookrunners or any Lender will be, true and accurate in all material respects on the date as of which such information is stated or certified and does not omit to state any material fact necessary in order to make the statements contained herein or therein, taken as a whole, not misleading. The Borrower has disclosed to the Lenders in writing any and all facts which may have a Material Adverse Effect.

5.17 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving the Borrower arising out of or relating to this Agreement in any Mexican court or tribunal, any Lender, the Joint Bookrunners and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 13.10, 13.11 and 13.13.

5.18 Total Outstandings. The Total Outstandings do not exceed the aggregate amount of the Commitments.

5.19 Pension and Welfare Plans. During the consecutive twelve-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Borrowing hereunder, no steps have been taken to terminate any Pension Plan, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a Lien under Section 302(f) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan which would reasonably be expected to result in the incurrence by any Credit Party, any of its Subsidiaries, or any its ERISA Affiliates of any material liability (other than liabilities incurred in the ordinary course of maintaining the Pension Plan), fine or penalty. No Credit Party, nor any of its Subsidiaries, has any contingent liability with respect to any post-retirement benefit under a Welfare Plan which would reasonably be expected to have a Material Adverse Effect, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

5.20 Environmental Matters.

Except as would not have or be reasonably expected to have a Material Adverse Effect:

(a) Each of the properties owned or leased by a Credit Party or any of its Subsidiaries (the "Real Properties") and all operations at the Real Properties are in compliance with all applicable Environmental Laws, and there is no violation of any Environmental Law with respect to the Real Properties or the businesses operated by the Credit Parties or any of their Subsidiaries (the "Businesses"), and there are no conditions relating to the Businesses or Real Properties that would reasonably be expected to give rise to liability under any applicable Environmental Laws.

(b) No Credit Party has received any written notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance or liability regarding Hazardous Materials or compliance with Environmental Laws with regard to any of the Real Properties or the Businesses, nor, to the knowledge of a Credit Party or any of its Subsidiaries, is any such notice being threatened.

(c) Hazardous Materials have not been transported or disposed of from the Real Properties, or generated, treated, stored or disposed of at, on or under any of the Real Properties or any other location, in each case by, or on behalf or with the permission of, a Credit Party or any of its Subsidiaries in a manner that would give rise to liability under any applicable Environmental Laws.

(d) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of a Credit Party or any of its Subsidiaries, threatened, under any Environmental Law to which a

Credit Party or any of its Subsidiaries is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to a Credit Party or any of its Subsidiaries, the Real Properties or the Businesses.

(e) There has been no release (including, without limitation, disposal) or to the Borrower's knowledge, threat of release of Hazardous Materials at or from the Real Properties, or arising from or related to the operations of a Credit Party or any of its Subsidiaries in connection with the Real Properties or otherwise in connection with the Businesses where such release constituted a violation of, or would give rise to liability under, any applicable Environmental Laws.

(f) None of the Real Properties contains any Hazardous Materials at, on or under the Real Properties in amounts or concentrations that, if released, constitute a violation of, or could give rise to liability under, Environmental Laws.

(g) No Credit Party, nor any of its Subsidiaries, has assumed any liability of any Person (other than another Credit Party or one of its Subsidiaries) under any Environmental Law.

(h) This Section 5.20 constitutes the only representations and warranties of the Credit Parties with respect to any Environmental Law or Hazardous Substance.

5.21 Margin Regulations. No part of the proceeds of the Loans hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin stock" within the meaning of Regulation U, or for the purpose of purchasing or carrying or trading in any securities. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U. No indebtedness being reduced or retired out of the proceeds of the Loans hereunder was or will be incurred for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U or any "margin security" within the meaning of Regulation T. "Margin stock" within the meaning of Regulation U does not constitute more than 25% of the value of the consolidated assets of the Borrower and its Subsidiaries. Neither the execution and delivery hereof by the Borrower, nor the performance by it of any of the transactions contemplated by this Agreement (including, without limitation, the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or regulations issued pursuant thereto, or Regulation T, U, or X.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF THE GUARANTORS

Each of the Guarantors separately represents and warrants that:

6.01 Corporate Existence and Power.

(a) Such Guarantor is a corporation (sociedad anonima de capital variable) duly incorporated, validly existing and in good standing under the laws of Mexico and has all requisite corporate power and authority (including all governmental licenses, permits and other approvals except for such licenses, permits and approvals the absence of which will not have a Material Adverse Effect) to own its assets and carry on its business as now conducted and as proposed to be conducted.

(b) All of the outstanding stock of such Guarantor has been

validly issued and is fully paid and non-accessible.

6.02 Power and Authority; Enforceable Obligations.

(a) The execution, delivery and performance by such Guarantor of each Transaction Document to which it is or will be a party, and the consummation of the transactions contemplated hereby and thereby, are within such Guarantor's corporate powers and have been duly authorized by all necessary corporate action pursuant to the estatutos sociales of such Guarantor.

(b) This Agreement and the other Transaction Documents to which such Guarantor is a party have been duly executed and delivered by such Guarantor and constitute legal, valid and binding obligations of such Guarantor enforceable in accordance with their respective terms, except as enforceability may be limited by applicable concurso mercantil, bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally or general equity principals.

6.03 Compliance with Law and Other Instruments. The execution, delivery and performance of this Agreement and any of the other Transaction Documents to which such Guarantor is a party and the consummation of the transactions herein or therein contemplated, and compliance with the terms and provisions hereof and thereof, do not and will not (a) conflict with, or result in a breach or violation of, or constitute a default under, or result in the creation or imposition of any Lien upon the assets of such Guarantor pursuant to, any Contractual Obligation of such Guarantor or (b) result in any violation of the estatutos sociales of such Guarantor or any provision of any Requirement of Law applicable to such Guarantor.

6.04 Consents/Approvals. No order, permission, consent, approval, license, authorization, registration or validation of, or notice to or filing with, or exemption by, any Governmental Authority or third party is required to authorize, or is required in connection with, the execution, delivery and performance by such Guarantor of this Agreement and the other Transaction Documents to which such Guarantor is a party or the taking of any action contemplated hereby or by any other Transaction Document.

6.05 Litigation; Material Adverse Effect. (a) Except as set forth in Schedule 6.05, there is no pending or threatened action, suit, investigation, litigation or proceeding, including any Environmental Action, affecting the Borrower or any of its Subsidiaries before any court, Governmental Authority or arbitrator that (i) would be reasonably likely to have a Material Adverse Effect or (ii) purports to affect the legality, validity or enforceability of any Transaction Document or the consummation of the transactions contemplated thereby, and there has been no adverse change in the status, or financial effect on the Borrower or any of its Subsidiaries, of the litigation described in Schedule 6.05.

(b) Since December 31, 2003 there has been no development or event which has had or is reasonably likely to have a Material Adverse Effect.

6.06 No Immunity. Such Guarantor is subject to civil and commercial law with respect to its obligations under this Agreement and each other Transaction Document to which it is a party and the execution, delivery and performance of this Agreement or any such other Transaction Document by such Guarantor constitute private and commercial acts rather than public or governmental acts. Under the laws of Mexico neither such Guarantor nor any of its property has any immunity from jurisdiction of any court or any legal process (whether through service or notice, attachment prior to judgment or attachment in aid of execution).

6.07 Governmental Regulations. Such Guarantor is not, and is not controlled by, (a) an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended or (b) a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate"

of a "holding company" or of a "subsidiary" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

6.08 Direct Obligations; Pari Passu.

(a) This Agreement constitutes a direct, unconditional unsubordinated and unsecured obligation of such Guarantor.

(b) The obligations of such Guarantor under this Agreement rank and will rank in priority of payment at least pari passu with all other senior unsecured Debt of such Guarantor.

6.09 No Recordation Necessary. This Agreement is in proper legal form under the law of Mexico for the enforcement thereof against such Guarantor under the law of Mexico. To ensure the legality, validity, enforceability or admissibility in evidence of this Agreement and each other Transaction Document in Mexico, it is not necessary that this Agreement or any other Transaction Document be filed or recorded with any Governmental Authority in Mexico or that any stamp or similar tax be paid on or in respect of this Agreement or any other document to be furnished under this Agreement unless such stamp or similar taxes have been paid by the Borrower or the Guarantors; provided, however, that in the event any legal proceedings are brought in the courts of Mexico, an official Spanish translation of the documents required in such proceedings, including this Agreement, would have to be approved by the court after the defendant is given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

6.10 Choice of Law; Submission to Jurisdiction and Waiver of Sovereign Immunity. In any action or proceeding involving such Guarantor arising out of or relating to this Agreement in any Mexican court or tribunal, the Lenders, the Joint Bookrunners and the Administrative Agent would be entitled to the recognition and effectiveness of the choice of law, submission to jurisdiction and waiver of sovereign immunity provisions of Sections 13.10, 13.11 and 13.13.

ARTICLE VII
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid or any Lender has any Commitment hereunder:

7.01 Financial Reports and Other Information. The Borrower will deliver to the Administrative Agent (with a copy for each Lender):

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual audit report for such year for the Borrower and its Subsidiaries containing consolidated and consolidating balance sheets of the Borrower and its Subsidiaries, as of the end of such fiscal year and consolidated statements of income and cash flows of the Borrower and its Subsidiaries, for such fiscal year, in each case accompanied by an opinion acceptable to the Required Lenders by KPMG Cardenas Dosal, S.C. or other independent public accountants of recognized standing acceptable to the Required Lenders, together with (i) a certificate of such accounting firm to the Lenders stating that in the course of the regular audit of the business of the Borrower and its Subsidiaries, which audit was conducted by such accounting firm in accordance with Mexican GAAP, such accounting firm has obtained no knowledge that a Default or Event of Default has occurred and is continuing, or if, in the opinion of such accounting firm a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and (ii) a certificate of a Responsible Officer of the Borrower, stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the

nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; provided that in the event of any change in the Mexican GAAP used in the preparation of such financial statements, -------- the Borrower shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Mexican GAAP consistent with those applied in the preparation of the financial statements referred to in Section 5.05 and provided further that all such documents will be prepared in English; and

(b) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, consolidated balance sheets of the Borrower and its Subsidiaries, as of the end of such quarter and consolidated statements of income and cash flows of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, duly certified (subject to year-end audit adjustments) by any Responsible Officer of the Borrower as having been prepared in accordance with Mexican GAAP and together with a certificate of a Responsible Officer of the Borrower, as to compliance with the terms of this Agreement and stating that no Default or Event of Default has occurred and is continuing or, if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken and proposes to take with respect thereto; provided that in the event of any change in the Mexican GAAP used in the preparation of such financial statements, the Borrower shall also provide, for informational purposes only, a statement of reconciliation conforming such financial statements to Mexican GAAP consistent with those applied in the preparation of the financial statements referred to in Section 5.05 and provided further that all such documents will be prepared in English.

7.02 Notice of Default and Litigation. The Borrower will furnish to the Administrative Agent (and the Administrative Agent will notify each Lender):

(a) as soon as practicable and in any event within five days after the occurrence of each Default or Event of Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default or Event of Default and the action that the Borrower has taken and proposes to take with respect thereto; and

(b) promptly after the commencement thereof, notice of all litigation, actions, investigations and proceedings before any court, Governmental Authority or arbitrator affecting the Borrower or any of its Subsidiaries of the type described in Section 5.06 or the receipt of written notice by the Borrower or any of its subsidiaries of potential liability or responsibility for violation, or alleged violation of any federal, state or local law, rule or regulation (including but not limited to Environmental Laws) the violation of which could reasonably be expected to have a Material Adverse Effect.

7.03 Compliance with Laws and Contractual Obligations, Etc. The Borrower will comply, and cause each of its Subsidiaries to comply, in all material respects, with all applicable Requirements of Law (including with respect to the licenses, approvals, certificates, permits, franchises, notices, registrations and other governmental authorizations necessary to the ownership of its respective properties or to the conduct of its respective business, antitrust laws or Environmental Laws and laws with respect to social security and pension funds obligations) and all material Contractual Obligations, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

7.04 Payment of Obligations. The Borrower will pay and discharge, and cause each of its Subsidiaries to pay and discharge, before the same shall become delinquent, (a) all taxes, assessments and governmental

charges or levies assessed, charged or imposed upon it or upon its property and (b) all lawful claims that, if unpaid, might by law become a Lien upon its property, except where the failure to make such payments or effect such discharges could not reasonably be expected to have a Material Adverse Effect; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors.

7.05 Maintenance of Insurance. The Borrower will maintain, and cause each of its Subsidiaries to maintain, insurance with reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies of established reputation engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

7.06 Conduct of Business and Preservation of Corporate Existence. The Borrower will continue to engage in business of the same general type as now conducted by the Borrower and will preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, rights (charter and statutory), licenses, consents, permits, notices or approvals and franchises deemed material to its business; provided that neither the Borrower nor any of its Subsidiaries shall be required to maintain its corporate existence in connection with a merger or consolidation in compliance with Section 8.03; and provided, further that neither the Borrower nor any of its Subsidiaries shall be required to preserve any right or franchise if the Borrower or any such Subsidiary shall in its good faith judgment, determine that the preservation thereof is no longer in the best interests of the Borrower or such Subsidiary, as the case may be, and that the loss thereof could not reasonably be expected to have a Material Adverse Effect.

7.07 Books and Records. The Borrower will keep, and cause each of its Subsidiaries to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and each such Subsidiary in accordance with Mexican GAAP, consistently applied.

7.08 Maintenance of Properties, Etc. The Borrower will:

(a) maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and

(b) maintain, preserve and protect all intellectual property and all necessary governmental and third party approvals, franchises, licenses and permits, material to the business of the Borrower or its Subsidiaries, provided neither paragraph (a) nor this paragraph (b) shall prevent the Borrower or any of its Subsidiaries from discontinuing the operation and maintenance of any of its properties or allowing to lapse certain approvals, licenses or permits which discontinuance is desirable in the conduct of its business and which discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7.09 Use of Proceeds. The Borrower will use the proceeds of all Loans made hereunder to repay amounts outstanding under the credit agreement of New Sunward Holding B.V. dated September 24, 2004 or the credit agreement of New Sunward Holding B.V. dated October 15, 2003 and to pay fees and expenses related to this Agreement.

7.10 Pari Passu Ranking. The Borrower will ensure that at all times the Obligations of the Borrower and each of the Guarantors under the Transaction Documents constitute unconditional general obligations of such Obligor ranking in priority of payment at least pari passu with all other

senior unsecured, unsubordinated Debt of such Obligor.

7.11 Transactions with Affiliates. The Borrower will conduct, and cause each of its Subsidiaries to conduct, all transactions otherwise permitted under this Agreement with any of its Affiliates on terms that are commercially reasonable and no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's-length transaction with a Person not an Affiliate.

7.12 Maintenance of Governmental Approvals. The Borrower will maintain in full force and effect at all times all approvals of and filings with any Governmental Authority or third Party required under applicable law for the conduct of its business (including, without limitation, antitrust laws or Environmental Laws) and the performance of the Obligors' obligations hereunder and under the other Transaction Documents by the Borrower and/or the Guarantors, as applicable, and for the validity or enforceability hereof and thereof, except where failure to maintain any such approvals or filings could not reasonably be expected to have a Material Adverse Effect.

7.13 Inspection of Property. At any reasonable time during normal business hours and from time to time with at least ten Business Days prior notice, or at any time if a Default or Event of Default shall have occurred and be continuing, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof to examine and make abstracts from the records and books of account of, and visit the properties of, each of the Borrower or the Guarantors, and to discuss the affairs, finances and accounts of the Borrower or such Guarantor with any of its officers or directors and with its independent certified public accountants. All expenses associated with such inspection shall be borne by the inspecting Lenders; provided that if a Default or an Event of Default shall have occurred and be continuing, any expenses associated with such inspection shall be borne jointly and severally by the Borrower and the Guarantors.

ARTICLE VIII
NEGATIVE COVENANTS

The Borrower covenants and agrees that for so long as any Obligation under this Agreement or any other Transaction Document remains unpaid or any Lender has any Commitment hereunder:

8.01 Financial Conditions.

(a) The Borrower shall not permit the Consolidated Leverage Ratio at any time to exceed 3.5 to 1.

(b) The Borrower shall not permit the Consolidated Fixed Charge Coverage Ratio for any period of four consecutive fiscal quarters to be less than 2.5 to 1.

(c) Concurrently with the delivery by the Borrower of any financial statements pursuant to Section 7.01, the Borrower shall deliver to the Administrative Agent (with a copy to each Lender) a certificate from a Responsible Officer containing all information and calculations necessary for determining compliance by the Borrower with Sections 8.01 (a) and (b) above.

8.02 Liens. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of the Borrower or any Subsidiary, whether now owned or held or hereafter acquired, other than the following Liens ("Permitted Liens"):

(a) Liens for taxes, assessments and other governmental charges the payment of which is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which 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 8.02 hereto; (f) any Lien on property acquired by the Borrower after the date hereof that was existing on the date of acquisition of such property; provided that such Lien was not incurred in anticipation of such acquisition, and any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price, of property acquired by the Borrower or any of its Subsidiaries after the date hereof; provided, further, that (A) any such Lien permitted pursuant to this clause (f) shall be confined solely to the item or items of property so acquired (including, in the case of any Acquisition of a corporation through the acquisition of 51% or more of the voting stock of such corporation, the stock and assets of any Acquired Subsidiary or Acquiring Subsidiary) and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to, or is acquired for specific use with, such acquired property; and (B) if applicable, any such Lien shall be created within nine months after, in the case of property, its acquisition, or, in the case of improvements, their completion;

(g) any Lien renewing, extending or refunding any Lien permitted by clause (f) above; provided that the principal amount of Debt secured by such Lien immediately prior thereto is not increased or the maturity thereof reduced and such Lien is not extended to other property;

(h) any Liens created on shares of capital stock of the Borrower or any of its Subsidiaries solely as a result of the deposit or transfer of such shares into a trust or a special purpose vehicle (including any entity with legal personality) of which such shares constitute the sole assets; provided that (A) any shares of Subsidiary stock held in such trust, corporation or entity could be sold by the Borrower; and (B) proceeds from the deposit or transfer of such shares into such trust, corporation or entity and from any transfer of or distributions in respect of the Borrower's or any Subsidiary's interest in such trust, corporation or entity are applied as provided under Section 8.04; and provided, further that such Liens may not secure Debt of the Borrower or any Subsidiary (unless permitted under another clause of this Section 8.02);

(i) any Liens on securities securing repurchase obligations in respect of such securities;

(j) any Liens in respect of any Receivables Program Assets which are or may be sold or transferred pursuant to a Qualified Receivables Transaction; and

(k) in addition to the Liens permitted by the foregoing

clauses (a) through (j), Liens securing Debt of the Borrower and its Subsidiaries (taken as a whole) not in excess of 5% of the Adjusted Consolidated Net Tangible Assets of the Borrower and its Subsidiaries;

unless, in each case, the Borrower has made or caused to be made effective provision whereby the Obligations hereunder are secured equally and ratably with, or prior to, the Debt secured by such Liens (other than Permitted Liens) for so long as such Debt is so secured.

8.03 Consolidations and Mergers. The Borrower 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 Borrower 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 Borrower 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 Borrower shall be Mexico, the United States, Canada, France, Belgium, Germany, Italy, Luxembourg, the Netherlands, Portugal, Spain, Switzerland or the United Kingdom, or any political subdivision thereof, (ii) in the case of a Successor to the Borrower, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the Obligations of the Borrower pursuant to this Agreement and the performance of every covenant on part of the Borrower to be performed and observed and (iii) in the case of a Successor to any Guarantor, shall expressly assume, pursuant to a written agreement in form and substance satisfactory to the Required Lenders, the performance of every covenant of this Agreement on part of such Guarantor to be performed and observed;

(b) in the case of any such transaction involving the Borrower or any Guarantor, the Borrower or such Guarantor, or the Successor of any thereof, as the case may be, shall expressly agree to indemnify each Lender and the Administrative Agent against any tax, levy, assessment or governmental charge payable by withholding or deduction thereafter imposed on such Lender and/or the Administrative Agent solely as a consequence of such transaction with respect to payments under the Transaction Documents;

(c) immediately after giving effect to such transaction, including for purposes of this clause (c) the substitution of any Successor to the Borrower for the Borrower or the substitution of any Successor to a Subsidiary for such Subsidiary and treating any Debt or Lien incurred by the Borrower or any Successor to the Borrower, or by a Subsidiary of the Borrower 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; and

(d) the Borrower shall have delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a written agreement is required in connection with such transaction, such written agreement comply with the relevant provisions of this Article VIII and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with.

8.04 Sales of Assets, Etc. The Borrower will not, and will not permit any of its Material Subsidiaries to, sell, lease or otherwise dispose of any of its assets (including the capital stock of any Subsidiary), other than (a) inventory, trade receivables and assets surplus to the needs of the business of the Borrower or any Subsidiary sold in the ordinary course of business and (b) assets not used, usable or held for use in connection with cement operations and related operations, unless the proceeds of the sale of such assets are retained by the Borrower or such Subsidiary, as the case may be, and, as promptly as practicable after such sale (but in any event within 180 days of such sale), the proceeds are applied to (i) expenditures for property, plant and equipment usable in the cement industry or related industries; (ii) the repayment of senior Debt of the Borrower or any of its Subsidiaries, whether secured or unsecured; or (iii) investments in companies engaged in the cement industry or related industries.

8.05 Change in Nature of Business. The Borrower shall not make, or permit any of its Material Subsidiaries to make, any material change in the nature of its business as carried on at the date hereof.

8.06 Margin Regulations. The Borrower shall not use any part of the proceeds of the Loans for any purpose which would result in any violation (whether by the Borrower, the Administrative Agent or the Lenders) of Regulation T, U or X of the Federal Reserve Board or to extend credit to others for any such purpose. The Borrower shall not engage in, or maintain as one of its important activities, the business of extending credit for the purpose of purchasing or carrying any margin stock (as defined in such regulations).

ARTICLE IX
OBLIGATIONS OF GUARANTORS

9.01 The Guaranty. Each of the Guarantors jointly and severally hereby unconditionally and irrevocably guarantee (as a primary obligor and not merely as surety) payment in full as provided herein of all Obligations payable by the Borrower to each Lender, the Administrative Agent and the Joint Bookrunners under this Agreement and the other Transaction Documents and the Fee Letter, as and when such amounts become payable (whether at stated maturity, by acceleration or otherwise).

9.02 Nature of Liability. The obligations of the Guarantors hereunder are guarantees of payment and shall remain in full force and effect until all Obligations of the Borrower have been validly, finally and irrevocably paid in full, and shall not be affected in any way by the absence of any action to obtain such amounts from the Borrower or by any variation, extension, waiver, compromise or release of any or all Obligations from time to time therefor. Each Guarantor waives all requirements as to promptness, diligence, presentment, demand for payment, protest and notice of any kind with respect to this Agreement and the other Transaction Documents.

9.03 Unconditional Obligations. Notwithstanding any contrary principles under the laws of any jurisdiction other than the State of New York, the obligations of each of the Guarantors hereunder shall be unconditional, irrevocable and absolute and, without limiting the generality of the foregoing, shall not be impaired, terminated, released, discharged or otherwise affected by the following:

(a) the existence of any claim, set-off or other right which either of the Guarantors may have at any time against the Borrower, the Administrative Agent, any Lenders or any other Person, whether in connection with this transaction or with any unrelated transaction;

(b) any invalidity or unenforceability of this Agreement or any other Transaction Document relating to or against the Borrower or either of the Guarantors for any reason;

(c) any provision of applicable law or regulation purporting to prohibit the payment by the Borrower of any amount payable by the

Borrower under this Agreement or any of the other Transaction Documents or the payment, observance, fulfillment or performance of any other Obligations;

(d) any change in the name, purposes, business, capital stock (including the ownership thereof) or constitution of the Borrower;

(e) any amendment, waiver or modification of any Transaction Document in accordance with the terms hereof and thereof; or

(f) any other act or omission to act or delay of any kind by the Borrower, the Administrative Agent, the Lenders or any other Person or any other circumstance whatsoever which might otherwise constitute a legal or equitable discharge of or defense to either of the Guarantors' obligations hereunder.

9.04 Independent Obligation. The obligations of each of the Guarantors hereunder are independent of the Borrower's obligations under the Transaction Documents and of any guaranty or security that may be obtained for the Obligations. The Administrative Agent and the Lenders may neglect or forbear to enforce payment hereunder, under any Transaction Document or under any guaranty or security, without in any way affecting or impairing the liability of each Guarantor hereunder. The Administrative Agent or the Lenders shall not be obligated to exhaust recourse or take any other action against the Borrower or under any agreement to purchase or security which the Administrative Agent or the Lenders may hold before being entitled to payment from the Guarantors of the obligations hereunder or proceed against or have resort to any balance of any deposit account or credit on the books of the Administrative Agent or the Lenders in favor of the Borrower or each of the Guarantors. Without limiting the generality of the foregoing, the Administrative Agent or the Lenders shall have the right to bring suit directly against either of the Guarantors, either prior or subsequent to or concurrently with any lawsuit against, or without bringing suit against, the Borrower and/or the other Guarantor.

9.05 Waiver of Notices. Each of the Guarantors hereby waives notice of acceptance of this ARTICLE IX and notice of any liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonor or nonpayment of any such liability, suit or the taking of other action by the Administrative Agent or the Lenders against, and any other notice, to the Guarantors.

9.06 Waiver of Defenses. To the extent permitted by New York law and notwithstanding any contrary principles under the laws of any other jurisdiction, each of the Guarantors hereby waives any and all defenses to which it may be entitled, whether at common law, in equity or by statute which limits the liability of, or exonerates, guarantors or which may conflict with the terms of this ARTICLE IX, including failure of consideration, breach of warranty, statute of frauds, merger or consolidation of the Borrower, statute of limitations, accord and satisfaction and usury. Without limiting the generality of the foregoing, each of the Guarantors consents that, without notice to such Guarantor and without the necessity for any additional endorsement or consent by such Guarantor, and without impairing or affecting in any way the liability of such Guarantor hereunder, the Administrative Agent and the Lenders may at any time and from time to time, upon or without any terms or conditions and in whole or in part, (a) change the manner, place or terms of payment of, and/or change or extend the time or payment of, renew or alter, any of the Obligations, any security therefor, or any liability incurred directly or indirectly in respect thereof, and this ARTICLE IX shall apply to the Obligations as so changed, extended, renewed or altered; (b) exercise or refrain from exercising any right against the Borrower or others (including the Guarantors) or otherwise act or refrain from acting, (c) settle or compromise any of the Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any such liability (whether due or not) of the Borrower to creditors of the Borrower other than the Administrative Agent and the Lenders

and the Guarantors, (d) apply any sums by whomsoever paid or howsoever realized, other than payments of the Guarantors of the Obligations, to any liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein, to the Administrative Agent and the Lenders regardless of which of such liability or liabilities of the Borrower under the Transaction Documents or any instruments or agreements referred to herein or therein remain unpaid; (e) consent to or waive any breach of, or any act, omission or default under the Obligations or any of the instruments or agreements referred to in this Agreement and the other Transaction Documents, or otherwise amend, modify or supplement the Obligations or any of such instruments or agreements, including the Transaction Documents; and/or (f) request or accept other support of the Obligations or take and hold any security for the payment of the Obligations or the obligations of the Guarantors under this ARTICLE IX, or allow the release, impairment, surrender, exchange, substitution, compromise, settlement, rescission or subordination thereof. Furthermore, each of the Guarantors hereby waives to the extent permitted by law any right to which it may be entitled to under Articles 2830, 2836, 2842, 2845, 2846, 2848 and 2849 of the Mexican Federal Civil Code and related Articles contained in the Civil Codes of the States in Mexico. The Guarantors further expressly waive the benefits of order, excusion y division contained in Articles 2814, 2815, 2817, 2818, 2820, 2821, 2822, 2823, 2837, 2838, 2840, 2841 and other related Articles of the Mexican Federal Civil Code and related Articles contained in other Civil Codes of the States of Mexico. The Guarantors hereby represent that the terms of each such provision of each such civil code as known of form and substance to each such Guarantor.

9.07 Bankruptcy and Related Matters.

(a) So long as any of the Obligations remain outstanding, each of the Guarantors shall not, without the prior written consent of the Administrative Agent (acting with the consent of the Required Lenders), commence or join with any other Person in commencing any bankruptcy, liquidation, reorganization, concurso mercantil or insolvency proceedings of, or against, the Borrower.

(b) If acceleration of the time for payment of any amount payable by the Borrower under this Agreement or the Notes is stayed upon the insolvency, bankruptcy, reorganization, concurso mercantil or any similar event of the Borrower or otherwise, all such amounts otherwise subject to acceleration under the terms of this Agreement shall nonetheless be payable by the Guarantors hereunder forthwith on demand by the Administrative Agent made at the request of the Lenders.

(c) The obligations of each of the Guarantors under this ARTICLE IX shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding or action, voluntary or involuntary, involving the bankruptcy, insolvency, concurso mercantil, receivership, reorganization, marshalling of assets, assignment for the benefit of creditors, readjustment, liquidation or arrangement of the Borrower or similar proceedings or actions or by any defense which the Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding or action. Without limiting the generality of the foregoing, the Guarantors' liability shall extend to all amounts and obligations that constitute the Obligations and would be owed by the Borrower but for the fact that they are unenforceable or not allowable due to the existence of any such proceeding or action.

(d) Each of the Guarantors acknowledges and agrees that any interest on any portion of the Obligations which accrues after the commencement of any proceeding or action referred to above in Section 9.07(c) (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding or action, such interest as would have accrued on such portion of the Obligations if said proceedings or actions had not

been commenced) shall be included in the Obligations, it being the intention of the Guarantors, the Administrative Agent, and the Lenders that the Obligations which are to be guaranteed by the Guarantors pursuant to this ARTICLE IX shall be determined without regard to any rule of law or order which may relieve the Borrower of any portion of such Obligations. The Guarantors will take no action to prevent any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person from paying the Administrative Agent, or allowing the claim of the Administrative Agent, for the benefit of the Administrative Agent, and the Lenders, in respect of any such interest accruing after the date of which such proceeding is commenced, except to the extent any such interest shall already have been paid by the Guarantors.

(e) Notwithstanding anything to the contrary contained herein, if all or any portion of the Obligations are paid by or on behalf of the Borrower, the obligations of the Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered, directly or indirectly, from the Administrative Agent and/or the Lenders as a preference, preferential transfer, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Obligations for all purposes under this ARTICLE IX, to the extent permitted by applicable law.

9.08 No Subrogation. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or application of funds of any of the Guarantors by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations shall have been indefeasibly paid in full in cash. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been indefeasibly paid in full in cash, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

9.09 Right of Contribution. Subject to Section 9.08, each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder who has not paid its proportionate share of such payment. The provisions of this Section 9.09 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent, the Joint Bookrunners and the Lenders, and each Guarantor shall remain liable to the Administrative Agent, the Joint Bookrunners and the Lenders for the full amount guaranteed by such Guarantor hereunder.

9.10 General Limitation on Guaranty. In any action or proceeding involving any applicable corporate law, or any applicable bankruptcy, insolvency, reorganization, concurso mercantil or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Section 9.10 would otherwise, taking into account the provisions of Section 9.09, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 9.01, then, notwithstanding any other provision hereof to the contrary, the amount of such

liability shall, without any further action by such Guarantor, any Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

9.11 Covenants of the Guarantors. Each Guarantor hereby covenants and agrees that, so long as any Obligations under this Agreement and any other Transaction Document remains unpaid or any Lender has any Commitment hereunder, it shall comply with the covenants contained or incorporated by reference in this Agreement to the extent applicable to it as a Subsidiary of the Borrower.

ARTICLE X
EVENTS OF DEFAULT

10.01 Events of Default. The following specified events shall constitute "Events of Default" for the purposes of this Agreement:

(a) Payment Defaults. The Borrower shall (i) fail to pay any principal of any Loan when due in accordance with the terms hereof or (ii) fail to pay any interest on any Loan, any fee or any other amount payable under this Agreement or any Note within three Business Days after the same becomes due and payable; or

(b) Representation and Warranties. Any representation or warranty made by the Borrower herein or in any other Transaction Document 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 Borrower or such Guarantor, as the case may be, becomes aware of such incorrectness or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent; or

(c) Specific Defaults. The Borrower or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in Section 7.01, 7.02(a), 7.06 (with respect to the Borrower's and each Guarantor's existence only), 7.10 or 7.14 or ARTICLE VIII; or

(d) Other Defaults. The Borrower or a Guarantor, as applicable, shall fail to perform or observe any term, covenant or agreement contained in this Agreement 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 Borrower becomes aware of such failure or (ii) written notice thereof shall have been given to the Borrower by the Administrative Agent at the request of any Lender; or

(e) Defaults under Other Agreements. The occurrence of a default or event of default under any indenture, agreement or instrument relating to any Material Debt of the Borrower or any of its Subsidiaries, and (unless any principal amount of such Material Debt is otherwise due and payable) such default or event of default results in the acceleration of the maturity of any principal amount of such Material Debt prior to the date on which it would otherwise become due and payable; or

(f) Voluntary Bankruptcy. The Borrower or any Material Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization, concurso mercantil or other relief with respect to itself or its debts under any bankruptcy, insolvency, reorganization or other similar law now or hereafter in

effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing or the equivalent thereof under Mexican law (including the Ley de Concursos Mercantiles); or

(g) Involuntary Bankruptcy. An involuntary case or other proceeding shall be commenced against the Borrower or any Material Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency, concurso mercantil or other similar law now or hereafter in effect (including but not limited to the Ley de Concursos Mercantiles) or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 consecutive days; or an order for relief shall be entered against the Borrower or any Material Subsidiaries under any bankruptcy, insolvency suspension de pagos or other similar law as now or hereafter in effect; or

(h) Monetary Judgment. A final judgment or judgments or order or orders not subject to further appeal for the payment of money in an aggregate amount in excess of U.S.$50,000,000 shall be rendered against the Borrower and/or any of its one or more Subsidiaries of the Borrower that are neither discharged nor bonded in full within 30 days thereafter; or

(i) Pari Passu. The Obligations of the Borrower under this Agreement or of any Guarantor under this Agreement shall fail to rank at least pari passu with all other senior unsecured Debt of the Borrower or such Guarantor, as the case may be; or

(j) Validity of Agreement. The Borrower shall contest the validity or enforceability of any Transaction Document or shall deny generally the liability of the Borrower under any Transaction Documents or either Guarantor shall contest the validity of or the enforceability of their guarantee hereunder or any obligation of either Guarantor under ARTICLE IX hereof shall not be (or is claimed by either Guarantor not to be) in full force and effect;

(k) Governmental Authority. Any governmental or other consent, license, approval, permit or authorization which is now or may in the future be necessary or appropriate under any applicable Requirement of Law for the execution, delivery, or performance by the Borrower or either Guarantor of any Transaction Document to which it is a party or to make such Transaction Document legal, valid, enforceable and admissible in evidence shall not be obtained or shall be withdrawn, revoked or modified or shall cease to be in full force and effect or shall be modified in any manner that would have an adverse effect on the rights or remedies of the Administrative Agent or the Lenders; or

(l) Expropriation, Etc. Any Governmental Authority shall condemn, nationalize, seize or otherwise expropriate all or any substantial portion of the property of, or capital stock issued or owned by, the Borrower or either Guarantor or take any action that would prevent the Borrower or either Guarantor from performing its obligations under the Transaction Documents; or

(m) Moratorium; Availability of Foreign Exchange. A moratorium shall be agreed or declared in respect of any Debt of the Borrower or either Guarantor or any restriction or requirement not in effect on the date hereof shall be imposed, whether by legislative

enactment, decree, regulation, order or otherwise, which limits the availability or the transfer of foreign exchange by the Borrower or either Guarantor for the purpose of performing any material obligation under 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 Lenders determine in good faith is reasonably likely to have a material adverse effect on the ability of the Borrower or either Guarantor to perform its obligations under this Agreement or any of the other Transaction Documents; or

(o) Change of Ownership or Control. The beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended) of 20% or more in voting power of the outstanding voting stock of the Borrower or either Guarantor is acquired by any Person; provided that the acquisition of beneficial ownership of capital stock of the Borrower or either Guarantor by Lorenzo H. Zambrano or any member of his immediate family shall not constitute an Event of Default.

10.02 Remedies. If any Event of Default has occurred and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Lenders:

declare by notice to the Borrower the principal amount of all outstanding Loans to be forthwith due and payable, whereupon such principal amount, together with accrued interest thereon and any fees and all other Obligations accrued hereunder, shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived; provided, however, that in the case of any Event of Default specified in Section 10.01(f) or (g), without notice or any other act by the Lenders, the Loans (together with accrued interest thereon) and all other Obligations of the Borrower hereunder shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower;

10.03 Notice of Default. The Administrative Agent shall give notice to the Borrower of any event occurring under Section 10.01(a), (b), (c) or (d) promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

10.04 Default Interest. In the event of default by the Borrower in the payment on the due date of any sum due under this Agreement, the Borrower shall pay interest on demand on such sum from the date of such default to the day of actual receipt of such sum by the Administrative Agent (as well after as before judgment) at the rate specified in Section 2.02(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 Borrower is in default.

ARTICLE XI
THE ADMINISTRATIVE AGENT

11.01 Appointment and Authorization. Each Lender hereby irrevocably designates and appoints Barclays Bank PLC as the Administrative Agent of such Lender under this Agreement, and each Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Transaction Document and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement or any other Transaction

Document, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Transaction Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Transaction Document or otherwise exist against the Administrative Agent.

11.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Transaction Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

11.03 Liability of Administrative Agent. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action taken or omitted to be taken by it or any such Person under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby (except for its or such Person's own gross negligence or willful misconduct), or (b) responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Borrower, the Guarantors or any officer thereof contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Transaction Document, or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document, or for any failure of the Borrower, the Guarantors or any other party to any Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower or the Guarantors.

11.04 Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or teletype message, statement, order or other document or telephone conversation believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Transaction Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of failing to take, taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Transaction Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter sent

by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction on or before the Effective Date.

11.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default (except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders) unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement and describing such Default or Event of Default and stating that such notice is a "Notice of Default". The Administrative Agent shall promptly notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by the Lenders; provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

11.06 Credit Decision. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact has made any representation or warranty to it, and that no act by the Administrative Agent hereafter taken, including any review of the affairs of the Borrower, the Guarantors, or any of their Affiliates, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender acknowledges to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Guarantors, and their Affiliates and all applicable Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or the Guarantors which may come into the possession of the Administrative Agent or any of its Affiliates, officers, directors, employees, agents or attorneys-in-fact.

11.07 Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders agree to indemnify upon demand the Administrative Agent and its Affiliates, directors, officers, agents and employees (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to the respective amounts of their Commitment Percentages in effect on the date the cause for indemnification arose, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including at any time following the payment of the Obligations or the Termination Date) be imposed on, incurred by or asserted against the Administrative Agent (or any of its Affiliates, directors, officers, agents and employees) in any way relating to or arising out of this Agreement or any other Transaction Document, or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for the payment of any portion of such claims, liabilities, obligations, losses, damages, penalties,

actions, judgments, suits, costs, expenses or disbursements to the extent it results from the gross negligence or willful misconduct of the Administrative Agent or its Affiliates, directors, officers, agents or employees. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any reasonable and documented costs or out-of-pocket expenses (including legal fees) incurred by the Administrative Agent in connection with the preparation, execution, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Transaction Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower.

11.08 Administrative Agent in Individual Capacity. Barclays Bank PLC may make loans to, issue letters of credit for the account of, accept deposits from and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower, the Guarantors or any of their Affiliates as though Barclays Bank PLC were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Barclays Bank PLC or its Affiliates may receive information regarding the Borrower, the Guarantors and their Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrower or the Guarantors) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to the Obligations, Barclays Bank PLC shall have the same rights and powers under this Agreement as any other Lender, and the terms "Lender" and "Lenders" include Barclays Bank PLC in its individual capacity.

11.09 Successor Administrative Agent. The Administrative Agent may, and at the request of the Required Lenders shall, resign as Administrative Agent upon 30 days' notice to the Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which appointment shall be subject to the approval of the Borrower, such approval not to be unreasonably withheld (unless a Default or Event of Default shall have occurred and be continuing, in which case such approval shall not be required). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon its appointment, and the retiring Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act on the part of such retiring Administrative Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this ARTICLE XI and Sections 13.04 and 13.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor Administrative Agent has accepted the appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and either the Borrower or the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized or licensed under the laws of the United States or of any State thereof and having a combined capital and surplus of at least U.S.$400,000,000.

ARTICLE XII
THE JOINT BOOKRUNNERS

12.01 The Joint Bookrunners. The Borrower hereby confirms the designation of Barclays Capital, the Investment Banking Division of Barclays Bank PLC, and Citigroup Global Markets Inc., as arrangers and Joint

Bookrunners for this term credit facility. The Joint Bookrunners assume no responsibility or obligation hereunder for servicing, enforcement or collection of the Obligations, or any duties as agent for the Lenders. The title "Joint Bookrunner" or "Book-runner" implies no fiduciary responsibility on the part of the Joint Bookrunners to the Administrative Agent, or the Lenders and the use of either such title does not impose on the Joint Bookrunners any duties or obligations under this Agreement except as may be expressly set forth herein.

12.02 Liability of Joint Bookrunners. Neither the Joint Bookrunners nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by them or any such Person under or in connection with this Agreement or any other Transaction Document (except for such Joint Bookrunner's own gross negligence or willful misconduct), or (b) responsible in any manner to any Lender for any recital, statement, representation or warranty made by the Borrower or any officer thereof, contained in this Agreement or in any other Transaction Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Arrangers under or in connection with, this Agreement or any other Transaction Document or for the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Transaction Document or for any failure of the Borrower or any other party to any other Transaction Document to perform its obligations hereunder or thereunder. Except as otherwise expressly stated herein, the Joint Bookrunners shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Transaction Document, or to inspect the properties, books or records of the Borrower.

12.03 Joint Bookrunners in their respective Individual Capacities. Each of Barclays Capital, the Investment Banking Division of Barclays Bank PLC and its Affiliates, and Citigroup Global Markets Inc. and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower or any of its Affiliates as though they were not the Joint Bookrunners hereunder.

12.04 Credit Decision. Each Lender expressly acknowledges that neither the Joint Bookrunners nor any of their respective Affiliates, officers, directors, employees, agents or attorneys-in-fact have made any representation or warranty to it, and that no act by the Joint Bookrunners hereafter taken, including any review of the affairs of the Borrower or the Guarantors, shall be deemed to constitute any representation or warranty by the Joint Bookrunners to any Lender. Each Lender acknowledges to the Joint Bookrunners that it has, independently and without reliance upon the Joint Bookrunners, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors and their Affiliates and made its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Joint Bookrunners, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Transaction Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower or the Guarantors. The Joint Bookrunners shall not have any duty or responsibility to provide any Lender with any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of the Joint Bookrunners or any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

ARTICLE XIII
MISCELLANEOUS

13.01 Notices.

(a) Except as otherwise expressly provided herein, all notices, requests, demands or other communications to or upon any party hereunder shall be in writing (including facsimile transmission) and shall be sent by an overnight courier service, transmitted by facsimile or delivered by hand to such party: (i) in the case of the Borrower, the Guarantors, the Joint Bookrunners or the Administrative Agent, at its address or facsimile number set forth on 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 Borrower, the Joint Bookrunners and the Administrative Agent.

(b) Unless otherwise expressly provided for herein, each such notice, request, demand or other communication shall be effective (i) if sent by overnight courier service or delivered by hand, upon delivery, (ii) if given by facsimile, when transmitted to the facsimile number specified pursuant to paragraph (a) above and confirmation of receipt of a legible copy thereof is received, or (iii) if given by any other means, when delivered at the address specified pursuant to paragraph (a) above; provided, however, that notices to the Administrative Agent under ARTICLE II, III, IV or XI shall not be effective until received.

13.02 Amendments and Waivers. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the Borrower or any Guarantor from the terms of this Agreement, shall in any event be effective unless the same shall be in writing, consented to by the Borrower or the applicable Guarantors, as the case may be, and acknowledged by the Administrative Agent (which shall be a purely ministerial action), and signed or consented to by the Required Lenders, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall:

(a) (i) except as specifically provided herein, increase or decrease the Commitment of any Lender;

(ii) extend the maturity of any of the Obligations, extend the time of payment of interest thereon, or extend the Termination Date;

(iii) forgive any Obligation, reduce the principal amount of the Obligations, reduce the rate of interest thereon, reduce the amount or change the method of calculation of any Fee hereunder, or change the provisions of Section 3.04(a);

in each case without the consent of the Borrower and each Lender directly affected thereby;

(b) (i) amend, modify or waive any provision of this Section 13.02;

(ii) change the percentage specified in the definition of Required Lenders or the number of Lenders which shall be required for the Lenders or any of them to take any action under this Agreement; or

(iii) amend, modify or waive any provision of Section 4.01; or

(iv) amend, modify or waive any provision of Section 13.06;

in each case without the consent of the Borrower and all the Lenders;

(c) amend, modify or waive any provision of ARTICLE XI without the written consent of the Administrative Agent; and

(d) amend, modify or waive any provision of ARTICLE XII without the consent of the Joint Bookrunners.

13.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under any other Transaction Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

13.04 Payment of Expenses, Etc. The Borrower agrees to pay on demand

(a) all reasonable and docume nted out-of-pocket costs and expenses (including reasonable leg al fees and disbursements of special Mexican and New York counsel to t he Administrative Agent), syndication (including printing, distribution and bank meetings), travel, telephone and duplication expenses and other reasonable and documented costs and out of- pocket expenses in connection with the arrangement, documentation, negotiation and closing of the Transactions Documents, subject to the maximum amount set forth in a letter agreement between the Borrower and the Joint Bookrunners;

(b) all reasonable and documented out-of-pocket costs and expenses incurred by the Administrative Agent in connection with any amendment to, waiver of, or consent to any Transaction Document or the transactions contemplated hereby, including the reasonable fees and reasonable and documented out-of-pocket expenses of counsel for the Administrative Agent 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 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, such Lender and the allocated costs of in-house counsel thereof.

13.05 Indemnification. The Borrower agrees to indemnify and hold harmless the Joint Bookrunners, the Administrative Agent and each Lender and each of their Affiliates and their officers, directors, employees, agents and advisors (each, an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel and the allocated cost of in-house counsel), but excluding taxes that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (a) the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Loans or (b) or any Environmental Action relating in any way to the Borrower or any of its Subsidiaries, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 13.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, its directors, shareholders or creditors or an Indemnified Party or any other Person or any Indemnified Party

is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. The Borrower also agrees not to assert any claim against the Joint Bookrunners, the Administrative Agent, any Lender, any of their Affiliates, or any of their respective directors, officers, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Transaction Documents, any of the transactions contemplated herein or the actual or proposed use of the proceeds of the Transaction Documents. Neither the Joint Bookrunner, the Administrative Agent, nor any Lender shall be deemed to have any fiduciary relationship with the Borrower or the Guarantor.

13.06 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon the Borrower, the Guarantors, their successors and assigns and shall inure to the benefit of the Joint Bookrunners, the Administrative Agent and the Lenders and their respective successors and assigns, except that the Borrower and the Guarantors may not assign or otherwise transfer any of their rights or obligations under this Agreement without the prior written consent of all Lenders except pursuant to the terms of this Agreement.

(b) Any Lender may at any time, and any Lender, if demanded by the Borrower pursuant to Section 2.01(d) or Section 3.09 upon at least five Business Days' notice to such Lender and the Administrative Agent, shall, assign to one or more commercial banks either (i) registered as a Foreign Financial Institution and a resident (or having its principal office as a resident, if lending through a branch or agency) for tax purposes in a jurisdiction that is a party to an income tax treaty to avoid double taxation with Mexico on the date of such assignment, qualified to receive the benefits of said treaty or (ii) organized and existing under the laws of Mexico on the date of such assignment (each an "Assignee") all, or a proportionate part of all, of its Commitment and its rights and obligations under this Agreement and the Notes, and such Assignee shall assume such rights and obligations, pursuant to an Assignment and Assumption Agreement executed by such Assignee and such transferor Lender, with (and subject to) the subscribed consent of the Borrower and the Administrative Agent (which consents shall not be unreasonably withheld or delayed, and if a Default or Event of Default has occurred and is continuing, the consent of the Borrower shall not be required); provided, however, that if an Assignee is an Affiliate of such transferor Lender, which Affiliate is registered as a Foreign Financial Institution and meets the tax residence and qualification requirements of clause (ii) above and, at the time of such assignment, the additional amounts payable with respect to Taxes to such Assignee will not exceed such amounts payable to the transferor Lender, no such consent shall be required; and provided further that, in the case of an assignment of only part of such rights and obligations, the Assignee shall acquire a Total Exposure of not less than U.S.$3,000,000 and integral multiples of U.S.$1,000,000 in excess thereof. Upon execution and delivery of an Assignment and Assumption Agreement and payment by the Assignee to the transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Assignee, such Assignee shall be a Lender party to this Agreement and shall have all the rights and obligations of a Lender with a Commitment as set forth in such instrument of assumption (in addition to any Commitment previously held by it), and the transferor Lender shall be released from its obligations hereunder to a corresponding extent (except to the extent the same arose prior to the assignment), and no further consent or action by any party shall be required. Upon the consummation of any assignment pursuant to this paragraph (b), the transferor Lender, the Administrative Agent and the Borrower shall make appropriate arrangements so that a new Note is issued to the Assignee at the expense of the Assignee. In connection with any such assignment (other than a transfer by a Lender to one of its Affiliates), the transferor Lender (or in the case of Section 3.09, the Borrower),

without prejudice to any claims the Borrower may have against any Defaulting Lender, shall pay to the Administrative Agent an administrative fee for processing such assignment in the amount of U.S.$2,000.

(c) Nothing herein shall prohibit any Lender from pledging or assigning any Note to any Federal Reserve Bank of the United States in accordance with applicable law and without compliance with the foregoing provisions of this Section 13.06; provided, however, that such pledge or assignment shall not release such Lender from its obligations hereunder.

(d) Any Lender may, without any consent of the Borrower, the Administrative Agent or any other third party at any time grant to one or more banks or other institutions (i) registered as a Foreign Financial Institution and (ii) resident (or having its principal office as a resident, if lending through a branch or agency) for tax purposes in a jurisdiction that is a party to an income tax treaty to avoid double taxation with Mexico on the date of such assignment and qualified to receive the benefits of said treaty and having (at the time such Lender or financial institution becomes a Participant) a withholding tax rate under such treaty applicable to payments hereunder no higher than that applicable to payments to such Lender (each a "Participant") participating interests in its Commitment or any or all of its Loans. In the event of any such grant by a Lender of a participating interest to a Participant, whether or not upon notice to the Borrower and the Administrative Agent, such Lender shall remain responsible for the performance of its obligations hereunder, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrower hereunder, including the right to approve any amendment, modification or waiver of any provision of this Agreement; provided, however, that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement extending the maturity of any Obligation in respect of which the participation was granted, or reducing the rate or extending the time for payment of interest thereon or reducing the principal thereof, or reducing the amount or basis of calculation of any fees to accrue in respect of the participation, without the consent of the Participant. The Borrower agrees that each Participant shall, to the extent provided in its participation agreement, be entitled to the benefits of Sections 3.06 and 3.09 with respect to its participating interest as if it were a Lender named herein; provided, however, that the Borrower shall not be required to pay any greater amounts pursuant to such Sections than it would have been required to pay but for the sale to such Participant of such Participant's participation interest. An assignment or other transfer which is not permitted by paragraph (b) or (c) above shall be given effect for purposes of this Agreement only to the extent of a participating interest granted in accordance with this paragraph (d).

(e) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 13.06, disclose to the Assignee or Participant or proposed Assignee or Participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; provided that, prior to any such disclosure, the Assignee or Participant or proposed Assignee or Participant shall agree to preserve the confidentiality of any Confidential Information relating to the Borrower received by it from such Lender.

13.07 Right of Set-off. In addition to any rights and remedies of the Lenders provided by law, each such Lender shall have the right, without prior notice to the Borrower or the Guarantors, any such notice

being expressly waived by the Borrower and the Guarantors to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower or the Guarantors hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, or any branch or agency thereof to or for the credit or the account of the Borrower or the Guarantors. Each Lender agrees promptly to notify the Borrower, or such Guarantor, as the case may be, and the Administrative Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.08 Confidentiality. Neither the Administrative Agent nor any Lender shall disclose any Confidential Information to any other Person without the prior written consent of the Borrower, other than (a) to the Administrative Agent's, or such Lender's Affiliates and their officers, directors, employees, agents and advisors and, as contemplated by Section 13.06(e), to actual or prospective Assignees and Participants, and then only on a confidential basis, (b) as required by any law, rule or regulation (including as may be required in connection with an audit by the Administrative Agent's, or such Lender's independent auditors, and as may be required by any self-regulating organizations) or as may be required by or necessary in connection with any judicial process and (c) as requested by any state, federal or foreign authority or examiner regulating banks or banking.

13.09 Use of English Language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement shall be in the English language (other than the documents required to be provided pursuant to Section 4.01(e)(iii), Section 7.01 and Section 7.02 which shall be in the English language or in the Spanish language accompanied by an English translation or summary). Except in the case of the laws of, or official communications of, Mexico, the English language version of any such document shall control the meaning of the matters set forth therein.

13.10 GOVERNING LAW. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

13.11 Submission to Jurisdiction

(a) Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court located in the Borough of Manhattan in New York City and any appellate court thereof for purposes of any suit, legal action or proceeding arising out of or relating to this Agreement, any other Transaction Document or the transactions contemplated hereby, and each of the parties hereto hereby irrevocably agrees that all claims in respect of such suit, action or proceeding may be heard and determined in such federal or New York State court and, with respect to the Borrower and the Guarantors, as well as in the competent court of their own corporate domicile.

(b) Each of the parties hereto hereby irrevocably waives, to the fullest extent it may effectively do so, any objection that it may now or hereafter have to the laying of venue of any such suit, action or proceeding in any such federal or New York State court and irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding.

(c) Each of the parties hereto irrevocably waives the right to object, with respect to such claim, suit, action or proceeding brought in any such court, that such court does not have jurisdiction over it.

(d) Each of the parties hereto agrees, to the fullest extent it may effectively do so under applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in paragraph (a) above brought in any such court shall be conclusive and binding upon such party and may be enforced in other jurisdictions by suit on the judgment or in any manner provided by law.

(e) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR THE ACTIONS OF ANY ARRANGER, THE ADMINISTRATIVE AGENT OR ANY LENDER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT THEREOF.

13.12 Appointment of Agent for Service of Process.

(a) The Borrower and each Guarantor hereby irrevocably appoints CT Corporation System, with an office on the date hereof at 111 Eighth Avenue, 13th Floor, New York, New York 10011, as its agent (the "Process Agent") to receive on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding brought in any New York State or federal court sitting in New York City. Such service may be made by delivering a copy of such process to the Borrower or any Guarantor, as the case may be, in care of the Process Agent at its address specified above, and the Borrower and each Guarantor, as the case may be, hereby authorizes and directs the Process Agent to accept such service on its behalf. The appointment of the Process Agent shall be irrevocable until the appointment of a successor Process Agent. The Borrower and each Guarantor, further agrees to promptly appoint a successor Process Agent in New York City prior to the termination for any reason of the appointment of the initial Process Agent.

(b) Nothing in Section 13.11 or in this Section 13.12 shall affect the right of any party hereto to serve process in any manner permitted by law or limit any right that any party hereto may have to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

13.13 Waiver of Sovereign Immunity. To the extent that the Borrower or a Guarantor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, or otherwise) with respect to itself or its property, the Borrower or the Guarantor, as the case may be, hereby irrevocably waives such immunity in respect of its obligations hereunder to the extent permitted by applicable law. Without limiting the generality of the foregoing, the Borrower and each Guarantor agrees that the waivers set forth in this Section 13.13 shall have force and effect to the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 of the United States and are intended to be irrevocable for purposes of such Act.

13.14 Judgment Currency.

(a) All payments made under this Agreement and the other Transaction Documents shall be made in Dollars unless specified otherwise herein. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower in one currency ("Currency X") into another currency ("Currency Y"), the parties hereto agree to the fullest extent that they may legally and effectively do so that the rate of exchange used shall be that at which in accordance with normal banking procedures (based on quotations from four major dealers in the relevant market) the Administrative Agent or each Lender, as the case may be, could purchase Currency X with Currency Y at or about 11:00 a.m. (New York City time) on the Business Day preceding that on which final judgment

is given.

(b) The Obligations in respect of any sum due to any Lender or the Administrative Agent hereunder or under any other Transaction Document shall, to the extent permitted by applicable law notwithstanding any judgment expressed in a currency other than the applicable Currency X, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent of any sum adjudged to be so due in Currency Y such Lender or the Administrative Agent may in accordance with normal banking procedures purchase Currency X with Currency Y. If the amount of Currency X so purchased is less than the sum originally due to such Lender or the Administrative Agent, the Borrower and each of the Guarantors agree, to the fullest extent it may legally do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent against such resulting loss.

13.15 Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

13.16 USA PATRIOT Act. The Lenders, to the extent that they are subject to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), hereby notify the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lenders to identify the Borrower in accordance with the Act.

13.17 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent permitted by law.

13.18 Survival of Agreements and Representations.

(a) All representations and warranties made herein or in any other Transaction Document shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(b) The covenants and agreements contained in Sections 3.04, 3.06, 3.08, 3.09, 13.04, 13.05, 13.08, 13.09, 13.11 and 13.12, and the obligations of the Lenders under Section 11.07, shall survive the termination of the Commitments 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.

N.A., NASSAU, BAHAMAS BRANCH, AS A LENDER, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT LEAD ARRANGER AND JOINT BOOKRUNNER AND CITIGROUP GLOBAL MARKETS INC., AS DOCUMENTATION AGENT, JOINT LEAD ARRANGER AND JOINT BOOKRUNNER.

CEMEX, S.A. DE C.V.,
as Borrower

By /s/ Humberto Lozano

Name: Humberto Lozano
Title:

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF APRIL 5, 2005, AMONG CEMEX, S.A. DE C.V., AS BORROWER, CEMEX MEXICO, S.A. DE C.V. AND EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTORS, BARCLAYS BANK PLC, AS ADMINISTRATIVE AGENT AND AS A LENDER, CITIBANK, N.A., AS A LENDER, CITIBANK, N.A., NASSAU, BAHAMAS BRANCH, AS A LENDER, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT LEAD ARRANGER AND JOINT BOOKRUNNER AND CITIGROUP GLOBAL MARKETS INC., AS DOCUMENTATION AGENT, JOINT LEAD ARRANGER AND JOINT BOOKRUNNER.

CEMEX MEXICO, S.A. DE C.V.,
as Guarantor

By /s/ Humberto Lozano

Name: Humberto Lozano
Title: Attorney-in-Fact

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EMPRESAS TOTLECA DE MEXICO,
S.A. DE C.V.,
as Guarantor

By /s/ Humberto Lozano

Name: Humberto Lozano
Title: Attorney-in-Fact

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BARCLAYS BANK PLC,

as Administrative Agent

By /s/ Vidal H. Ramirez

Name: Vidal H. Ramirez
Title: Director

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BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANC PLC, as Joint Lead Arranger and Joint Bookrunner

By /s/ Vidal H. Ramirez

Name: Vidal H. Ramirez
Title: Director

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CITIGROUP GLOBAL MARKETS INC., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner

By /s/ Carlos Corona

Name: Carlos Corona
Title: Director

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BARCLAYS BANK PLC, as a Lender

By /s/ Vidal H. Ramirez

Name: Vidal H. Ramirez

Title: Director

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CITIBANK, N.A,
as a Lender

By /s/ Carlos Corona

Name: Carlos Corona
Title: Vice President

THIS PAGE IS A SIGNATURE PAGE TO THE CREDIT AGREEMENT, DATED AS OF APRIL 5, 2005, AMONG CEMEX, S.A. DE C.V., AS BORROWER, CEMEX MEXICO, S.A. DE C.V. AND EMPRESAS TOLTECA DE MEXICO, S.A. DE C.V., AS GUARANTORS, BARCLAYS BANK PLC, AS ADMINISTRATIVE AGENT AND AS A LENDER, CITIBANK, N.A., AS A LENDER, CITIBANK, N.A., NASSAU, BAHAMAS BRANCH, AS A LENDER, BARCLAYS CAPITAL, THE INVESTMENT BANKING DIVISION OF BARCLAYS BANK PLC, AS JOINT LEAD ARRANGER AND JOINT BOOKRUNNER AND CITIGROUP GLOBAL MARKETS INC., AS DOCUMENTATION AGENT, JOINT LEAD ARRANGER AND JOINT BOOKRUNNER.

CITIBANK, N.A, NASSAU, BAHAMAS BRANCH,
as a Lender

By /s/ Leslie Munroe

Name: Leslie Munroe
Title: Attorney-in-Fact

Mandatory Cost Formula

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. For the purposes of this Exhibit G:

"Additional Cost Rate" has the meaning provided in paragraph 3 below;

"Eligible Liabilities" has the meaning provided from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

"Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

"Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any

applicable discount rate);

"Special Deposits" has the meaning given to it from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England; and

"Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

3. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Administrative Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

4. The Additional Cost Rate for any Lender lending from a Lending Office in a Participating Member State will be the percentage notified by that Lender to the Administrative Agent. This percentage will be certified by that Lender in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Lending Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Lending Office.

5. The Additional Cost Rate for any Lender lending from a Lending Office in the United Kingdom will be calculated by the Administrative Agent as follows:

in relation to a Loan denominated in Sterling:

[GRAPHIC OMITTED] percent per annum

in relation to a Loan in any currency other than Sterling:

[GRAPHIC OMITTED] percent per annum.

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Section 2.10 (Default Interest)) payable for the relevant Interest Period on the Loan.

C is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.

D is the percentage rate per annum payable by the Bank of England to the Administrative Agent on interest bearing Special Deposits.

E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in pounds per (pound)1,000,000.

6. In application of the above formula, A, B, C and D will be

included in the formula as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per Sterling 1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Administrative Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

the jurisdiction of its Lending Office; and

any other information that the Administrative Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Administrative Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Administrative Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Administrative Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical Lender from its jurisdiction of incorporation with a Lending Office in the same jurisdiction as its Lending Office.

10. The Administrative Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Administrative Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Administrative Agent pursuant to this Exhibit G in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Administrative Agent may from time to time, after consultation with the Borrower and the Lenders, determine and notify to all parties to the Agreement any amendments which are required to be made to this Exhibit G in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to the Agreement.

SCHEDULE 1.01(a)

Commitment

Lender	Commitment Amount (in USD)	Commitment Percentage
Barclays Bank PLC	$650,000,000	65%
Citibank, N.A.	$250,000,000	25%
Citibank, N.A. Nassau, Bahamas Branch	$100,000,000	10%

SCHEDULE 1.01(b)

Lending Offices

Lender	Lending Offices
Barclays Bank PLC	200 Park Avenue New York, New York 10166 Attention: Nicholas A. Bell Telephone: 212-412-4029 Fax: 212-412-7600 Email: Nicholas.Bell@barclayscapital.com
Citibank, N.A.	2 Penns Way Suite 110 New Castle, DE 19720 Attention: Paul Joseph F: 212-994-0849 P: 302-894-6016 Email: paul.o.joseph@citigroup.com
Citibank, N.A. Nassau, Bahamas Branch	Thompson Boulevard At Oaks Field P.O. Box N-1576 Nassau, Bahamas Attention: Maria Antonieta Zertuche / Jesus Cantu Telephone: (81) 1226-8526 / 8505 Fax: (81) 1226-8560 Email: mzertucheiz@banamex.com / jcantu@banamex.com

Schedule 5.06

Litigation

A description of material regulatory and legal matters affecting CEMEX and its Subsidiaries is provided below.

U.S. Anti-Dumping Sunset Reviews

Under the U.S. anti-dumping and countervailing duty laws, the Commerce Department and the International Trade Commission 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. In January of 2005, a NAFTA Panel was formed to review the ITC's sunset review determination. The NAFTA Panel has scheduled oral argument for April 7, 2005.

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. On December 14, 2004 the Court of Appeals for the federal Circuit upheld the CIT's decision affirming the DOC's termination of the Suspension Agreement. Thus, all litigation involving the Venezuelan suspension agreement has been completed and imports of cement from Venezuela are free of all anti-dumping restrictions.

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, 2004, 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.$103.6 million, including accrued interest, for the difference between the amount of anti-dumping duties paid on imports and the latest findings by the Commerce Department in its administrative reviews.

The Commerce Department has published its final dumping determinations for the first, second third, fourth, fifth and seventh review periods. The Commerce Department's final results of its final determinations for the sixth, eighth, ninth, tenth, eleventh, twelfth and thirteenth review

periods have also been published, but have been suspended pending review by NAFTA panels.

On October 20, 2003, the NAFTA Extraordinary Challenge Committee upheld the NAFTA Panel reviewing the final results of the fifth administrative review, covering the period August 1, 1994 - July 1 1995. The NAFTA Panel upheld the Commerce Department's remand results which lowered the anti-dumping duty margin for imports during the fifth review period to 44.9% ad valorem. The Custom's 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 anti-dumping margin for imports made during the seventh review period to 37.3% ad valorem The Customs Service has begun liquidating all entries of cement from Mexico made during the seventh review period.

On September 16, 2003, the Commerce Department issued its final determination covering the twelfth review period commencing on August 1, 2001 and ending on July 31, 2002. The Commerce Department determined that the anti-dumping margin was 80.75% 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 remained in effect until the final results of the thirteenth review period were published.

The latest final determination by the Commerce Department covering thirteenth review period commencing on August 1, 2002 and ending on July 31, 2003, was issued on December 29, 2004. The Commerce Department determined that the anti-dumping margin was 57.97% ad valorem. The final results for the thirteenth review period establish the cash deposit rate for imports of gray Portland cement and cement clinker from Mexico made on or after December 29, 2004. The cash deposit rate was established at $52.41 per metric ton, which will remain in effect until the final results of the fourteenth review period are published.

The status of each period still under review or appeal is as follows:

Period	Cash Deposits	Status
8/1/95-7/31/96	61.85% (effective 5/5/1997)	37.49% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/97-7/31/98	73.69%, 35.88% and 37.49% (effective 5/4/1998)	45.98% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/98-7/31/99	37.49%, 49.58% (effective 3/17/1999)	38.65% determined by the Commerce Department upon review. Liquidation suspended pending NAFTA panel review.
8/1/99-7/31/00	49.58%, 45.98% (effective 3/16/2000)	50.98% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/00-7/31/01	49.58%, 38.65% (effective 5/14/2001)	73.74% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/01-7/31/02	38.65%, 50.98% (effective 3/19/2002)	80.75% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/02 - 7/31/03	50.98%, 73.74% (effective 1/14/2003)	54.97% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA Panel.
8/1/03 - 7/31/04	73.74%, U.S.$52.41 per metric ton (effective 10/15/2003)	Subject to review by the Commerce Department.
8/1/04 - to date	U.S.$52.41 per metric ton, U.S.$32.85 per metric ton (effective 12/29/2004)	Subject to review by the Commerce Department.

U.S. Anti-Dumping Rulings--Venezuela

On May 21, 1991, U.S. producers of gray cement and clinker filed petitions with the Commerce Department and the International Trade Commission, or 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, which, on December 14, 2004, upheld the CIT's decision affirming the DOC's termination of the Suspension Agreement. Thus, all litigation involving the Venezuelan suspension agreement has been completed and imports of cement from Venezuela are free of all anti-dumping restrictions.

Anti-Dumping in Taiwan

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

In 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 anti-dumping duties in Taiwan, the ITCMOEA 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. The decision of the MOF was confirmed and has become final.

Tax Matters

As of December 31, 2004, 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 Ps3,638.6 million. The tax assessments are based primarily on: (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 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.

As of December 31, 2004, the Philippine Bureau of Internal Revenue, or BIR, assessed APO Cement Corp. for a deficiency in the amount of income tax paid in the tax years 1998 through 2001 amounting to PhP959.58 million (U.S.$16.92 million as of December 31, 2004, based on an exchange rate of PhP56.702 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on December 31, 2004 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The assessment disallows APO's income tax holiday related income. We have contested BIR's findings with the Court of Tax Appeal, or CTA. In the same manner, Solid also questioned before the CTA the tax assessment for taxable year 1997 amounting to PhP 132.02 million (U.S.$2.33 million) at an exchange rate of PhP 56.702 to US$1.00. We also brought to the CTA the APO 1997 tax assessment amounting to PhP 84.31 million (U.S.$1.49 million). 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. As of December 31, 2004, the cases are still with the CTA and BIR, and APO and Solid have already presented their respective witnesses and documentary evidence.

The BIR also finalized its tax assessments for Solid's 1999 tax year amounting to PhP849.59 million (U.S.$14.98 million) as of December 31, 2003, based on an exchange rate of PhP56.702 to U.S.$1.0. The BIR also finalized its tax assessments for Solid's 2000 tax year amount to PhP1,670.37 million (U.S.$29.46 million) as of December 31, 2004 at an exchange rate of PhP56.702

to U.S.$1.0. 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 amounting to PhP359.02 million (U.S.$6.33 million) and APO's 1997-1998 tax years amounting to PhP196.42 million (U.S.$3.46 million) 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 continue to support documentary evidence to reduce the amount.

Other Legal Proceedings

In May 1999, several companies filed a civil liability suit in the civil court of the circuit of Ibague, Colombia, against two of our Colombian subsidiaries, alleging that these subsidiaries were responsible for deterioration in the rice production capacity of land of the plaintiffs, caused by pollution emanating from our cement plants located in Ibague, Colombia. On January 13, 2004, we were notified of a judgment entered against us under which we were ordered to pay to the plaintiffs an amount equal to CoP21,114 million (U.S.$9.09 million as of February 28, 2005, based on an exchange rate of CoP2,323.77 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on February 28, 2005 as published by the Banco de la Republica de Colombia, the central bank of Colombia). We filed an appeal on January 15, 2004, and the case was sent to the Superior Court of Ibague for review. Typically, proceedings of this nature continue for several years before final resolution.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for 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.$54.76 million as of February 28, 2005, based on an exchange rate of CoP2,323.77 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on February 28, 2005 as published by the Banco de la Republica de Colombia, the central bank of Colombia). This proceeding has 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.$ 28.3 million. The environmental matters relate to (i) the disposal of various materials in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, in regard to the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters in excess of the amounts previously recorded. Until all environmental studies, investigations, remediation work, and negotiations with or litigation against potential sources of recovery have been completed, the ultimate cost that might be incurred to resolve these environmental issues cannot be assured.

In December 2002, an ex-maritime broker for Puerto Rican Cement Company, Inc. 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 Cemex Asia Holdings Ltd. or 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 Government of Indonesia (the "GOI") 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. On May 2004, an Arbitral Tribunal was established to hear the dispute. The GOI has objected to the Tribunal's jurisdiction over the claims asserted in CAH's request for arbitration, and a hearing to resolve these jurisdictional objections is expected to take place in July 2005. We cannot predict what effect, if any, this action will have on our investment in Gresik or how the Arbitral Tribunal will rule on the GOI's jurisdictional objections or the merits of the dispute. We cannot predict what effect, if any, the arbitration will have on our investment in Gresik or what the ruling of the Arbitral Tribunal will be.

During 2004, four "public interest lawsuits, which include CEMEX Colombia as a codefendant, were filed. The first and last of these lawsuits was filed on April 14, 2004 and December 16, 2004, respectively. All Plaintiffs argue that the use of a base material which the ready mix industry offers resulted in premature distress of the roads built for the mass public transportation system of Bogota known as Transmilenio. In connection with CEMEX Colombia and other materials suppliers, the lawsuits allege that the base material they supplied failed to fulfill technical standards offered by the producers thereof (quality deficiencies) and/or that they provided insufficient or inaccurate information in connection with the product. The four lawsuits seek road repairs in a manner which guarantees its service during the period for which it was originally designed (20 years); however, the lawsuits do not estimate the alleged damages (cost of repairs). CEMEX Colombia has timely contested each of the lawsuits and will continue to vigorously defend its interests. One of the lawsuits has been dismissed based on arguments presented to the court by CEMEX Colombia; all others are in the initial stage of the proceedings. At this early stage it is not possible to estimate the alleged damages nor the portion thereof which could be assessed to CEMEX Colombia, but we believe that it is unlikely to have a material adverse effect on our results of operations. Typically, proceedings of this nature continue for several years before final resolution.

An administrative case is pending with the Philippine Department of Trade and Industry ("DTI") against Solid Cement Corporation ("Solid") for alleged violation of consumer product and quality safety standards. In August 12, 2004, and prior to the trial of the main case, the Philippine Department of Trade and Industry ("DTI") issued a Preliminary Order (hereinafter referred to as the "CDO") enjoining Solid from selling, distributing, delivering and disposing of Island Cement or any brand manufactured by the Solid Cement plant in Antipolo, Rizal, in bulk and in bags, to customers, dealers, and distributors, including but not limited to, batching plants and hardware outlets/stores. It must be emphasized that said CDO is preliminary in nature and was issued by the DTI without a finding of any violation on the part of Solid. Solid has contested the propriety of the issuance of the CDO. Subsequently, the DTI ordered the conduct of a factory/product audit of Solid's plant in Antipolo, Rizal. Several samples of Island Cement were taken by the DTI Audit Group and were sent to a third party laboratory for testing. Soon after the complete results of the tests came out which confirmed the fact that Island Cement indeed complies with the standards set by the DTI, the DTI lifted the CDO. The main case is still pending trial with the Office of Legal Affairs of the DTI, with the prosecution presenting its evidence-in-chief. Notably, despite the allegations hurled against Solid regarding the quality of its Island Cement, no judicial action has yet been filed against Solid to date.

In the ordinary course of 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.

Schedule 5.10

Subsidiaries

Name	Jurisdiction of Incorporation
Cemex Mexico, S.A. de C.V.	Mexico
Empresas Tolteca de Mexico, S.A. de C.V.	Mexico
Cemex Concretos, S.A. de C.V.	Mexico
Sunward Acquisitions N.V.	Netherlands
Cemex Trademarks Worldwide	Switzerland
Cemex Espana, S.A.	Spain
Cemex Corp.	Delaware
Cemex, Inc.	Louisiana
Cemex Construction Materials, L.P.	Texas
Cemex Colombia, S.A.	Colombia

Schedule 6.05

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Mexican importers' deposits are being liquidated in stages, as appeals are exhausted for each annual review period. When the final anti-dumping rate for any review period causes the amount due to exceed the amount that was deposited, the Mexican importers are required to pay the difference with interest. When the final anti-dumping rate for any review period is lower than the amount that was deposited, the U.S. Customs Service refunds the difference, with interest, to the Mexican importers.

As of December 31, 2004, CEMEX Corp., as the parent company to our U.S. subsidiaries that import Mexican cement into the United States, had accrued liabilities of U.S.$103.6 million, including accrued interest, for the difference between the amount of anti-dumping duties paid on imports and the latest findings by the Commerce Department in its administrative reviews.

The Commerce Department has published its final dumping determinations for the first, second, third, fourth, fifth and seventh review periods. The Commerce Department's final results of its final determinations for the sixth, eighth, ninth, tenth, eleventh, twelfth and thirteenth review periods have also been published, but have been suspended pending review by NAFTA panels.

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The latest final determination by the Commerce Department covering thirteenth review period, commencing on August 1, 2002 and ending on July 31, 2003, was issued on December 29, 2004. The Commerce Department determined that the anti-dumping margin was 57.97% ad valorem. The final results for the thirteenth review period establish the cash deposit rate for imports of gray Portland cement and cement clinker from Mexico made on or after December 29, 2004. The cash deposit rate was established at $52.41 per metric ton, which will remain in effect until the final results of the fourteenth review period are published.

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8/1/01-7/31/02	38.65%, 50.98% (effective 3/19/2002)	80.75% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA panel review.
8/1/02 - 7/31/03	50.98%, 73.74% (effective 1/14/2003)	54.97% determined by the Commerce Department upon review. Liquidation suspended pending appeal to NAFTA Panel.
8/1/03 - 7/31/04	73.74%, U.S.$52.41 per metric ton (effective 10/15/2003)	Subject to review by the Commerce Department.
8/1/04 - to date	U.S.$52.41 per metric ton, U.S.$32.85 per metric ton (effective 12/29/2004)	Subject to review by the Commerce Department.

U.S. Anti-Dumping Rulings--Venezuela

On May 21, 1991, U.S. producers of gray cement and clinker filed

petitions with the Commerce Department and the International Trade Commission, or 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, which, on December 14, 2004, upheld the CIT's decision affirming the DOC's termination of the Suspension Agreement. Thus, all litigation involving the Venezuelan suspension agreement has been completed and imports of cement from Venezuela are free of all anti-dumping restrictions.

Anti-Dumping in Taiwan

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

In 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 anti-dumping duties in Taiwan, the ITCMOEA 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. The decision of the MOF was confirmed and has become final.

Tax Matters

As of December 31, 2004, 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 Ps3,638.6 million. The tax assessments are based primarily on: (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 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.

As of December 31, 2004, the Philippine Bureau of Internal Revenue, or BIR, assessed APO Cement Corp. for a deficiency in the amount of income tax paid in the tax years 1998 through 2001 amounting to PhP959.58 million (U.S.$16.92 million as of December 31, 2004, based on an exchange rate of PhP56.702 to U.S.$1.00, which was the Philippine Peso/Dollar exchange rate on December 31, 2004 as published by the Bangko Sentral ng Pilipinas, the central bank of the Republic of the Philippines). The assessment disallows APO's income tax holiday related income. We have contested BIR's findings with the Court of Tax Appeal, or CTA. In the same manner, Solid also questioned before the CTA the tax assessment for taxable year 1997 amounting to PhP 132.02 million (U.S.$2.33 million) at an exchange rate of PhP 56.702 to US$1.00. We also brought to the CTA the APO 1997 tax assessment amounting to PhP 84.31 million (U.S.$1.49 million). 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. As of December 31, 2004, the cases are still with the CTA and BIR, and APO and Solid have already presented their respective witnesses and documentary evidence.

The BIR also finalized its tax assessments for Solid's 1999 tax year amounting to PhP849.59 million (U.S.$14.98 million) as of December 31, 2003, based on an exchange rate of PhP56.702 to U.S.$1.0. The BIR also finalized its tax assessments for Solid's 2000 tax year amount to PhP1,670.37 million (U.S.$29.46 million) as of December 31, 2004 at an exchange rate of PhP56.702 to U.S.$1.0. 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 amounting to PhP359.02 million (U.S.$6.33 million) and APO's 1997-1998 tax years amounting to PhP196.42 million (U.S.$3.46 million) 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 continue to support documentary evidence to reduce the amount.

Other Legal Proceedings

In May 1999, several companies filed a civil liability suit in the civil court of the circuit of Ibague, Colombia, against two of our Colombian subsidiaries, alleging that these subsidiaries were responsible for deterioration in the rice production capacity of land of the plaintiffs, caused by pollution emanating from our cement plants located in Ibague, Colombia. On January 13, 2004, we were notified of a judgment entered against us under which we were ordered to pay to the plaintiffs an amount equal to CoP21,114 million (U.S.$9.09 million as of February 28, 2005, based on an exchange rate of CoP2,323.77 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on February 28, 2005 as published by the Banco de la Republica de Colombia, the central bank of Colombia). We filed an appeal on January 15, 2004, and the case was sent to the Superior Court of Ibague for review. Typically, proceedings of this nature continue for several years before final resolution.

In March 2001, 42 transporters filed a civil liability suit in the civil court of Ibague, Colombia, against three of our Colombian subsidiaries. The plaintiffs contend that these subsidiaries are responsible for 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.$54.76 million as of February 28, 2005, based on an exchange rate of CoP2,323.77 to U.S.$1.00, which was the Colombian Peso/Dollar exchange rate on February 28, 2005 as published by the Banco de la Republica de Colombia, the central bank of Colombia). This proceeding has 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.$ 28.3 million. The environmental matters relate to (i) the disposal of various materials in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by CEMEX, Inc., including discontinued operations, in regard to the disposal of hazardous substances or wastes, either individually or jointly with other parties. Most of the proceedings are in the preliminary stage, and a final resolution might take several years. For purposes of recording the provision, CEMEX, Inc. considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries. Based on information developed to date, CEMEX, Inc. does not believe it will be required to spend significant sums on these matters in excess of the amounts previously recorded. Until all environmental studies, investigations, remediation work, and negotiations with or litigation against potential sources of recovery have been completed, the ultimate cost that might be incurred to resolve these environmental issues cannot be assured.

In December 2002, an ex-maritime broker for Puerto Rican Cement Company, Inc. 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 Cemex Asia Holdings Ltd. or 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 Government of Indonesia (the "GOI") 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. On May 2004, an Arbitral Tribunal was established to hear the dispute. The GOI has objected to the Tribunal's jurisdiction over the claims asserted in CAH's request for arbitration, and a hearing to resolve these jurisdictional objections is expected to take place in July 2005. We cannot predict what effect, if any, this action will have on our investment in Gresik or how the Arbitral Tribunal will rule on the GOI's jurisdictional objections or the merits of the dispute. We cannot predict what effect, if any, the arbitration will have on our investment in Gresik or what the ruling of the Arbitral Tribunal will be.

During 2004, four "public interest" lawsuits, which include CEMEX Colombia as a codefendant, were filed. The first and last of these lawsuits was filed on April 14, 2004 and December 16, 2004, respectively. All Plaintiffs argue that the use of a base material which the ready mix industry offers resulted in premature distress of the roads built for the mass public transportation system of Bogota known as Transmilenio. In connection with CEMEX Colombia and other materials suppliers, the lawsuits allege that the base material they supplied failed to fulfill technical standards offered by the producers thereof (quality deficiencies) and/or that they provided insufficient or inaccurate information in connection with the product. The four lawsuits seek road repairs in a manner which guarantees its service during the period for which it was originally designed (20 years); however, the lawsuits do not estimate the alleged damages (cost of repairs). CEMEX Colombia has timely contested each of the lawsuits and will continue to vigorously defend its interests. One of the lawsuits has been dismissed based on arguments presented to the court by CEMEX Colombia; all others are in the initial stage of the proceedings. At this early stage it is not possible to estimate the alleged damages nor the portion thereof which could be assessed to CEMEX Colombia, but we believe that it is unlikely to have a material adverse effect on our results of operations. Typically, proceedings of this nature continue for several years before final resolution.

An administrative case is pending with the Philippine Department of Trade and Industry ("DTI") against Solid Cement Corporation ("Solid") for alleged violation of consumer product and quality safety standards. In August

12, 2004, and prior to the trial of the main case, the Philippine Department of Trade and Industry ("DTI") issued a Preliminary Order (hereinafter referred to as the "CDO") enjoining Solid from selling, distributing, delivering and disposing of Island Cement or any brand manufactured by the Solid Cement plant in Antipolo, Rizal, in bulk and in bags, to customers, dealers, and distributors, including but not limited to, batching plants and hardware outlets/stores. It must be emphasized that said CDO is preliminary in nature and was issued by the DTI without a finding of any violation on the part of Solid. Solid has contested the propriety of the issuance of the CDO. Subsequently, the DTI ordered the conduct of a factory/product audit of Solid's plant in Antipolo, Rizal. Several samples of Island Cement were taken by the DTI Audit Group and were sent to a third party laboratory for testing. Soon after the complete results of the tests came out which confirmed the fact that Island Cement indeed complies with the standards set by the DTI, the DTI lifted the CDO. The main case is still pending trial with the Office of Legal Affairs of the DTI, with the prosecution presenting its evidence-in-chief. Notably, despite the allegations hurled against Solid regarding the quality of its Island Cement, no judicial action has yet been filed against Solid to date.

In the ordinary course of 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.

Schedule 8.02

CEMEX, S.A. de C.V.

LIEN SCHEDULE

as of Dec 31, 2004

(Figures in millions of US Dollars)

COMPANY	LENDER	LIEN CONCEPT	BALANCE
CEMEX, Inc.	GE Capital	Equipment related with the credit	0.893
Kosmos Cement Company	First Corp.	Equipment related with the credit	0.021
CEMEX, Inc.	Hampton	Land related with the credit	0.267
Mineral Resource Technologies, Inc.	Met-South, Inc.	Ash storage facility	0.181
Centro Distribuidor de Cemento, S.A de C.V.	Bank of America	Cash Collateral	0.823
			2.184

EXHIBIT A

FORM OF NOTE

U.S.$ Date _____
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 Ave. Ricardo Margain Zozaya #325, Col. Valle Del Campestre, Garza Garcia, N.L. 66265, Mexico (the "Borrower"), unconditionally promises to pay, without setoff or counterclaim, to the order of (the "Lender") on the Termination Date, as defined in the Term Credit

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, or, if one or more advances is made in a Foreign Currency, in the applicable Foreign Currency, and in immediately available funds, the aggregate unpaid principal amount of all Loans made by the Lender to the undersigned pursuant to the Term Credit Agreement that are then due and payable to the Lender pursuant thereto. The undersigned further unconditionally 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 Term Credit Agreement. The Lender is authorized to record the date, type, amount and currency of each Loan made by the Lender pursuant to the Term Credit Agreement, the date and amount of each repayment of principal hereof, and the date and currency of each interest rate conversion and each continuation pursuant to Section 2.01(e) of the Term Credit Agreement and the principal amount subject thereto, and, in the case of LIBOR Loans and Euribor Loans, the interest rate and interest period 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 Borrower hereunder or under the Term Credit Agreement.

This Note is one of the Notes referred to in the Term Credit Agreement dated as of April 5, 2005, among the Borrower, the Guarantors, the several Lenders party thereto, Barclays Bank PLC, as Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner and Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner (as the same may from time to time be amended, supplemented or otherwise modified, the "Term Credit 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 Term Credit 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 Borrower 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 Term Credit Agreement and this Note.

The Borrower 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 Borrower 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, 13th Floor, New York, New York 10011, U.S.A. (the "Process Agent"), and the Borrower 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 Borrower shall not impair or affect the validity of such service or of any judgment based thereon.

The obligations of the Borrower hereunder to make payments in Dollars, or, if one or more advances is made in a Foreign Currency, in the applicable Foreign Currency, 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 Dollar Amount payable hereunder and the Borrower 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 effectively received by the Lender pursuant to any such tender or recovery. The Lender's determination of amounts effectively received by it shall be presumptively correct in the absence of manifest error.

To the extent that the Borrower 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, execution or otherwise) with respect to itself or its property, the Borrower hereby irrevocably waives such immunity in respect of its obligations under this Note and the other Transaction Documents. The foregoing waiver and consent are intended to be effective to the fullest extent now or hereafter permitted by applicable law of any jurisdiction in which any suit, action or proceeding with respect to this Note may be commenced.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

CEMEX, S.A. de C.V.

By: _____
Title: _____

Guaranteed:

CEMEX MEXICO, S.A. de C.V.,
in its capacity as Guarantor
Under Article IX of the Term Credit
Agreement

By: _____
Title: _____

Guaranteed:

EMPRESAS TOLTECA DE MEXICO,
S.A. de C.V., in its capacity as
Guarantor under Article IX of the Term Credit
Agreement

By: _____
Title: _____

Schedule 1 to Note

LOANS AND PAYMENTS OF PRINCIPAL

								Principal	

Date	Amount of Loan	Currency of Loan	Type of Loan(1)	Interest Rate	Interest Period	Maturity Date	Paid or Converted	Principal Balance	Notation Made By

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(1) The type of Loan may be represented by "L" for LIBOR Loans, "E" for Euribor Loans or "BR" for Base Rate Loans.

EXHIBIT B

FORM OF NOTICE OF BORROWING

BARCLAYS BANK PLC,
as Administrative Agent
200 Park Avenue
New York, New York 10016
Attention: Global Services Unit

Reference is made to the Term Credit Agreement, dated as of April 5, 2005, among Cemex, S.A. de C.V., as Borrower (the "Borrower"), Cemex Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as Guarantor, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner, Barclays Bank PLC, as a Lender and as Administrative Agent, Citibank, N.A., as a Lender and Citibank, N.A., Nassau, Bahamas Branch, as a Lender (as the same may be amended, supplemented or otherwise modified from time to time, the "Term Credit Agreement"). Terms used but not otherwise defined herein shall have the meanings provided in the Term Credit Agreement. The undersigned hereby gives notice pursuant to Section 2.01 of the Term Credit Agreement of its request for [a] Loan[s] with the following terms:

(A) Requested Disbursement Date (which is a Business Day) _____

(B) Principal amount of Borrowing and currency _____

(C) Interest rate basis _____

(D) (If a LIBOR loan or Euribor Loan is requested) Interest Period and the last date thereof _____

The disbursement shall be deposited in the following account and in accordance with the requirements of Section 2.01(d) of the Term Credit Agreement:

Bank Name: _____

Bank Address: _____

Bank ABA #: _____

Account Name: _____

Account #: _____

Reference: _____

The Borrower hereby represents and warrants that each condition specified in Section 4.02 of the Term Credit Agreement has been satisfied or waived.

IN WITNESS WHEREOF, the undersigned has hereto set his name on this _____ day of _____, _____

CEMEX, S.A. DE C.V.,
as Borrower

By: _____
Name:_____
Title:_____

EXHIBIT C

FORM OF NOTICE OF EXTENSION/CONVERSION

BARCLAYS BANK PLC,
as Administrative Agent
200 Park Avenue
New York, New York 10016
Attention: Global Services Unit

Reference is made to the Term Credit Agreement, dated as of April 5, 2005, among Cemex, S.A. de C.V., as Borrower (the "Borrower"), Cemex Mexico, S.A. de C.V., as Guarantor, Empresas Tolteca de Mexico, S.A. de C.V., as Guarantor, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner, Barclays Bank PLC, as a Lender and as Administrative Agent, Citibank, N.A., as a Lender and Citibank, N.A., Nassau, Bahamas Branch, as a Lender (as amended, supplemented or otherwise modified from time to time, the "Term Credit Agreement"). Terms used but not otherwise defined herein shall have the meanings provided in the Term Credit Agreement. The undersigned hereby gives notice pursuant to Section 2.01(e) of the Term Credit Agreement that it requests an extension or conversion of [a] Loan[s] outstanding under the Term Credit Agreement, and in connection therewith sets forth below the terms on which such extension or conversion is requested to be made:

(A) Date of Extension or Conversion _____

(B) The Loan[s] to be Extended/ Converted and the Principal Amount thereof _____

(C) Interest rate basis _____

(D) (If a LIBOR loan or Euribor loan)
Interest Period
and the last date thereof _____

(E) Currency _____

The Borrower hereby represents and warrants that each condition specified in Section 4.02 of the Term Credit Agreement has been satisfied or waived.

IN WITNESS WHEREOF, the undersigned has hereto set his name on this _____ day of _____, _____

CEMEX, S.A. DE C.V.,
as Borrower

By: _____
Name:_____
Title:_____

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 "Borrower"), CEMEX MEXICO, S.A. de C.V. (a "Guarantor"), EMPRESAS TOLTECA DE MEXICO, S.A. de C.V. (a "Guarantor"), and BARCLAYS BANK PLC 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 Term Credit Agreement dated as of April 5, 2005 among the Borrower, the Guarantors, the Administrative Agent, Barclays Capital, the Investment Banking Division of Barclays Bank PLC, as Joint Lead Arranger and Joint Bookrunner, Citigroup Global Markets Inc., as Documentation Agent, Joint Lead Arranger and Joint Bookrunner, the Assignor and the other Lenders party thereto (as from time to time further amended, supplemented or otherwise modified, the "Term Credit Agreement");

WHEREAS, as provided in the Term Credit Agreement, the Assignor has a Commitment to make Loans to the Borrower in an aggregate principal amount at any time outstanding not to exceed U.S.$_____(the "Assignor's Commitment");

[WHEREAS, Loans made to the Borrower by the Assignor under the Term Credit Agreement in the aggregate principal amount of [insert U.S.$ or applicable Foreign Currency and the amount for each advance] are outstanding on the date hereof;]

WHEREAS, the Assignor proposes to assign to the Assignee all

of the rights of the Assignor under the Term Credit 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 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 Term Credit Agreement.

SECTION 2. Assignment. The Assignor hereby irrevocably assigns and sells to the Assignee all of the rights of the Assignor under the Term Credit Agreement [to the extent of the Assigned Amount], and the Assignee hereby irrevocably accepts such assignment from the Assignor and assumes all of the obligations of the Assignor under the Term Credit Agreement [to the extent of the Assigned Amount] [, including the purchase from the Assignor of the corresponding portion of the principal amount of the Loans made by the Assignor]. Upon the execution and delivery hereof by the Assignor, the Assignee, [the Borrower,][and the 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 Term Credit 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 Term Credit Agreement to the extent such obligations have been assumed by the Assignee. The assignment provided for herein shall be without recourse to the Assignor.

SECTION 3. Payments. As consideration for the assignment and sale contemplated in Section 2 hereof, the Assignee shall pay to the Assignor on the date hereof in Federal funds the amount heretofore agreed between them.* Each of the Assignor and the Assignee hereby agrees that if either party receives any amount under the Term Credit Agreement that is for the account of the other party, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

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* 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 Borrower] [And The Administrative Agent]. This Agreement is conditioned upon the consent of [the Borrower] [and the Administrative Agent] pursuant to Section 3.10 of the Term Credit Agreement and the payment of a processing fee of U.S.$3,500 to the Administrative Agent. The execution of this Agreement by [the Borrower] [and the Administrative Agent] is evidence of this consent. Pursuant to Section 13.06(b) of the Term Credit Agreement, the Borrower agrees to execute and deliver a new Note to the Assignee.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

(a) The Assignor (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Term Credit Agreement or with respect to the execution, legality, validity,

enforceability, genuineness, sufficiency or value of the Term Credit Agreement, any other Transaction Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, the Guarantors, any of their Affiliates or any other obligor or the performance or observance by the Borrower, the Guarantors, any of their Affiliates or any other obligor of any of their respective obligations under the Term Credit Agreement or any other Transaction Document or any other instrument or document furnished pursuant hereto or thereto.

(b) The Assignee (i) represents and warrants that it is legally authorized to enter into this Agreement; (ii) confirms that it has received a copy of the Term Credit Agreement, together with copies of the financial statements delivered pursuant to Section 7.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (iii) agrees that it will, independently and without reliance upon the Assignor, 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 Term Credit 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 Term Credit 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 Term Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Term Credit 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 Borrower and the Guarantors, or the validity and enforceability of the obligations of the Borrower in respect of the Term Credit Agreement or any Note. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

SECTION 7. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successor and assigns.

SECTION 8. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the law of the State of New York.

SECTION 9. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By: _____
Title:_____

[ASSIGNEE]

By: _____
Title:_____

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

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,
as Administrative Agent

By: _____
Title:_____

EXHIBIT E

FORM OF OPINION OF SPECIAL NEW YORK COUNSEL
TO THE BORROWER AND GUARANTORS

EXHIBIT F

FORM OF OPINION OF MEXICAN COUNSEL
TO THE BORROWER AND THE GUARANTORS

EXHIBIT G
TO TERM CREDIT AGREEMENT

Mandatory Cost Formula

1. The Mandatory Cost is an addition to the interest rate to compensate

Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.

2. For the purposes of this Exhibit G:

"Additional Cost Rate" has the meaning provided in paragraph 3 below;

"Eligible Liabilities" has the meaning provided from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England;

"Fees Rules" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;

"Fee Tariffs" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate);

"Special Deposits" has the meaning given to it from time to time under or pursuant to the Bank of England Act 1998 or (as may be appropriate) by the Bank of England; and

"Tariff Base" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.

3. On the first day of each Interest Period (or as soon as possible thereafter) the Administrative Agent shall calculate, as a percentage rate, a rate (the "Additional Cost Rate") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Administrative Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Loan) and will be expressed as a percentage rate per annum.

4. The Additional Cost Rate for any Lender lending from a Lending Office in a Participating Member State will be the percentage notified by that Lender to the Administrative Agent. This percentage will be certified by that Lender in its notice to the Administrative Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Loans made from that Lending Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Lending Office.

5. The Additional Cost Rate for any Lender lending from a Lending Office in the United Kingdom will be calculated by the Administrative Agent as follows:

in relation to a Loan denominated in Sterling:

$$\frac{AB+C(B-D+Ex0.01}{100-(A+C)} \text{ percent per annum}$$

in relation to a Loan in any currency other than Sterling:

$$\frac{E \times 0.01}{300} \text{ percent per annum}$$

Where:

A is the percentage of Eligible Liabilities (assuming these to be in excess of any stated minimum) which that Lender is from time to time required to maintain as an interest free cash ratio deposit with the Bank of England to comply with cash ratio requirements.

B	is the percentage rate of interest (excluding the Applicable Margin and the Mandatory Cost and, if the Loan is an Unpaid Sum, the additional rate of interest specified in paragraph (a) of Section 2.10 (Default Interest)) payable for the relevant Interest Period on the Loan.
C	is the percentage (if any) of Eligible Liabilities which that Lender is required from time to time to maintain as interest bearing Special Deposits with the Bank of England.
D	is the percentage rate per annum payable by the Bank of England to the Administrative Agent on interest bearing Special Deposits.
E	is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Administrative Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Administrative Agent pursuant to paragraph 7 below and expressed in pounds per (pound)1,000,000.

6. In application of the above formula, A, B, C and D will be included in the formula as percentages (i.e. 5 per cent. will be included in the formula as 5 and not as 0.05). A negative result obtained by subtracting D from B shall be taken as zero. The resulting figures shall be rounded to four decimal places.

7. If requested by the Administrative Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Administrative Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per Sterling 1,000,000 of the Tariff Base of that Reference Bank.

8. Each Lender shall supply any information required by the Administrative Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

the jurisdiction of its Lending Office; and

any other information that the Administrative Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Administrative Agent of any change to the information provided by it pursuant to this paragraph.

9. The percentages of each Lender for the purpose of A and C above and the rates of charge of each Reference Bank for the purpose of E above shall be determined by the Administrative Agent based upon the information supplied to it pursuant to paragraphs 7 and 8 above and on the assumption that, unless a Lender notifies the Administrative Agent to the contrary, each Lender's obligations in relation to cash ratio deposits and Special Deposits are the same as those of a typical Lender from its jurisdiction of incorporation with a Lending Office in the same jurisdiction as its Lending Office.

10. The Administrative Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 7 and 8 above is true and correct in all respects.

11. The Administrative Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 7 and 8 above.

12. Any determination by the Administrative Agent pursuant to this Exhibit G in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all Parties.

13. The Administrative Agent may from time to time, after consultation with the Borrower and the Lenders, determine and notify to all parties to the Agreement any amendments which are required to be made to this Exhibit G in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties to the Agreement.

Exhibit 8.1

List of Subsidiaries

The following is a list of the significant subsidiaries of CEMEX, S.A. de C.V. as of December 31, 2004, including the name of each subsidiary and its country of incorporation:

CEMEX Mexico, S.A. De C.V.	Mexico
Empresas Tolteca De Mexico, S.A. De C.V.	Mexico
Centro Distribuidor De Cemento, S.A. De C.V.	Mexico
CEMEX International Finance Company	Ireland
CEMEX Trademarks Holding Ltd.	Switzerland
CEMEX Trademarks Worldwide Ltd.	Switzerland
Mexcement Holdings, S.A. De C.V.	Mexico
Sunward Acquisitions N.V.	Netherlands
Sunward Holdings B.V.	Netherlands
New Sunward Holding B.V.	Netherlands
CEMEX Espana, S.A.	Spain
CEMEX Caracas Investments B.V.	Netherlands
CEMEX Colombia, S.A.	Colombia
CEMEX Corp.	United States (DE)
CEMEX, Inc.	United States (LA)
CEMEX Hungary Kft.	Hungary

Exhibit 12.1

Certification of the Principal Executive Officer of
CEMEX, S.A. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

CERTIFICATIONS

I, Lorenzo H. Zambrano, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 27, 2005

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer

CEMEX, S.A. de C.V.

Exhibit 12.2

Certification of the Principal Financial Officer of
CEMEX, S.A. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

CERTIFICATIONS

I, Hector Medina, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX, S.A. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 27, 2005

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance
CEMEX, S.A. de C.V.

Exhibit 12.3

Certification of the Principal Executive Officer of
CEMEX Mexico, S.A. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

CERTIFICATIONS

I, Lorenzo H. Zambrano, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX Mexico, S.A. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 27, 2005

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano

Chief Executive Officer
CEMEX Mexico, S.A. de C.V.

Exhibit 12.4

Certification of the Principal Financial Officer of
CEMEX Mexico, S.A. de C.V.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

CERTIFICATIONS

I, Hector Medina, certify that:

1. I have reviewed this annual report on Form 20-F of CEMEX Mexico, S.A. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 27, 2005

/s/ Hector Medina

Hector Medina
Executive Vice President of
Planning and Finance
CEMEX Mexico, S.A. de C.V.

Exhibit 12.5

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

CERTIFICATIONS

I, Lorenzo H. Zambrano, certify that:

1. I have reviewed this annual report on Form 20-F of Empresas Tolteca de Mexico, S.A. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the

company's internal control over financial reporting.

Date: May 27, 2005

/s/ Lorenzo H. Zambrano

Lorenzo H. Zambrano
Chief Executive Officer
Empresas Tolteca de Mexico, S.A. de C.V.

Exhibit 12.6

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

CERTIFICATIONS

I, Hector Medina, certify that:

1. I have reviewed this annual report on Form 20-F of Empresas Tolteca de Mexico, S.A. de C.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 27, 2005

/s/ Hector Medina

Hector Medina

Executive Vice President of
Planning and Finance
Empresas Tolteca de Mexico, S.A. de C.V.

Exhibit 13.1

Certification of the Principal Executive and Financial Officers of
CEMEX, S.A. de C.V.
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 20-F of CEMEX, S.A. de C.V. (the "Company") for the year ended December 31, 2004 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 27, 2005

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of
Planning and Finance
Date: May 27, 2005

This certification is furnished as an exhibit to the Report and accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 13.2

Certification of the Principal Executive and Financial Officers of
CEMEX Mexico, S.A. de C.V.
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 20-F of CEMEX Mexico, S.A. de C.V. (the "Company") for the year ended December 31, 2004 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 27, 2005

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of Planning and Finance
Date: May 27, 2005

This certification is furnished as an exhibit to the Report and accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 13.3

Certification of the Principal Executive and Financial Officers of
Empresas Tolteca de Mexico, S.A. de C.V.
Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 20-F of Empresas Tolteca de Mexico, S.A. de C.V. (the "Company") for the year ended December 31, 2004 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 27, 2005

/s/ Hector Medina

Name: Hector Medina
Title: Executive Vice President of Planning and Finance
Date: May 27, 2005

This certification is furnished as an exhibit to the Report and accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 14.1

CONSENT OF INDEPENDENT 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, 2005 (except for note 24, which is as of March 31, 2005), with respect to the consolidated balance sheets of CEMEX, S.A. de C.V. and subsidiaries as of December 31, 2003 and 2004, 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, 2004, 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 26, 2005