

CEMEX SAB DE CV  
Form 20-F  
June 16, 2011  
Table of Contents

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

(Mark One)

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

**OR**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2010**

**OR**

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

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

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-14946**

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

**(Exact name of Registrant as specified in its charter)**

**CEMEX PUBLICLY TRADED STOCK CORPORATION WITH VARIABLE CAPITAL**

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(Translation of Registrant's name into English)

**United Mexican States**

(Jurisdiction of incorporation or organization)

**Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265**

(Address of principal executive offices)

**Ramiro G. Villarreal Morales, (011-5281) 8888-8888, (011-5281) 8888-4399,**

**Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

## Table of Contents

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
Ordinary Participation Certificates ( <i>Certificados de Participación Ordinarios</i> ), or CPOs, each CPO representing two Series A shares and one Series B share, traded in the form of American Depositary Shares, or ADSs, each ADS representing ten CPOs.	New York Stock Exchange

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

None

(Title of Class)

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

None

(Title of Class)

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

9,798,571,935 CPOs

20,043,602,184 Series A shares (including Series A shares underlying CPOs)

10,021,801,092 Series B shares (including Series B shares underlying CPOs)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). N/A

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

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U.S. GAAP ☐

International Financial Reporting Standards as issued

Other ☒

by the International Accounting Standards Board ☐

If ☐ Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18 ☒

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

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>PART I</b>	
Item 1 - <u>Identity of Directors, Senior Management and Advisors</u>	2
Item 2 - <u>Offer Statistics and Expected Timetable</u>	2
Item 3 - <u>Key Information</u>	2
<u>Summary of Our Recent Financial History</u>	2
<u>Risk Factors</u>	5
<u>Mexican Peso Exchange Rates</u>	24
<u>Selected Consolidated Financial Information</u>	25
Item 4 - <u>Information on the Company</u>	31
<u>Business Overview</u>	31
<u>Geographic Breakdown of Our 2010 Net Sales</u>	34
<u>Our Business Strategy</u>	35
<u>Our Products</u>	41
<u>User Base</u>	46
<u>Our Corporate Structure</u>	46
<u>North America</u>	48
<u>Europe</u>	57
<u>South America, Central America and the Caribbean</u>	68
<u>Africa and the Middle East</u>	72
<u>Asia</u>	74
<u>Regulatory Matters and Legal Proceedings</u>	76
Item 4A - <u>Unresolved Staff Comments</u>	91
Item 5 - <u>Operating and Financial Review and Prospects</u>	91
<u>Cautionary Statement Regarding Forward-Looking Statements</u>	91
<u>Overview</u>	92
<u>Critical Accounting Policies</u>	93
<u>Status of our IFRS Migration Process</u>	98

## **Table of Contents**

	<u>Results of Operations</u>	99
	<u>Liquidity and Capital Resources</u>	126
	<u>Research and Development, Patents and Licenses, etc.</u>	136
	<u>Summary of Material Contractual Obligations and Commercial Commitments</u>	136
	<u>Off-Balance Sheet Arrangements</u>	140
	<u>CEMEX Venezuela</u>	140
	<u>Qualitative and Quantitative Market Disclosure</u>	141
	<u>Investments, Acquisitions and Divestitures</u>	146
	<u>Recent Developments</u>	147
Item 6 -	<u>Directors, Senior Management and Employees</u>	149
	<u>Senior Management and Directors</u>	149
	<u>Board Practices</u>	157
	<u>Compensation of Our Directors and Members of Our Senior Management</u>	159
	<u>Employees</u>	162
	<u>Share Ownership</u>	163
Item 7 -	<u>Major Shareholders and Related Party Transactions</u>	163
	<u>Major Shareholders</u>	163
	<u>Related Party Transactions</u>	164
Item 8 -	<u>Financial Information</u>	165
	<u>Consolidated Financial Statements and Other Financial Information</u>	165
	<u>Legal Proceedings</u>	165
	<u>Dividends</u>	165
	<u>Significant Changes</u>	166
Item 9 -	<u>Offer and Listing</u>	167
	<u>Market Price Information</u>	167
Item 10 -	<u>Additional Information</u>	167
	<u>Articles of Association and By-laws</u>	167
	<u>Material Contracts</u>	176
	<u>Exchange Controls</u>	179
	<u>Taxation</u>	179

## **Table of Contents**

	<u>Documents on Display</u>	183
Item 11 -	<u>Qualitative and Quantitative Disclosures About Market Risk</u>	183
Item 12 -	<u>Description of Securities Other than Equity Securities</u>	183
Item 12A -	<u>Debt Securities</u>	184
Item 12B -	<u>Warrants and Rights</u>	184
Item 12C -	<u>Other Securities</u>	184
Item 12D -	<u>American Depositary Shares</u>	185
	<u>Depository Fees and Charges</u>	185
	<u>Depository Payments for the Year Ended December 31, 2010</u>	185
<b>PART II</b>		
Item 13 -	<u>Defaults, Dividend Arrearages and Delinquencies</u>	186
Item 14 -	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	186
Item 15 -	<u>Controls and Procedures</u>	186
	<u>Disclosure Controls and Procedures</u>	186
	<u>Management's Annual Report on Internal Control Over Financial Reporting</u>	186
	<u>Changes in Internal Control Over Financial Reporting</u>	186
Item 16 -	<u>[RESERVED]</u>	186
Item 16A -	<u>Audit Committee Financial Expert</u>	186
Item 16B -	<u>Code of Ethics</u>	186
Item 16C -	<u>Principal Accountant Fees and Services</u>	187
	<u>Audit Committee Pre-Approval Policies and Procedures</u>	187
Item 16D -	<u>Exemptions from the Listing Standards for Audit Committees</u>	187
Item 16E -	<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	187
Item 16F -	<u>Change in Registrant's Certifying Accountant</u>	188
Item 16G -	<u>Corporate Governance</u>	188
<b>PART III</b>		
Item 17 -	<u>Financial Statements</u>	191
Item 18 -	<u>Financial Statements</u>	191
Item 19 -	<u>Exhibits</u>	191
	<u>INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1

## **Table of Contents**

### **INTRODUCTION**

CEMEX, S.A.B. de C.V. is incorporated as a publicly traded stock corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of the United Mexican States, or Mexico. Except as the context otherwise may require, references in this annual report to CEMEX, we, us or our refer to CEMEX, S.A.B. de C.V. and its consolidated entities. See note 2 to our consolidated financial statements included elsewhere in this annual report.

### **PRESENTATION OF FINANCIAL INFORMATION**

Our consolidated financial statements included elsewhere in this annual report have been prepared in accordance with Mexican Financial Reporting Standards, or MFRS, which differ in significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. Beginning on January 1, 2008, according to MFRS B-10, *Inflation Effects* ( MFRS B-10 ) inflationary accounting is only applied in a high-inflation environment, defined by MFRS B-10 as existing when the cumulative inflation for the preceding three years equals or exceeds 26%. Until December 31, 2007, inflationary accounting was applied to both CEMEX, S.A.B. de C.V. and all of its subsidiaries regardless of the inflation level of their respective countries. Beginning in 2008, only the financial statements of those subsidiaries whose functional currency corresponds to a country under high inflation are restated to take account of inflation. Designation of a country as a high or low inflation environment takes place at the end of each year, and inflation is applied or suspended prospectively. In 2008, only the financial statements of our subsidiaries in Costa Rica and Venezuela were restated. In 2009, we restated the financial statements of our subsidiaries in Egypt, Nicaragua, Latvia and Costa Rica. In 2010, we restated the financial statements of our subsidiaries in Egypt, Nicaragua and Costa Rica.

Beginning in 2008, MFRS B-10 eliminated the restatement of the financial statements for the period as well as the comparative financial statements for prior periods into constant values as of the date of the most recent balance sheet. Likewise, beginning in 2008, the amounts of the statement of operations, statement of cash flows and statement of changes in stockholders' equity are presented in nominal values; meanwhile, pursuant to MFRS B-10, amounts of financial statements for prior years are presented in constant Pesos as of December 31, 2007, the date in which inflationary accounting ceased to be generally applied.

Until December 31, 2007, the restatement factors applied to our consolidated financial statements of prior periods were calculated using the weighted average inflation and the fluctuation in the exchange rate of each country in which CEMEX operates relative to the Mexican Peso, weighted according to the proportion that our assets in each country represent of our total assets. Also, see note 24A to our consolidated financial statements for a description of the principal differences between MFRS 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.

References in this annual report to U.S.\$ and Dollars are to U.S. Dollars, references to € are to Euros, references to £ and Pounds are to British Pounds, references to ¥ and Yen are to Japanese Yen, and, unless otherwise indicated, references to Ps, Mexican Pesos and Pesos are to Mexican Pesos. References to billion means one thousand million. The Dollar amounts provided below, unless otherwise indicated elsewhere in this annual report, are translations of Peso amounts at an exchange rate of Ps12.36 to U.S.\$1.00, the CEMEX accounting rate as of December 31, 2010. 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. From December 31, 2010 through June 10, 2011, the Peso appreciated by 4% against the Dollar, based on the noon buying rate for Pesos. See Item 3 Key Information Selected Consolidated Financial Information.

The noon buying rate for Pesos on December 31, 2010 was Ps12.38 to U.S.\$1.00 and on June 10, 2011 was Ps11.87 to U.S.\$1.00.



## **Table of Contents**

See Item 5 Operating and Financial Review and Prospects Status of our IFRS Migration Process.

### **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**

##### **Summary of Our Recent Financial History**

As of December 31, 2008, we had approximately Ps258.1 billion (U.S.\$18.8 billion) of total debt, not including approximately Ps41.5 billion (U.S.\$3.0 billion) of Perpetual Debentures (as defined below), which are not accounted for as debt under MFRS but are considered to be debt for purposes of U.S. GAAP. Most of our outstanding debt as of December 31, 2008 had been incurred to finance our acquisitions, including the acquisition of Rinker Group Limited, or Rinker, in 2007, and our capital expenditure programs. The acquisition of Rinker substantially increased our exposure in the United States, which in recent years has been experiencing a sharp and prolonged downturn in the housing and construction sectors. The downturn in the United States has had adverse effects on our U.S. operations, making it more difficult for us to achieve our goal of decreasing our acquisition-related leverage and, given extremely tight credit markets during the height of the economic crisis, made it increasingly difficult for us to refinance our acquisition-related debt. Nonetheless, after long negotiations, on August 14, 2009 we reached a comprehensive financing agreement with our major creditors, as subsequently amended, the Financing Agreement. The Financing Agreement extended the maturities of approximately U.S.\$15.1 billion in syndicated and bilateral bank facilities and private placement obligations. As part of the Financing Agreement, we pledged or transferred to a trustee under a security trust substantially all the shares of CEMEX México, S.A. de C.V., or CEMEX México, Centro Distribuidor de Cemento, S.A. de C.V., Mexcement Holdings, S.A. de C.V., Corporación Gouda, S.A. de C.V., CEMEX Trademarks Holding Ltd., New Sunward Holding B.V., or New Sunward, and CEMEX España, S.A., or CEMEX España, as collateral (the Collateral) and all proceeds of such Collateral, to secure our payment obligations under the Financing Agreement and under several other financing arrangements for the benefit of the participating creditors and holders of debt and other obligations that benefit from provisions in their instruments requiring that their obligations be equally and ratably secured. These subsidiaries collectively own, directly or indirectly, substantially all our operations worldwide.

Since the signing of the Financing Agreement, we have completed a number of capital markets transactions and asset disposals, the majority of the proceeds of which have been used to reduce the amounts outstanding under the Financing Agreement, to pay other debt not subject to the Financing Agreement and also to improve our liquidity position. In 2009 and 2010, such capital market transactions consisted of (i) a global offering of 1,495 million CPOs, directly or in the form of ADSs, for approximately U.S.\$1.8 billion in net proceeds in September 2009; (ii) the issuance of approximately Ps4.1 billion (approximately U.S.\$315 million) in mandatory convertible securities (the Mandatory Convertible Securities), in exchange for promissory notes previously issued by CEMEX, S.A.B. de C.V. in the Mexican capital markets (*Certificados Bursátiles*), or CBs, in December 2009; (iii) CEMEX Finance LLC's issuance of U.S.\$1,250 million aggregate principal amount of its 9.50% Senior Secured Notes due 2016 (the 9.50% Dollar-denominated Notes), and 350 million aggregate principal amount of its 9.625% Senior Secured Notes due 2017 (the 9.625% Euro-denominated Notes) in December 2009, and CEMEX Finance LLC's issuance of an additional U.S.\$500 million aggregate principal amount of the 9.50% Dollar-denominated Notes (together with the 9.50% Dollar-denominated Notes and the 9.625% Euro-denominated Notes, the December 2009 Notes) in January 2010; (iv) the issuance of our 4.875% Convertible Subordinated Notes due 2015 (the 2010 Optional Convertible Subordinated Notes) in March 2010; (v) CEMEX España, Luxembourg branch's issuance of U.S.\$1,067,665,000 aggregate principal amount of its 9.25% Senior Secured Notes due 2020 (the 9.25% Dollar-denominated Notes) and 115,346,000 aggregate principal amount of its 8.875% Senior

## **Table of Contents**

Secured Notes due 2017 (the 8.875% Euro-denominated Notes and, together with the 9.25% Dollar-denominated Notes, the May 2010 Notes ), in exchange for Dollar-denominated 6.196% fixed-to-floating rate callable perpetual debentures (the 6.196% Perpetual Debentures ), Dollar-denominated 6.640% fixed-to-floating rate callable perpetual debentures (the 6.640% Perpetual Debentures ), Dollar-denominated 6.722% fixed-to-floating rate callable perpetual debentures (the 6.722% Perpetual Debentures ) and Euro-denominated 6.277% fixed-to-floating rate callable perpetual debentures (the 6.277% Perpetual Debentures and, together with the 6.196% Perpetual Debentures, the 6.640% Perpetual Debentures and the 6.722% Perpetual Debentures, the Perpetual Debentures ), pursuant to a private placement exchange offer and consent solicitation (the 2010 Exchange Offer ) directed to the holders of Perpetual Debentures in May 2010; and (vi) an early cash payment of approximately Ps4.0 billion (approximately U.S.\$330 million) in long-term CBs following a public tender offer and the exercise of a call option in June 2010. For a more detailed description of these transactions, see Item 5 Operating and Financial Review and Prospects Summary of Material Contractual Obligations and Commercial Commitments.

As a result of the foregoing transactions, sales of assets, debt repayments and other activities, as of December 31, 2010, we had approximately Ps202,818 million (U.S.\$16,409 million) of total debt, not including approximately Ps16,310 million (U.S.\$1,320 million) of Perpetual Debentures, which are not accounted for as debt under MFRS but are considered to be debt for purposes of U.S. GAAP. In addition, as of December 31, 2010, we had reduced debt outstanding under the Financing Agreement by approximately U.S.\$5.3 billion, or 35.4% of the original U.S.\$15.1 billion principal amount.

Since the beginning of 2011, we have engaged in a number of significant financing transactions designed to lengthen our average debt maturities and improve our balance sheet.

On January 11, 2011, we issued U.S.\$1.0 billion aggregate principal amount of our 9.000% Senior Secured Notes due 2018 (the January 2011 Notes ) in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The payment of principal, interest and premium, if any, on the January 2011 Notes is fully and unconditionally guaranteed by CEMEX México, New Sunward and CEMEX España. The January 2011 Notes are secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. The net proceeds from the offering, of approximately U.S.\$981 million, were used for general corporate purposes and the repayment of indebtedness, including (i) a prepayment of approximately U.S.\$256 million of CBs that had been due in September 2011, (ii) a prepayment of approximately U.S.\$218 million of CBs that had been due in January 2012, (iii) a prepayment of approximately U.S.\$56 million of CBs that had been due in September 2011, and (iv) a repayment of U.S.\$50 million of indebtedness under the Financing Agreement.

On January 19, 2011, we prepaid approximately U.S.\$256 million of CBs that had been due in September 2011, for which we had created a CB reserve with the proceeds from the offering of the January 2011 Notes. In addition, on January 27, 2011, we prepaid approximately U.S.\$218 million of CBs maturing in January 2012, or the January 2012 CBs, for which we had created a CB reserve with the proceeds from the offering of the January 2011 Notes.

On February 10, 2011, we made a prepayment of U.S.\$50 million to reduce the principal amount due under the Financing Agreement. We made this prepayment with proceeds from the offering of the January 2011 Notes.

On March 4, 2011, we closed a private exchange (the 2011 Private Exchange ) of 119,350,000 aggregate principal amount of the 6.277% Perpetual Debentures issued by C-10 EUR Capital (SPV) Limited and held by an investor for U.S.\$125,331,000 aggregate principal amount of new 9.25% Dollar-denominated Notes, issued by CEMEX España, acting through its Luxembourg branch, and guaranteed by CEMEX, S.A.B. de C.V., CEMEX México and New Sunward (the Additional 2020 Notes ). As a result of the 2011 Private Exchange, 119,350,000 in aggregate principal amount of the 6.277% Perpetual Debentures were cancelled. The Additional 2020 Notes are secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. The exchange was effected in reliance upon the exemption from U.S. securities law registration provided by Regulation S under the Securities Act.

On March 15, 2011, we closed the offering of U.S.\$977.5 million aggregate principal amount of 3.25% Convertible Subordinated Notes due 2016 (the 2016 Notes ) and U.S.\$690 million aggregate principal amount of 3.75% Convertible Subordinated Notes due 2018 (the 2018 Notes and, together with the 2016 Notes, the 2011 Optional Convertible Subordinated Notes ), in transactions exempt from registration pursuant to Rule 144A and

## **Table of Contents**

Regulation S under the Securities Act. The aggregate principal amount of the 2011 Optional Convertible Subordinated Notes issued reflects the full exercise of the U.S.\$177.5 million over-allotment option granted to the initial purchasers with respect to the 2016 Notes and the U.S.\$90 million over-allotment option granted to the initial purchasers with respect to the 2018 Notes. We used approximately U.S.\$128 million of the net proceeds from this offering to prepay CBs maturing in March 2012, and approximately U.S.\$1,287 million to repay indebtedness under the Financing Agreement.

In March 2011, we prepaid approximately Ps691 million (approximately U.S.\$56 million based on prevailing exchange rates as of December 31, 2010) of CBs, in connection with a private cash tender offer to holders of CBs in Mexico for up to approximately Ps999 million (approximately U.S.\$81 million based on prevailing exchange rates as of December 31, 2010). After these prepayments, we had approximately Ps308 million (approximately U.S.\$25 million based on prevailing exchange rates as of December 31, 2010) of CBs outstanding, which are due on September 15, 2011.

On April 5, 2011, we closed the offering of U.S.\$800 million aggregate principal amount of Floating Rate Senior Secured Notes due 2015 (the April 2011 Notes ) in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The payment of principal, interest and premium, if any, on the April 2011 Notes is fully and unconditionally guaranteed by CEMEX México, New Sunward and CEMEX España. The April 2011 Notes are secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. The net proceeds from the offering, approximately U.S.\$788 million, were used to repay indebtedness under the Financing Agreement. We refer to the December 2009 Notes, the May 2010 Notes, the January 2011 Notes, the Additional 2020 Notes and the April 2011 Notes collectively, as the Senior Secured Notes.

On April 12, 2011, we obtained consents from the required lenders and our major creditors under the Financing Agreement to make certain amendments to the Financing Agreement to allow us to retain funds in the CB reserve from disposal proceeds, permitted fundraisings and cash in hand, to meet CBs maturing in April and September 2012.

We refer to the prepayments of CBs in January and March 2011, the prepayments to the Financing Agreement in February, March and April 2011, and additional repayments of indebtedness of approximately U.S.\$59 million, collectively, as the 2011 Prepayments. For a more detailed description of the transactions completed after December 31, 2010, see Item 5 Operating and Financial Review and Prospects Recent Developments Recent Developments Relating to Our Indebtedness.

As of December 31, 2010, after giving *pro forma* effect to (1) the issuance of the January 2011 Notes, the 2011 Optional Convertible Subordinated Notes and the April 2011 Notes, (2) the 2011 Prepayments and (3) the 2011 Private Exchange, our total debt was approximately Ps208,100 million (U.S.\$16,837 million), not including approximately Ps14,342 million (U.S.\$1,160 million) of Perpetual Debentures, but including our debt not subject to the Financing Agreement, which was approximately Ps115,829 million (U.S.\$9,372 million). Of such *pro forma* total debt amount, approximately Ps1,059 million (U.S.\$86 million) matures during 2011; Ps4,717 million (U.S.\$382 million) matures during 2012; Ps9,283 million (U.S.\$751 million) matures during 2013; Ps99,956 million (U.S.\$8,087 million) matures during 2014; and Ps93,085 million (U.S.\$7,531 million) matures after 2014.

As of December 31, 2010, after giving *pro forma* effect to (1) the issuance of the January 2011 Notes, the 2011 Optional Convertible Subordinated Notes and the April 2011 Notes, and (2) the 2011 Prepayments, the Financing Agreement had the following semi-annual amortization schedule, with a final maturity of approximately U.S.\$6.8 billion on February 14, 2014:

**Table of Contents**

Repayment Date	Cumulative repayment amount %	Original repayment amount %	Approximate required payment (in millions of Dollars)	
June 2011*	20.69%	1.59%		
December 2011*	33.11%	12.42%		
June 2012*	35.75%	2.64%		
December 2012*	38.39%	2.64%		
June 2013*	46.35%	7.96%		
December 2013	54.31%	7.96%	U.S.\$	696
February 2014	100.00%	45.69%	U.S.\$	6,769

\* Repaid in full.

The *pro forma* financial information giving effect to our most significant transactions completed after December 31, 2010 has been included in this annual report for the convenience of the reader.

**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 factors we consider most important are described below.

***Economic conditions in some of the countries where we operate may adversely affect our business, financial condition and results of operations.***

The economic conditions in some of the countries where we operate have had and may continue to have a material adverse impact on our business, financial condition and results of operations throughout our operations worldwide. Our results of operations are highly dependent on the results of our operating subsidiaries in the U.S., Mexico and Western Europe. Despite some aggressive measures taken by governments and central banks thus far, there is still a significant risk that these measures may not prevent several of the countries where we operate from falling into an even deeper and longer lasting recession. In the construction sector, declines in residential construction in several of our major markets have broadened and intensified in line with the spread and deterioration of the financial crisis. The adjustment process has been more severe in countries that experienced the largest housing market expansion during the years of high credit availability (such as the U.S., Spain, Ireland and the U.K.). Most government sponsored recovery efforts focus on fostering growth in demand from infrastructure projects. The infrastructure plans announced to date by many countries, including the U.S., Mexico and Spain, may not stimulate economic growth or yield the expected results because of delays in implementation and/or bureaucratic issues, among other obstacles. A worsening of the economic crisis or delays in implementing any such plans could adversely affect demand for our products.

In the U.S., the recession was longer and deeper than the previous two recessions during the 1990s and in early 2000, and the economy continues to languish. In December 2010, housing starts, the primary driver of cement demand in the residential sector, reached an annual rate of 586,900, according to the U.S. Census Bureau, which was less than 10% higher than the annual rate of 554,000 in 2009. The timing of a housing recovery remains uncertain given the current market environment, tight credit conditions and housing oversupply. As part of the announced government fiscal stimulus package, the U.S. Congress passed the American Recovery and Reinvestment Act of 2009, which provides approximately U.S.\$85 billion for infrastructure spending. To date, however, spending under this program has not been entirely effective to offset the decline in cement and ready-mix concrete demand as a result of current economic conditions. The uncertain economic environment and tight credit conditions also adversely affected the U.S. industrial and commercial sectors during 2010, with contract awards – a leading indicator of construction activity – declining 17% in 2010 compared to 2009, according to FW Dodge. This combination of factors resulted in the worst decline in sales volumes that we have experienced in the United States in recent history. Our U.S. operations – domestic cement sales volumes were flat and ready-mix concrete sales volumes decreased approximately 7% in 2010 compared to 2009.

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**Table of Contents**

The Mexican economy has also been significantly and adversely affected by the financial crisis. Mexican dependence on the U.S. economy remains very important, and therefore, any downside to the economic outlook in the United States may hinder the recovery in Mexico. The crisis has also adversely affected local credit markets resulting in an increased cost of capital that may negatively impact companies' ability to meet their financial needs. During 2008, the Mexican Peso depreciated by 26% against the Dollar. During 2009 and 2010, the Mexican Peso had a mild recovery, appreciating by approximately 5% and 6%, respectively, against the Dollar. Exchange rate depreciation and/or volatility in the markets would adversely affect our operational and financial results. We cannot be certain that a contraction of Mexican economic output will not take place, which would translate into a more challenging outlook for the construction sector and its impact on cement and concrete consumption. According to the Mexican Statistics Office (*Instituto Nacional de Estadística, Geografía e Informática*, or INEGI), spending on infrastructure-related projects increased approximately 1% for the full year 2010 compared to 2009, and approximately 15% for the full year 2009 compared to 2008. However, we cannot give any assurances that this trend will continue, as the Mexican government's plan to increase infrastructure spending could prove to be, as in other countries, difficult to implement in a timely manner and in the officially announced amounts. As a result of the current economic environment, our domestic cement and ready-mix concrete sales volumes in Mexico decreased approximately 4% in 2010 compared to 2009.

Many Western European countries, including the U.K., France, Spain, Germany and Ireland, have faced difficult economic environments due to the financial crisis and its impact on their economies, including the construction sectors. If this situation were to deteriorate further, our financial condition and results of operations could be further affected. The situation has been more pronounced in those countries with a higher degree of previous market distortions (especially those experiencing real estate bubbles and durable goods overhangs prior to the crisis), such as Spain, or those more exposed to financial turmoil, such as the U.K. According to OFICEMEN, the Spanish cement trade organization, domestic cement demand in Spain declined 15% i