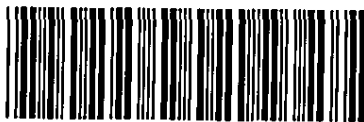


**COMPANY NUMBER: 475212**

**CEMEX UK CEMENT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

THURSDAY



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COMPANIES HOUSE

**CEMEX UK CEMENT LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

The directors present their report and audited financial statements for the year ended 31 December 2006

**Principal activity, business review and future developments**

The principal activity of the Company continues to be the manufacture, trade and sale of cement and cementitious products as agent for and on behalf of CEMEX UK Operations Limited, which indemnifies the company against all losses and liabilities it may incur in pursuing that activity as agent

The directors do not expect any material changes in the Company's affairs in the foreseeable future

**Interests in land**

All the company's interests in land are held in trust on behalf of CEMEX UK Operations Limited

**Directors**

The directors who served during and since the end of the year are shown below:

G Moores (resigned 31 August 2006)  
C L Oakley  
I Ortiz

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**Statutory dispensation**

The Company has in force, under section 379A of the Companies Act 1985, an election dispensing with the laying of accounts and reports before the Company in General Meeting, the holding of an Annual General Meeting and the obligation to appoint auditors annually

By order of the board



D M Murray  
Secretary

CEMEX House  
Coldharbour Lane  
Thorpe  
Egham  
Surrey  
TW20 8TD

23 January 2008

**CEMEX UK CEMENT LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

## Report of the independent auditors to the members of CEMEX UK Cement Limited

We have audited the financial statements of CEMEX UK Cement Limited for the year ended 31 December 2006 which comprise the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*KPMG LLP*

KPMG LLP  
Chartered Accountants  
Registered Auditor  
BIRMINGHAM


23 January 2008

**CEMEX UK CEMENT LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 2006**

	Notes	2006 £	2005 £
<b>Current assets</b>			
Debtors	4	30,981,866	25,818,871
<b>Creditors: amounts falling due within one year</b>	5	<u>(30,964,911)</u>	<u>(25,801,916)</u>
<b>Net assets</b>		<u>16,955</u>	<u>16,955</u>
<b>Capital and reserves</b>			
Called up share capital	6	10,000	10,000
Other reserves		<u>6,955</u>	<u>6,955</u>
<b>Shareholders' funds</b>		<u>16,955</u>	<u>16,955</u>

There are no recognised gains or losses for the year ended 31 December 2006 or 31 December 2005 and therefore no statement of total recognised gains and losses has been presented

The financial statements on pages 4 to 6 were approved by the board of directors on 23 January 2008 and were signed on its behalf by

  
C L Oakley  
Director

**CEMEX UK CEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As 100% of the Company's voting rights are controlled within the group headed by CEMEX, S A B de C V , the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of CEMEX, S A B de C V , within which this Company is included, can be obtained from the address given in note 8

**2. Profit and loss account**

During the financial year and the preceding year, the Company acted as an undisclosed agent and did not record any trade or expenditure. Consequently, during these years, the Company made neither a profit nor a loss

The remuneration of the auditors stated below was paid by another group undertaking in 2006 and 2005

	2006 £	2005 £
Auditors remuneration – for audit of these financial statements	<u>5,000</u>	<u>5,000</u>

No remuneration was paid to the directors of the company for their services to the company as directors

**3. Turnover**

Turnover represents gross amounts invoiced to third parties where the Company acts as principal, or commissions received where the Company acts as agent. During the current and previous periods, no transactions were entered into as principal, nor were any commissions received on trading as agent of CEMEX UK Operations Limited

**CEMEX UK CEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

**4. Debtors**

	2006 £	2005 £
Amounts falling due within one year		
Loan to parent company	16,955	16,955
Amounts owed by group undertakings	30,964,911	25,801,916
	<u>30,981,866</u>	<u>25,818,871</u>

These amounts are unsecured, free of interest and payable on demand

**5 Creditors, amounts falling due within one year**

	2006 £	2005 £
Trade creditors	14,907,679	19,802,549
Other creditors	913,184	3,638,828
Accruals and other deferred income	15,144,048	2,360,539
	<u>30,964,911</u>	<u>25,801,916</u>

**6 Called up share capital**

	2006 £	2005 £
Authorised, called up and fully paid Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**7. Contingent liabilities**

The company has entered into a joint and several guarantee with certain group companies guaranteeing a group bank overdraft facility of £100,000,000 for CEMEX Investments Limited

The Company is registered with H M Revenue & Customs as a member of the CEMEX Investments Limited group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities

**8. Ultimate parent company and parent undertaking of larger group of which the Company is a member**

The Company's immediate parent undertaking is The Rugby Group Limited, which is incorporated in Great Britain

The largest group in which the results of the Company are consolidated is that headed by CEMEX, S A B de C V, incorporated in Mexico Its address is Av Ricardo Margain Zozaya 325, CP 66265, San Pedro Garza Garcia, N L, Mexico

The smallest group in which the results of the Company are consolidated is that headed by CEMEX España S A, incorporated in Spain Its address is Hernandez de Tejada 1, Madrid 28027, Spain

The consolidated financial statements of these groups are available to the public and can be obtained from the above addresses