Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

In two decades, Cemex, the Mexican building materials major, has grown to be the world’s largest cement trader and the third-largest producer through an array of global acquisitions. Since 1992, Cemex acquired many companies across North America, Latin America, Europe and Asia and spread its operations to more than 50 countries. These acquisitions helped the company in reducing its dependency on domestic market – in 2008. Mexico accounted for just one-third of its revenues – but substantially increased its debt burden, which stood at $19.4 billion by mid-2009 or more than six times its EBITDA. In the wake of the global recession, Cemex had to grapple with a paradox – scouting for debt restructuring or selling assets – to honour impending debts. Given the nature and intensity of US Financial Crisis, would banks allow it to come to negotiations or would it be forced to offload some of its acquired assets in distressed markets?

Cemex under Zambrano – Cementing its Position

Cemex’ growth, since established as Cementos Hidalgo in 1906 in Mexico, has been an ordeal. Cementos Hidalgo merged with Cementos Portland Monterrey in 1931 to form Cementos Mexicanos (Cemex). Cemex grew to be a national player by acquiring a plant in Mérida, Yucatán, in 1960s from Cementos Maya and by constructing new plants in Ciudad Valles, San Luis Potosí and Torreón, Coahuila. It further expanded in early 1970s by installing new kilns in Mérida and Monterrey and acquiring a plant in Central Mexico. During 1976, it was listed on the Mexican Bolsa (stock exchange) and also became leading cement producer in Mexico by acquiring three plants owned by Cementos Guadalajara.

This case study was written by Vivek M.V. and Saradhi Kumar Gonela under the guidance of Dr. Nagendra V. Chowdary, IBSCDC. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. The case was compiled from published sources.

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During early 1980s, Cemex diversified into unrelated businesses like petrochemicals, tourism, hotels and mining to reduce its dependence on the cement industry. However, in 1985 when Lorenzo Zambrano (Zambrano) became the CEO, he decided to divest non-cement holdings as, on one hand, petroleum prices fell sharply in the international markets and on the other, devaluation of Mexican Peso (in 1982) pushed the economy into recession. In later years, Zambrano’s refusal to operate in non-cement industries proved to be the base of Cemex’s success. Though started as a cement manufacturer, Cemex developed its expertise in distribution, marketing and sale of cement, ready-mix concrete, aggregates and clinker. By the end of 1980s, having secured a domestic market share of 65%, Cemex became one of the 10 largest cement companies in the world. Although Cemex was making rapid progress, Mexican cement industry was operating at only 50% capacity by the end of 1980s.

Cemex improved its efficiency by using Information Technology (IT). In 1987, Zambrano hired a cyber-visionary Gelacio Iiguez, who created an information network system, by installing satellite dishes for voice and data transmission among all its plants. In 1994, a Cemex team visited FedEx, Exxon and 9-1-1 centre (Emergency Communication Centre) in Houston and on the same lines developed an integrated dispatching system, centralising dispersed operations by a satellite. Often, trucks failed to reach customers in time and orders were either cancelled or re-scheduled, resulting in losses. To avoid this, Cemex equipped their ready-mix delivery trucks with satellite connection, which enabled customers to track the trucks by global positioning system. This technology also helped in re-directing trucks on orders cancellation, through a central monitoring system. It drastically reduced the delivery time and 70 trucks could deliver same quantity as 100 trucks did in previous method. The technology resulted in huge savings of fuel, maintenance, payroll and an enormous increase in goodwill. “We have been able to run the company with a very small number of managers because of very sophisticated information systems,” Zambrano quipped.

In 1995, Cemex launched one of the first wide-ranged corporate websites, featuring up-to-date financial information for investors and analysts, as well as catalogues of products for clients. Further, Zambrano launched a logistics system that allowed clients to track shipments online. “The Internet is changing the way we do business, but that doesn’t change the traditional strategy of the past,” Zambrano said, referring to Cemex’s swift move towards IT and added, “We’re investing in Internet-related businesses to strengthen our core business, which we define not as selling cement, but as selling service with certain attributes, like timeliness.” On IT focus Zambrano said, “A cement company is not supposed to be high-tech, but we showed it can be. It is supposed to be boring, but we showed it is not.”

Cemex’s CxNetworks, based in Miami was formed in 2000 as a subsidiary to manage Cemex’s various e-business efforts. Among these were Construmex, a construction industry online marketplace aimed at small- and medium-sized contractors in Latin America and Latinexus, an online exchange for indirect goods and services created in partnership with other leading companies in Mexico and Brazil. Cemex renamed its technological arm Cemtec as Neoris and spun it into an independent company to provide e-consulting, front-end web designing, web architecture and related services to various firms beyond Cemex. According to Zambrano, the company’s e-business strategy is premised on five inter-related business realities to free the most valuable human assets (Annexure I).
While IT supported the growth of Cemex, an otherwise commodity was elevated into a product with unique marketing strategies and further made it into a successful brand with extraordinary consumer care service support. In Mexico, cement was sold in retail bags as a cheap commodity to average do-it-yourself customers that represented 85% of the total cement business. However, the market was unattractive as home constructions and additions were passive. It was largely because the Mexicans spent savings heavily on local festivals, Quinceañera or Quince años (girls’ 15th birthday celebrations) and weddings, denying Mexican families savings for building materials—a cement house remained a dream. Cemex solved this through Patrimonio Hoy programme launched in 1998. It shifted the image of cement from being a bag of white powder to a gift of dreams and blended the programme with traditional Mexican tandas, a community savings scheme, in which the winning family would spend the amount in festive seasons. Cemex, brought in supertandas which directed the family towards building additional rooms to the home. The Patrimonio Hoy programme consisted of roughly 70 people, each contributing 120 pesos for 70 weeks. Every week lots would be drawn and winners would get building materials worth the total money. Along with the prize, Cemex complemented winners with delivery of cement, organising classes on effective construction and a technical advisor to maintain relations with participants during the project.

Many Mexican families waited for their migrated relatives to US, to transfer money for building or remodelling homes, but huge commissions discouraged money transfers. Even when money reached, incomplete knowledge hampered construction. Another problem was that, most of the time, money was spent on some unimportant matters instead of construction. To solve this, Cemex initiated a programme called Construmex, in 2001, targeting Mexican migrants to US. The Construmex programme, enabled customers in US to buy, construct or remodel their home in Mexico. Initially, Cemex had to face challenges in gaining trust of migrants. Cemex realised the importance of gaining trust and establishing strong relations with customers rather than selling material and thus has altered its programme. Mexicans in US could walk to a local Cemex office and select a plan. As soon as the money was paid in US, Cemex delivered the construction materials to the concerned families in Mexico. Credit facilities were also available for the needy. Construmex’s catchy Spanish tagline Hazla, Paisano, which translates to ‘You can do it, Compatriot’, was very effective in attracting the US-based Mexicans.

Competitors sold bags of cement whereas Cemex sold a dream with a business model that involved innovative financing and construction expertise. Cemex went a step further through organising celebrations in the town whenever a room was finished, adding to shared happiness. This emotional positioning of cement, helped to increase demand for cement in Mexico. More families started building additional rooms and demand for cement in Mexico tripled. Cemex could charge a relatively higher price and grew at a monthly growth of 15%.

Success in the homeland did not take Cemex’ attention away from global industry trends during late 1980s. It was the time when globalisation was attaining prominence and cement industry was consolidating along with other industries. Zambrano observed, “We suddenly found ourselves competing with very large international companies at a time of consolidation in the world cement industry. There were few independent players left. Either we became large and international or we would end up being purchased by a bigger player.” And that was the time when multinationals like Holcim of...
Switzerland were competing for a better market share in Mexico’s developing economy (Annexure II) and a much bigger threat was from North American Free Trade Agreement (NAFTA) accord that would be implemented from 1994. This made Zambrano to look outside Mexico and strategise plans to go global (Annexure III). He muscled his way into more than 50 countries and became an inspirational leader as *The Wall Street Journal* described, “Lorenzo Zambrano is a poster boy for globalisation, a swashbuckling executive who turned a sleepy local cement maker into Mexico’s first true multinational, with holdings on five continents. For many in Latin America, in particular, he became an inspiration, showing how to not just survive in a competitive world but dominate.”

Zambrano became the face of calculated globalisation and Cemex was rated as the region’s most admired company in a survey of Latin American business people in 2000 conducted by PricewaterhouseCoopers.

**Cemex’s Globalisation Moves: Growing Through Acquisitions**

With excess capacity gained through acquisitions during 1980s, Cemex started exporting cement to US, a fragmented market with supposedly stable demand. By the end of 1980s, Cemex bought distribution facilities in US and formed JVs with US firms to sell the imported product under Sun Belt brand. Detecting a threat from Cemex, American cement makers, including two trade unions, filed an anti-dumping suit against Cemex. Eventually, Cemex was forced to pay anti-dumping duties in US. Hector Medina, executive vice president for Planning and Finance recalled, “The antidumping ruling and being blocked from the US market made us realise the US was not the whole world.”

Determined to go international, in 1991, Cemex invested in port facilities in Southeastern Spain through which it could gain a toehold in Europe. The following year, Cemex outplayed competitor Holcim by acquiring two largest Spanish firms, Sanson and Compania Valenciana, by borrowing more than $1 billion. The two firms together accounted for 28% of the Spanish market and helped Cemex to restart the export programme to US as Spain was exempted from anti-dumping duties.

To strengthen its presence in Latin America, in 1994 Cemex bought 60% of Vencemos, Venezuela’s largest cement company, for $550 million. The acquisition helped Cemex to export to Northern Brazil, Panama and the Caribbean. Expansion in Europe, North and Latin America was welcomed by the share market and in Mexican stock exchange its share value grew nearly 300% by 1994.

Cemex purchased Cementos Nacionales in the Dominican Republic in 1995 along with Scancem Industries Ltd., that operated in five countries in the Caribbean region. It purchased controlling stake in two Colombian cement makers, Cementos Diamante, S.A. and Industrias e Inversiones Samper, in 1996. These acquisitions gave Cemex one-third share of the Colombian market and also made Cemex the third-largest cement company in the world. Further continuing consolidation in Caribbean market, Cemex acquired Cementos Bayano, a Panamanian government company, for a price of $60 million. By this time Cemex’s overseas sales soared up over 30% of total sales, de-risking the company from Mexican related uncertainties and enabling to borrow much cheaply compared to other Mexican companies.

Cemex made its first direct investment in Asia, in 1997, by purchasing a 30% stake in Rizal Cement Company of the Philippines. In 1998, it acquired 14% stake in Semen Gresik, a government-
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owned cement company in Indonesia and later increased the stake to 25%. However, Cemex failed to acquire it fully due to protest against foreign ownership. For financing its growing presence in Asia, Cemex created an investment holding company called Cemex Asia Holdings Ltd., in 1999.

Further, strengthening its presence in South America, Cemex acquired a 12% stake in the largest cement producer of Chile, Cementos Bio Bio, in 1999. It also acquired Cementos del Pacífico, Costa Rica’s largest cement company and purchased two terminals in Haiti that supplied 70% of the cement to the Central American and Caribbean markets. Cemex also acquired APO Cement Corporation of the Philippines in 1999 and became the largest cement manufacturer in the country. In the same year, Cemex made its first acquisition in Middle East, acquiring 77% stake in Assiut Cement Company, a major cement producer in Egypt and by 2000 the control increased to 90%.

Even when it was away from US throughout the 1990s, Cemex had plans ready for the entry when time was ripe. In 2000, it acquired the largest independent cement producer in the US, Houston-based Southdown Inc., for $2.8 billion. Acquisition of a large and well-performing cement producer in a developed market was entirely different from its previous strategy, where it acquired underperforming companies in developing markets. Southdown’s highly decentralised system was reframed to match the standards of Cemex. In 2000, Cemex’s credit rating was promoted to ‘investment grade’ by Standard and Poor. After the Southdown acquisition, Cemex acquired facilities in Thailand and Puerto Rico in 2001 and 2002 respectively. Though it had huge opportunity of acquisitions, as top 10 companies together were producing about one third of the global cement supply, Cemex reduced the pace of acquisitions to concentrate on debt repayment.

In 2005, it acquired UK-based RMC, world’s largest ready-mix concrete maker for $6.5 billion. It was “a very compelling strategic opportunity, RMC’s strong positions in cement, aggregates and ready-mixed concrete will add to our existing operations in these areas and enhance our leading position in the global building material market,” Zambrano observed. Though analysts were sceptical about Cemex’s statement that it will achieve synergies of $200 million within 6 months after acquisitions, the company managed to generate $360 million. Barely a year after closing the deal, Cemex’s ratio of net debt had fallen to 2.3 times of EBITDA, easily surpassing its target of 2.7.

Boosted by the success of acquisitions hitherto, Cemex embarked on its biggest acquisition in 2007 by acquiring Rinker Materials Corporation (Rinker), an Australian building materials company serving majorly the US market, for a mammoth $15.3 billion through leveraged buyout. “Cemex has a proven track record of disciplined acquisitions and successful integrations. Combining Rinker with Cemex will generate value for shareholders of both companies. Rinker’s strong presence in key US regions will significantly strengthen our ability to serve customers in the world’s largest and most dynamic building materials market and extend our global network into Australia,” said Zambrano. He explained the six success factors of Cemex, which helped it to become a global leader, during the Annual Investors and Analysts Meeting 2008 (Annexure IV). “At Cemex, consistently generating solid returns for our shareholders has always been a top priority, since 2000, Cemex has evolved from a cement company to a global integrated building materials company, all the while maintaining our commitment to our core strategies – operational excellence, industry-leading integration capabilities, driving cost efficiency, rigorous investment discipline and attracting and retaining the best talent. We
believe we have the right operating and financial strategies in place and the right people to execute on those strategies to ensure the continued success of Cemex.\textsuperscript{20} These standards have helped Cemex to generate half of its sales from countries other than Mexico.

**The Globalisation and Post-merger Integration: The Cemex Way**

Apart from considering the strategic geographic location of the target company that provides potential customer base in close vicinity, Cemex focussed on three conditions to acquire a company. First, the acquisition should provide return on investment well above the cost of capital; second, it should enable Cemex to maintain its financial strength and credit quality. Third, the management expertise of Cemex should be able to increase acquired company’s value. It acquired only those companies that met these criteria. While the first was almost a prerequisite for acquisition, the second condition guided Cemex to minimise the financial burden of any new acquisition and to maintain a healthy balance sheet. The third assessing parameter enabled Cemex to identify the companies that possessed a similar management philosophy to mitigate the danger of culture clash after acquisition.

In the integration process, Cemex decided on the operations that are to be decentralised and the ones that required centralised decision making. Cemex retained umbrella brand, for brand was one of its major assets. It sourced people and facilities internationally and standardised management practices throughout its manufacturing units. It also standardised local practices if they were found effective. All this helped Cemex in developing an efficient integration strategy, by stressing on standardisation of processes.

The integration of acquired firms was the decisive part of success. Even though cultural and regulatory differences always threatened the cross-border deals, Cemex has built a standard *modus operandi* for post-merger integration, often called as the ‘Cemex Way’ – documented in 2000. The ‘Cemex Way’ also is the way in which ‘business process gap analysis’ was done for every acquisition. Cemex Way has three main components: Systems and process standardisation, a new governance model and e-enabling process.

The decision to enter the global markets in early 1990s coincided with IT revolution and consolidation spree in global markets. The main competitors of Cemex – Lafarge and Holcim, which began global acquisitions much earlier, adopted decentralised approach. Predictably, Holcim and Lafarge had trouble unifying their diverse corporate cultures and systems.\textsuperscript{21} Cemex, on the other hand, has been able to integrate its acquisitions within months, through its IT expertise and process standardisation.

To support and guarantee permanent standardisation, eight so called ‘e-groups’ were made responsible for the process effectiveness. Each e-group consisted of a business expert, who heads the group, along with HR and IT experts who extended support in relevant areas. All eight standardisation groups report to a vice president or above level, with senior executives taking responsibility for more than one group as business experts. Each group works closely with teams from the acquired company to compare their processes with those encoded in Cemex Way. The goal of this association would be to identify areas where Cemex Way processes can be adopted by the local company to speed integration and boost economies of scale, while also figuring out which
practices can be left out to meet local cultural or regulatory demands. About 20% of an acquired company’s practices are typically retained, remaining local practices are replaced by Cemex Way standards. To mitigate the danger of cultural clash, instead of scrapping 80% of local practices, the groups catalogue all practices and store them in a centralised database. Further, these processes are benchmarked against internal and external practices to choose the better of the two. Cemex Way is a method of systematically mapping, cataloguing and disseminating acquired business processes across the global enterprise – a highly centralised but flexible model.

More than the corporate brand name, processes or IT systems, Cemex’s success lies in its people. Zambrano says that he likes to personally interview the candidates to ensure the exact fit in the company. Cemex has installed a clear career path to ensure the best of the new hires move up in the company. To make certain they understand Cemex’s goals and philosophies, every new employee attends an induction course, tailored to each employee’s level. It contains basics of the Cemex Way and tutorial on the technical and market aspects of the business. Beyond that, new employees are expected to attend several programmes designed to maintain a spirit of professional growth and competition. Young managers are encouraged to take international positions and the learning process continues beyond a new hire’s early days. Employees have access to 261 e-learning courses which cover both Cemex operations and general business and managerial skills22 (Exhibit I).

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<th>Exhibit I</th>
<th>Human Capital Development at Cemex</th>
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<tr>
<td><strong>Training and Development</strong></td>
<td>Building broad group of high potential executives with full mobility</td>
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<tr>
<td><strong>Identify and develop high performance executives for leadership positions</strong></td>
<td>Talent from acquired companies</td>
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<tr>
<td><strong>Recruiting and Selection</strong></td>
<td><strong>The right person in the right job</strong></td>
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Branding and customer satisfaction are other two aspects that helped Cemex lead the industry. Under the umbrella brand of Cemex, there are many product brands, tailored to suit the needs of the customer. “At Cemex, the corporate brand is not just a logo, tagline or mission statement. It is a promise the company makes to its customers: a promise to deliver superior customer service and outstanding product quality in every market it serves. Because cement is essentially a consumer product in many of Cemex’s developing markets, the company has a large opportunity to gain a competitive advantage by differentiating its brand and increasing customer loyalty” emphasised the company. To identify consumer preferences and serve them accordingly, Cemex followed innovative consumer interaction methods, like, ‘Throw and Win’ marketing campaign in Mexico. It was awarded the Silver Promo Award for this innovative method of scrutinising consumer tastes. Cemex recognised the need to develop a brand to maintain customer trust. It always tries to match the needs of the customer. In UK, one of the Cemex brands, Rugby+ gave a product application chart to the customers giving them the chance to identify the best brand for their purpose (Annexure V). Cemex’s ready-mix concretes are also highly customised to suit the needs of the customer, which gave competitive advantage in every market it entered.

By managing all the critical factors – IT, people, innovative marketing methods and effective customer support – Cemex delivered superior value to all its stakeholders (Exhibit II).

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### Exhibit II

**Value Creation in Cemex**

![Value Creation in Cemex Diagram](http://www.cemex.com/pdf/ir/03_ValueCreationCEMEX.pdf, July 2nd 2003)

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**Cemex’ Cost of Globalised Growth: The Cash Crunch**

Acquiring all companies during boom times Cemex grew optimistic after each acquisition. Cemex was warned about excessive debts during the acquisition of Rinker in 2007, but optimism, proven track record and debt clearance guided the acquisition. As demand in the US market slowed down,
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where Rinker had most of its operations, Cemex’s hopes were shattered. As the company was highly leveraged, a large amount of free cash flow went to debt services. Consequently, Cemex’s net-debt-to-EBITDA increased.

The Annual Report (2007) states, “free cash flow after maintenance capital expenditures decreased 4% to $2.58 billion, which we used primarily for expansion capital expenditures of $1.43 billion and to reduce debt. Net debt was $18.90 billion at the end of 2007 compared with $5.81 billion at year-end 2006. At the end of 2007, our net-debt-to-EBITDA ratio stood at 3.6 times, up from 1.4 times for 2006”.

Cemex’s 2007 Financial Report shows a decline in the free cash flow (Annexure VI). The situation further worsened in 2008 and the annual cash flows reduced to 17% of debt, well below its historic average of 30%.

Analysts believe that Rinker was overvalued. In October 2006, Cemex made an unsolicited $12.8 billion offer to acquire Rinker, which rejected the offer on the grounds that the offer grossly undervalued its assets. Further, through a target statement, it requested its shareholders not to sell the shares to Cemex and Cemex increased the bid. Had Rinker remained independent, it would probably be worth around half of the $15.3 billion purchase price considering the global financial crisis.

Rinker’s acquisition helped Cemex only in the short-term revenue increment. During the first and second quarter of 2008, the sales and EBITDA of Cemex increased compared to those in 2007. But in the third quarter, things were different. The net sales in the third quarter 2008, decreased by 5% and EBITDA was down 4% (Annexure VII). Net income decreased by 74% to $200 million in the third quarter of 2008 from $780 million in the same period a year ago. The net-debt-to-EBITDA ratio reached 3.4 times for the third quarter 2008 compared with 3.5 times in the second quarter 2008. Interest coverage reached 4.8 times during the third quarter, up from 4.6 in the second quarter.

At the end of the third quarter of 2008, Cemex’s net debt was $16.4 billion, out of which over $5.7 billion was due for 2009 and about another $8 billion matures by mid-2010. Compounding problems, in addition to the credit freeze, three of Cemex’s main markets – the US, the UK and Spain are experiencing a slowdown in demand and are moving into recession. Mexican economy was no exception.

Cemex’s leverage ratio and other financial ratios show the concern about debt payment and free cash flow (Annexure VIII). Shares crumbled after the debt repayment became doubtful (Annexure IX). The highest and lowest ADR value of Cemex were $32.61 on May 19th 2008 and $4.01 on November 21st 2008 respectively. By the same period the falling dollar value forced a loss of around $711 million on the company due to its huge currency swaps and related derivatives.

The Davenport plant in California, which produces just less than 1 million tonnes of cement a year, has been hurt by a sharp decline in new home construction in the state. Cemex had no option but to close it and lay off the workers. There were reports that Cemex will cut its worldwide staff of 60,000 by 10% and put $2 billion in assets up for sales as profits reduced and demand slowed. “We are increasing the list of asset disposal so we can face this challenging environment”, said Hector Medina. However, the initial asset sales were quite discouraging. In November 2008, Cemex’s Spanish unit offloaded operations in the Canary Islands for $211 million, grossly undervalued according
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to industry analysts. During the same time, Cemex also sold assets in Hungary and Austria for $400 million – about $100 million less than expected or 25% less.

Cemex was in continuous talks with five major banks – Citi group Inc., Banco Bilbao Vizcaya Argentaria SA, Banco Santander SA, HSBC Holdings and Royal Bank of Scotland Group – for refinancing the large debt. With new terms, banks have agreed to refinance nearly $2.2 billion in debt maturing in 2009 through 2010. Cemex said creditors also agreed to extend $1.5 billion of the total $3 billion due in December 2009.

Another blow that Cemex had to take on its weakening finance during the recession was nationalisation in Venezuela. President Hugo Rafael Chávez (Chavez) took oil, steel and telephone companies from private owners. “These are all steps towards socialism”33, Chavez said. Cemex asked for $1.3 billion in compensation and the state offered only $650 million.34 Cemex rejected the offer stating that the offer highly undervalued its operations in Venezuela (Annexure X). The government seized Cemex’s assets. The dip in the company’s net income was more than anybody could imagine (Annexure XI).

However, Cemex was not ready to budge back because of the financial issues. In 2009, it agreed to sell some of its Australian operations to competitor Holcim for a consideration of $1.62 billion to serve its payments till mid-2011. It was constantly negotiating for credit restructuring with a group of creditor banks including Citi group Inc., Banco Bilbao Vizcaya Argentaria SA, Banco Santander SA, HSBC Holdings and Royal Bank of Scotland Group to gain new credit line. All the negotiations paid off as these banks agreed to restructure the debt of approximately $4 billion in January 2009 and further $15.5 billion in August 2009. Though, “the refinancing removes the risk of a near-term insolvency, but with net debt of $18.3 billion and operating cash flow expected to fall this year to $3.1 billion from $4.3 billion in 2008, Cemex still faces a rocky road ahead”.35 Even with asset sale and debt restructuring, the company would still require additional refinancing in near future. However, its huge debts are blessing in disguise as they make Cemex unappealing for would-be acquirers.
Annexure I  
Basis of Cemex’s e-Business Strategy

- The boundaries between companies and between industries are increasingly blurring
- The relationships between companies and their markets have changed. In a world of mass customisation, Cemex’s ability to brand cement and other products is a valuable asset
- Time has sped up. Since information is everywhere, readily available and virtually free, companies like Cemex are differentiating themselves through the speed of their decision making and develop new business strategies
- There has been a shift in the source of value creation from owning assets to leveraging assets through networks
- Internet is changing the nature of work. As Cemex increasingly digitises its global network, the company is able to remove hands and minds from routine tasks throughout the organisation, replacing them with computers and networks

“This frees our most valuable resources — our people — to undertake information intensive activities that create more value for all our stakeholders”, Zambrano says.

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Annexure II
Globalisation Moves of the Major Three Firms of Cement Industry

Cemex
From a modest domestic player to a mighty multinational
- 1906: Cementos Hidalgo is established near Monterrey in Northern Mexico and begins operating a cement plant
- 1920: Lorenzo Zambrano opens a cement plant in Monterrey through his newly founded firm, Cementos Portland Monterrey
- 1931: The two companies merge to form Cementos Mexicanos, later known as Cemex; firm is based in Monterrey
- 1976: Cemex goes public; it becomes the largest cement maker in Mexico following the acquisition of Cementos Guadalajara’s three plants
- 1985: The founder’s grandson, also named Lorenzo Zambrano, is named chairman and CEO; the new leader embarks on an ambitious programme of expansion
- 1989: Acquisition of Cementos Tolteca, the number two cement producer in Mexico, gives Cemex 65% of the Mexican market and makes it one of the 10 largest cement companies in the world
- 1992: The company buys the two largest cement companies in Spain, Valenciana and Sanson, for $1.84 billion
- 1994: A controlling stake in Vencemos, the largest cement company in Venezuela, is acquired
- 1995: Expands to Dominican Republic and expands in Caribbean market
- 1996: Expands to Columbia and Panama to consolidate the Caribbean market
- 1997: Cemex makes its first direct investment in Asia, purchasing a 30% stake in Rizal Cement Company, Inc. of the Philippines
- 1999: A majority stake in Assiut Cement Company, the leading cement maker in Egypt, is acquired. Further expansions in India and South America follows.
- 2000: The second-largest US cement producer, Houston-based Southdown Inc., is acquired for $2.63 billion
- 2002: A write-down from currency-hedging operations foreshadows the losses company will face in this years credit crisis. Expands to Puerto Rico
- 2005: Cemex acquires RMC for $5.8 billion, which enhanced its position to world’s third-largest producer of cement

Contd...
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- 2007: Cemex acquires Rinker, an Australian company with its major operations in US, for a huge amount of $15.3 billion, loading up the debt
- 2008: Cemex stocks crumble as cement sales decline, flight to the dollar causes currency-hedging losses and the company is in huge debt crisis trying to refinance and come out of the cash crunch

**Lafarge**

**From a family limestone business to the world leader in building materials**

- 1833: Creation of Lafarge in France
- 1864: 1st major international contract. The company delivers 110,000 tonnes of lime for the construction of the Suez Canal
- 1866: First operations in Algeria and development in North Africa
- 1887: Lafarge opens its 1st laboratory, the Teil Laboratory, in the South of France
- 1926: Lafarge enters UK
- 1956: Lafarge enters US and builds its 1st cement works in Canada, at Richmond
- 1959: Lafarge enters Brazil
- 1980: Lafarge enters Belgium through merging with Coppée
- 1980s: Lafarge expands to other European countries Germany, Spain, Turkey and Austria
- 1985: First operations in Cameroun and sub-Saharan Africa
- 1989: Expands to Kenya, Acquires Cementia and thus expands to Switzerland. Expanded to Spain, Turkey and Austria through acquiring brands
- 1990: Expands to East Germany
- 1992: Expands to Czech Republic
- 1994: Lafarge enters the Chinese market through Chinefarge, a JV
- 1995: Starts operations in Poland
- 1996: Starts operations in Russia
- 1997: Lafarge acquires the British firm, Redland. The Group becomes No. 1 in the aggregates market and enters the roofing market. Starts operations in Romania
- 1998: Expands to South Africa. Starts operations in South Korea, Indonesia and the Philippines
- 1999: Expands to India. Starts operations in Ukraine. Starts operations in Mexico
- 2001: Acquisition of the British cement company, Blue Circle Industries Plc. (B.C.I.), propels Lafarge to the rank of No. 1 global cement manufacturer. Starts operations in Malaysia. Expands to Zimbabwe, Tanzania, Malawi, Nigeria and Zambia

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- 2006: Lafarge acquires 100% ownership of Lafarge North America. Starts plant in Bangladesh
- 2007: Lafarge acquires Orascom Cement, the leader in the Middle East and the Mediterranean Basin, marks a real acceleration in the Group’s development strategy and turns Lafarge into the leader building materials in emerging markets
- 2008: The Excellence 2008 strategic plan is a success and Lafarge announces new ambitions and clear priorities.

Lafarge is the world leader in building materials, with presence in 76 countries.

Holcim

From a humble beginning in a Swiss village to a global leader

- 1912: Holcim was founded in 1912 in the village of Holderbank, Canton Aargau, Switzerland.
- 1920’s: By the early 1920’s, the company began investing in cement businesses in other European countries. This trend was quickly followed by investments in Egypt, Lebanon and South Africa
- 1945–1970: In the years following 1945 and particularly in the Fifties and Sixties, a network of Group companies began to develop in North and Latin America (Holcim entered Mexican market in 1964)
- 1970’s: The group ventures into the emerging markets of the Asia-Pacific began
- 1980’s: In the 1980’s, Holcim continued to expand into new markets, including Eastern Europe. A greater focus on aggregates and ready-mixed concrete production strengthened the company’s position as a vertically integrated market leader
- 1990’s: A strong focus on core business activities in cement, concrete and aggregates characterised Holcim’s activities during the 1990’s. Entry into new markets, particularly within Asia, expanded opportunities for the Group
- 2001: The name of the Group was changed from ‘Holderbank’ Financière Glaris Ltd. to Holcim Ltd. in May 2001
- 2005: In 2005, Holcim entered into a strategic alliance with Gujarat Ambuja Cements to participate in the growth market of India. Holcim also acquired Aggregate Industries, thus entering the UK market and strengthening its aggregates and ready-mix concrete businesses in North America.
- 2008: Holcim became the single biggest shareholder of Huaxin Cement Co. Ltd., the Group’s strategic partner in China, holding a 39.9% stake in the company.

Holcim is one of the world’s leading suppliers of cement and aggregates (crushed stone, gravel and sand) as well as further activities such as ready-mix concrete and asphalt including services. The Group holds majority and minority interests in more than 70 countries.

## Annexure III

### Cemex: Major Acquisitions

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Target Company</th>
<th>Country</th>
<th>Year</th>
<th>Target company’s Product portfolio</th>
<th>Cost of acquisition</th>
<th>Area of Operations</th>
<th>The Acquisition Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sanborn and Compania Valencia</td>
<td>Spain</td>
<td>1992</td>
<td>Cement and related Products</td>
<td>$1.84 billion</td>
<td>Spain, US</td>
<td>Positive (In 1994 Cemex’ net profit in Spain jumped to $95.5 million, up from $37.7 million in 1993)</td>
</tr>
<tr>
<td>3</td>
<td>Cementos Nacional</td>
<td>Dominican Republic</td>
<td>1995</td>
<td>Cement, Ready mix concrete, Aggregates</td>
<td></td>
<td>Caribbean</td>
<td>Positive (Expansion of Caribbean Market)</td>
</tr>
<tr>
<td>4</td>
<td>Sencem Industries (50%)</td>
<td>Caribbean</td>
<td>1995</td>
<td>Cement, Ready mix concrete, Aggregates</td>
<td>$23 million</td>
<td>Caribbean</td>
<td>Positive (Cemex accounted for approximately 50% of the imported cement consumption in 5 Caribbean Countries)</td>
</tr>
<tr>
<td>5</td>
<td>Cementos Diamante and Cementos Samper</td>
<td>Columbia</td>
<td>1996</td>
<td>Cement, Ready mix concrete, pre-fabricated concrete, Aggregates</td>
<td>$700 million</td>
<td>Caribbean</td>
<td>Positive (Cemex gains one-third share of Colombian market and becomes third largest cement producer in the world)</td>
</tr>
<tr>
<td>6</td>
<td>Cementos Boyano</td>
<td>Panama</td>
<td>1996</td>
<td>Cement, Ready mix concrete, Aggregates</td>
<td>$80 million</td>
<td>Caribbean</td>
<td>Positive (Enhanced presence in Caribbean Market)</td>
</tr>
<tr>
<td>7</td>
<td>Rizal Cement (50%)</td>
<td>Philippines</td>
<td>1997</td>
<td>Cement, concrete, Aggregates</td>
<td>$93 million</td>
<td>Philippines</td>
<td>Positive (Initiation of business in Asia)</td>
</tr>
<tr>
<td>8</td>
<td>APO Cement Corporation (99.9%)</td>
<td>Philippines</td>
<td>1999</td>
<td>Cement, concrete, Aggregates</td>
<td>$400 million</td>
<td>Philippines</td>
<td>Positive (Expansion of Asian Business)</td>
</tr>
<tr>
<td>9</td>
<td>Cementos del Pacífico</td>
<td>Costa Rica</td>
<td>1999</td>
<td>Cement, Ready mix concrete</td>
<td>$72 million</td>
<td>Costa Rica</td>
<td>Positive (More profits at Costa Rica is predominantly a retail market in case of Cement)</td>
</tr>
<tr>
<td>10</td>
<td>Semen Gresik (25%)</td>
<td>Indonesia</td>
<td>1999</td>
<td>Cement</td>
<td>$241 million</td>
<td>Indonesia</td>
<td>Negative (Employees were reluctant to accept a foreign company’s indulgence in the state business)</td>
</tr>
</tbody>
</table>

Contd...
## Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

<table>
<thead>
<tr>
<th></th>
<th>Company Name</th>
<th>Country</th>
<th>Year</th>
<th>Scope of Acquisition</th>
<th>Cost</th>
<th>Region</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Cemex Bio Bio 11.92%</td>
<td>Chile</td>
<td>1999</td>
<td>Cement, concrete, lime, mortar, aggregates, ceramics</td>
<td>$34 million</td>
<td>South America</td>
<td>Positive (Cemex Bio Bio is South America’s largest cement maker)</td>
</tr>
<tr>
<td>12</td>
<td>Assiut Cement Company (77%)</td>
<td>Egypt</td>
<td>1999</td>
<td>Cement, Clinker, Services</td>
<td>$319 million</td>
<td>Egypt and some African countries</td>
<td>Positive (Entry to Africa, increased logistics capabilities)</td>
</tr>
<tr>
<td>13</td>
<td>Southdown</td>
<td>US</td>
<td>2000</td>
<td>Cement and readymix Concrete</td>
<td>$2.63 billion</td>
<td>US</td>
<td>Positive (Cemex Becomes Largest Cement Company in North America)</td>
</tr>
<tr>
<td>14</td>
<td>Saraburi Cement Company</td>
<td>Thailand</td>
<td>2001</td>
<td>Cement, Construction equipment, Construction services</td>
<td>$73 million</td>
<td>Thailand</td>
<td>Positive (Enhancement of position in Asia)</td>
</tr>
<tr>
<td>16</td>
<td>RMC</td>
<td>UK</td>
<td>2005</td>
<td>Aggregates, Cement, ready mix concrete, roadstone, lime, aerated concrete</td>
<td>$5.8 billion</td>
<td>Europe</td>
<td>Positive (Increased Synergies, doubled the size and expanded market reach in Europe)</td>
</tr>
<tr>
<td>17</td>
<td>Rinker</td>
<td>Australia</td>
<td>2007</td>
<td>Aggregates, Cement, ready mix concrete, concrete pipes, concrete precasts, Construction services</td>
<td>$14.3 billion</td>
<td>US, Australia, China</td>
<td>Negative (Global Financial crisis and credit crunch affects Cemex badly as it become unable to deliver the expected results from the acquisition)</td>
</tr>
</tbody>
</table>

Compiled by the authors
Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

### Annexure IV

**Efforts for Profitable Growth (An Excerpt from Lorenzo Zambrano’s Speech)**

At CEMEX, we produce profitable growth through several inter-related efforts:

- **First, constant commitment to operational excellence.**
  
  At the core, ours is a culture of engineers, and we pride ourselves on efficient, effective management of our productive assets.

- **Second, cost efficiency.**
  
  We want to be the most efficient global building materials company. That means managing our costs throughout the business cycle, not just when weakening demand puts pressure on margins.

- **Third, nurturing strong customer relationships.**
  
  We aim to be the supplier of choice in our key markets. That means understanding and segmenting our customers, developing new strategies, and constantly improving our service.

- **Fourth, industry-leading integration capabilities.**
  
  Our post merger integration process—what we call the PMI—is designed to extract value from every acquisition, quickly and efficiently. But the PMI is also designed to assure that our whole network benefits from newly identified best practices as well as newly acquired management talent.

- **Fifth, rigorous investment discipline.**
  
  Whether we are investing in acquisitions or in growth cap ex, we apply disciplined, return driven criteria. Every investment we make flows through the same process, and we allocate capital based on return, not geography or business line.

- **Sixth, attracting, investing in, and retaining the best people.**
  
  Most of our new talent comes to us through the acquisitions we make. We work very hard to identify the best people and to assure that they stay with CEMEX. We also work every bit as hard to identify and promote the best people within legacy CEMEX. And we succeed on both counts.

Source: Zambrano Lorenzo H. “CEMEX DAY”, 2008
# Annexure V

## Product Application Chart for Rugby+

<table>
<thead>
<tr>
<th></th>
<th>Rugby+ Cement</th>
<th>Rugby+ Premium</th>
<th>Rugby+ Sulfate</th>
<th>Rugby High Strength</th>
<th>Rugby Fast Set</th>
<th>Rugby White</th>
<th>Rugby Hydrated Lime</th>
</tr>
</thead>
<tbody>
<tr>
<td>General purpose Concrete</td>
<td><strong>R</strong></td>
<td><strong>S</strong></td>
<td></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Ground Concrete/ DPC</td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>R</strong></td>
<td><strong>S</strong></td>
</tr>
<tr>
<td>Cold Weather Concreting</td>
<td></td>
<td></td>
<td><strong>S</strong></td>
<td><strong>R</strong></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Precasting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortar</td>
<td></td>
<td><strong>S</strong></td>
<td><strong>R</strong></td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td></td>
<td><strong>S</strong> SM</td>
</tr>
<tr>
<td>Screeding</td>
<td></td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Render</td>
<td><strong>S</strong></td>
<td><strong>R</strong></td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td><strong>SM</strong></td>
<td></td>
</tr>
<tr>
<td>Enhanced Sulfate Resistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhanced Freezed/ Thaw Durability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decorative Light / Finishes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>S</strong></td>
<td></td>
</tr>
<tr>
<td>Concrete / Mortar Repair Work</td>
<td><strong>S</strong></td>
<td><strong>S</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>R</strong></td>
</tr>
<tr>
<td>Fixing Fence Posts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>R</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Strength</td>
<td><strong>R</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>R</strong></td>
<td><strong>S</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Key**

- **R** - Recommended for best performance
- **S** - Suitable for this application
- **M** - Mix with Rugby Cements

*Source: “Product application chart”, www.cemex.co.uk/ce/pdf/15720_DL_Cement_Leaflet_v5.pdf*
Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

### Annexure VI
Cemex’s Financial Statements from 1999 to 2007
(in $’000s, except earnings per ADR)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>5,620,822</td>
<td>(2,902,840)</td>
<td>2,717,982</td>
<td>1,653,831</td>
<td>(466,968)</td>
<td>24,588</td>
<td>(30,092)</td>
<td>264,667</td>
<td>(173,810)</td>
<td>(234,287)</td>
<td>1,245,733</td>
<td>(157,944)</td>
<td>(55,807)</td>
<td>(193,751)</td>
<td>1,051,983</td>
<td>5,620,822</td>
<td>1,077,277</td>
<td>999,318</td>
<td>77,959</td>
<td>1,331,122</td>
<td>3.65</td>
<td>2,029,707</td>
<td>2,255,671</td>
</tr>
<tr>
<td>2001</td>
<td>6,923,320</td>
<td>(3,738,349)</td>
<td>3,184,972</td>
<td>1,653,339</td>
<td>(411,742)</td>
<td>40,733</td>
<td>153,799</td>
<td>306,259</td>
<td>(416,970)</td>
<td>(416,970)</td>
<td>1,501,039</td>
<td>(166,811)</td>
<td>(23,260)</td>
<td>(23,260)</td>
<td>1,501,039</td>
<td>6,923,320</td>
<td>1,313,122</td>
<td>1,177,816</td>
<td>153,301</td>
<td>1,331,122</td>
<td>4.14</td>
<td>2,255,671</td>
<td>2,557,671</td>
</tr>
<tr>
<td>2002</td>
<td>6,543,110</td>
<td>(3,655,513)</td>
<td>2,887,597</td>
<td>1,455,204</td>
<td>(332,524)</td>
<td>380,684</td>
<td>(77,102)</td>
<td>282,158</td>
<td>(389,277)</td>
<td>(389,277)</td>
<td>1,510,401</td>
<td>(54,836)</td>
<td>(10,299)</td>
<td>(10,299)</td>
<td>1,501,039</td>
<td>6,543,110</td>
<td>1,313,122</td>
<td>520,268</td>
<td>30,703</td>
<td>1,331,122</td>
<td>1.74</td>
<td>2,557,671</td>
<td>2,557,671</td>
</tr>
<tr>
<td>2003</td>
<td>7,164,384</td>
<td>(4,130,046)</td>
<td>3,034,338</td>
<td>1,310,401</td>
<td>(372,230)</td>
<td>372,230</td>
<td>(171,589)</td>
<td>352,145</td>
<td>(389,277)</td>
<td>(389,277)</td>
<td>1,310,401</td>
<td>(89,612)</td>
<td>(16,989)</td>
<td>(16,989)</td>
<td>1,501,039</td>
<td>7,164,384</td>
<td>1,310,401</td>
<td>520,268</td>
<td>30,703</td>
<td>1,331,122</td>
<td>1.74</td>
<td>2,557,671</td>
<td>2,557,671</td>
</tr>
<tr>
<td>2006</td>
<td>18,249,361</td>
<td>(11,648,475)</td>
<td>6,600,886</td>
<td>2,945,827</td>
<td>(372,230)</td>
<td>372,230</td>
<td>(23,565)</td>
<td>327,667</td>
<td>(456,737)</td>
<td>(456,737)</td>
<td>2,945,827</td>
<td>(183,451)</td>
<td>(29,637)</td>
<td>(29,637)</td>
<td>1,501,039</td>
<td>18,249,361</td>
<td>2,945,827</td>
<td>385,868</td>
<td>327,667</td>
<td>1,331,122</td>
<td>1.74</td>
<td>2,557,671</td>
<td>2,557,671</td>
</tr>
<tr>
<td>2007</td>
<td>21,672,990</td>
<td>(11,441,827)</td>
<td>7,231,953</td>
<td>2,971,464</td>
<td>(493,908)</td>
<td>(493,908)</td>
<td>(78,816)</td>
<td>418,831</td>
<td>(418,831)</td>
<td>(418,831)</td>
<td>2,971,464</td>
<td>(439,080)</td>
<td>409,438</td>
<td>409,438</td>
<td>1,501,039</td>
<td>21,672,990</td>
<td>2,971,464</td>
<td>418,831</td>
<td>418,831</td>
<td>1,331,122</td>
<td>1.74</td>
<td>2,557,671</td>
<td>2,557,671</td>
</tr>
</tbody>
</table>

### Annexure VII

#### Third Quarter Financials of Cemex

($’000s, Except Earnings per ADR)

<table>
<thead>
<tr>
<th></th>
<th>Third quarter</th>
<th>Third quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>5,787</td>
<td>6,101</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,930</td>
<td>2,017</td>
</tr>
<tr>
<td>Operating Income</td>
<td>818</td>
<td>940</td>
</tr>
<tr>
<td>Majority net income</td>
<td>200</td>
<td>780</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,303</td>
<td>1,361</td>
</tr>
<tr>
<td>Free cash flow after maintenance capital expenditures</td>
<td>957</td>
<td>964</td>
</tr>
</tbody>
</table>

In millions of US dollars, except ratios and per ADS amounts. Average ADSs outstanding are presented in millions.

Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

Annexure VIII
Financial Ratios of Cemex

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Q3 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leverage Ratio</td>
<td>2.7</td>
</tr>
<tr>
<td>Working Capital per Share</td>
<td>$-4.10</td>
</tr>
<tr>
<td>Cash Flow per Share</td>
<td>$1.46</td>
</tr>
<tr>
<td>Free Cash Flow per Share</td>
<td>$1.24</td>
</tr>
<tr>
<td>Price/Cash Flow Ratio</td>
<td>8.3</td>
</tr>
<tr>
<td>Price/Free Cash Flow Ratio</td>
<td>9.8</td>
</tr>
</tbody>
</table>


Annexure IX
Cemex Share Values

Source: “Cemex ADR repstg ten ord participation share certificates”, http://moneycentral.msn.com/investor/charts/\chartdl.aspx?D5=0&D4=1&ViewType=0&D3=0&CE=0&Symbol=CX&ShowChtBt=Refresh+Chart&\nDateRangeForm=1&C9=2&DisplayForm=1&ComparisonsForm=1&CP=0&PT=10
Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

Annexure X
Cemex’s Assets in Venezuela (As on December 31st 2007)

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement plants</td>
<td>3</td>
</tr>
<tr>
<td>Cement production capacity (mmt/year)</td>
<td>4.6</td>
</tr>
<tr>
<td>Ready-mix plants</td>
<td>33</td>
</tr>
<tr>
<td>Aggregate quarries</td>
<td>7</td>
</tr>
<tr>
<td>Land distribution centres</td>
<td>10</td>
</tr>
<tr>
<td>Marine terminals</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Source: http://www.cemex.com/gl/ww_venezuela.asp

Annexure XI
Drop in Cemex’ Net Income

Cemex’s Cost of ‘Globalised’ Growth – The Cash Crunch?

Endnotes

1 Hammond Ed, “Cemex moves to lay foundations for UK market offensive”, _Financial Times_, September 30th 2009, page 15
2 Aggregates are granular materials such as sand, gravel, or crushed stone that are essential ingredients in concrete.
4 Ibid.
6 Lorenzo Zambrano and Daniel J. McCosh, “Concrete results”, http://findarticles.com/p/articles/mi_m0OQC/is_9_1/ai_100439592/pg_1?tag=artBody;col1, October 2000
9 Ibid.
11 “Hard Times for Cement Man”, op.cit.
12 “Cemex Global Competition in a Local Business”, op.cit., page 7
13 “CEMEX S.A. de C.V.”, op.cit.
16 “Mexican firm bids £2.3bn for RMC”, http://news.bbc.co.uk/2/hi/business/3692604.stm, September 27th 2004
24 Through dart board game conducted in jobsites and questioning the participant at regular intervals during the game, Cemex gathered data about the products from the end users to realise the customers’ needs and wants.
26 “Hard Times for Cement Man”, op.cit.
32 Ibid.