UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

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

OR

/x/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2002

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period to

Commission file number:1-10905

Vitro, S.A. de C.V.

(Exact name of Registrant as specified in its charter)

Vitro Corporation
(Translation of Registrant's name into English)

United Mexican States
(Jurisdiction of incorporation or organization)

Ave. Ricardo Margain Zozaya 400 Col. Valle del Campestre,
Garza Garcia, Nuevo Leon, 66265 Mexico
(Address of principal executive offices)

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

Title of each class:	**Name of each exchange on which registered:**
Ordinary Shares, no par value	New York Stock Exchange*
Ordinary Participation Certificates	New York Stock Exchange*
American Depositary Shares, evidenced by American Depositary Receipts each representing three Ordinary Participation Certificates	New York Stock Exchange

*Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.
11 3/8% Guaranteed Senior Notes Due 2007

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 this annual report:
300,646,810 shares of Series "A" common stock, no par value

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

Indicate by check mark which financial statement item the registrant has elected to follow.
/ / Item 17/x/ Item 18

PRESENTATION OF CERTAIN INFORMATION

Vitro, S.A. de C.V. is a corporation with variable capital (sociedad anonima de capital variable) organized under the laws of the United Mexican States, or "Mexico," and is a holding company that conducts substantially all of its operations through subsidiaries. In this annual report, except when indicated or the context otherwise requires, the words "Vitro," "we," "us," "our" and "ours" refer to Vitro, S.A. de C.V. together with its consolidated subsidiaries. However, it should always be understood that each subsidiary of Vitro is an independent legal entity with its own accounting, corporate structure and records, executives and employees. References in this annual report to business units are to combinations of various subsidiaries that have been grouped together for management and presentation purposes. We use the term "joint venture" to refer to companies which are not wholly-owned subsidiaries of Vitro or in which Vitro, directly or indirectly, either has management control or shares management control with one or more third parties. We believe that our use of the term "joint venture" is consistent with international business practices. However, our "joint ventures" are not necessarily "Joint Ventures" as defined in International Financial Reporting Standards. References in this annual report to "pesos" or "Ps." are to the lawful currency of Mexico. References to "U.S. dollars," "dollars" or "$" are to the United States of America, which we refer to as the "United States," dollars.

This annual report contains translations of certain constant peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. These convenience translations should not be construed as representations that the constant peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated or at all. The exchange rate used in preparing our consolidated financial statements and in preparing convenience translations of such information into U.S. dollars is the exchange rate calculated and published by the Banco de Mexico, Mexico's central bank, in the Diario Oficial de la Federacion for the conversion of U.S. dollar-denominated amounts into pesos,

which we refer to as the "Free Exchange Rate." As of December 31, 2002, the Free Exchange Rate was 10.4393 pesos per U.S. dollar. As of December 31, 2002, the noon buying rate for Mexican pesos reported by the Federal Reserve Bank of New York, which we refer to as the "Noon Buying Rate," was 10.4250 pesos per U.S. dollar.

All the peso amounts contained in this annual report are restated in constant pesos as of December 31, 2002, except where otherwise indicated.

For purposes of this annual report, we consider our "export sales" to be (i) sales of products by our Mexican subsidiaries to third parties outside Mexico, (ii) sales of products by our Mexican subsidiaries to our foreign subsidiaries that do not act as distributors (principally, Vitro America, Inc., which was formerly known as VVP America, Inc. and which we refer to as "Vitro America") and (iii) sales of products by our foreign distribution subsidiaries (principally Vitro Packaging, Inc., which we refer to as "Vitro Packaging," Crisa Corporation and Crisa Ltd.) to third parties outside Mexico. Sales of products manufactured or processed by our subsidiaries outside Mexico (principally by Vitro America, Empresas Comegua, S.A., which we refer to as "Comegua," and Vitro Cristalglass, S.A., which was formerly known as Cristalglass Vidrio Aislante S.A. and which we refer to as "Cristalglass") are not considered to be "export sales."

On July 3, 2002, we sold our controlling 51% interest in Vitromatic, S.A. de C.V., which together with its subsidiaries we refer to as "Vitromatic" or the "Acros-Whirlpool business unit," our joint venture with Whirlpool Corporation, which we refer to as "Whirlpool," that engaged in the production and distribution of household appliances, to Whirlpool for $148.3 million in cash ($10 million of which was paid into escrow in support of certain indemnification obligations to Whirlpool). At the time of the transaction, approximately $67 million of our consolidated debt and approximately $97 million of our consolidated off-balance sheet financings were obligations of Vitromatic. Consequently, upon the consummation of the sale of our interest in Vitromatic, our consolidated debt and off-balance sheet financings were reduced by approximately $67 million and approximately $97 million, respectively. Our consolidated financial statements and all other financial and statistical data included in this annual report have been restated to reflect Vitromatic as a discontinued operation for all periods presented in this annual report, unless otherwise indicated. Therefore, Vitromatic's results are reflected in the line item entitled "Net income (loss) from discontinued operations" in our consolidated statement of operations. Our consolidated balance sheet has been restated to present as a discontinued operation the assets of Vitromatic in the line items entitled "Current assets of discontinued operations" and "Non-current assets of discontinued operations" and the liabilities of Vitromatic in the line items entitled "Current liabilities of discontinued operations" and "Long-term liabilities of discontinued operations."

Certain amounts included in this annual report may not sum due to rounding.

FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to our future prospects, developments and business strategies.

These forward-looking statements are identified by our use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will," "goals," "target," "strategy" and similar terms and phrases, and may include references to assumptions. These statements are contained in the sections entitled "Risk Factors," "Operating and Financial Review and Prospects," "Information on the Company" and other sections of this annual report.

These forward-looking statements reflect our best assessment at the time and thus involve uncertainty and risk. Therefore, these forward-looking statements are qualified by reference to the cautionary statements set forth in this annual report. It is possible that our future financial performance may differ materially from our expectations due to a variety of factors, some of which include, without limitation, the following:

* foreign currency exchange fluctuations relative to the U.S. dollar or the Mexican peso;
* changes in capital availability or cost, including interest rate or foreign currency exchange rate fluctuations;
* the general political, economic and competitive conditions in markets and countries where we have operations, including competitive pricing pressures, inflation or deflation and changes in tax rates;
* consumer preferences for forms of packaging that are alternatives to glass packaging;
* fluctuations in raw material and labor costs;
* availability of raw materials;
* cost and availability of energy;
* transportation costs;
* consolidation among competitors and customers;
* lifting of trade barriers and enforcement of measures against unfair trade practices;
* the ability to integrate operations of acquired businesses;
* the ability to hire and retain experienced management;
* the performance by customers of their obligations under purchase agreements; and
* the timing and occurrence of events which are beyond our control.

Any forward-looking statements in this annual report are based on certain assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the current circumstances. Forward-looking statements are not a guarantee of future performance and actual results or developments may differ materially from expectations. You are therefore cautioned not to place undue reliance on such forward-looking statements. While we continually review trends and uncertainties affecting our results of operations and financial condition, we do not intend to update any particular forward-looking statements contained in this document.

WHERE YOU CAN FIND MORE INFORMATION

Vitro is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended, which we refer to as the "Exchange Act," and files the following with the Securities and Exchange Commission, which we refer to as the "SEC":

* annual reports;

* certain other reports or information that it makes public under Mexican law, files with the Comision Nacional Bancaria y de Valores, which we refer to as "CNBV," and the Mexican Stock Exchange or distributes to shareholders; and

* other information.

You may access and read Vitro's SEC filings through the SEC's Internet site at www.sec.gov. This site contains reports and other information that Vitro files electronically with the SEC.

You may also read and copy any reports or other information that Vitro files with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1 800-SEC 0330 for further information on the public reference room. In addition, materials filed by Vitro may also be inspected at the offices of the New York Stock Exchange, which we refer to as the "NYSE," at 20 Broad Street, New York, New York 10005.

As a foreign private issuer, Vitro is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements and is not required to file proxy statements with the SEC. In addition, Vitro's officers, directors and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions contained in Section 16 of the Exchange Act.

You may obtain copies of any of our SEC filings or any other document described in this annual report by requesting them in writing or by telephone at the following address and phone number:

Vitro, S.A. de C.V.
Ave. Ricardo Margain Zozaya 400,
Col. Valle del Campestre, San Pedro Garza Garcia,
Nuevo Leon, 66265 Mexico
Attention: Investor Relations Department
Telephone number: (52-81) 8863-1200

You may obtain additional information about Vitro through our web site at www.vitro.com. The information contained therein is not part of this annual report.

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PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable

Item 3. KEY INFORMATION

RISK FACTORS

For purposes of this section, when we state that a risk, uncertainty or problem may, could or would have an "adverse effect" on us, we mean that the risk, uncertainty or problem may, could or would have an adverse effect on our business, financial condition, liquidity, results of operations or prospects, except as otherwise indicated or as the context may otherwise require.

The risks described below are intended to highlight risks that are specific to us, but are not the only risks that we face. Additional risks and uncertainties, including those generally affecting the industries in which we operate, the countries where we have a presence, risks that we currently deem immaterial or other unforeseeable risks, may also impair our business.

The information in this annual report includes forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous factors, including, without limitation, those described in this section and under the sections entitled "Item 4. Information on the Company" and "Item 5. Operating and Financial Review and Prospects" and elsewhere in this annual report. Please see "Forward-Looking Statements."

Factors Relating to Vitro

We face increasing competition which could result in lower operating margins and decreased profitability.

The gradual reduction by the Mexican government over the past few years of import duties and tariffs for glass and glass packaging products to historically low levels and the investment by our competitors and vertically-integrated customers in glass manufacturing facilities in Mexico have created severe competitive challenges for us. These events have caused an adverse effect on us by driving down our prices and decreasing our operating margins and profitability. The key competitive factors in these industries are price, quality and service with varying emphasis on these factors depending on the product line. As market conditions continue to deteriorate, we are faced with tough competitors that are better positioned financially to withstand the on-going and challenging economic conditions. Loss of existing or future market share to competitors may adversely affect our performance and, to the extent that one or more of our competitors becomes more successful than us with respect to any key competitive factor, our operating margins and profitability could be adversely affected.

We may be unable to repay our debt, access credit or pursue business opportunities because of our leverage and debt service requirements.

As of December 31, 2002, our total consolidated indebtedness was Ps. 15,191 million ($1,455 million), Ps. 4,778 million ($458 million) of which is considered short-term indebtedness because it is due within one year. As of such date, our consolidated off-balance sheet financings were approximately Ps. 1,033 million ($99 million). Our net interest expense in 2002 was Ps. 1,493 million ($143 million) while our operating income was Ps. 1,986 million ($190 million). The degree to which we are leveraged may adversely affect our ability to (i) service our indebtedness, (ii) finance future operations, acquisitions and capital expenditures, (iii) compete effectively against better-capitalized competitors and (iv) withstand downturns in our business.

Our level of indebtedness could increase our vulnerability to adverse general economic and industry conditions, including increases in interest rates, foreign currency exchange rate fluctuations and market volatility. Our ability to make scheduled payments on and refinance our indebtedness when due depends on, and is subject to, our financial and operating performance, which is subject to prevailing economic conditions and financial, business and other factors, including the availability of financing in the Mexican and international capital markets. We cannot assure you that our results of operations will be sufficient for the payment or refinancing of our indebtedness or that prevailing economic conditions will permit such refinancing, particularly on terms favorable to us.

In addition, we operate in capital-intensive industries and require ongoing investments in our capital assets and technology improvements. Over the past years, funds for such investments and for working capital needs, joint venture transactions, acquisitions and dividends have been provided by a combination of cash generated from operations, the incurrence of short- and long-term debt and, to a lesser extent, divestitures. To the extent that cash generated from operations and divestitures is insufficient, we may need to incur further indebtedness for similar uses in the future. We cannot assure you that we will be able to incur indebtedness on favorable terms to us or at all, which could impair our ability to take advantage of significant business opportunities that may arise.

Debt instruments governing a substantial portion of our indebtedness contain various covenants that require us to maintain financial ratios, restrict dividends and asset sales and dictate the use of proceeds from the sale of assets.

If we experience a significant deterioration in our results of operations, it may be difficult for us to maintain the financial ratios required by, and comply with various of our other covenants under, certain of our debt instruments. Moreover, our debt instruments generally contain cross-acceleration or cross-default provisions. In those instances, a declaration of acceleration of the maturity of the indebtedness under one debt instrument, or our failure to make a payment as required by one debt instrument, may also constitute an event of default under one or more other debt instruments and may permit the acceleration of the maturity of such other indebtedness. The acceleration of the maturity of a material portion of our indebtedness would have an adverse effect on us.

In addition, the agreements and debt instruments governing a substantial portion of our indebtedness contain various restrictive covenants including limitations on our ability to pay dividends, sell assets and incur additional indebtedness. The restrictions on our debt instruments could:

* limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
* limit our ability to access cash from our subsidiaries and, thus, repay our debt or satisfy other holding company obligations; and
* limit our ability to fund future operations, acquisitions or meet extraordinary capital needs.

At our holding company level, we depend on advances, fees, interest and dividends paid by our subsidiaries.

We derive substantially all of our operating income from advances, fees, interest and dividends paid to us by our subsidiaries. Accordingly, in paying the principal of, premium, if any, interest on, and additional amounts, if any, with respect to our indebtedness, we will rely on income from advances, fees, interest and dividends from our subsidiaries, as well as income from the disposition of one or more of our subsidiaries, interests therein or assets thereof. Our subsidiaries' ability to pay such dividends or make such distributions will be subject to (i) such subsidiaries having net income and the requisite amount of paid-in capital under Mexican law and our estatutos sociales, which we refer to as our "by-laws," (ii) such subsidiaries' shareholders (including our joint venture partners, when appropriate) having approved the payment of such dividends at their annual general shareholders' meeting, (iii) applicable laws and (iv) in certain circumstances, restrictions contained in our joint venture agreements and debt agreements and instruments. Certain of our joint venture agreements require the consent of all joint venture participants for certain significant operating and management decisions, including the payment of dividends. For additional information with respect to dividend payment limitations under our debt agreements and instruments, please see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Description of our Indebtedness."

Downturns in the economies in which we operate may negatively affect the demand for our products and our results of operations.

Demand for our flat glass, glass container and glassware products is affected by general economic conditions in the markets in which we operate. As a result, demand for our products and, consequently, our results of operations have been and may be negatively affected by the downturn in the economies in which we operate, including Mexico, the United States and Europe.

A downturn in the Mexican economy, from which we derived approximately 47% of our consolidated net sales in 2002, may reduce the demand for our products and negatively impact our results of operations. Similarly, a prolonged economic downturn in the United States, from which we derived approximately 43% of our consolidated net sales, may have an adverse impact on the export and foreign subsidiary sales of our Flat Glass, Glassware, and to a lesser extent, Glass Containers business units.

Economic downturns in the U.S. and Mexico may also subject us to increased foreign currency exchange rate and interest rate risks and impair our results of operations and our ability to raise capital or service our debt. These downturns could also affect our ability to continue growing our business.

We may face cost increases in some of our feed stocks and other inputs required for the production of glass.

Glass is manufactured out of silic sand and soda ash, each of which is generally available in enough quantities to meet our needs and which we are currently sourcing on a long-term contract basis at relatively stable prices. However, some of the other components of our cost structure are exposed to significant market price variations. For instance, market prices of natural gas, which is an important input for our glass melting operations, have been exposed to significant price volatility since 2000, after several years of stability. Since the price of natural gas in Mexico is tied to the price of natural gas in the southern Texas gas market, which in turn is fully exposed to market factors, such as weather in the United States or the amount of available reserves, we may be fully exposed to such price variations and we cannot assure you that proper market hedges will be available or that we will fix our natural gas costs in the most efficient or timely manner. Other potential sources of significant variations in our costs are electric power, labor, packaging and freight.

Our results of operations, operating margins and total financing costs are significantly affected by changes in the relative value of the peso to the U.S. dollar.

Changes in the relative value of the peso to the U.S. dollar have a significant effect on our results of operations. In general, a real devaluation of the peso will result in higher operating margins and a real appreciation of the peso will result in lower operating margins, in each case, when measured in pesos.

A substantial portion of the sales generated by our Mexican and U.S. subsidiaries are either denominated in or sensitive to the value of the U.S. dollar. The prices of a significant number of the products we sell in Mexico, in particular those of flat glass for automotive uses, capital goods, certain glassware products and most chemical and packaging products, are linked to the U.S. dollar. In addition, substantially all of our export sales are invoiced in U.S. dollars and subsequently translated into pesos using the exchange rate in effect at the time of the sale. The translated U.S. dollar sales of our Mexican subsidiaries are then restated into constant pesos using the Mexican Consumer Price Index, which we refer to as "INPC," as of the date of the most recent balance sheet included in those financial statements. As a result, when the peso devalues in real terms against the U.S. dollar, as was the case in the second half of 1998 and 2002, the same level of U.S. dollar sales as in a prior period will result in higher constant peso revenues in the more recent period. Conversely, when the peso appreciates in real terms against the U.S. dollar, as was the case in 1999, 2000 and 2001, the same level of U.S. dollar sales as in a prior period will result in lower constant peso revenues in the more recent period. Moreover, because a material portion of our cost of goods sold, including labor costs, and general, selling and administrative expenses are invoiced in pesos and not directly sensitive to the relative value of the peso to the U.S. dollar, the real appreciation or devaluation of the peso relative to the U.S. dollar has a significant effect on our operating margins at least in the short term.

Further, a strong peso relative to the U.S. dollar makes the Mexican market more attractive for importers and competitors that might not otherwise sell in the Mexican market. During the last two years, sales of imported products into Mexico at prices that, in some cases, were below our fully allocated cost of producing and distributing similar products have had an impact in the Mexican market and have adversely affected our results of operations. A strong peso relative to the U.S. dollar also makes those of our products whose prices are denominated in or sensitive to the value of the U.S. dollar less competitive or profitable. When the peso appreciates in real terms, with respect to such products, we must either increase our prices in U.S. dollars, which makes our products less price-competitive, or bear reduced operating margins when measured in pesos. Given the competitive nature of the industries in which we operate, we have chosen to reduce our operating margins for such products in response to the recent appreciation of the peso relative to the U.S. dollar. This has adversely affected our results of operations and may continue to do so in the future.

In addition, our total financing cost is impacted by changes in the nominal value of the peso relative to the U.S. dollar. Foreign currency exchange gains or losses included in total financing cost result primarily from the impact of nominal changes in the U.S. dollar-peso exchange rate on our Mexican subsidiaries' U.S. dollar denominated monetary liabilities (such as U.S. dollar denominated debt and accounts payable arising from

imports of raw materials and equipment) and assets (such as U.S. dollar denominated cash, cash equivalents and accounts receivable from exports). Because our U.S. dollar denominated monetary liabilities have historically been significantly in excess of our U.S. dollar denominated monetary assets, the nominal devaluation of the peso relative to the U.S. dollar resulted in foreign currency exchange losses. Accordingly, in 1998, 2000 and 2002, the nominal devaluation of the peso relative to the U.S. dollar resulted in foreign currency exchange losses. On the other hand, in 1999 and 2001, the nominal appreciation of the peso relative to the U.S. dollar resulted in foreign exchange gains.

Substitution trends in the glass container industry may continue to adversely affect our business.

Glass containers have been, and continue to be, subject to competition from alternate forms of packaging, including plastic containers, aluminum cans and laminated paper containers. In mature glass container markets, such as in the United States, demand for glass containers began a sustained long-term decline in the 1970s. In connection with such decline, the glass container industry experienced a reduction in capacity and consolidation among glass container producers. The remaining glass container producers in mature markets have faced, and continue to face, pricing pressures as a result of competition from other forms of packaging. In Mexico, which is becoming a mature market, increased competition from alternate forms of packaging, particularly plastic, aluminum cans and laminated paper containers, has adversely affected, and may continue to adversely affect, our prices and operating margins, principally with respect to glass containers for the beer, soft drinks and food industries. The Glass Containers business unit represented 42% of our consolidated net sales in 2002.

Certain of our subsidiaries conduct all or a portion of their business through joint ventures and, as such, loss of joint venture agreements may adversely affect our business.

Sales attributable to our joint ventures represented approximately 61% of our consolidated net sales in 2002. In the future, certain of our partners may prefer to conduct business in Mexico directly and to terminate their relationships with us. In particular, the easing of limitations on foreign investment in Mexico and the reduction of import duties and tariffs by the Mexican government have reduced barriers to entry for non-Mexican companies.

Although a number of our joint venture agreements contain non-competition provisions that restrict, subject to certain exceptions and limitations, our joint venture partners from engaging in the production and distribution of the joint venture's products in specific markets during the term of the agreement and for a limited period following the termination of such agreement (other than through the joint venture vehicle), our joint venture agreements generally contain provisions for termination under certain circumstances. If a termination were to occur, we cannot assure you we could find an equivalent partner or achieve the affected joint venture's objective on our own. Such events could have an adverse effect on us.

Additionally, notwithstanding that our business units conduct certain limited research and development activities, we generally do not develop our own proprietary technology. Although our business units' products and manufacturing processes are not in constant need of technological improvements and innovations, they do, from time to time, require access to new technology necessary to improve their manufacturing processes and product lines to more effectively compete in both the Mexican and the international markets. The main portion of such technological needs is satisfied through the acquisition of technology from third parties through joint ventures, technology licenses, technology transfers, technical assistance or similar arrangements.

We could be unsuccessful in renewing our joint ventures, technology licenses or other agreements or arrangements upon their expiration on terms equivalent to the existing ones, in forming similar alliances with other partners or in developing equivalent technologies independently. The failure to continue some of our joint ventures or to acquire technology from third parties may have an adverse effect on us.

Pricing pressures by OEMs may affect our operating margins and results of operations.

Certain of our flat glass products sold to original equipment manufacturers, which we refer to as "OEMs," in the automotive industry are sold under global purchase agreements, which are entered into after completion of a bidding process. Such automotive OEMs have significant buying power which, coupled with substantial competition, puts pressure on prices and margins relating to products supplied under the global purchase agreements. As a result, even if we were awarded the right to sell to an automotive OEM under a global purchase agreement, we may sell at operating margins that are lower than margins generally achievable from sales to other flat glass customers. This may have an impact on our results of operations.

We may make significant acquisitions in the future, which, if unsuccessful, may adversely affect our results of operations.

We have made significant acquisitions in the past and may make significant acquisitions in the future to support our growth. Acquisitions involve a number of risks, including:

* failure of the acquired businesses to achieve the results we expect;
* our inability to hire or retain key personnel for the acquired businesses;
* our inability to reduce financial inefficiencies affecting the acquired businesses;
* our inability to efficiently or effectively integrate the acquired operations into our current businesses;
* risks associated with unanticipated events or liabilities;
* the potential disruption of our current business; and
* customer dissatisfaction or performance problems at the acquired businesses.

If we are unable to integrate or successfully manage the companies we have acquired, or the businesses that we may acquire in the future, we may not realize anticipated cost savings, revenue growth and levels of integration, which may result in reduced profitability or operating losses.

Factors Relating to Mexico and the Global Economy

Economic developments in Mexico affect our business.

Beginning in December 1994 and continuing through 1995, Mexico experienced an economic crisis characterized by a sharp devaluation of the peso, high inflation, foreign currency exchange rate instability, high domestic interest rates, a strong contraction in consumer demand for many products and services, reduced availability of credit, high unemployment and diminished international investor confidence in Mexico. Mexico's GDP, which grew at a real annual rate of 3.5% during 1994, declined by 6.2% in real terms during 1995.

In response to these developments, beginning in February 1995, the Mexican government implemented a variety of economic programs designed

to promote economic recovery, stabilize foreign currency exchange rates and reduce inflation. Economic conditions in Mexico improved moderately in 1996 and 1997. However, a combination of factors led to a slowdown in Mexico's economic growth in 1998. Notably, the decline in the international price of oil resulted in a reduction of federal revenues, approximately one-third of which are derived from petroleum taxes and duties. In addition, the economic crises in Asia and Russia, as well as the financial turmoil in Brazil, Venezuela and elsewhere, produced greater volatility in the international financial markets, which further slowed Mexico's economic growth. In 1998, the inflation rate in Mexico was 18.6%, interest rates on 28 day Mexican government treasury securities, which we refer to as "CETES," averaged 24.8% and the peso lost 22.7% of its value (in nominal terms) relative to the U.S. dollar.

During 1999 conditions improved with inflation in Mexico at 12.3%, interest rates on 28 day CETES averaging 21.4% and the peso appreciating 4.0% in value (in nominal terms) relative to the U.S. dollar. Throughout 2000, the improvement shown in 1999 continued. In 2000 the inflation rate was 9.0%, interest rates on 28 day CETES averaged 15.3% and the peso devalued 1.2% in value (in nominal terms) relative to the U.S. dollar. The Mexican government estimated that Mexico's real GDP grew by 4.8% in 1998, 3.7% in 1999 and 6.9% in 2000.

Beginning in January 2001, however, and increasing in the fourth quarter of 2001, amid concerns of a global economic slowdown and a recession in the United States, Mexico began to experience an economic slowdown marked by a decline in GDP. In 2001, Mexico's GDP shrank by 0.3% in real terms while the inflation rate was 4.4%, interest rates on 28-day CETES averaged 11.3% and the peso appreciated 4.6% in value (in nominal terms) relative to the U.S. dollar. During 2002, as the United States and global economic slowdown continued, the Mexican real GDP growth rate was 0.9%, the inflation rate was 5.7%, interest rates on 28 day CETES averaged 11.3% and the peso devalued 13.8% (in nominal terms) relative to the U.S. dollar.

We are a company with the majority of our manufacturing facilities located in Mexico. For each of the years ended on December 31, 2000, 2001 and 2002, approximately 51%, 48% and 47%, respectively, of our consolidated net sales resulted from sales to parties located within Mexico. In the past, inflation has led to high interest rates and devaluations of the peso. During the 1980s, government control over foreign currency exchange rates adversely affected our net sales and margins. Inflation itself, as well as governmental efforts to reduce inflation, has had significant negative effects on the Mexican economy in general and on Mexican companies, including us. Inflation in Mexico decreases the real purchasing power of the Mexican population and the Mexican government's efforts to control inflation by tightening the monetary supply have historically resulted in higher financing costs, as real interest rates have increased. Such policies have had and could have an adverse effect on us.

The current global economic slowdown, including the slowdown in the United States and Mexican economies, and other future economic developments in or affecting Mexico could impair our business, results of operations, financial condition, prospects and ability to obtain financing.

We may be adversely affected by fluctuations in interest rates.

Interest rate risk exists primarily with respect to our floating rate peso- and dollar-denominated debt, which debt generally bears interest based on the Mexican equilibrium interbank interest rate, which we refer to as "TIIE," or the London interbank offered rate, which we refer to as "LIBOR." As of December 31, 2002, our floating rate peso- and dollar-denominated debt amounted to Ps. 1,670 million and $540 million, respectively. As of March 31, 2003, our floating rate peso-and dollar-denominated debt was approximately Ps. 3,587 million and $574 million, respectively. Assuming a hypothetical increase of 375 basis points in TIIE (a 45.4% increase on the average TIIE of 8.26% as of December 31, 2002) and 120 basis points in LIBOR (an 85% increase on the 1.41% LIBOR as of December 31, 2002), the interest expense for the year ended on December 31, 2002 on our floating rate peso- and dollar- denominated debt would have increased by Ps. 63 million and $5 million, respectively. If interest rates increase, our ability to service our debt will be negatively affected.

Political events in Mexico could affect Mexican economic policy and our results of operations.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican governmental actions concerning the economy could have a significant impact on Mexican private sector entities in general, as well as on market conditions and prices and returns on Mexican securities, including our securities.

Mexican political events may also significantly affect our operations and the performance of Mexican securities, including our securities. In the Mexican national elections held on July 2, 2000, Vicente Fox of the Partido Accion Nacional, which we refer to as the "PAN," won the presidency. His victory ended more than 70 years of presidential rule by the Partido Revolucionario Institucional, which we refer to as the "PRI." Neither the PRI nor the PAN succeeded in securing a majority in either house of the Mexican Congress.

President Fox assumed office on December 1, 2000. While the transition from the previous administration was smooth, President Fox has encountered strong opposition to some of his proposed reforms from both houses of Congress, where opposition parties such as the PRI and the Partido de la Revolucion Democratica have frequently joined forces to block PAN initiatives. Such legislative gridlock could slow the progress of reforms in Mexico, which could have an adverse effect on us, including our business, financial condition, prospects and results of operations.

Social and political instability in Mexico or other adverse social or political developments in or affecting Mexico could adversely affect us and our ability to obtain financing. It is possible that political uncertainty may adversely affect financial markets.

Developments in other emerging market countries may adversely affect our business or the market price of our securities.

The market price of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other emerging market countries. Although economic conditions in such countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in such countries may have an adverse effect on the market price of securities of Mexican companies, including ours. In late October 1997, prices of Mexican securities dropped substantially, precipitated by a sharp drop in the price of securities traded in Asian markets. Similarly, prices of Mexican securities were adversely affected by the economic crises in Russia and Brazil in the second half of 1998 and, to a lesser extent, the economic crisis in Argentina in 2002. There can be no assurance that the market price of our securities will not be adversely affected by future events elsewhere, especially in other emerging market countries.

If foreign currency exchange controls and restrictions are imposed, we may not be able to service our debt in U.S. dollars, which exposes investors to foreign currency exchange risk.

In the past, the Mexican economy has experienced balance of payments deficits, shortages in foreign currency reserves and other problems that have affected the availability of foreign currencies in Mexico. The Mexican government does not currently restrict or regulate the ability of persons

or entities to convert pesos into U.S. dollars. However, it has done so in the past and could do so again in the future. We cannot assure you that the Mexican government will not institute a restrictive foreign currency exchange control policy in the future. Any such restrictive foreign currency exchange control policy could prevent or restrict access to U.S. dollars and limit our ability to service our U.S. dollar-denominated debt.

Our financial statements may not give you the same information as financial statements prepared under United States accounting rules.

Mexican companies listed on the Mexican Stock Exchange, including us, must prepare their financial statements in accordance with generally accepted accounting principles in Mexico, which we refer to as "Mexican GAAP." Mexican GAAP differs in certain respects from generally accepted accounting principles in the United States, which we refer to as "U.S. GAAP," including the treatment of minority interests, workers' profit sharing, capitalization of pre-operating costs, capitalization of interest and consolidation of subsidiaries. In addition, under Mexican GAAP, the effects of inflation must be reflected in accounting records and in published financial statements. Moreover, the effects of inflation accounting under Mexican GAAP, except for the restatement of fixed assets purchased outside Mexico and the restatement of prior period financial statements as they relate to foreign subsidiaries, are not eliminated in the reconciliation to U.S. GAAP. For this and other reasons, the presentation of financial statements and reported earnings prepared in accordance with Mexican GAAP may differ materially from the presentation of financial statements and reported earnings prepared in accordance with U.S. GAAP.

EXCHANGE RATES

The following table sets forth for each year in the five-year period ended on December 31, 2002, the high, low, average and annual period end Noon Buying Rates, all expressed in nominal pesos per U.S. dollar. No representation is made that the peso or U.S. dollar amounts referred to in this annual report could have been or could be converted into U.S. dollars or pesos, as the case may be, at the rates indicated, at any particular rate or at all.

	Noon Buying Rate (1)			
Year ended on December 31,	High	Low	Average	Period End
1998	10.63	8.04	9.24	9.90
1999	10.60	9.24	9.56	9.48
2000	9.84	9.20	9.47	9.61
2001	9.97	9.00	9.35	9.16
2002	10.43	9.00	9.75	10.43

(1) Source: Federal Reserve Bank of New York

The following table sets forth for each month in the six-month period ended on May 31, 2003, the high and low Noon Buying Rates, all expressed in nominal pesos per U.S. dollar.

	Noon Buying Rate(1)	
	High	Low
December	10.43	10.10
January	10.98	10.32
February	11.06	10.77
March	11.24	10.66
April	10.77	10.54
May	10.42	10.11

(1) Source: Federal Reserve Bank of New York

On June 26, 2003, the Noon Buying Rate was Ps. 10.4580 per one U.S. dollar.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Our consolidated financial statements have been prepared in accordance with Mexican GAAP, which differs in certain respects from U.S. GAAP. Set forth below is a brief summary of certain accounting principles that are part of Mexican GAAP and which differ from the analogous accounting principles under U.S. GAAP. This summary does not purport to be complete nor does it purport to describe all the differences between Mexican GAAP and U.S. GAAP. This summary is qualified by reference to Mexican GAAP, including the bulletins and other rules issued by the Mexican Institute of Public Accountants, which we refer to as the "IMCP," our consolidated financial statements, the notes to those financial statements and the information under the section entitled "Item 5. Operating and Financial Review and Prospects."

Inflation

Mexican GAAP requires that our financial statements recognize the effects of inflation. Our financial statements reflect the:

* restatement of Mexican non-monetary assets (other than inventories and plant, property and equipment of non-Mexican origin), non-monetary liabilities and shareholders' equity using the INPC;
* restatement of inventories at current replacement cost;
* restatement of plant, property and equipment of non-Mexican origin using a specific index that reflects inflation in the country of origin and the currency exchange rate as of the latest balance sheet date;
* recognition, as part of income, of gains and losses in purchasing power from holding monetary liabilities or assets; and
* restatement and presentation of all amounts in constant pesos as of the most recent balance sheet date.

Except for the restatement of property, plant and equipment of non-Mexican origin and the restatement of prior period financial statements of our foreign subsidiaries, the differences between inflation accounting under Mexican GAAP and U.S. GAAP have not been included in the reconciliation to U.S. GAAP. The application of Mexican GAAP represents a comprehensive measure of the effects of price level changes in the Mexican economy and, as such, is considered a more meaningful presentation than historical cost-based financial reporting for both Mexican and U.S. accounting purposes. If it were necessary in the future to include the differences between inflation accounting under Mexican GAAP and U.S. GAAP, a change would be reflected in the U.S. GAAP reconciliation in our financial statements.

Income Taxes, Workers' Profit Sharing and the Tax on Assets

Bulletin D-4, issued by the IMCP, became effective on January 1, 2000 and sets forth the accounting treatment for income taxes, workers' profit sharing and the tax on assets. Accordingly, our financial statements recognize:

* deferred income taxes for temporary differences between the accounting and tax bases of assets and liabilities; and
* deferred workers' profit sharing for temporary differences between the accounting and tax results of any period which are expected to reverse in the future.

Additionally, our financial statements recognize the tax on assets paid as an asset on our balance sheet. Prior to the effectiveness of Bulletin D-4, deferred taxes on assets were recognized as an asset only to the extent of identifiable, non-recurring timing differences that were expected to reverse over a definite period of time. Any amount of tax on assets that did not meet the foregoing criteria was recognized as an expense on the statement of operations relating to the period during which such tax on assets was paid. Please see note 3(n) to our audited consolidated financial statements for more information.

Discontinued Operations

On July 3, 2002, we sold our controlling 51% interest in Vitromatic, our joint venture with Whirlpool that engaged in the production and distribution of household appliances, to Whirlpool for $148.3 million in cash ($10 million of which was paid into escrow in support of certain indemnification obligations to Whirlpool). At the time of the transaction, approximately $67 million of our consolidated debt and approximately $97 million of our consolidated off-balance sheet financings were obligations of Vitromatic. Consequently, upon the consummation of the sale of our interest in Vitromatic, our consolidated debt and off-balance sheet financings were reduced by approximately $67 million and approximately $97 million, respectively. Our consolidated financial statements and all other financial and statistical data included in this annual report have been restated to reflect Vitromatic as a discontinued operation for all periods presented in this annual report, unless otherwise indicated. Therefore, Vitromatic's results are reflected in the line item entitled "Net income (loss) from discontinued operations" in our consolidated statement of operations. Our consolidated balance sheet has been restated to present as a discontinued operation the assets of Vitromatic in the line items entitled "Current assets of discontinued operations" and "Non-current assets of discontinued operations" and the liabilities of Vitromatic in the line items entitled "Current liabilities of discontinued operations" and "Long-term liabilities of discontinued operations."

Further Information

For more information regarding the differences between Mexican GAAP and U.S. GAAP as they relate to our financial statements, please see note 21 to our audited consolidated financial statements appearing elsewhere in this annual report.

The following table sets forth our selected consolidated financial information and other data for the periods indicated. Such financial information and data is qualified by reference to, and should be read in conjunction with, our consolidated financial statements, the notes to those financial statements and the information under the section entitled "Item 5. Operating and Financial Review and Prospects."

Financial data set forth in the following table for each year in the five year period ended on December 31, 2002 has been restated in constant pesos as of December 31, 2002.

	As of or for the year ended on December 31,					
	1998	1999	2000	2001	2002	2002 (Millions of dollars)[1] [3]
	(Millions of constant pesos as of December 31, 2002)[1]					
Income Statement Data:						
Mexican GAAP:						
Net sales	Ps. 26,205	Ps. 25,085	Ps. 25,005	Ps. 24,406	Ps. 23,922	$ 2,292
Cost of sales	16,869	16,662	17,148	17,193	16,999	1,629
Gross profit	9,336	8,423	7,857	7,213	6,923	663
General, selling and administrative expenses	4,424	4,447	4,752	4,898	4,937	473
Operating income	4,912	3,976	3,105	2,315	1,986	190
Financing cost:						
Interest expense, net	2,800	2,610	2,265	1,842	1,493	143
Exchange loss (gain), net	2,656	(559)	111	(578)	1,544	148
Gain from monetary position	2,685	1,900	1,303	653	778	75
Total financing cost	2,771	151	1,073	611	2,259	216
Other expense (income), net	259	1,283	441	826	416	40
Share in net income of unconsolidated						

associated companies	6	23	5	9	-	-
Loss in value of shares in trust[4]	(1,287)	-	-	-	-	-
Income before taxes and workers' profit sharing	601	2,565	1,596	887	(689)	(66)
Income and asset tax[5]	1,124	1,643	581	336	(478)	(46)
Workers' profit sharing	212	249	324	96	47	5
Net income (loss) from continuing operations	(735)	673	691	455	(258)	(25)
Net income (loss) from discontinued operations[2]	(125)	347	211	189	(118)	(11)
Income on disposal of discontinued operations[2] [6]	350	606	-	-	463	44
Extraordinary item[7]	131	167	-	-	-	-
Net income (loss) for the year	(379)	1,794	902	644	87	8
Net income (loss) of majority interest	(1,000)	774	377	164	(44)	(4)
Dividends declared	383	375	341	324	78	7
Dividends declared per share	1.07	1.16	1.05	1.03	0.25	0.02
Diluted and basic net income (loss) per share	(2.94)	2.49	1.35	0.57	(0.16)	(0.02)
U.S. GAAP:						
Net sales	Ps. 27,008	Ps. 24,843	Ps. 24,424	Ps. 23,172	Ps. 23,585	$ 2,259
Operating income	4,941	2,546	2,110	1,662	1,309	125
Net income (loss) from continuing operations	647	799	786	702	(652)	(62)
Net income (loss) for the year	(149)	434	659	387	(527)	(50)

Balance Sheet Data:

Mexican GAAP:						
Continuing Operations:						
Cash and cash equivalents	Ps. 749	Ps. 680	Ps. 850	Ps. 1,087	Ps. 2,232	$ 214
Current assets	8,043	7,587	7,788	7,306	9,123	874
Total assets	35,799	32,637	30,961	29,165	30,016	2,875
Current liabilities	6,548	5,308	7,995	10,262	9,075	869
Total debt	18,855	16,810	16,340	14,553	15,191	1,455
Minority interest in consolidated subsidiaries	4,811	4,732	3,493	3,629	2,661	255
Majority stockholders' equity[5]	9,386	8,729	6,771	6,082	5,937	569
Discontinued Operations:[2]						
Total assets	Ps. 5,153	Ps. 4,907	Ps. 4,565	Ps. 4,486	Ps. 0	$ 0
Total liabilities	2,877	2,576	2,652	2,467	-	-
U.S. GAAP:						
Continuing Operations:						
Total assets	Ps. 40,676	Ps. 37,746	Ps. 36,630	Ps. 34,734	Ps. 30,604	$ 2,932
Total liabilities	28,826	26,813	26,131	24,428	22,058	2,113
Majority stockholders' equity	7,585	7,010	6,868	6,496	5,819	557

Other Data:

Mexican GAAP:						
Capital expenditures	Ps. 2,620	Ps. 1,572	Ps. 952	Ps. 848	Ps. 1,018	$ 98
Depreciation and amortization	1,927	1,974	1,948	1,929	1,908	183
Resources generated by continuing operations	4,002	4,289	3,394	3,814	438	42
EBITDA[8]	7,031	6,147	5,264	4,455	4,081	391
Ratio of EBITDA to interest expense[8]	2.5	2.3	2.3	2.4	2.5	
Ratio of total debt to EBITDA[8]	2.7	2.7	3.2	3.3	3.7	
Total shares issued at end of period (millions of shares)	360	324	324	324	324	
Average total shares outstanding during period (millions of shares) [9]	340.2	310.5	278.4	286.1	275.4	
Total shares in Stock Option Trust	15.2	23.1	1.8	24.7	24.7	

Inflation and Foreign Currency Exchange Rate Data:

Percentage of change in INPC	18.60%	12.30%	9.00%	4.40%	5.70%
Peso/dollar exchange rate(10)	Ps. 9.8963	Ps. 9.4986	Ps. 9.6098	Ps. 9.1695	Ps. 10.4393
Average exchange rate(11)	Ps. 9.2414	Ps. 9.5569	Ps. 9.4673	Ps. 9.3274	Ps. 9.7455

(1) Except ratios, number of shares, inflation and foreign currency exchange rate data.
(2) On July 3, 2002, we sold our controlling 51% interest in Vitromatic, our joint venture with Whirlpool that engaged in the production and distribution of household appliances, to Whirlpool for $148.3 million in cash ($10 million of which was paid into escrow in support of certain indemnification obligations to Whirlpool). At the time of the transaction, approximately $67 million of our consolidated debt and approximately $97 million of our consolidated off-balance sheet financings were obligations of Vitromatic. Consequently, upon the consummation of the sale of our interest in Vitromatic, our consolidated debt and off-balance sheet financings were reduced by approximately $67 million and approximately $97 million, respectively. Our consolidated financial statements and all other financial and statistical data included in this annual report have been restated to reflect Vitromatic as a discontinued operation for all periods presented in this annual report, unless otherwise indicated. Therefore, Vitromatic's results are reflected in the line item entitled "Net income (loss) from discontinued operations" in our consolidated statement of operations. Our consolidated balance sheet has been restated to present as a discontinued operation the assets of Vitromatic in the line items entitled "Current assets of discontinued operations" and "Non-current assets of discontinued operations" and the liabilities of Vitromatic in the line items entitled "Current liabilities of discontinued operations" and "Long-term liabilities of discontinued operations."
(3) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of 10.4393 pesos per one U.S. dollar, the Free Exchange Rate on December 31, 2002.
(4) In 1998, Vitro recorded a charge of Ps. 1,287 million related to a loss in the market value of an account receivable that Vitro received in connection with the sale of its 49.9% equity interest in Cydsa, S.A. de C.V.
(5) Bulletin D-4, issued by the IMCP, became effective on January 1, 2000 and sets forth the accounting treatment for income taxes, workers' profit sharing and the tax on assets. Accordingly, our financial statements recognize (i) deferred income taxes for temporary differences between the accounting and tax bases of assets and liabilities and (ii) deferred workers' profit sharing for temporary differences between the accounting and tax results of any period which are expected to reverse in the future. Additionally, our financial statements recognize the tax on assets paid as an asset on our balance sheet. Prior to the effectiveness of Bulletin D-4, deferred taxes on assets were recognized as an asset only to the extent of identifiable, non-recurring timing differences that were expected to reverse over a definite period of time. Any amount of tax on assets that did not meet the foregoing criteria was recognized as an expense on the statement of operations relating to the period during which such tax on assets was paid. Please see note 3(n) to our audited consolidated financial statements for more information.
(6) In September 1996, Anchor Glass Inc., which we refer to as "Anchor Glass," filed for protection under Chapter 11 of the U.S. Bankruptcy Code. As a result of the Anchor Glass' bankruptcy filing, we wrote off our entire investment in Anchor Glass as of August 31, 1996. The 1998 and 1999 tax benefit in the amounts of Ps. 350 million and Ps. 606 million, respectively, from the corresponding deduction of the loss from discontinued operations recorded with respect to Anchor Glass in 1996 is reflected in 1998 and 1999 as "Income on disposal of discontinued operations."
(7) The amounts reflected as "Extraordinary item" are the tax benefit that resulted from the utilization of tax loss carry forwards and the recovery of a tax on assets that had been previously paid.
(8) EBITDA consists of operating income plus depreciation, amortization and reserves for seniority premiums and pensions. Seniority premiums and pension reserves for the years 1998, 1999, 2000, 2001 and 2002 were Ps. 192 million, Ps. 198 million, Ps. 211 million, Ps. 211 million and Ps. 187 million, respectively. The concept of EBITDA is presented because some of our investors have indicated to us that they consider it an appropriate measurement of the funds we have available to service our debt. EBITDA is not intended to represent cash flow from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income as an indicator of our operating performance or to resources generated by continuing operations as a measure of our liquidity. Please see "Item 5. Operating and Financial Review and Prospects-EBITDA Reconciliation" for a reconciliation of EBITDA to resources generated by continuing operations. Because not all companies calculate EBITDA identically, our presentation of EBITDA may not be comparable to other similarly entitled measures used by other companies.
(9) For accounting purposes, the approximately 15.2 million, 23.1 million, 1.8 million, 24.7 million and 24.7 million shares of our Series "A" common stock held by the Stock Option Trust as of December 31, 1998, 1999, 2000, 2001 and 2002, respectively, are considered treasury stock and therefore not outstanding.
(10) Based on the Free Exchange Rate at the end of the period.
(11) Calculated using the average of free exchange rates on the last day of each month during the period.

Item 4. INFORMATION ON THE COMPANY

ORGANIZATIONAL STRUCTURE

The following chart presents the organizational structure of our business units, our principal subsidiaries and our direct or indirect percentage equity ownership in such subsidiaries as of May 30, 2003.

Vitro, S.A. de C.V.(1)
(Mexico)

FLAT GLASS	GLASS CONTAINERS	GLASSWARE
Vitro Plan, S.A. de C.V. (65%)(2) (subholding company) (Mexico) Vitro Vidrio y Cristal, S.A. (100%)(8) (Mexico) Vitro Automotriz, S.A. de C.V. (100%)(8) (Mexico) Vitro America, Inc. (100%)(8) (Delaware) Distribuidora Nacional de Vidrio, S.A. de C.V. (100%)(8) (Mexico) Vidrios Templados Colombianos, S.A. (100%)(8) (Colombia) Distribuidora de Vidrio y Cristal, S.A. de C.V. (100%)(8) (Mexico) Distribuidora de Vidrio de México, S.A. de C.V. (100%)(8) (Mexico) Vitro Fibras, S.A. (60%)(5)(9) (Mexico) Vitro Flex, S.A. de C.V. (62%)(3)(8) (Mexico) Vitro Cristalglass, S.A. (60%)(8) (Spain) Química M, S.A. de C.V. (51%)(4)(8) (Mexico)	Vitro Envases Norteamérica, S.A. de C.V. (100%) (subholding company) (Mexico) Compañía Vidriera, S.A. de C.V. (100%)(9) (Mexico) Empresas Comegua S.A. (49.7%)(11) (Panama) Vitro Packaging, Inc. (100%) (Delaware) Industria del Alcali, S.A. de C.V. (100%)(9) (Mexico) Fabricación de Máquinas, S.A. de C.V. (100%)(9) (Mexico) Vidriera Los Reyes, S.A. de C.V. (100%)(9) (Mexico) Vidriera México, S.A. de C.V. (100%)(9) (Mexico) Vidriera Monterrey, S.A. de C.V. (100%)(9) (Mexico) Vitro American National Can, S.A. de C.V. (50%)(6)(9) (Mexico) Vidrio Lux, S.A. (100%) (Bolivia)	Vitrocrisa Holding, S. de R.L. de C.V. (51%)(7) (subholding company) (Mexico) Vitrocrisa, S. de R.L. de C.V. (100%)(10) (Mexico) Vitrocrisa Comercial, S. de R.L. de C.V. (100%)(10) (Mexico) Crisa Industrial, LLC (51%)(10) (Delaware) Crisa Corporation (100%) (Texas) Crisa Ltd. (100%) (Delaware) Plásticos Bosco, S.A. de C.V. (100%) (Mexico) Envases Cuautitlán, S.A. de C.V. (100%) (Mexico)

(1) Vitro, S.A. de C.V. is our commercial and legal name.
(2) Joint venture between Vitro, S.A. de C.V. and Pilkington plc
(3) Joint venture between Vitro Plan, S.A. de C.V. and Visteon Automotive Systems Inc.
(4) Joint venture between Vitro Plan, S.A. de C.V. and Solutia, Inc.
(5) Vitro Fibras, S.A. de C.V. is 60% owned by Vitro Envases Norteamérica, S.A. de C.V and 40% by Owens-Corning, Inc., but is operated by, and for segment reporting purposes its operating results are consolidated into, the Flat Glass business unit.
(6)Joint venture between Vitro, S.A. de C.V. and Rexam Beverage Can of the Americas, Inc.
(7)Joint venture between Vitro, S.A. de C.V. and Libbey, Inc.
(8) Percentage owned by Vitro Plan, S.A. de C.V., the holding company for our Flat Glass business unit.
(9) Percentage owned by Vitro Envases Norteamérica, S.A. de C.V., the holding company of our Glass Containers business unit.
(10) Percentage owned by Vitrocrisa Holding, S. de R. L. de C.V. , the holding company of our Glasswares business unit.
(11) Joint venture between Vitro, S.A. de C.V. and Cervecería Centroamericana, S.A. and Cervecería de Costa Rica, S.A.

HISTORY AND DEVELOPMENT OF THE COMPANY

Vitro, S.A. de C.V. is a corporation with variable capital (sociedad anonima de capital variable) organized under the laws of Mexico and is a holding company that conducts substantially all of its operations through subsidiaries. Our predecessor was incorporated in Mexico in 1909 as Vidriera Monterrey, S.A. de C.V. and, based on our consolidated net sales of Ps. 23,922 million ($2,292 million) in 2002, we believe that our subsidiaries as a group comprise the largest Mexican manufacturer of flat glass, glass containers and glassware. Our principal executive offices are located at Ave. Ricardo Margain Zozaya 400, Col. Valle del Campestre, San Pedro Garza Garcia, Nuevo Leon, 66265 Mexico, telephone number (52-81) 8863-1200. Our agent for service, exclusively for actions brought by the SEC pursuant to the requirements of the U.S. federal securities laws, is CT Corporation System, 111 Eighth Avenue, New York, New York 10011.

Our consolidated net sales for the year ended on December 31, 2002 totaled Ps. 23,922 million ($2,292 million). As of December 31, 2002, our total assets were Ps. 30,016 million ($2,875 million). We have manufacturing facilities in eight countries, distribution centers throughout the Americas and Europe and export our products to over 70 countries. In 2002, 47% of our consolidated net sales were sales made in Mexico.

We have successfully established numerous joint ventures and technology-sharing relationships with leading United States and European companies including Pilkington plc, which we refer to as "Pilkington," and Libbey, Inc., which we refer to as "Libbey." Sales attributable to our joint ventures represented approximately 61% of our consolidated net sales in 2002.

Our operations are currently organized into three operating business units: the Flat Glass business unit (approximately 47% of our consolidated net sales in 2002), the Glass Containers business unit (approximately 42% of our consolidated net sales in 2002) and the Glassware business unit (approximately 11% of consolidated net sales in 2002). Prior to October 2001, we organized our operations into five business units. On October 1, 2001, we integrated those of our subsidiaries that were part of our Diverse Industries business unit into our other business units, thus reducing the number of business units through which we conducted our operations to four. On July 3, 2002, we sold our controlling 51% interest in Vitromatic, which was our Acros-Whirlpool business unit, to Whirlpool. Since the sale of our interest in Vitromatic, we have conducted our operations through

our Flat Glass, Glass Containers and Glassware business units.

Our Flat Glass business unit focuses on the manufacturing, processing and distribution of flat glass for the construction and automotive industries. Based on the Flat Glass business unit's consolidated net sales of Ps. 11,380 million ($1,090 million) in 2002, we believe the business unit is the largest flat glass producer in Mexico, the second largest in Latin America and among the largest processors and distributors of flat glass in the United States. Our Flat Glass business unit also includes (i) Vitro Fibras, S.A., which we refer to as "Vifisa," our joint venture with Owens-Corning, Inc., which we refer to as "Owens-Corning," that is engaged in the manufacturing and distribution of fiberglass products, (ii) Vitro Flex, S.A. de C.V., which we refer to as "Vitro Flex," our joint venture with Visteon Automotive Systems Inc., which we refer to as "Visteon," that is engaged in the manufacturing and distribution of flat glass products for the automotive industry, (iii) Cristalglass, our joint venture with a group of individual investors that is engaged in the manufacturing and distribution of flat glass products for the European construction industry and (iv) Quimica M, S.A. de C.V., which we refer to as "Quimica M," our joint venture with Solutia Inc., which we refer to as "Solutia," that is engaged in the manufacturing and distribution of polyvinyl butyral, which is an inner layer of plastic film used in the manufacture of clear and shaded windshields.

Our Glass Containers business unit produces soda lime glass containers for the soft drink, beer, food, liquor and wine, pharmaceutical and cosmetics industries and, based on its consolidated net sales of Ps. 10,012 million ($959 million) in 2002, we believe the Glass Containers business unit is the largest glass container producer in Mexico and Central America. The Glass Containers business unit also includes (i) Empresas Comegua, S.A., which we refer to as "Comegua," our joint venture with Cerveceria Centroamericana, S.A., which we refer to as "Cerveceria Centroamericana," and Cerveceria de Costa Rica, S.A., which we refer to as "Cerveceria de Costa Rica," which, based on Comegua's net sales of Ps. 1,207 million ($115 million) in 2002, we believe is the largest glass containers producer in Central America and (ii) Industria del Alcali, S.A. de C.V., which we refer to as "Alcali," Vitro American National Can, S.A. de C.V., which we refer to as "Vancan," Fabricacion de Maquinas, S.A. de C.V., which we refer to as "FAMA," and Vidrio Lux, S.A., which we refer to as "Vilux." Alcali, Vancan and FAMA were previously part of the Diverse Industries business unit and manufacture, respectively, soda ash and bicarbonate, aluminum cans and capital goods, such as glass forming machines and molds. Alcali, Vancan and FAMA were integrated into the Glass Containers business unit effective October 1, 2001. Vilux is our wholly owned Bolivian glass containers manufacturer.

Our Glassware business unit focuses on the manufacturing and distribution of glassware, flatware, stemware, bake ware and home decor products for the consumer segment, glassware and flatware for the food service segment and coffee carafes, blender jars, lids, meter covers, candle holders and lighting products for the industrial segment, in each case, of the glassware industry. Based on its sales of Ps. 2,618 million ($251 million) in 2002, we believe that the Glassware business unit is the largest producer of glassware in Mexico. The Glassware business unit also includes Plasticos Bosco, S.A. de C.V., which we refer to as "Bosco," and Envases Cuautitlan, S.A. de C.V., which we refer to as "ECSA," our wholly owned subsidiaries that engage in the manufacturing and distribution of plastic containers, plastic tubes and disposable thermofold ware and industrial products.

Divestitures

As part of our strategy, we have divested and may continue to divest some of our non-strategic businesses and assets. The following paragraphs describe the principal divestitures that we have made in the last three years as part of our program to sell non-core businesses and assets. During 2000, 2001 and 2002, we received aggregate net proceeds of approximately $218 million from divestitures and asset sales (including approximately $48 million from the sale of assets such as land, buildings and warehouses).

On July 3, 2002, we sold our controlling 51% interest in Vitromatic, our joint venture with Whirlpool that engaged in the production and distribution of household appliances, to Whirlpool for $148.3 million in cash ($10 million of which was paid into escrow in support of certain indemnification obligations to Whirlpool). At the time of the transaction, approximately $67 million of our consolidated debt and approximately $97 million of our consolidated off-balance sheet financings were obligations of Vitromatic. Consequently, upon the consummation of the sale of our interest in Vitromatic, our consolidated debt and off-balance sheet financings were reduced by approximately $67 million and approximately $97 million, respectively.

On April 15, 2002, we sold our 51% interest in Ampolletas, S.A., which we refer to as "ASA," to Gerresheimer Glass AG, which we refer to as "Gerresheimer," for $13.4 million in cash. At the time of the transaction, approximately $6.5 million of our consolidated debt were obligations of ASA. Consequently, upon the consummation of the sale of our interest in ASA, our consolidated debt was reduced by approximately $6.5 million. ASA is engaged in the manufacturing of borosilicate glass products for laboratory and pharmaceutical use, such as ampoules, vials and syringes.

On May 21, 2001, we sold our 50% interest in Regioplast, S.A. de C.V., which we refer to as "Regioplast," our joint venture with Owens-Illinois, Inc., which we refer to as "Owens-Illinois," that engaged in the production and distribution of plastic bottles and caps, including non-refillable closures, for $8 million in cash. Since its inception in 1993, Regioplast has been managed by Owens-Illinois.

New Ventures

On December 27, 2002, through our Spanish subsidiary Cristalglass, we acquired 60% of the outstanding shares of common stock of Vidraria Chaves Lda., which we refer to as "Vidraria Chaves," for $1 million in cash. Vidraria Chaves is a Portuguese processor and distributor of glass and glazing products for the European construction industry. We believe that this addition will allow Cristalglass to continue to penetrate the European market and to satisfy its customers' needs for laminated glass and double glazing products in Europe, particularly in Spain and Portugal. Moreover, we believe that Vidraria Chaves and Cristalglass will reap significant synergies in the processing and distribution of laminated glass for the European construction industry due to an improved distribution network and expanded geographic presence. With the addition of Vidraria Chaves, Cristalglass also intends to increase its presence in the facade business in Portugal and the rest of Europe.

On June 19, 2002, through our subsidiary Vitro AFG, S.A. de C.V., which we refer to a "Vitro AFG," we entered into an agreement with AFG Industries, Inc., which we refer to as "AFG Industries," a subsidiary of Asahi Glass Corporation, which we refer to as "Asahi," to convert our glass containers facility in Mexicali, Mexico into a flat glass facility. We expect that the converted facility will have a flat glass production capacity of approximately 200,000 metric tons per year. The flat glass produced by this facility will be allocated equally between AFG Industries and us, and each partner will market its allocation independently of the other. The capital expenditure that we estimate each of the partners will make in connection with this project is approximately $45 million. Our investment will be comprised of the contribution of our current facility, which was valued at approximately $17 million when the contribution was made in 2002, and approximately $28 million in cash, which disbursement will be made in 2003. The conversion of this facility is currently underway. The converted facility is expected to commence operations by the first quarter of 2004 and to supply flat glass to the western United States and Mexico.

On May 4, 2001, through our subsidiary Vitro Plan, S.A. de C.V., which we refer to as "Vitro Plan," we acquired 60% of the outstanding shares of

common stock of Cristalglass Vidrio Aislante, S.A. Cristalglass Vidrio Aislante, S.A. subsequently changed its name to Vitro Cristalglass, S.A. and we currently refer to it as "Cristalglass." Cristalglass processes and distributes value-added flat glass for the European construction industry. Cristalglass has 5 processing facilities located in Spain.

On April 17, 2000, Vitro America acquired the business and substantially all of the assets of Harding Glass Inc., which we refer to as "Harding," a subsidiary of SunSource Inc. Based on the size of Harding's distribution network, in 2000 it was one of the United States' largest distributors of glass products for the automotive and construction markets. Through the acquisition of Harding's business and assets, Vitro America added approximately $100 million to its annual revenue base and incorporated into its operations 5 distribution centers and 118 retail stores strategically located throughout the United States. The company holding Harding's assets was merged into Vitro America in January 2001. Upon the acquisition of the assets of Harding, Vitro America operated 10 manufacturing centers, 44 distribution centers and 151 "Binswanger" retail stores in the United States.

Operating Business Units

Our operations are currently organized into three operating business units: the Flat Glass business unit, the Glass Containers business unit and the Glassware business unit, which represented approximately 47%, 42% and 11% of our consolidated net sales in 2002, respectively. Prior to October 2001, we organized our operations into five business units. On October 1, 2001, we integrated those of our subsidiaries that were part of our Diverse Industries business unit into our other business units, thus reducing the number of business units through which we conducted our operations to four. On July 3, 2002, we sold our controlling 51% interest in Vitromatic, which was our Acros-Whirlpool business unit, to Whirlpool. Since the sale of our interest in Vitromatic, we have conducted our operations through our Flat Glass, Glass Containers and Glassware business units.

The organization of our operations into business units allows us to focus on the needs of distinct end-markets, diversifies our revenue base and enables us to take advantage of our expertise in the efficient production of glass products. In addition, our operations at the corporate level continue to provide us with certain administrative, technical and corporate services, including management information systems, human resources, finance, treasury, accounting and consolidation, procurement, labor and employee benefits, quality control, environmental compliance, industrial safety, communication and legal affairs.

Flat Glass

Based on the Flat Glass business unit's consolidated net sales of Ps. 11,380 million ($1,090 million) in 2002, we believe the business unit is the largest flat glass producer in Mexico, the second largest in Latin America and among the largest processors and distributors of flat glass in the United States. In 2002, this business unit accounted for 47% of our consolidated net sales. During the same period, approximately 24% of the consolidated net sales of the Flat Glass business unit came from exports and approximately 47% came from sales by our foreign subsidiaries that are part of the business unit.

The Flat Glass business unit focuses on the manufacturing, processing and distribution of flat glass for the construction and automotive industries and has a production capacity of over 500,000 tons of float glass per year. Since 1965, Pilkington, a leading manufacturer of flat glass in the world, has been our partner, holding a 35% interest in Vitro Plan, the holding company for our Flat Glass business unit. Pilkington has also been an important provider of technology to our Flat Glass business unit. Our Flat Glass business unit's customer base includes General Motors, Ford, DaimlerChrysler and Nissan in the automotive industry, and several large domestic and foreign companies in the construction industry.

In Mexico, our Flat Glass business unit manufactures, processes, distributes and installs flat glass for the construction and automotive markets. The business unit's Mexican operations include 10 manufacturing facilities, including 3 float glass tanks, and approximately 118 distribution or installation centers, of which approximately 57 are owned by us and approximately 61 are franchises owned by third parties.

We also have a significant presence in the United States' flat glass market through our subsidiary Vitro America. Vitro America processes, distributes and installs flat glass products for the construction and automotive markets in the United States. It operates in 29 states through 9 manufacturing facilities, 45 distribution centers and 124 installation centers.

On May 4, 2001, we expanded our flat glass operations into Europe through the acquisition of 60% of the outstanding shares of common stock of Cristalglass, a processor and distributor of value-added flat glass for the European construction industry. Cristalglass has 5 processing facilities located in Spain. On December 27, 2002, we continued our expansion of our flat glass operations in Europe through the acquisition of 60% of the outstanding shares of common stock of Vidraria Chaves, a Portuguese processor and distributor of glass and glazing products for the European construction industry.

The Flat Glass business unit also has joint ventures with Visteon through Vitro Flex, with Solutia through Quimica M, with Owens-Corning, through Vifisa and with AFG Industries through Vitro AFG. We have partnered with groups of individual investors with respect to Cristalglass, Vidraria Chaves and our Mexican automotive replacement glass installation business.

Glass Containers

Based on the Glass Containers business unit's consolidated net sales of Ps. 10,012 million ($959 million) in 2002, we believe it is the largest glass containers producer in Mexico and Central America. In 2002, this business unit accounted for 42% of our consolidated net sales. During the same period, approximately 25% of the consolidated net sales of the Glass Containers business unit came from exports and approximately 13% came from sales by our foreign subsidiaries that are part of the business unit.

The Glass Containers business unit produces soda lime glass containers for the soft drink, beer, food, liquor and wine, pharmaceutical and cosmetics industries and has a production capacity of over 5,000 tons of glass per day. Its customers include leading companies such as Coca-Cola, Pepsi, Modelo, Nestle, Procter & Gamble, Gerber, Avon, Coty and Domecq.

The Glass Containers business unit operates 11 manufacturing facilities in Mexico, two in Central America and one in Bolivia. The business unit, which exports containers for the soft drinks, liquor and wine, pharmaceutical and cosmetic industries to the United States through its subsidiary Vitro Packaging, has 5 sales offices throughout the United States and includes Comegua, our joint venture with Cerveceria Centroamericana and Cerveceria de Costa Rica. Based on Comegua's net sales of Ps. 1,207 million ($115 million) in 2002, we believe it is the largest glass containers producer in Central America.

Glassware

Based on the Glassware business unit's consolidated net sales of Ps. 2,618 million ($251 million) in 2002, we believe the business unit is the largest producer of glassware in Mexico. In 2002, this business unit accounted for 11% of our consolidated net sales. During the same period, approximately 31% of the consolidated net sales of the Glassware business unit came from exports.

The Glassware business unit focuses on the manufacturing and distribution of glassware, flatware, stemware, bake ware and home decor products for the consumer segment, glassware and flatware for the food service segment and coffee carafes, blender jars, lids, meter covers, candle holders and lighting products for the industrial segment, in each case, of the glassware industry. This business unit has a production capacity of over 2 million units per day. Since 1997, Libbey, a leading producer of tableware in North America, has been our partner, holding a 49% interest in Vitrocrisa Holding, S. de R.L. de C.V., which we refer to as "Vitrocrisa," the holding company for our Glassware business unit. The business unit's customer base includes leading global manufacturers such as Hamilton Beach/Proctor-Silex and retailers such as Wal-Mart, HEB and other leading Mexican supermarket chains such as Gigante and Soriana.

The business unit has 3 manufacturing facilities in Monterrey, Mexico, 2 manufacturing facilities in Mexico City, Mexico and 10 distribution centers located throughout Mexico.

The Glassware business unit is also responsible for the operation of our plastic manufacturing and distribution business, which accounted for 20% of the consolidated net sales of our Glassware business unit in 2002. Our plastics manufacturing and distribution operations are conducted through 2 of our wholly owned subsidiaries.

Capital Expenditures

Our capital expenditure program is focused on new investments in, technological upgrades to and maintenance of, our manufacturing facilities, as well as expansion of our production capacity. Our capital expenditure program also contemplates the purchase and maintenance of environmental protection equipment required to meet applicable environmental laws and regulations as such may be in effect from time to time.

The following table sets forth our capital expenditures by business unit for the periods presented.

	Year ended on December 31, (Millions of constant pesos as of December 31, 2002)			Three-month period ended on March 31, (Million of constant pesos as of March 31, 2003)
Business Unit	**2000**	**2001**	**2002**	**2003**
Flat Glass	Ps. 364	Ps. 406	Ps. 283	Ps. 95
Glass Containers	407	314	589	275
Glassware	163	91	125	32
Corporate	18	37	21	7
Total	Ps. 952	Ps. 848	Ps. 1,018	Ps. 409

During 2003, we expect to make capital expenditures as follows:

* the capital expenditure required by our agreement with AFG Industries to convert our glass containers facility in Mexicali, Mexico into a flat glass facility. We expect that the converted facility will have a flat glass production capacity of approximately 200,000 metric tons per year. The flat glass produced by this facility will be allocated equally between AFG and us, and each partner will market its allocation independently of the other. The capital expenditure that we estimate each of the partners will make in connection with this project is approximately $45 million. Our investment will be comprised of the contribution of our current facility, which was valued at $17 million when the contribution was made in 2002, and approximately $28 million in cash, which disbursement will be made in 2003. The conversion of this facility is currently underway. The converted facility is expected to commence operations by the first quarter of 2004 and to supply flat glass to the western United States and Mexico;

* the capital expenditure required to refurbish and expand one of our furnaces located in Queretaro, Mexico. We expect that the refurbishment and expansion will increase the furnace's production capacity by 30%. The capital expenditure that we made in connection with this project was approximately $21 million, all of which was made in 2003. The refurbished and expanded furnace has resumed operations;

* the capital expenditure required to refurbish and provide needed maintenance to one of our float glass tanks located in Monterrey, Mexico. We expect that the refurbished tank will have approximately the same production capacity as before the refurbishment. The capital expenditure that we estimate we will make in connection with this project is approximately $24 million in cash, all of which will be made in 2003. The refurbished furnace is expected to resume operations in 2003; and

* the remaining capital expenditures in 2003 will be focused on (i) providing maintenance to or upgrading the installed technology of several of our other facilities, (ii) purchasing equipment and making other expenditures relating to obtaining Industria Limpia certificates for each of our Mexican facilities, which capital expenditures we estimate will be approximately $5 million in 2003 and (iii) purchasing and maintaining environmental protection equipment required to continue to meet applicable environmental laws and regulations.

We expect to finance all of the capital expenditures discussed above with cash flow generated by our operations.

Please see "Item 5. Operating and Financial Review and Prospectus-Liquidity and Capital Resources" for a discussion of our principal capital expenditures during the last three full fiscal years.

BUSINESS OVERVIEW

Business Strategy

We are focusing on enhancing the value of Vitro by (i) concentrating on our core competencies of glass manufacturing and distribution, (ii) strengthening our financial position, (iii) continuing to reduce costs and enhance operating efficiencies, (iv) leveraging Vitro's brand name and (v) selectively pursuing opportunities in core markets. We have begun and intend to continue to improve operating efficiencies, take advantage of existing synergies between our business units to improve operating margins, secure and maintain business relationships and long-term contracts with our key customers and joint venture partners and concentrate on serving high-margin markets with high value-added and innovative products.

Our objective is to increase our profitability by solidifying our market position as a key player in the global glass manufacturing and distribution industry. In order to achieve this objective, we operate our business based on the following strategies:

Concentrate on Core Competencies of Glass Manufacturing and Distribution

We believe our current business portfolio, composed of the Flat Glass, Glass Containers and Glassware business units, provides us with long-term, sustainable growth opportunities. With respect to each of our three business units, our focus will remain on serving high-margin markets with high value-added and innovative products as part of our strategy to distinguish ourselves from commodity manufacturers. Our business units rely on our manufacturing experience, technological strength, manufacturing flexibility, market and customer knowledge and our ability to efficiently produce high-quality glass products in order to implement this strategy and grow our business.

We aim to strengthen the Flat Glass business unit's position in the Mexican, United States and European markets by targeting high-margin markets with our products. Where appropriate, we intend to selectively pursue investment and integration opportunities in other attractive markets, as we have done in Spain and Portugal. The Glass Containers business unit seeks to improve its margins, strengthen its relationships with key customers and optimize its cash generation by expanding into niche markets that require high-quality products on short lead times. The Glassware business unit intends to focus on marketing and product innovation as well as its distribution and customer service capabilities.

To this end and as part of our effort to concentrate on our core businesses, we sold our interest in Vitromatic, the holding company of our former Acros-Whirlpool business unit, on July 3, 2002. Please see "Item 4. Information on the Company□History and Development of the Company□Divestitures" for more information on our recent divestitures, including Vitromatic.

Strengthen Our Financial Position

We intend to strengthen our financial position in the medium term by reducing debt through the use of internally generated funds and proceeds from the disposition of non-strategic business and non-core assets. Additionally, we intend to extend the average life of our debt by reducing our short-term debt and to align the currency mix of our debt profile to match the currency mix profile of our expected cash flow generation. These initiatives should improve our liquidity, diminish our foreign currency exchange risk and support the growth of our core businesses.

Continue to Reduce Costs and Enhance Operating Efficiencies

As part of our ongoing efforts to reduce costs and expenses, in 2001 we reduced the number of administrative staffers throughout our business units and the corporate headquarters by more than 600 people. We plan to continue with our efforts to reduce our selling, general and administrative expenses.

In 2002, we enhanced our operations and our communications network by upgrading our information systems. These initiatives extended across the value chain from employees and suppliers to customers. To upgrade our information systems, we entered into an agreement with Electronic Data Systems, which we refer to as "EDS," to outsource some of our information technology needs. EDS provides us with computer hardware and software and telecommunications management in addition to technical support more efficiently than we can provide such goods and services to ourselves.

One of the goals of our capital expenditure program is to continue to outfit our facilities with state-of-the-art technologies and processes where we believe such investments will improve our operating efficiencies or reduce our production costs.

Leverage "Vitro" Brand Name

The "Vitro" brand name is widely recognized in Mexico and in other markets where we have a presence as a leader in the manufacturing and processing of high-quality glass and related products. We plan to continue leveraging the "Vitro" brand name to emphasize our commitment to high-quality glass products.

Selectively Pursue Opportunities in Core Markets

We believe that significant opportunities exist in glass markets outside of Mexico. We intend to pursue such opportunities on a selective basis. Historically, our growth has been through organic growth, expansion into foreign markets via exports and strategic acquisitions. Increasing access to foreign markets will support the achievement of our strategic objectives of consolidating our leadership position in the domestic and regional markets in the Americas, growing in attractive markets outside of the Americas and mitigating the impact of slowdowns in regional demand.

Competitive Strengths

Substantial Net Sales and Cash Generation Base

Our consolidated net sales were Ps. 23,922 million ($2,292 million) in 2002, placing us among the largest Mexican companies. Historically, we have been able to maintain a substantial level of consolidated net sales and generate a significant cash flow despite changes in the markets we serve and fluctuations in demand for our products.

Solid and Diverse Customer Base

We have successfully established long-term relationships with customers that are leaders in their industries due to the high-quality of our products and our ability to effectively meet our customers' specifications and volume requirements promptly and consistently. These long-standing relationships, some of which are over 50 years old, provide us with a stable and diverse revenue base. Ford, General Motors, Modelo, Coca-Cola, Pepsi, Domecq and Procter & Gamble are examples of companies with whom we have strong commercial relationships. In 2002, no single customer accounted for more than 5% of our consolidated net sales. Our customer diversity is enhanced by the breadth of industries we serve, which include the automotive, construction, beverage, food, lodging and restaurant, pharmaceutical and cosmetic industries.

Broad Market and Geographical Scope

Our Mexican customer base is complemented by our presence in other North, Central and South American as well as European markets. We have manufacturing facilities in eight countries throughout the Americas, Spain and Portugal. We have distribution centers throughout the Americas and Europe and benefit from a diversified customer base located in 70 countries. During the last three years, an average of approximately 80% of our consolidated net sales were denominated in or linked to the U.S. dollar. Our presence in mature economies, especially in the United States, partially balances our exposure to downturns in emerging market economies. For the year ended on December 31, 2002, our total export and foreign subsidiaries' sales represented more than 50% of our consolidated net sales. We have also reduced our exposure to downturns in any single industry by serving diverse glass market sectors through our three business units.

Strong Strategic Alliances

We have successfully established numerous joint ventures and technology sharing relationships, some of which are over 30 years old, with leading American and European companies. These arrangements supplement our product design and manufacturing technologies and, in certain instances, provide us with access to significant distribution networks. Sales attributable to joint ventures represented approximately 61% of our consolidated net sales in 2002. Many of our joint venture partners, including Pilkington (Flat Glass), AFG Industries (Flat Glass) and Libbey (Glassware), are recognized as global leaders in their respective industries.

Efficient Producer of High-Quality Glass Products

Our glass manufacturing experience and technology have allowed us to operate efficiently while manufacturing products recognized for their high quality. Our efficiency, expertise and focus on value-added products have allowed us to achieve competitive margins. For instance, we have reduced the number of units that we must produce in any single production run in order to do so efficiently and cost-effectively. Thus, we can plan and execute short production runs with less lead time per production run and fill orders of low-volume, high-margin products quickly and cost-effectively.

In addition, our experienced personnel constantly seek to obtain the best and most innovative technology available in the industry and to use it to develop products of superior quality. Through the years, our subsidiaries have received several domestic and international quality awards.

Experienced Management Team

We have an experienced senior management team with an average of over 27 years of industry experience and an experienced team of operating managers with an average experience of over 20 years in glass manufacturing. We employ highly-qualified and trained engineers and technicians who design, develop and maintain our production facilities. We maintain a training facility in Mexico where we conduct continuing training programs in competitive manufacturing and administrative processes for our operating and administrative personnel.

Operating Business Units

Our operations are currently organized into three operating business units: the Flat Glass business unit (approximately 47% of our consolidated net sales in 2002), the Glass Containers business unit (approximately 42% of our consolidated net sales in 2002) and the Glassware business unit (approximately 11% of our consolidated net sales in 2002). Prior to October 2001, we organized our operations into five business units. On October 1, 2001, we integrated those of our subsidiaries that were part of our Diverse Industries business unit into our other business units, thus reducing the number of business units through which we conducted our operations to four. On July 3, 2002, we sold our controlling 51% interest in Vitromatic, which was our Acros-Whirlpool business unit, to Whirlpool. Since the sale of our interest in Vitromatic, we have conducted our operations through our Flat Glass, Glass Containers and Glassware business units.

The table below lists our current principal products, customers and end users, sales regions and joint venture partners by business segment.

Sector	Products	Customers and End Users	Sales Regions	Joint Ventures
Flat Glass:				
Construction Glass	Float glass, rolled glass, architectural tempered safety glass, insulated glass units and polyvinyl butiral	Construction industry, distributors and installers	Mexico, U.S., Canada, Europe and Central and South America	Pilkington plc, Solutia and AFG Industries
Automotive Glass	Windshields, rear and side tempered glass and polyvinyl butiral	OEMs, automotive replacement glass market, distributors and installers	Mexico, U.S., Canada and Central and South America	Pilkington plc, Visteon and Solutia
Fiberglass Products	Fiberglass, thermal insulators and composites fibers	Construction, automotive and household products industries	Mexico, U.S. and Central and South America	Owens-Corning, Inc.
Glass Containers:				
Glass Containers	Soda lime glass containers	Soft drink, food, beer, liquor and wine, pharmaceutical and cosmetics industries	Mexico, U.S., the Caribbean and Central and South America	Cerveceria Centroamericana and Cerveceria de Costa Rica
Packaging	Aluminum cans	Beverage industry	Mexico and Central America	Rexam Beverage Can of the Americas, Inc.
Raw Materials	Soda Ash, sodium bicarbonate, calcium chloride and salt	Glass manufacturers and detergent producers	Mexico, U.S. and South America	

Capital Goods	Glass forming machines, castings for glass molds, machinery parts and electronic controls	Glass Containers business unit, Flat Glass business unit, Glassware business unit, glass manufacturers and other third party manufacturers	Mexico, U.S. and Central and South America	
Glassware:				
Glassware	Glassware, flatware, stemware, bake ware, home decor products, coffee carafes, blender jars, lids, candle holders and lighting products	Commercial distributors, supermarkets, discount stores, consumer and industrial markets, institutional food service customers, hotels and restaurants and reatil consumers	Mexico, U.S., Canada, Middle East, Europe and Central and South America	Libbey
Packaging	Plastic containers, plastic tubes and disposable thermofold ware and industrial products	Food and dairy industry, supermarket and convenience stores, pharmaceutical and personal care distributors and retail customers	Mexico and U.S.	

Please see "Item 5. Operating and Financial Review and Prospects-Results of Operations" and note 19 of our financial statements included elsewhere in this annual report for a breakdown of our consolidated net sales by business unit and geographic market for each of the last three full fiscal years.

Flat Glass Business Unit

The Flat Glass business unit began operations in 1936 with the incorporation of Vidrio Plano, S.A. de C.V., in Monterrey, Mexico and, based on the business unit's consolidated net sales of Ps. 11,380 million ($1,090 million) in 2002, we believe the business unit is the largest flat glass producer in Mexico, the second largest in Latin America and among the largest processors and distributors of flat glass in the United States. Based on the number of molding furnaces the business unit currently operates in Mexico, we believe it is also a major manufacturer of safety glass products for the automotive OEM and replacement markets in Mexico. In 2002, this business unit accounted for 47% of our consolidated net sales. During the same period, approximately 24% of the consolidated net sales of the Flat Glass business unit came from exports and approximately 47% came from sales by our foreign subsidiaries that are part of the business unit.

The Flat Glass business unit focuses on the manufacturing, processing and distribution of flat glass for the construction and automotive industries and has a production capacity of over 500,000 tons per year of float glass. In 2002, approximately 60% of the business unit's Ps. 11,380 million ($1,090 million) consolidated net sales were to the construction industry and approximately 40% of such consolidated net sales were to the automotive industry.

Since 1965, Pilkington, a leading manufacturer of flat glass in the world, has been our partner, holding a 35% interest in Vitro Plan, the holding company for our flat glass business unit. Pilkington has also been an important provider of technology to our Flat Glass business unit. Our Flat Glass business unit's customer base includes General Motors, Ford, DaimlerChrysler and Nissan in the automotive industry, and several large domestic and foreign companies in the construction industry.

Our Flat Glass business unit also includes (i) Vifisa, our joint venture with Owens-Corning that is engaged in the manufacturing and distribution of fiberglass products, (ii) Vitro Flex, our joint venture with Visteon that is engaged in the manufacturing and distribution of flat glass products for the automotive industry, (iii) Cristalglass, our joint venture with a group of individual investors that is engaged in the manufacturing and distribution of flat glass products for the European construction industry and (iv) Quimica M, our joint venture with Solutia that is engaged in the manufacturing and distribution of polyvinyl butyral, which is an inner layer of plastic film used in the manufacture of clear and shaded windshields. Owens-Corning holds a 40% interest in Vifisa, Visteon holds a 38% interest in Vitro Flex and Solutia holds a 49% interest in Quimica M. A group of individual investors owns a 40% interest in Cristalglass.

The Flat Glass business unit's strategy is to:

* increase its leadership position as a manufacturer and distributor of higher-margin products in the markets it currently serves;
* maintain its leading position in the Mexican flat glass market including the Mexican automotive replacement market;
* solidify its relationship with automotive OEMs in Mexico and the United States;
* consolidate its presence as a processor and distributor in the United States;
* increase its presence in Spain and other markets in Europe; and
* selectively pursue opportunities for profitable growth in other parts of the world.

The Flat Glass business unit uses float glass produced by its own float glass tanks to manufacture safety glass products. These safety glass products are then processed into windshields and tempered glass, including complex curvature glass for automobiles and architectural tempered safety glass, insulated glass units and mirror glass.

Generally, the Flat Glass Business unit's sales are not seasonal. However, sales to the automotive glass replacement market tend to decrease during the northern hemisphere's winter, particularly in the northern states of the U.S.

Exports and Foreign Subsidiaries' Sales

Export sales from the Flat Glass business unit's operations in Mexico were approximately $272 million in 2002. A majority of these export sales were sales by our Mexican subsidiaries to automotive OEMs in the United States. Sales of the business unit's foreign subsidiaries (principally Vitro America) were $460 million in 2002 while Vitro Plan sold approximately $219 million directly to customers in the United States and other countries. Consequently, in 2002, approximately 62% of the Flat Glass business unit's sales were made in the United States.

Mexican Operations

We believe that the Flat Glass business unit is the largest flat glass producer in Mexico based on the business unit's sales in Mexico in 2002. In 2002, the Mexican subsidiaries of the Flat Glass business unit serving the construction and automotive industries had consolidated net sales of approximately Ps. 5,395 million ($517 million), of which approximately 43% were to the construction industry and 57% were to the automotive industry. The principal products that the Flat Glass business unit produces for the construction industry in Mexico are float glass, rolled glass and tempered architectural safety glass, principally for commercial, residential and construction uses. The Flat Glass business unit also produces mirrors, insulating glass, tempered glass, tabletops and coated glass. The business unit is expanding its production of higher value-added products, such as Duo-Vent (insulated glass) windows, mirrors and tempered and laminated products.

In Mexico, the business unit's safety glass products are principally supplied to the automotive OEMs and to the Mexican automotive glass replacement market, while its construction glass products are used in the Mexican construction industry. The architectural and safety glass product lines of the Flat Glass business unit are produced by various subsidiaries of Vitro Plan.

The business unit's flat glass products are produced using the float method, which involves pouring molten glass over a molten tin bath. The Flat Glass business unit operates two float glass tanks near Monterrey, Mexico and one float glass tank in Mexico City, Mexico. Our total production capacity is over 500,000 tons of float glass per year. In addition, the Flat Glass business unit operates 5 processing facilities in Mexico for the automotive OEM market and the automotive glass replacement market, including Vitro Flex's facility located near Monterrey, Mexico. As of March 31, 2003, these facilities were operating at approximately 90% of their capacity. All of the Flat Glass business units facilities have obtained International Organization for Standardization 9001 certification, which we refer to as "ISO 9001 Certification."

The Flat Glass business unit sells its construction products to builders, glass installers and distributors of glass products through its own sales force. With respect to automotive products, the Flat Glass business unit's Mexican operations sells directly to automotive OEMs in Mexico and the United States, independent distributors and installers and Vitro Car, S.A. de C.V., which we refer to as "Vitro Car," the business unit's wholly-owned subsidiary engaged in installing automotive replacement glass in Mexico.

Visteon is the largest customer of the business unit's automotive safety glass products, through its purchases from Vitro Flex, for use in Ford's assembly plants in the United States and, through its purchases from other subsidiaries of Vitro Plan subsidiaries, for use in Ford's assembly plants in Mexico. In addition, the Flat Glass business unit sells automotive safety glass products to other automobile manufactures in Mexico (including sales relating to the orders made under Pilkington's global supply agreements with such automobile manufacturers), the United States and other markets.

In order to better serve their customers, Vitro Plan's subsidiaries have designated marketing executives for major construction glass products customers and established account plans for automotive OEMs. The business unit has designated commercial executives to serve as individualized customer service representatives for the business unit's principal purchasers of construction products. Similarly, OEM account plans consist of staff whose time is exclusively dedicated to major OEMs and who provide specialized assistance in the areas of engineering, service and sales. Vitro Plan's subsidiaries have established 9 distribution centers throughout Mexico where customers of both construction and automotive products can access information about the availability of products on a real time basis.

The Flat Glass business unit relies exclusively on its own sales force for the sale of construction products, except for the business unit's skylight products, which are marketed by a group of independent manufacturers' representatives. This sales force markets the business unit's construction products to a large number of distributors and is supported by a technical support department that offers technical advice to construction glass installers.

The business unit's automotive products are sold exclusively through its own sales force and distribution centers. The business unit's sales force services automotive OEMs while the automotive glass replacement market is serviced through the business unit's distribution centers throughout Mexico.

Through Quimica M, the Flat Glass business unit also produces polyvinyl butyral in Mexico, which is an inner layer of plastic film in the manufacture of clear and shaded windshields.

In addition to supplying automotive OEMs, the Flat Glass business unit also supplies, through Vitro Car, the automotive glass replacement market in Mexico with safety glass produced by Vitro Plan and, to a lesser extent, with imported products purchased from manufacturers other than us. The business unit intends to extend the breadth of its automotive safety glass product line in order to increase exports to the automotive glass replacement market in the United States and Central and South America.

United States Operations

The United States operations of the Flat Glass business unit are conducted through Vitro America, which, based on its sales in 2002, is a major processor and distributor of flat glass products in the United States. In 2002, Vitro America had consolidated net sales of approximately $460 million, of which approximately 78% were to the commercial construction flat glass segment and approximately 22% were to the automotive replacement market.

Vitro America purchases flat glass from United States manufacturers and uses it as raw material to process tempered, spandrel, insulated, laminated and mirror products, as well as thick glass doors, vision walls and handrails. These products are sold directly to distributors as well as to end-buyers through Vitro America's own distribution centers and retail shops. Vitro America also distributes and sells to furniture manufacturers in the United States a significant number of custom-made glass tabletops produced by the business unit's manufacturing plants in Mexico. Additionally, Vitro America engages in the design, manufacture and installation of custom skylights in the United States and several other countries. Approximately 20% of the sales of Vitro America correspond to products manufactured by our Mexican subsidiaries and 80% corresponds to products purchased from third parties.

Vitro America also distributes to the United States automotive replacement market a full line of auto glass products, including windshields, side and back tempered windows for American and foreign cars and trucks, as well as a wide range of flat glass products produced by other manufacturers.

On April 7, 2000, Vitro America consummated the acquisition of Harding, a subsidiary of SunSource Inc. Based on the size of Harding's distribution network, in 2000 it was one of the United States' largest distributors of glass products for the automotive and construction markets.

Through the acquisition of Harding's business and assets Vitro America added approximately $100 million to its annual revenue base and incorporated into its operations 5 distribution centers and 118 retail stores strategically located throughout the United States. The company holding Harding's assets was merged into Vitro America in January 2001. Upon the acquisition of the assets of Harding, Vitro America operated 10 manufacturing centers, 44 distribution branches and 151 "Binswanger" retail stores in the United States.

Vitro America sells its construction products to builders and glass installers, which employ its products in industrial and commercial projects such as skyscrapers and other buildings.

European Operations

The Flat Glass business unit competes in the European flat glass construction industry through Cristalglass. Cristalglass processes and distributes flat glass for the construction industry through 5 processing facilities located in Spain. In 2002, Cristalglass had consolidated net sales of Ps. 869 million ($83 million). Most of the sales of Cristalglass are of Duo-Vent (insulated glass) windows, a value-added product, which are distributed to builders and distributors by Cristalglass' own sales force.

Central and South American Operations

Through our Colombian subsidiary, Vidrios Templados Colombianos, S.A., which we refer to as "Vitemco," the Flat Glass business unit processes tempered and laminated glass for the automotive replacement, construction and specialty markets in Colombia. Vitemco has 1 processing facility which is located in Colombia. In 2002, Vitemco had net sales of Ps. 177 million ($17 million). Vitemco is expanding into the OEM automotive glass market in Colombia and other Andean Pact nations as well as into the automotive replacement market in South America.

Vitemco markets its products through a network of independent distributors to small- and medium-sized builders. Vitro Plan is providing technical assistance to Vitemco with respect to the manufacturing of automotive glass for the OEM and the automotive glass replacement markets.

Competition

In Mexico, the Flat Glass business unit faces competition in the construction industry mainly from Compagnie de Saint Gobain, which we refer to as "Saint Gobain," and from imports of glass products. With respect to automotive safety glass, the business unit's principal competition includes Saint Gobain, PPG Industries, Asahi, Pilkington, Visteon and imports of low-volume automotive glass products that are being utilized in new automotive designs produced in Mexico. In addition to its float glass capacity, Saint Gobain operates an automotive glass manufacturing facility located in Cuautla, Mexico. In Mexico, the Flat Glass business unit competes primarily on price and quality.

The Flat Glass business unit faces competition in the United States from a variety of U.S. flat glass manufacturers, as well as from a large number of medium- and small-sized producers and distributors of flat glass products. The Flat Glass business unit competes for customers in the United States primarily on the basis of breadth of geographic distribution capabilities, service (on a full line of products) and quality.

In Europe, the Flat Glass business unit faces competition in the niche-markets that it serves from several small-and medium-sized distributors.

Fiberglass Products

Fiberglass products manufactured by Vifisa include insulating materials used for piping, tanks, boilers, ducts and air conditioning equipment, as well as insulation slabs used in the construction industry for roofs, walls and ceilings. Vifisa also produces thermal insulators for use in refrigerators, ranges, ovens and water and space heaters and manufactures reinforcing fibers for plastic resins, which are used in automobiles, boats and other products. In 2002, Vifisa had net sales of approximately Ps. 612 million ($59 million). In November 2000, Vifisa received the first ever Iberoamerican Quality Award, prevailing over important manufacturers located throughout Latin America, Spain and Portugal.

Vifisa's products are marketed in Mexico through its own sales force and distribution centers. Vifisa faces competition from imports of fiberglass insulation and other insulating materials from the United States and from substitute materials such as foam polyurethane.

Although Vifisa is 60% owned by Vitro Envases Norteamerica, S.A. de C.V., which we refer to as "VENA," the holding company of the Glass Containers business unit, Vifisa is operated by, and its operating results are consolidated into, the Flat Glass business unit. Owens-Corning holds the remaining 40% interest in Vifisa.

Glass Containers Business Unit

The Glass Containers business unit began its operations in 1909 as Vidriera Monterrey, S.A. de C.V., the founding company of the Vitro group of companies, and, based on the business unit's consolidated net sales in 2002 of Ps. 10,012 million ($959 million) we believe it is the largest glass container producer in Mexico and Central America. In 2002, this business unit accounted for 42% of our consolidated net sales. During the same period, approximately 25% of the consolidated net sales of the Glass Containers unit came from exports and approximately 13% came from sales by our foreign subsidiaries that are part of the business unit.

The business unit produces soda lime glass containers for the soft drink, beer, food, liquor and wine, pharmaceutical and cosmetics industries and has a production capacity of over 5,000 tons of glass per day. Its customers include leading companies such as Coca-Cola, Pepsi, Modelo, Nestle, Procter & Gamble, Gerber, Avon, Coty and Domecq.

The Glass Containers business unit also includes (i) Comegua, our joint venture with Cerveceria Centroamericana and Cerveceria de Costa Rica, which, based on Comegua's net sales in 2002 of Ps. 1,207 million ($115 million), we believe is the largest glass containers producer in Central America and (ii) Alcali, Vancan, FAMA and Vilux. Alcali, Vancan and FAMA were previously part of the Diverse Industries business unit and manufacture, respectively, soda ash and bicarbonate, aluminum cans and capital goods, such as glass forming machines and molds. Alcali, Vancan and FAMA were integrated into the Glass Containers business unit effective October 1, 2001. Cerveceria Centroamericana and Cerveceria de Costa Rica, together, hold a 50% interest in Comegua, but we operate the business. Rexam Beverage Can of the Americas, Inc., which we refer to as "Rexam," holds a 50% interest in Vancan. Vilux is our wholly-owned Bolivian glass containers manufacturer.

The Glass Containers business unit's business strategy is to maintain its leadership position in the glass containers sector of the rigid packaging industry in Mexico and Central America and to increase sales in the United States and South America. Among the business unit's key competitive strengths are its productivity, quality levels, low production costs and versatile production processes. The business unit's high levels of productivity, quality and low production costs, as well as its ability to rapidly meet higher demand, allows the business unit to aggressively

compete with other container technologies in Mexico and offer value-added products at attractive prices in the United States and other export markets. Similarly, the business unit's technological expertise permits the introduction of new products, lightweight bottles and innovative customized images in order to meet the design requirements of customers. In keeping with the trend in the glass container industry, the Glass Containers business unit is producing lighter-weight containers, that are at least as strong as the heavier containers they replace, yet have lower production costs. The versatility and flexibility of the business unit's production processes are reflected in the business unit's ability to offer customers special glass colors, fast turnarounds on small production runs on a cost-efficient basis, as well as decorating and labeling processes, including "plastishield," adhered ceramic labels and heat transfer labels. The business unit has reduced the product development cycle for glass containers from to 5 weeks, which response time is in line with the response time of other world-class producers. The Glass Containers business unit has a widely diversified customer base.

Traditionally, the Glass Containers business unit has had access to technology that we believe is state of the art in the glass containers industry. For the production of glass bottles, the Glass Containers business unit utilizes its own technology, some of which has been patented, and technology provided by Owens-Illinois pursuant to a series of technical assistance agreements that began in 1964 and expired in September 1999. Owens-Illinois allows the business unit to continue using Owens-Illinois' unexpired patents in Mexico. Our latest glass container labeling capability includes state of the art technology in organic paints. This process, which is called Ultraviolet Cure and which we refer to as "UV Cure," was developed to further our continuous efforts to grow in high-margin niche markets by providing value-added products. We are currently the only glass containers manufacturer in the Americas with this type of UV Cure, high-speed decoration process capable of applying up to six colors at high speeds. We are currently waiting for patent approval on our formula for this type of paint, which is more environmentally friendly than similar products in the market. We are currently supplying this type of decoration to customers such as Coca-Cola and Coors.

Sales of the Glass Containers business unit in the beer and soft drinks segments in Mexico are seasonal, where hot weather is a positive contributing factor. As a result, second and third quarter sales are typically higher than sales in the first and fourth quarters. Accordingly, the Glass Containers business unit generally builds its inventory of soda lime glass containers during the fourth and first quarters in anticipation of seasonal demand.

In addition, to maintain as well as improve operating margins and production levels, the Glass Container business unit is actively working with its principal customers and is constantly pursuing new and existing customers requiring niche-type products.

Exports and U.S. Operations

Total export sales of the Glass Containers business unit, which do not include the sales of our Central and South American operations, amounted to $236 million in 2002. The large majority of the export sales of the business unit are made to the United States, principally through our United States trading company, Vitro Packaging, which also sources part of its glass containers from third parties. The Glass Containers business unit intends to increase export sales into the United States by offering value-added specialty products, through sales in the cosmetics segment and to wine and liquor bottlers in the western United States. The business unit also produces special promotional containers for soft drink bottlers in the United States. Approximately 38% of the Glass Containers business unit's sales are made outside of Mexico.

Mexican Operations

The Glass Containers business unit produces soda lime containers at 6 manufacturing facilities located throughout Mexico. The business unit's facilities are located in close proximity to major customers, ensuring heightened responsiveness to customer design and production requirements and lower transportation costs. All such facilities have obtained ISO 9001 certification. We also own two cullet-processing plants one of which is leased to a third party which, in turn, supplies us the cullet. In the cullet processing plants, scrap or broken glass is gathered for re-melting and mixed with virgin raw materials in order to obtain cost reductions in the production process without affecting the quality of the products. Although there are currently no mandatory recycling laws in Mexico similar to those prevailing in the United States and in other countries, we conduct campaigns throughout Mexico to collect glass containers.

In Mexico, the Glass Containers business unit relies primarily on its own sales and marketing force, utilizing outside sales representatives to service customers with smaller volume demand. The business unit has implemented an online system for sharing information with customers. From their respective offices, the business unit's customers can access product information, place orders, check inventories, trace shipments and consult account statements.

Central and South American Operations

Comegua, a joint venture in which we hold a 49.7% interest, is a Panamanian holding company that operates manufacturing facilities in Guatemala and Costa Rica and distributes glass containers throughout Central America and the Caribbean. We first invested in Comegua in 1964. Glass containers sales at Comegua for 2002 were Ps. 1,207 million ($115 million).

We also own 100% of the common stock of Vilux, a company that owns and operates what we believe is the largest glass container manufacturing facilities in Bolivia based on its 2002 production capacity. Vilux distributes glass containers for the soft drink, food, beer, wine and liquor and pharmaceutical industries throughout Bolivia, southern Peru and northern Argentina.

Competition

Although, based on the business unit's consolidated net sales in 2002 of Ps. 10,012 million ($959 million) we believe the Glass Containers business unit is the principal supplier of glass containers in Mexico, it competes with various smaller domestic manufacturers as well as with the glass containers operations of the two major Mexican beer producers. Glass containers in Mexico also compete with alternative forms of packaging, including metal, plastic, paper and cardboard laminated containers, such as tetra-pack. In the soft drink industry, the Glass Containers business unit has faced increasing competition from returnable and non-returnable polyethylene therephtalate containers, which we refer to as "PET," as well as aluminum cans. In particular, since 1993 the shift of soft drink and food containers from glass to PET has continued, albeit at a slower rate in recent years. Although the business unit has and continues to introduce several presentations of returnable and non-returnable glass containers for soft drinks, we cannot be certain that demand for returnable PET containers will not continue to grow at the expense of demand for glass containers. In response to the trend in soft drinks and food containers from glass to PET, we have and continue to implement measures to offset the effect of PET substitution, including improving operating efficiencies, novel product presentations and customer service.

In Mexico, the business unit competes for customers primarily on the basis of service (focusing on on time deliveries and design), quality (including the ability to conform to a wide variety of specifications) and scale (including the ability to assure customers of the capacity necessary

to support their growth).

The Glass Containers business unit faces greater competition in the United States than in Mexico, mainly from Saint Gobain and Owens-Illinois. However, the business unit has utilized its competitive strengths to supply a variety of higher margin, value added products, including specialty food, beverage, cosmetics, wine and liquor containers, and to increase its production expertise and flexibility thereby allowing it to reap higher operating margins relative to traditional products. The business unit's ability to offer cost-effective short production runs, quick turn-around of new products, an extensive glass color selection, diverse labeling capabilities and unique container designs are all examples of the application of its competitive strengths. The Glass Containers business unit competes primarily on quality, design and price in the United States.

In Central America, the Glass Containers business unit competes with a number of smaller regional manufacturers.

Raw Material Operations

The raw materials operations of the business unit are carried out by Alcali, a wholly-owned subsidiary of VENA. The principal product lines of Alcali are synthetic soda ash, sodium bicarbonate, calcium chloride and salt for industrial and commercial consumption. A significant portion of Alcali's soda ash production, which is used in the manufacture of glass, detergents and tripolyphosphates, is sold to third parties.

Alcali competes in the soda ash sector with the American Natural Soda Ash Corporation, which we refer to as "Ansac," a United States exporter of natural soda ash. Alcali maintains a separate sales and marketing force for its products, which are distributed directly to its customers.

Packaging Operations

The Glass containers business unit also produces aluminum cans through Vancan, our joint venture with Rexam, one of the worldwide leaders in the production of aluminum cans. Rexam holds a 50% interest in Vancan. Vancan operates a can manufacturing facility in Queretaro, Mexico. The aluminum cans produced by Vancan serve mainly the Mexican beverage industry. We provide marketing and distribution expertise and administrative support services to Vancan, while Rexam provides technical assistance to the joint venture. Vancan maintains its own marketing and sales force and distributes its products directly to its customers. Net sales of Vancan in 2002 totaled Ps. 672 million ($64 million).

In Mexico, Vancan faces competition from a Mexican subsidiary of a United States manufacturer of aluminum cans, an affiliate of a major Mexican beer producer and a subsidiary of a major Mexican beer and soft drink producer.

Capital Goods

Our capital goods operations are conducted through FAMA. FAMA was founded in 1943 to source our needs for molds and machinery for our glass manufacturing operations.

FAMA produces state of the art glass forming machines for the Glass Containers business unit. In addition, FAMA produces castings of special alloys for glass molds and for different types of machinery and parts for machinery used in the oil industry. FAMA also produces mold equipment for the glass industry and ancillary equipment for the glass, packaging and other industries, as well as electronic controls for machinery operation and process controls for glass forming machines. Finally, FAMA manufactures annealing lehrs for the float and hollow glass industries.

FAMA generally competes with the major international manufacturers of machinery and equipment for the glass industry.

Glassware Business Unit

We believe that the Glassware business unit, which commenced operations in 1936 with the incorporation of Cristaleria, S.A. de C.V., is the largest producer of glassware in Mexico based on its consolidated net sales of Ps. 2,618 million ($251 million) in 2002. The Glassware business unit is also one of the largest plastic container, plate, glass, cup and flatware manufacturers in Mexico. Presently, the Glassware business unit consists of seven operating companies.

The Glassware business unit's principal products include glassware, dinnerware, stemware, bake ware, plastic containers and home decor products for the consumer segment, glassware, plastic containers and flatware for the food service segment and coffee carafes, blender jars, lids, meter covers and lighting products for the industrial segment, in each case, of the glassware industry.

The business strategy of the Glassware business unit is to strengthen its core glass product business, with an emphasis on developing its high value added and industrial product lines, thus improving both profitability and sales in Mexico and abroad.

On August 29, 1997, we entered into a joint venture with Libbey pursuant to which Libbey became our partner in Vitrocrisa and Crisa Industrial, LLC, which we refer to as "Crisa Industrial." Libbey holds a 49% interest in each of Vitrocrisa and Crisa Industrial. We are responsible for the day-to-day management of the joint venture.

We have identified that the second and fourth quarter of the year tend to show an increase in sales in Mexico, as some of our products are sold as gifts, and therefore are in higher demand, particularly during April and November. Also, the promotional segment of the market tends to increase its demand in those years in which important events such as the Olympic games or the World Cup are held.

Exports

Total exports sales of the Glassware business unit amounted to $79 million in 2002, or approximately 31% of its consolidated net sales. All glass product export sales of this business unit are conducted through our joint venture with Libbey and are exported mainly to the United States and Canada.

Mexican Operations

Vitrocrisa manufactures soda lime glass and borosilicate glass products in its two facilities in Monterrey, Mexico. We believe that the business unit's borosilicate glass products, which are more resistant than soda lime glass products to rapid temperature changes are attractive to potential customers in industrial applications. Vitrocrisa's plants also are capable of manufacturing products in a number of different colors and thermal treatments, which provides a competitive advantage compared to colored glass and specialty glass product lines. The business unit also manufactures flatware products in another facility located in Monterrey, Mexico. All of the Glassware business unit's facilities have obtained ISO

9001 certification.

Based on its consolidated net sales in 2002, the Glassware business unit is the largest producer of glass tableware in Mexico. The business unit has 10 distribution centers and several sales offices located throughout Mexico. The business unit relies exclusively on its own sales and marketing force in Mexico, which markets the products directly or through wholesale commercial distributors, supermarkets and department, discount and outlet stores and direct consumer marketing efforts.

The business unit is focusing on attempting to reduce the time of a new product development, improve service to its customer and increase the number of products developed per year. The business unit utilizes a variety of marketing research tools, including consumer focus groups, point of sale analysis and customer usage and habit studies to stay informed of changes in customers' product preferences. It is also constantly evaluating methods to simplify its distribution channels so as to get closer to the end user of its products. We believe that by doing these things we will better satisfy consumer demands thus increasing our customer's satisfaction with our products.

International Operations

The Glassware business unit's operations in the United States and Canada are conducted through Crisa Corporation, Crisa Industrial and Crisa Ltd., which operate under their own management and are all located in Laredo, Texas. The principal products distributed by Crisa Corporation in the consumer segment include glassware, dinnerware and home decor products. In the industrial sector, Crisa Industrial distributes products such as coffee carafes, blender jars, lids and lighting products to industrial customers.

Crisa Corporation sells glassware products to Libbey for the consumer and food service markets in the United States and Canada. Crisa Industrial distributes in the United States and Canada the industrial line of products it manufactures in Mexico.

Competition

The business unit's glass dinnerware products compete with ceramic products produced by several other Mexican and international manufacturers. The Glassware business unit differentiates itself primarily through its quality, service, breadth of product line and price.

Plastic Containers

The business unit supplies a variety of industries and end users with plastic containers, plastic tubes and disposable thermofold ware and industrial products. These products are manufactured at 2 manufacturing facilities, both located within the Mexico City, Mexico area.

The business unit's plastic container products are marketed by the business unit's internal sales force and outside distributors. The business unit's plastic containers operations face competition from a large number of small and medium sized Mexican manufacturers of plastic container products.

Raw Materials

Glass

The most important raw materials utilized by our business units are soda ash, which we purchase from Ansac, silica sand and feldspar. With respect to the sourcing of our needs of silica sand and feldspar, we entered into a ten year supply agreement with Unimin Corporation, which we refer to as "Unimin," ending June 2007, whereby our applicable subsidiaries are committed to purchase, and certain of Unimin's subsidiaries are committed to sell, the business unit's requirements of silica sand and feldspar at market prices. In terms of soda ash sourcing, the Glass Containers business unit, through its subsidiary Alcali, has, to a large extent, the production capacity to supply the needs of our glass making operations in Mexico. To the extent that any of our subsidiaries in Mexico requires silica sand or soda ash of a different grade than that produced by Unimin (silica sand and feldspar) or by Ansac and Alcali (soda ash), such companies may acquire such silica sand or soda ash from various suppliers in the United States. Our glass making business units are not dependent on any single supplier for any of the raw materials utilized in their business activities.

Energy

In October 2000, several subsidiaries of Vitro, which together operated 17 manufacturing facilities throughout Mexico, mainly in the vicinity of Monterrey and Mexico City, entered into a 15 year "take-or-pay" power purchase agreement for the purchase of 110 megawatts of electricity with Enron Energia Industrial de Mexico, S. de R.L. de C.V., which we refer to as "Energia Industrial," a subsidiary of Enron Corp. After the sale of our interest in Vitromatic in July 2002, certain of our subsidiaries continue to have a commitment to purchase 104 megawatts from Energia Industrial. Such purchases represent approximately 80% of our aggregate annual electricity consumption in Mexico. In December 1999, Alcali entered into a 15 year steam purchase agreement with Energia Industrial for the purchase of a minimum of 150 tons of steam per hour. Vitro guaranteed its subsidiaries' obligations to purchase electricity and steam under these agreements.

In October 2001, Enron Corp. sold 80% of its equity participation in Energia Industrial to Tractebel, S.A., which we refer to as "Tractebel," and the name of Energia Industrial was changed to Tractebel Energia de Monterrey, S. de R.L. de C.V., which we refer to as "Tractebel Energia". During the first semester of 2002, Enron Corp. sold its remaining equity participation in Tractebel Energia to Tractebel. Tractebel Energia declared the plant commercially operational in April of 2002 for power and May of 2002 for steam, at which time the 15 year periods under the power purchase agreement and the steam purchase agreement began to run.

Our obligations under the power purchase agreement are contractually established and partially based on known variables such as the inflation rate in Mexico and the exchange rate between the peso and the U.S. dollar. Although it is impossible for us to accurately predict the inflation rate in Mexico or the exchange rate between the peso and the U.S. dollar, we can reasonably estimate, based on our current internal projections, that our average annual payments for the amounts we are contractually required to purchase under the agreement will be between $18 and $22 million. We estimate average yearly savings of approximately $10 million relative to our expenditures on energy before April 2002.

Natural Gas

Most of our glass furnaces are fueled by natural gas. The vast majority of the natural gas utilized at our Mexican facilities is purchased from Petroleos Mexicanos, S.A. de C.V., which we refer to as "Pemex." We have never suffered any material interruption in our natural gas supply from Pemex. In order to protect against the volatility of natural gas prices, we have entered into hedging arrangements with Pemex and others that have

the effect of fixing the price we will pay for natural gas. However, these hedging arrangements will all expire during 2003. We cannot assure you that we will be able to enter into similar hedging arrangements in the future on terms favorable to us or at all. various alternative sources. See "Operating and Financial Review and Prospects—Qualitative and Quantitative Market Disclosure—Natural Gas Price Risk."

We believe that all the above-described raw materials are and will continue to be available from various suppliers and, in the case of natural gas, from Pemex.

PROPERTY, PLANT AND EQUIPMENT

Most of our assets and property are located in Mexico, the United States, Central and South America and Europe. On December 31, 2002, the net book value of all land and buildings, machinery and equipment and construction in progress was Ps. 18,490 million ($1,771 million), of which approximately Ps. 16,466 million ($1,577 million) represented assets located in Mexico, approximately Ps. 268 million ($26 million) represented assets located in the United States, approximately Ps. 1,466 million ($140 million) represented assets located in Central and South America and approximately Ps. 291 million ($28 million) represented assets located in Europe.

Our principal executive offices are located in the Monterrey, Mexico area and are owned by us. We have granted a mortgage on these offices.

We own and operate 47 manufacturing facilities in Mexico and elsewhere, of which three float glass tanks are our largest facilities. We have granted a mortgage on one of our float glass tanks and our subsidiary Comegua has granted a mortgage on one of its furnaces.

We believe that all our facilities are adequate for our present needs and suitable for their intended purpose and that our manufacturing facilities are generally capable of being utilized at a higher capacity to support expected increases in demand.

The following table sets forth each business unit's principal manufacturing facilities.

Business Unit	Average Capacity Utilization as of December 31, 2002	Average Capacity Utilization as of March 31, 2003	Number of Facilities by City or Country
Flat Glass	92%	90%	Monterrey (4) Mexico City (5) Puebla United States (9) Colombia Spain (5) Portugal (3)
Glass Containers	89%	82%	Monterrey (4) Guadalajara. Mexico City (2) Queretaro (3) Toluca Costa Rica Guatemala Bolivia
Glassware	66%	50%	Mexico City (2) Monterrey, N.L. (3)

We also maintain over 100 sales offices and warehouses in Mexico and over 150 warehouses, sales offices and retail shops in the United States, most of which are leased.

Please see "Item 4. Information on the Company-History and Development of the Company-Capital Expenditures" and "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Capital Expenditures" for discussions of our capital expenditures.

Environmental Matters

Our Mexican operations are subject to both Mexican federal and state laws and regulations relating to the protection of the environment. The primary federal environmental law is the Ley General de Equilibrio Ecologico y Proteccion al Ambiente pursuant to which rules have been promulgated concerning water pollution, air pollution, noise pollution and hazardous substances. The Mexican federal government has also enacted regulations concerning imports and exports of hazardous materials and hazardous wastes. In addition, in 1995, Mexico promulgated environmental regulations that established a series of increasingly stringent air emission standards for glass manufacturing operations. We expect to spend approximately $4 million in capital expenditures over the next 2 years to comply with these and other environmental regulations as they become effective or are modified. We may, however, incur amounts greater than currently estimated due to changes in law and other factors beyond our control.

The Mexican federal authority in charge of overseeing compliance with the federal environmental laws is the Secretaria del Medio Ambiente y Recursos Naturales, which we refer to as "SEMARNAT." An agency of SEMARNAT, the Procuraduria Federal de Proteccion al Ambiente, which we refer to as "PROFEPA," has the authority to enforce the Mexican federal environmental laws. As part of its enforcement powers, PROFEPA can bring civil and criminal proceedings against companies and individuals that violate environmental laws and has the power to close facilities not in compliance with federal environmental laws. Furthermore, in special situations or certain areas where federal jurisdiction is not applicable or appropriate, the state and municipal authorities can regulate and enforce certain environmental regulations, as long as they are consistent with federal law.

We believe we are in substantial compliance with environmental laws in Mexico applicable to our operations. Moreover, in 1998, the subsidiaries of Vitro initiated an environmental auditing program, which was approved by PROFEPA. An independent auditor certified by PROFEPA has completed environmental audits of 25 of our facilities in Mexico. Thirteen of these 25 facilities have already obtained PROFEPA's certification of Industria Limpia or "Clean Industry," which is a certification of our compliance with certain environmental laws. The remaining 12 audited facilities

are in the process of making the changes necessary to obtain the Industria Limpia certificate from PROFEPA. We intend to meet all the requirements of the environmental audit and obtain Industria Limpia certificates for these remaining facilities by December 2003, at an estimated cost of approximately $5 million.

In addition, we have implemented energy conservation, emissions reduction and water management programs at our Mexican facilities. In the last six years, these programs have reduced our energy consumption by approximately 30%, our nitrogen dioxide and particulate emissions by approximately 30% and our water consumption by approximately 20%, in each case, per ton of glass melted. Since glass manufacturing is an energy and resource intensive process, these programs have reduced our operating costs and created for us competitive advantages.

Our foreign operations, to the extent they have manufacturing and processing facilities, are subject to federal, state and local laws relating to the protection of the environment of the country in which such operations are conducted. We believe each such operation is in substantial compliance with the applicable foreign environmental laws. We do not believe that continued compliance with Mexican and foreign environmental laws applicable to our operations will have a material adverse effect on our financial condition or results of operations.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read this discussion in conjunction with our consolidated financial statements and notes thereto and other financial information included elsewhere in this annual report. We prepare our financial statements in accordance with Mexican GAAP, which differs in certain respects from U.S. GAAP. Note 21 to our audited consolidated financial statements provides a description of the principal differences between Mexican GAAP and U.S. GAAP as they relate to us. This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including without limitation those set forth in "Risk Factors" and the matters set forth in this annual report. Please see "Forward Looking Statements."

OPERATING RESULTS

Recent Developments

New Ventures and Dispositions

Vidraria Chaves

On December 27, 2002, through our Spanish subsidiary Cristalglass, we acquired 60% of the outstanding shares of common stock of Vidraria Chaves for $1 million in cash. Vidraria Chaves is a Portuguese processor and distributor of glass and glazing products for the European construction industry. We believe that this addition will allow Cristalglass to continue to penetrate the European market and to satisfy its customers' needs for laminated glass and double glazing products in Europe, particularly in Spain and Portugal. Moreover, we believe that Vidraria Chaves and Cristalglass will reap significant synergies in the processing and distribution of laminated glass for the European construction industry due to the improvement of their distribution network and expanded geographical presence. With the addition of Vidraria Chaves, Cristalglass also intends to increase its presence in the facade business in Portugal and the rest of Europe.

Vitromatic

On July 3, 2002, we sold our controlling 51% interest in Vitromatic, our joint venture with Whirlpool that engaged in the production and distribution of household appliances, to Whirlpool for $148.3 million in cash ($10 million of which was paid into escrow in support of certain indemnification obligations to Whirlpool). At the time of the transaction, approximately $67 million of our consolidated debt and approximately $97 million of our consolidated off-balance sheet financings were obligations of Vitromatic. Consequently, upon the consummation of the sale of our interest in Vitromatic, our consolidated debt and off-balance sheet financings were reduced by approximately $67 million and approximately $97 million, respectively.

Asahi

On June 19, 2002, through our subsidiary Vitro AFG, we entered into an agreement with AFG Industries, a subsidiary of Asahi, to convert our glass containers facility in Mexicali, Mexico into a flat glass facility. We expect that the converted facility will have a flat glass production capacity of approximately 200,000 metric tons per year. The flat glass produced by this facility will be allocated equally between AFG Industries and us, and each partner will market its allocation independently of the other. The capital expenditure that we estimate each of the partners will make in connection with this project is approximately $45 million. Our investment will be comprised of the contribution of our current facility, which was valued at approximately $17 million when the contribution was made in 2002, and approximately $28 million in cash, which disbursement will be made in 2003. The conversion of this facility is currently underway. The converted facility is expected to commence operations by the first quarter of 2004 and to supply flat glass to the western United States and Mexico.

Ampolletas

On April 15, 2002, we sold our 51% interest in ASA to Gerresheimer for $13.4 million in cash. At the time of the transaction, approximately $6.5 million of our consolidated debt were obligations of ASA. Consequently, upon the consummation of the sale of our interest in ASA, our consolidated debt was reduced by approximately $6.5 million. ASA is engaged in the manufacturing of borosilicate glass products for laboratory and pharmaceutical use, such as ampoules, vials and syringes.

Financing Transactions

Bank of America-Vitro America Credit Agreement

On January 31, 1997, Vitro America entered into a credit agreement with the Bank of America which provided for a revolving line of credit for up to $50 million. As of May 31, 2003, the outstanding balance of the letters of credit issued under this credit agreement was $11 million, which was collateralized by a security interest in certain assets of Vitro America, including accounts receivable, inventory, equipment and intangible assets, and guaranteed by certain affiliates of Vitro America. The credit agreement contained certain customary restrictive covenants and required continued compliance with certain financial ratios. Provided we met certain financial ratios and certain other conditions, our ability to pay dividends was unrestricted by this credit agreement. During 2001 and 2002, we did not meet such financial ratios and conditions for dividend payments.

On June 27, 2003, Vitro America and the Bank of America amended the credit agreement to (i) reduce the maximum amount borrowable under the revolving line of credit to $25 million and (ii) change the maturity date of the loans made and letters of credit issued under this credit agreement to June 26, 2006. The restated credit agreement provides for (i) revolving loans at an annual floating interest rate equal to the Bank of America's prime rate plus a spread ranging between 0.25% and 1.00%, (ii) revolving loans at an annual floating interest rate of LIBOR plus a spread ranging between 2.00% and 2.75% and (iii) the issuance of standby letters of credit up to a maximum amount of $15 million. The credit agreement is collateralized by a security interest in certain assets of Vitro America, including accounts receivable, inventory, equipment, intangible assets and fixed assets. The amended credit agreement contains certain customary restrictive covenants and requires continued compliance with certain financial ratios. Provided we meet certain financial ratios and certain other conditions, our ability to pay dividends is unrestricted by this credit agreement.

Vitro America Accounts Receivable Factoring Program/Wachovia Bank Accounts Receivable Securitization Facility

On March 19, 2003, General Electric Capital Corporation, which we refer to as "GECC," assigned Vitro America's accounts receivable factoring program to us in exchange for $38 million in cash. Subsequently, we assigned such accounts receivable factoring program to one of our subsidiaries. The liquidity that the assigned accounts receivable factoring program provided to Vitro America has been replaced by liquidity provided by our subsidiary that was the assignee of the accounts receivable factoring program.

On June 27, 2003, Vitro America entered into a $40 million accounts receivable securitization facility with Wachovia Bank. The facility contains certain customary restrictive covenants. As of June 27, 2003, we had not sold any accounts receivable to the facility. We entered into the accounts receivable securitization facility to replace the accounts receivable factoring program that GECC assigned to us on March 19, 2003.

Flat Glass Credit Facility

On February 26, 2003, Vitro Plan entered into a credit facility with Comerica Bank, Citibank and certain other lenders pursuant to which it borrowed an aggregate amount of $201 million. The credit facility includes (i) an approximately $80 million, 3-year term loan with an annual floating interest rate equal to LIBOR plus a spread ranging between 1.875% and 2.125%, (ii) an approximately Ps. 628 million, 4-year term loan with an annual floating interest rate equal to TIIE plus a spread ranging between 2.000% and 2.375% and (iii) an approximately $64 million, 5-year term loan with an annual floating interest rate equal to LIBOR plus a spread ranging between 2.25% and 2.75%. The principal of these loans will become due upon their respective maturities. The loans are partially collateralized and are guaranteed by all wholly-owned subsidiaries of Vitro Plan. The credit facility contains a requirement that our debt to EBITDA ratio be below 2.75 and certain other customary covenants, including a limitation on the payment of dividends under certain circumstances. The proceeds from these loans were used to repay short-term debt.

2002-2003 Peso-Denominated Certificados Bursatiles

On October 10, 2002, we established a Certificados Bursatiles or medium-term notes program under which we can issue up to an aggregate principal amount of Ps. 2.5 billion. Our program was approved by the CNBV. Each Certificado Bursatil issued under the program must be denominated in pesos and have a maturity in excess of one year. The program will expire on October 10, 2006.

On October 10, 2002, we issued Certificados Bursatiles with an aggregate principal amount of Ps. 360 million. The Certificados Bursatiles were issued under the program referenced above. At issuance, Fitch Mexico, S.A. de C.V., which we refer to as "Fitch Mexico," rated the Certificados Bursatiles at AA-(mex). The Certificados Bursatiles bear an annual floating interest rate of 3.25% over the 182-day CETES and mature on October 2, 2008, at which point the entire aggregate principal amount will become due. The Certificados Bursatiles are senior unsecured obligations of Vitro and do not impose restrictive covenants on us. The proceeds from the Certificados Bursatiles were used to refinance short- and long-term debt and for working capital purposes.

On December 30, 2002, we issued Certificados Bursatiles with an aggregate principal amount of Ps. 1 billion. The Certificados Bursatiles were issued under the program referenced above. At issuance, Fitch Mexico rated the Certificados Bursatiles at AA-(mex). The Certificados Bursatiles bear an annual floating interest rate of 3.25% over the 182-day CETES and mature on December 22, 2008, at which point the entire aggregate principal amount will become due. The Certificados Bursatiles are senior unsecured obligations of Vitro and do not impose restrictive covenants on us. The proceeds from the Certificados Bursatiles were used to refinance short- and long-term debt and for working capital purposes.

On February 13, 2003, we issued Certificados Bursatiles with an aggregate principal amount of Ps. 1.14 billion . The Certificados Bursatiles were issued under the program referenced above. At issuance, Fitch Mexico rated the Certificados Bursatiles at AA-(mex). The Certificados Bursatiles bear an annual floating interest rate of 3.25% over the 182-day CETES and mature on February 5, 2009, at which point the entire aggregate principal amount will become due. The Certificados Bursatiles are senior unsecured obligations of Vitro and do not impose restrictive covenants on us. The proceeds from the Certificados Bursatiles were used to refinance short- and long-term debt and for working capital purposes.

HSBC-Vitro Credit Agreement

On May 14, 2002, Vitro entered into a credit agreement with HSBC Bank USA pursuant to which it borrowed $25 million. The loan made under this agreement bears an annual floating interest rate of LIBOR plus 3%. The final amortization of the loan will become due on December 23, 2004. The loan is secured by mortgages on our corporate headquarters' facilities, which are owned by Fomento Inmobilario y de la Construcción, S.A. de C.V. and Vitro Corporativo, S.A. de C.V. The credit agreement contains certain customary restrictive covenants. Provided we meet certain financial ratios, our ability to pay dividends is unrestricted by this credit agreement for dividend payments.

Senior Notes due in 2009, Credit Linked Notes and Swap

On April 30, 2002, we sold $88.35 million aggregate principal amount of our 11.50% Senior Notes due 2009, which we refer to as the "2009 Senior Notes," to Credit Suisse First Boston International, which we refer to as "CSFBI," an affiliate of Credit Suisse First Boston Corporation, for net proceeds of $77.9 million. The notes bear a fixed annual interest rate of 11.50%. The 2009 Senior Notes are senior, unsecured debt securities governed by an indenture dated as of April 30, 2002 between Vitro, as issuer, and JPMorgan Chase Bank, as trustee. The indenture contains customary covenants.

A portion of the net proceeds of the sale of the 2009 Senior Notes, in the amount of $38.8 million, was used to pay a portion of the principal and accrued interest of the $175 million aggregate principal amount 10 1/4% Guaranteed Notes due in 2002 issued by our wholly owned subsidiary Servicios y Operaciones Financieras Vitro, S.A. de C.V., which was formerly known as Vicap, S.A. de C.V. and which we refer to as "SOFIVSA," and guaranteed by us, which matured on May 15, 2002. The remaining proceeds, in the amount of $39.1 million, were used to purchase 13.889%

Credit Linked Notes issued by Credit Suisse First Boston, acting through its Nassau branch, which we refer to as the "CLN Issuer," with an aggregate principal amount of $40 million. Under the terms of the 13.889% Credit Linked Notes, upon the occurrence of a Credit Event, which includes our bankruptcy or insolvency, noncompliance with the terms of our indebtedness which would permit the acceleration thereof, a default with respect to our indebtedness, a restructuring of our indebtedness or a repudiation of or moratorium with respect to payments of our indebtedness, whether by us or a governmental entity, the principal amount of the 13.889% Credit Linked Notes will be reduced pursuant to a formula based on the then current market price of SOFIVSA's 11⅜% Guaranteed Notes due 2007, which we refer to as the "11⅜% Guaranteed Notes." As a result, if a Credit Event occurs and we are not able to cure such Credit Event within the applicable period, we may lose the entire amount that we invested in the 13.889% Credit Linked Notes. As long as a Credit Event has not occurred, the CLN Issuer is generally required to redeem (i) the 13.889% Credit Linked Notes in four annual installments, beginning on May 7, 2003 and (ii) a pro rata portion of the 13.889% Credit Linked Notes at the time any portion of the 2009 Senior Notes is sold by CSFBI.

Concurrently with the issuance of the 2009 Senior Notes and the purchase of the 13.889% Credit Linked Notes, we entered into a swap agreement with CSFBI pursuant to which we agreed to make certain payments on April 30 of each year, beginning on April 30, 2003 and ending on April 30, 2006, to CSFBI calculated with respect to an original notional amount of $80 million if a proportional part of the 2009 Senior Notes have not been sold by CSFBI at that time and the market price of the 11?% Guaranteed Notes has declined from an initial benchmark price which is based on the price paid by CSFBI for the 2009 Senior Notes. In addition, under the swap agreement, CSFBI may require us to, at any time, make payments of all amounts that would be owed by us on all future payment dates if the market price of the 11?% Guaranteed Notes has declined to certain levels, with any such payments being reduced by payments we would be required to make on future payment dates. If certain Termination Events occur, which are similar to the Credit Events described above, CSFBI may terminate the swap agreement. In that event, we may owe CSFBI an amount calculated as described above with respect to declines in the market price of the 2009 Senior Notes for up to $40 million.

In accordance with the swap transaction, we have already paid to CSFBI a notional amount of $22.01 million of the $88.35 million aggregate principal amount of the 2009 Senior Notes. As of the date of this annual report, the outstanding aggregate principal amount of the 13.889% of the Credit Linked Notes is $29.1 million and the outstanding aggregate principal amount of the 2009 Senior Notes is $66.3 million.

Short-term Loans

On April 26, 2002, we entered into a credit agreement with Banco Inbursa, S.A. pursuant to which we borrowed an aggregate amount of $130 million. The loan under this credit agreement was a short-term loan whose proceeds were used to pay SOFIVSA's 10.25% Guaranteed Notes due 2002, which matured on May 15, 2002. The loan under this credit agreement was repaid in full in July 2002 using the proceeds of the sale of our interest in Vitromatic.

Trend Information

In April 2003, we issued our earnings for the first quarter of 2003 which showed a decrease, compared to the same period of 2002, in our consolidated net sales and operating income, mainly due to the global economic slowdown. These results are not necessarily representative of what the results will be for 2003, but we can give no assurance that this decrease in our consolidated net sales and operating income relative to the year ended on December 31, 2002 will not continue in the near future. Following is a brief discussion of our first quarter financial results.

Net Sales

Our consolidated net sales for the first quarter of 2003 decreased by 6.2%, or $35 million, to $525 million compared to our consolidated net sales for the same period in 2002. This was the result of a decline in consolidated net sales when compared to the first quarter of 2002 of $6 million, $25 million and $7 million in the Flat Glass, Glass Containers and Glassware business units, respectively. The decline in consolidated net sales expressed as a percentage change relative to the same period for the year 2002 was 2.0%, 10.8% and 11.2% in the Flat Glass, Glass Containers and Glassware business units, respectively.

Consolidated net sales volume for the first quarter of 2003 of the Flat Glass business unit declined mainly due to continued weakness and uncertainty in the U.S. economy aggravated by the war in Iraq. Particularly affected were the non-residential construction segment and the OEM automotive market in the United States. These declines were partially offset by increased volume in the Mexican construction industry and our Spanish operations.

Consolidated net sales for the first quarter of 2003 of the Glass Containers business unit decreased relative to the same period in 2002 due to the loss of ASA's sales resulting from its divestiture in April 2002. This accounted for 32% of the decline of the business unit's sales and 23% of the decline of our sales in the first quarter of 2003. Consolidated net sales were also negatively impacted by the unusually large seasonal declines in the beer and soft drink segments as a consequence of the longer than expected winter in the U.S.

Consolidated net sales for the first quarter of 2003 of the Glassware business unit decreased in the industrial segment of the Mexican market due to a decrease in the volumes demanded, which was partially offset by an increase in the Mexican retail and wholesale segments. Lower pricing and a decrease in demand in the plastics segment due to increased competition also affected sales of the business unit.

Operating Income

Our consolidated operating income for the first quarter of 2003 decreased by 35.9% or $18 million when compared with the first quarter of 2002 due to the factors described below.

Operating income for the first quarter of 2003 of the Flat Glass business unit decreased by 8.5% or $2 million relative to the same period of 2002 as a result of lower net sales which was partially offset by lower cost of goods sold from lower sales volume.

Operating income for the first quarter of 2003 of the Glass Containers business unit decreased by 44.3% or $13 million relative to the same period in 2002 as a result of the lower fixed costs absorption resulting mainly from lower consolidated net sales in the beer and soft drink segments. Operating income was also affected by the divestiture of ASA, which accounted for 8% of the decline.

Operating income for the first quarter of 2003 of the Glassware business unit decreased $5 million when compared to the same period of 2002, reflecting the decline in consolidated net sales which resulted in lower fixed costs absorption. The plastic segment was affected by higher prices of resin, which are sensitive to oil and related products prices.

Other Trends

Some known trends that have had an impact in our results in 2002 and might have an impact in the future, include the following:

* in the past few years each of our business units has faced pricing pressures in some of the markets in which it participates. We continue to see pricing pressures in these markets.
* one of the Glass Containers business unit's largest customers is vertically-integrated to glass production. This customer sources its glass containers needs from a combination of its own production and products purchased from us. Historically, in years immediately following this customer's expansion of its glass containers production capacity, the Glass Containers business unit's consolidated net sales were adversely impacted. New capacity became available to this customer in the fourth quarter of 2002 and our 2003 year-to-date glass containers shipments to such customer have been adversely impacted.
* foreign flat glass manufacturers may choose to install new float glass production capacity in Mexico. The current level of imports into the country could justify a new investment that could put additional pressure on our domestic market margins.
* some of our customers in the Glassware OEM segment have moved, or are considering moving, production capacity to China to reduce labor costs. In this segment, the Glassware business unit's products are a component of the final product. This decision by our customers puts us at a disadvantage when compared to local producers of glass in China. This trend, if continued, could mean a reduction in our consolidated net sales, which, if not replaced, would have an adverse impact on our results.

Factors Affecting Vitro's Results of Operations

Economic Conditions in Mexico

A substantial portion of our operations are in Mexico. Therefore, economic conditions in Mexico have a significant effect on our business, results of operations and financial position.

General

After experiencing a severe economic crisis during 1995, Mexico's GDP increased in real terms by 5.1% and 6.7% during 1996 and 1997, respectively. The inflation rate decreased from 27.7% in 1996 to 15.7% in 1997, while the peso depreciated, in nominal terms, 1.8% and 2.4% in 1996 and 1997, respectively, to a Free Exchange Rate of Ps. 7.8765 per U.S. dollar as of December 31, 1996 and Ps. 8.0681 per U.S. dollar as of December 31, 1997.

However, from the fourth quarter of 1997 through the first quarter of 1999, these economic indicators deteriorated as a result of the Asian, Russian and Brazilian financial crises coupled with the decline in international oil prices. In 1998, Mexico's GDP experienced a slower rate of growth in real terms of 4.8% than in the previous two years, the inflation rate rebounded to 18.6% and the peso increased its nominal devaluation rate to 22.7% to a Free Exchange Rate of Ps. 9.8963 per U.S. dollar as of December 31, 1998.

Throughout 1999, and with the support of rising international oil prices during the second, third and fourth quarters of that year, conditions in the Mexican economy generally improved. The inflation rate for the year decreased to 12.3%, the Free Exchange Rate, in nominal terms, appreciated 4.0% relative to the U.S. dollar to reach Ps. 9.4986 per U.S. dollar as of December 31, 1999 and real GDP grew by approximately 3.7%.

Throughout 2000, the improvement shown in 1999 continued. The official inflation rate for the whole year was 9.0%, while Mexico experienced a marginal nominal peso devaluation relative to the U.S. dollar of 1.2% and real GDP growth of 6.9%.

During the first three quarters of 2001 and increasing in the fourth quarter of 2001, amid concerns of a global economic slowdown and a recession in the United States, Mexico started experiencing an economic slowdown. In 2001, real GDP declined by 0.3%, although inflation declined to 4.4% and the peso appreciated, in nominal terms, 4.6% relative to the U.S. dollar. The economic slowdown in the Mexican economy has continued through 2002 and the first quarter of 2003. In 2002, GDP grew by 0.9% in real terms, inflation was 5.7% for the year and the peso devalued by 13.8% relative to the U.S. dollar. Given the current state of the global economy, the Mexican economy may not continue to grow at similar rates as it has grown in the past and the current slowdown, which had a significant impact on our 2002 results, may continue to negatively impact our business and our results of operations.

Trade Liberalization

Steps taken by Mexico since the 1980s to reduce import barriers and open its economy to foreign competition, such as becoming a signatory to the General Agreement on Tariffs and Trade, which we refer to as "GATT," and a member of the North American Free Trade Agreement, which we refer to as "NAFTA," led to a substantial increase in imports into Mexico. Although the peso devalued, in real terms, in 1998, the trade balance of Mexico showed a deficit of $7.9 billion in 1998. In 1999, in spite of the peso's real appreciation relative to the U.S. dollar, the deficit decreased to $5.4 billion due to increased revenues from higher oil prices. During 2000 and 2001, as the peso continued to appreciate in real terms, the trade balance of Mexico reached deficits of $8.0 billion and $9.7 billion, respectively. During 2002, despite the real devaluation of the peso, the trade balance of Mexico reached a deficit of $7.9 billion. We cannot predict the behavior of the Mexican trade balance in the future or the country's ability to finance a trade deficit, if any. With the liberalization of the Mexican economy and the implementation of NAFTA, other free trade agreements entered into by Mexico with the European Union, Chile, Costa Rica, Nicaragua, Colombia, Venezuela, Bolivia and Israel and a multilateral free trade agreement which became effective on January 1, 2001 with Guatemala, El Salvador and Honduras, manufacturers, such as us and certain of our domestic customers, have come under increased competitive pressure from imported goods. The reduction and phase-out of import duty rates has generally limited our flexibility to adjust pricing levels to offset the effects of devaluation and inflation in Mexico. In addition, the appreciation of the peso relative to the U.S. dollar makes our exports less price competitive or reduces our margins on such exports.

On the other hand, the trade liberalization seen in the past few years between Mexico and its trading partners has reduced the import duties and tariffs our exported products pay upon entry to foreign countries that are signatories to free trade agreements with Mexico and the amount of regulation and delay experienced in connection with the exports of our products to such countries. We believe that implementation of the free trade agreements will enhance our ability and the ability of certain of our domestic customers to increase the exports of our and their respective products to the countries that are signatories to these agreements.

Effect on us of Economic Conditions in Mexico and the United States

Our results of operations are affected by, among other factors, (i) our costs of production, which principally consist of costs of raw materials, labor,

energy and depreciation, of which energy and labor are sensitive to the general level of prices, (ii) the relationship between the peso, the currency in which an important portion of our operating costs and expenses are incurred, and the U.S. dollar, the currency in which most of our export sales are made and to which a significant amount of our domestic sales prices relate, (iii) the level of demand for our products in Mexico and the U.S. and (iv) financing costs, which are incurred in both pesos and U.S. dollars. These factors are sensitive to changes in economic conditions in Mexico.

Inflation and Foreign Currency Exchange Rate Fluctuations

The following table sets forth, for the periods indicated, certain information relating to inflation and foreign currency exchange rates.

	For the year ended on December 31,		
	2000	**2001**	**2002**
Nominal peso devaluation (appreciation) relative to the U.S. dollar[1]	1.2%	(4.6)%	13.8%
Mexican inflation (based on changes in INPC)[1]	9.0%	4.4%	5.7%
U.S. inflation (based on changes in Consumer Price Index)[2]	3.4%	1.6%	2.4%
Inflation differential (Mexican vs. U.S.)[1][2][3]	5.4%	2.8%	3.2%
Real peso devaluation (appreciation) relative to the U.S. dollar[4]	(4.0)%	(7.2)%	10.3%
Free Exchange Rate as of year end[1]	9.6098	9.1695	10.4393
Mexican GDP Growth[1]	6.9%	(0.3)%	0.9%

(1) Source: Banco de Mexico
(2) Source: U.S. Bureau of Labor Statistics
(3) Compounded
(4) Peso devaluation (appreciation) in real terms = - ((Nominal peso devaluation +1) / (Inflation differential +1)) - 1

Effects of Inflation and Foreign Currency Exchange Rate Fluctuations on Operating Margins

Changes in the relative value of the peso to the U.S. dollar have a significant effect on our results of operations. In general, a real devaluation of the peso will result in higher operating margins when measured in pesos, and a real appreciation of the peso will result in lower operating margins when measured in pesos, in each case, as described in the following paragraph.

A substantial portion of the sales of our Mexican and U.S. subsidiaries are either denominated in or sensitive to the value of the U.S. dollar. More than 80% of our consolidated net sales were either denominated in or sensitive to the value of the U.S. dollar in 2002. This is underlined by the fact that the prices of a significant portion of the products we sell in Mexico, in particular those of flat glass for automotive uses, capital goods, certain glassware products and most chemical and packaging products, are linked to the U.S. dollar. In addition, substantially all of our export sales are denominated in U.S. dollars. U.S. dollar sales of our Mexican subsidiaries and our U.S. dollar export sales are translated into pesos using the exchange rate in effect at the time of the sale. The translated U.S. dollar sales of our Mexican subsidiaries are then restated into constant pesos using the INPC as of the date of the most recent balance sheet included in those financial statements. As a result, when the peso devalues in real terms relative to the U.S. dollar, as was the case in the second half of 1998 and 2002, the same level of U.S. dollar sales as in a prior period will result in higher constant peso revenues in the more recent period. Conversely, when the peso appreciates in real terms relative to the U.S. dollar, as was the case in 1999, 2000 and 2001, the same level of U.S. dollar sales as in a prior period will result in lower constant peso revenues in the more recent period. Moreover, because a large part of our cost of sales and general, selling and administrative expenses are invoiced in pesos, and that part tends to vary substantially based on changes in Mexican inflation and not based on changes in the relative value in real terms of the peso to the U.S. dollar, the real appreciation or devaluation of the peso relative to the U.S. dollar has a significant effect on our operating margins in the short term.

During 2000 and 2001, the increase in the relative value of the peso in real terms against the U.S. dollar negatively impacted our consolidated net sales and our operating margins in peso terms. During 2002, the net decrease in the value of the peso relative to the dollar sales increased our consolidated net sales and our operating margin in peso terms. However, since most of the peso's devaluation relative to the U.S. dollar happened in late 2002, that impact was modest.

Sales of products manufactured, processed or sold by Vitro outside Mexico (principally, by Vitro America, Vitro Packaging, Comegua, and Cristalglass), as well as such subsidiaries' expenses, are restated during a financial reporting period by adjusting such amount for the inflation observed in the country in which the subsidiary operates and then translated into pesos at the exchange rate in effect at the end of the period. Since such subsidiaries' revenues and expenses are generally both earned and incurred in the same currency the devaluation or appreciation of the peso has a much more limited effect on the operating margins of such subsidiaries. However, profits, as reported in real peso terms, are substantially impacted by the devaluation or appreciation of the peso relative to the appropriate currency.

We refer to the change in amounts measured in inflation-adjusted pesos resulting from the same level of U.S. dollar-denominated or linked amounts as in a prior period as a change in the "peso equivalent" of U.S. dollar-denominated or linked amounts.

Effect of Inflation and Foreign Currency Exchange Rate Fluctuations on Total Financing Cost

Our total financing cost includes (i) net interest expense, (ii) the net effect of inflation on our monetary assets and liabilities and (iii) the net effect of changes in nominal foreign currency exchange rates on monetary assets and liabilities denominated in foreign currencies. Net interest expense is calculated as the nominal amount of interest expense incurred by us with respect to our short- and long-term debt and off-balance sheet financings minus the nominal amount of interest income generated by us with respect to our monetary assets.

Inflation affects our total financing cost. During periods of inflation, the principal amount of our monetary debt will generally be reduced in real

terms by the rate of inflation. The amount of such reduction will result in a gain from monetary position. This gain must be offset by the reduction in real terms in the value of the monetary assets we held during such period. Historically, our monetary liabilities have exceeded our monetary assets and, thus, we have tended to experience monetary gains during periods of inflation. Declining levels of inflation since 1999 have resulted in our recording lower monetary gains.

Our total financing cost is also impacted by changes in the nominal value of the peso relative to the U.S. dollar. Exchange gains or losses included in total financing cost result primarily from the impact of nominal changes in exchange rates on U.S. dollar-denominated monetary liabilities (such as dollar-denominated debt and accounts payable arising from imports of raw materials and equipment) and monetary assets (such as dollar-denominated cash and cash equivalents and accounts receivable from exports) of Vitro and its Mexican subsidiaries. U.S. dollar-denominated monetary liabilities and assets are translated into pesos at the Free Exchange Rate at the date of the balance sheet. Any net change in the peso-translated amounts during a financial reporting period in such U.S. dollar-denominated assets and liabilities is reported in our income statement in "Exchange loss (gain), net." Because our U.S. dollar-denominated liabilities have historically been significantly in excess of our dollar-denominated monetary assets, the devaluation of the peso resulted in exchange losses. In 1998 and 2002, the larger nominal devaluation of the peso significantly increased our exchange losses. In 1999 and 2001, however, the appreciation of the peso relative to the U.S. dollar translated into an exchange gain for us. In 2000, the marginal devaluation of the peso resulted in less significant exchange losses in our financial statements.

Results of Operations

The following table sets forth selected items on our consolidated income statement calculated as a percentage of net sales:

	For the year ended on December 31,		
	2000	**2001**	**2002**
Net sales	100%	100%	100%
Cost of goods sold	68.6	70.4	71.1
Gross profit	31.4	29.6	28.9
Selling, administrative and general expenses	19.0	20.0	20.6
Operating Income	12.4	9.5	8.3
Total financing cost	4.3	2.5	9.4
Net income (loss) for the year	3.6	2.6	0.4
Resources generated from continuing operations	13.6	15.6	1.8
EBITDA(1)	21.1	18.3	17.1

(1) EBITDA consists of operating income plus depreciation, amortization and reserves for seniority premiums and pensions. Seniority premiums and pension reserves for the year 2000, 2001 and 2002 were Ps. 211 million, Ps. 211 million and Ps. 187 million, respectively. The concept of EBITDA is presented because some of our investors have indicated to us that they consider it an appropriate measurement of the funds we have available to service our debt. EBITDA is not intended to represent cash flow from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income as an indicator of our operating performance or to resources generated by continuing operations as a measure of our liquidity. Please see "-EBITDA Reconciliation" for a reconciliation of EBITDA to resources generated by continuing operations. Because not all companies calculate EBITDA identically, our presentation of EBITDA may not be comparable to other similarly entitled measures used by other companies.

The following table sets forth, for the periods indicated, consolidated net sales (before elimination of interdivisional sales and other), export sales, operating income (before corporate and other eliminations) and EBITDA of each of our business units, as well as the contribution to our audited consolidated results, in percentage terms, of net sales (after elimination of interdivisional sales), export sales, operating income (after corporate and other eliminations) and EBITDA of each of our business units. The following table does not include the results of discontinued operations.

	Year Ended December 31,						
	2000		**2001**		**2002**		**2002**
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**
	(Millions of constant pesos as of December 31, 2002, except for percentages)						(Millions of dollars)(1)
Net sales							
Flat Glass	Ps. 11,624	46%	Ps. 11,753	48%	Ps. 11,380	47%	$ 1090
Glass Containers	10,258	41%	9,997	41%	10,012	42%	959
Glassware	3,187	13%	2,776	11%	2,618	11%	251
Interdivisional sales and other	(6)		(120)		(88)		(8)
Consolidated net sales	Ps. 25,005	100%	Ps. 24,406	100%	Ps. 23,922	100%	$ 2292
	(Millions of US Dollares, except for percentages)						
Export sales							
Flat Glass	$ 274	45%	$ 260	44%	$ 272	47%	
Glass Containers	245	40%	249	42%	236	40%	
Glassware	89	15%	80	14%	78	13%	

Consolidated exports	$ 608	100%	$ 589	100%	$ 586	100%	

	(Millions of constant pesos as of December 31, 2002, except for percentages)						(Millions of dollars)(1)
Operating income (loss)							
Flat Glass	Ps. 1,779	57%	Ps. 1,346	58%	Ps. 845	43%	$ 81
Glass Containers	1,165	38%	. 932	40%	1,188	60%	114
Glassware	546	18%	346	15%	260	13%	25
Corporate and other eliminations	(385)	-13%	(309)	-13%	(307)	-16%	(30)
Consolidated operating income	Ps. 3,105	100%	Ps. 2,315	100%	Ps. 1,986	100%	$ 190

	(Millions of constant pesos as of December 31, 2002, except for percentages)						(Millions of dollars)(1)
Resources generated from continuing operations							
Flat Glass	Ps. 1,198	35 %	Ps. 1,511	40 %	Ps. 616	141 %	$ 59
Glass Containers	1,770	52 %	2,032	53 %	185	42 %	18
Glassware	886	26 %	369	10 %	61	14 %	6
Corporate and other eliminations	(460)	(13) %	(98)	(3) %	(424)	(97) %	(41)
Consolidated resources generated from continuing operations	Ps. 3,394	100%	Ps. 3,814	100%	Ps. 438	100%	$ 42

	(Millions of constant pesos as of December 31, 2002, except for percentages)						(Millions of dollars)(1)
EBITDA(2)							
Flat Glass	Ps. 2,438	47%	Ps. 1,987	45%	Ps. 1,532	38%	$ 147
Glass Containers	2,274	43%	1,980	44%	2,153	53%	206
Glassware	801	16%	608	14%	537	13%	52
Corporate and other eliminations	(249)	(6)%	(120)	(3)%	(141)	(4)%	(14)
Consolidated EBITDA	Ps. 5,264	100%	Ps. 4,455	100%	Ps. 4,081	100%	$ 391

(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at the rate of 10.4393 pesos per one U.S. dollar, the Free Exchange Rate on December 31, 2002.
(2) EBITDA consists of operating income plus depreciation, amortization and reserves for seniority premiums and pensions. Seniority premiums and pension reserves for the years 2000, 2001 and 2002 were Ps. 211 million, Ps. 211 million and Ps. 187 million, respectively. The concept of EBITDA is presented because some of our investors have indicated to us that they consider it an appropriate measurement of the funds we have available to service our debt. EBITDA is not intended to represent cash flow from operations as defined by generally accepted accounting principles and should not be considered as an alternative to net income as an indicator of our operating performance or to resources generated by continuing operations as a measure of our liquidity. Please see "-EBITDA Reconciliation" for a reconciliation of EBITDA to resources generated by continuing operations. Because not all companies calculate EBITDA identically, our presentation of EBITDA may not be comparable to other similarly entitled measures used by other companies.

EBITDA Reconciliation

The following table sets forth, for the periods indicated, the reconciliation of EBITDA to resources generated from continuing operations of each of our business units.

	Year ended on December 31,				
	1998	1999	2000	2001	2002
	(Millions of constant pesos as of December 31, 2002)				
Flat Glass:					
EBITDA	3,189	2,749	2,438	1,987	1,532
Other expense net of write-off of assets	(41)	(8)	(66)	(114)	1
Income and asset tax and workers' profit sharing, net of deferred taxes	(745)	(794)	(496)	(268)	(241)
Amortization of cost of debt issuance	1	1	1	1	-
(Gain) loss from sale of subsidiaries	-	-	-	-	-
Total Financing Cost	(465)	35	(212)	(245)	(665)
Changes in working capital	246	(182)	(467)	150	(11)
Resources generated from continuing operations	2,185	1,801	1,198	1,511	616
Glass Containers:					
EBITDA	3,249	2,757	2,274	1,980	2,153
Other expense net of write-off of assets	172	51	(8)	(62)	(1)
Income and asset tax and workers' profit sharing, net of deferred taxes	(405)	(621)	(296)	(73)	(114)
Amortization of cost of debt issuance	23	24	22	26	17

(Gain) loss from sale of subsidiaries	-	-	-	-	-
Total Financing Cost	(1,333)	(207)	(738)	(231)	(1,084)
Changes in working capital	(163)	265	516	392	(786)
Resources generated from continuing operations	1,543	2,269	1,770	2,032	185
Glassware:					
EBITDA	831	818	801	608	537
Other expense net of write-off of assets	(21)	(39)	(22)	(38)	(29)
Income and asset tax and workers' profit sharing, net of deferred taxes	(43)	(123)	(130)	(66)	(33)
Amortization of cost of debt issuance	-	-	-	1	1
(Gain) loss from sale of subsidiaries	-	-	-	-	-
Total Financing Cost	(255)	91	(54)	(3)	(164)
Changes in working capital	(18)	(98)	291	(133)	(251)
Resources generated from continuing operations	494	649	886	369	61
Corporate and other eliminations:					
EBITDA	(238)	(177)	(249)	(120)	(141)
Other expense net of write-off of assets	1	(142)	2	(237)	22
Income and asset tax and workers' profit sharing, net of deferred taxes	404	397	273	79	(29)
Amortization of cost of debt issuance	32	29	27	30	33
(Gain) loss from sale of subsidiaries	(88)	88	(60)	124	(65)
Total Financing Cost	(718)	(70)	(69)	(132)	(346)
Changes in working capital	387	(555)	(384)	158	102
Resources generated from continuing operations	(220)	(430)	(460)	(98)	(424)
Consolidated:					
EBITDA	7,031	6,147	5,264	4,455	4,081
Other expense net of write-off of assets	111	(138)	(94)	(451)	(7)
Income and asset tax and workers' profit sharing, net of deferred taxes	(789)	(1,141)	(649)	(328)	(417)
Amortization of cost of debt issuance	56	54	50	58	51
(Gain) loss from sale of subsidiaries	(88)	88	(60)	124	(65)
Total Financing Cost	(2,771)	(151)	(1,073)	(611)	(2,259)
Changes in working capital	452	(570)	(44)	567	(946)
Resources generated from continuing operations	4,002	4,289	3,394	3,814	438

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

Net Sales

Our consolidated net sales decreased 2.0% to Ps. 23,922 million in 2002 from Ps. 24,406 million in 2001. This decrease was mainly attributable to (i) the decline in sales of Vitro America, our U.S. flat glass subsidiary, by Ps. 411 million, (ii) the divestiture of ASA, which had sales of Ps. 291 million in 2001 and Ps. 85 million during the period between January 1, 2002 and April 15, 2002, (iii) pricing reductions for our products arising from the slowdown in the United States and Mexican economies and (iv) lower sales volume, mainly in our Glassware business unit, reflecting increased competition from imports sold into Mexico. The decrease in our net sales was partially offset by the net sales of Cristalglass, which are included in our consolidated net sales for the twelve-month period ended on December 31, 2002 and eight months for the same period ended on December 31, 2001.

For the twelve-month period ended on December 31, 2002, our consolidated export sales were $586 million, a decrease of 0.5% when compared to $589 million for the same period of 2001, principally due to the slowdown of the United States economy and the resulting reduction in the volume of products demanded. Our export sales represented approximately 25% of our consolidated net sales for the period ended on December 31, 2002. More than 80% of our consolidated net sales for the twelve-month period ended on December 31, 2002, were either denominated in or sensitive to the value of the U.S. dollar. This is due to the fact that, in addition to exports and foreign subsidiaries' sales, a significant portion of the sale prices of our products in Mexico was generally determined with reference to U.S. dollar-based prices.

Flat Glass Business Unit

Consolidated net sales of our Flat Glass business unit were Ps. 11,380 million for the twelve-month period ended on December 31, 2002, a decrease of 3.2% from Ps. 11,753 million for the same period of 2001. This decrease was attributable primarily to (i) the decline in sales volume of Vitro America due to the continued slowdown in the U.S. non-residential construction glass industry, (ii) the slowdown in the OEM component of the automobile industry due to the slowdown in the United States economy and (iii) lower sales prices in the Mexican construction industry reflecting increased competition from imports sold into Mexico. This decrease in 2002 consolidated net sales was partially offset by the twelve-

month sales of our Spain subsidiary Cristalglass, which in 2001 contributed to only for eight months of sales.

Export sales of the Flat Glass business unit were $272 million in the twelve-month period ended on December 31, 2002, an increase of 4.6% when compared to $260 million in the same period of 2001, as a result of higher sales to our foreign subsidiaries, which during 2002 shifted their purchases away from third parties and towards us.

Glass Containers Business Unit

Net sales of our Glass Containers business unit increased 0.2% to Ps. 10,012 million for the twelve month period ended on December 31, 2002 from Ps. 9,997 million for the same period of 2001. The increase was principally attributable to an increase in the sales volume in the beer, wine and liquor, pharmaceutical and cosmetic segments in Mexico, which was partially offset by a price reduction in some segments, most notably in the beer segment, a reduction in volume in wine segment exports and the divestiture of ASA in April 2002.

For the year ended on December 31, 2002, export sales of the Glass Containers business unit amounted to $236 million, a decrease of 5.2% from $249 million for the same period of 2001, primarily due to lower sales volume mainly in the wine segment and the general impact on the business of the slowdown of the United States market.

Glassware Business Unit

Net sales of our Glassware business unit amounted to Ps. 2,618 million for the year ended on December 31, 2002, a decrease of 5.7% from Ps. 2,776 million for the same period of 2001. The decrease in net sales was primarily attributable to (i) lower sales volumes mainly in the first part of the year due to the slowdown in the U.S. and Mexican economies and (ii) lower sales volumes sold to the Mexican market as a result of an increase in competition from Asian imports into Mexico, mainly in the low-end products segment in the domestic commercial market. This decrease in domestic net sales was offset in part by increased sales in the advertisement and promotional segment. During 2002, the prices of our products remained stable.

Export sales of the Glassware business unit decreased 2.5% from $80 million for the year ended on December 31, 2001 to $78 million for the same period of 2002. This decrease mainly reflected lower sales volume in the commercial segment, mainly in the U.S. market, but also in Europe and Latin America due to increased competition in those markets.

Operating Income

Our consolidated operating income decreased 14.2% from Ps. 2,315 million in 2001 to Ps. 1,986 million during 2002. This decrease was due primarily to the reduction in our net sales described above and higher cost of good sold due to the write-off of approximately $7 million of obsolete and damaged inventory of our Flat Glass business unit. This effect on our operating income was partially offset by a decrease of 1.1% in our cost of goods sold from Ps. 17,193 million for the twelve-month period ended on December 31, 2001 to Ps. 16,999 million for the same period of 2002. The decrease in our cost of goods sold was primarily attributable to declines in the cost of goods sold in our Glass Containers and Glassware business units, which had lower depreciation due to the shutdown of a facility in Mexicali, Mexico and lower raw materials costs due to lower activity, respectively, and to the sale of ASA in April 2002. Our general, selling and administrative expenses increased by 0.8% from Ps. 4,898 million in 2001 to Ps. 4,937 million in 2002 due to the inclusion of Cristalglass' expenses for the full year during 2002 as compared to only eight months during 2001, which was partially offset by the divestiture of ASA in April 2002.

Flat Glass Business Unit

Operating income of the Flat Glass business unit amounted to Ps. 845 million for the twelve-month period ended on December 31, 2002, a decrease of 37.2% from Ps. 1,346 million for the same period of 2001. This decrease was primarily due to (i) the decrease in net sales of the Flat Glass business unit described above, (ii) higher costs of goods sold due to the write-off of approximately $7 million of obsolete and damaged inventory of the business unit and (iii) increases in freight, energy and maintenance expenses. The increase in cost of goods sold was partially offset by a decrease in packaging costs.

Glass Containers Business Unit

The operating income of our Glass Containers business unit increased 27.5% from Ps. 932 million in the year ended on December 31, 2001 to Ps. 1,188 million for the same period of 2002, primarily due to (i) improved fixed cost absorption as a result of higher sales volumes (i.e., the reduction in costs per unit as a result of increased sales volume which resulted in the allocation of our fixed costs to more units), (ii) lower per unit cost of goods sold as a result of longer production runs and (iii) a decrease in costs of goods sold as a result of lower freight costs and lower depreciation cost related to the shutdown of the glass container facility located in Mexicali, Mexico. During 2002, the prices of the business unit's products remained stable.

Glassware Business Unit

For the year ended on December 31, 2002, operating income of our Glassware business unit was Ps. 260 million, a decrease of 24.9% from Ps. 346 million for the same period of 2001. This decrease was attributable to the decrease in net sales described above, which was partially offset by a decrease in our cost of goods sold. The decrease in our cost of goods sold resulted mainly from a reduction in our energy costs and raw material consumption in the glass segment of the business due to the lower volume of sales, which was partially offset by an increase in our cost of goods in the plastic segment of the business, due to higher prices of resin, which are sensitive to oil and related products prices.

Total Financing Cost

Our total financing cost increased by Ps. 1,648 million from Ps. 611 million for the year ended on December 31, 2001 to Ps. 2,259 million for the same period of 2002. This increase in total financing cost was primarily due to a change from an exchange gain of Ps. 578 million in 2001 to an exchange loss of Ps. 1,544 million for the same period of 2002, due to the nominal devaluation of the peso against the U.S. dollar from 2001 to 2002. The exchange loss, which is a non-cash item, was partially offset by lower interest expense resulting from lower short-term U.S. dollar- and peso-denominated interest rates.

Taxes and Workers' Profit Sharing

For the year ended December 31, 2002, we recorded a net benefit of Ps. 431 million from income tax, tax on assets and workers' profit sharing, as

compared to an expense of Ps. 432 million for the same period of 2001. This change was primarily due to (i) a benefit in deferred taxes due to the reduction of the corporate income tax rate resulting from the recent tax reform passed by the Mexican Congress, (ii) lower operating earnings and (iii) the tax effect of the exchange loss in total financing cost.

Net Income

Our net income decreased Ps. 557 million from Ps. 644 million for the year ended on December 31, 2001 to Ps. 87 million for the same period of 2002. This decrease resulted from the aforementioned reasons.

Year Ended on December 31, 2001 Compared to Year Ended on December 31, 2000

Net Sales

Our net sales decreased 2.4% from Ps. 25,005 million in 2000 to Ps. 24,406 million in 2001. The decline in net sales was largely due to the appreciation of the peso in real terms against the U.S. dollar, which resulted in a decline in the peso equivalent of sales denominated in or linked to the U.S. dollar, and in lower pricing due to an increased level of imports sold in Mexico as a result of the strength of the peso. In addition, the slowdown in both the Mexican and U.S. economies adversely affected our net sales.

In 2001, our export sales amounted to $589 million, a decrease of 3.2% compared to $608 million in 2000. Our export sales represented 25% of our consolidated net sales in 2001. Approximately 52% of our consolidated net sales in 2001 were originally denominated in foreign currency, mostly U.S. dollars. The export sales declined in the year over year comparison mainly due to the slowdown in the U.S. economy resulting in lower prices and volumes in the construction industry, the automotive OEM segment and the markets that the Glassware business unit serves. In addition, a significant portion of the sale prices of our products in Mexico was generally determined with reference to U.S. dollar-based prices.

Flat Glass Business Unit

Net sales of our Flat Glass business unit increased 1.1% to Ps. 11,753 million in 2001 from Ps. 11,624 million in 2000 as a result of the acquisition of Cristalglass in May 2001 and the inclusion in 2001 of a full year of the sales of Harding which was acquired in April 2000. Sales of Cristalglass totaled Ps. 485 million in the May to December 2001 period. Sales of Harding in 2001 cannot be separately determined because it was integrated with Vitro America, but Harding's average monthly sales in 2000 were Ps. 87 million. However, excluding the effect of those acquisitions, net sales to the construction industry and automotive OEMs generally declined. Net sales to the construction industry decreased primarily due to a decline in sale prices resulting from the real appreciation of the peso relative to the U.S. dollar and increased competition in Mexico principally due to the reduction of import duties, which was only partially offset by slightly higher volumes. The appreciation of the peso reduced the peso equivalent of flat glass sales, a significant part of which are denominated in or linked to the U.S. dollar. Pricing pressure also resulted from increased competition from imports sold into Mexico, which we believe was due in part to the strength of the peso. Net sales to automotive OEMs decreased despite an increase in the volume sold to OEMs primarily due to a decline in the peso equivalent of sales prices as a result of the nominal appreciation of the peso relative to the U.S. dollar, since substantially all sales to automotive OEMs are denominated in or linked to the U.S. dollar, and the pricing pressures created, in part, by the new electronic bidding procedures of automotive OEMs. This new bidding process adds to the downward trend of prices in this market segment that might continue into the future. Despite the decline in sales prices, sales volume to the construction industry and automotive OEMs was relatively stable. Export sales decreased 5.1% to $260 million in 2001 from $274 million in 2000. This decrease was mainly attributable to (i) the slowdown in the U.S. economy resulting in lower prices and volumes to the construction industry and (ii) a decline in sales prices to automotive OEMs.

Glass Containers Business Unit

Net sales of our Glass Containers business unit decreased 2.5% to Ps. 9,997 million in 2001 from Ps. 10,258 million in 2000 as a result of a general decline in sales prices of all of our product types due to the contraction of the aggregate demand in the Mexican economy and our decision to reduce prices in order to maintain volumes. The slowdown of the Mexican economy also caused a shift of some of the business unit's sales from the domestic to the export market which, when combined with the appreciation of the peso, decreased the unit's average price when measured in pesos. The net effect was an increase in exports sales of 1.6% to $249 million in 2001 from $245 million in 2000. The decrease in net sales of domestic glass containers was partially offset by an increase of Ps. 78 million in the net sales of Comegua.

Glassware Business Unit

Net sales of our Glassware business unit decreased 12.9% to Ps. 2,776 million in 2001 from Ps. 3,187 million in 2000. This decrease was due to a general decrease in net sales volume across all industry segments resulting primarily from (i) an increase in competition from Asian imports sold into Mexico, mainly in the low-end product segments, (ii) the strength of the peso, which decreases the peso equivalent prices of the products sold in foreign markets and, generally, makes our products less price competitive and (iii) a decrease in demand resulting from the slowdown in the Mexican and United States economies that affected sales particularly to Libbey, which concentrates on the hotel and restaurant industries. This decrease in net sales was partially offset by general increases in the average price per unit primarily due to a shift in sales mix from low- to high-end products. Export sales decreased 10.1% to $80 million in 2001 from $89 million in 2000. This decrease was mainly due to (i) a slowdown of the economies in the Americas and (ii) a decrease in peso equivalent export prices, except for exports to Libbey, resulting from competitive pressures outside of Mexico and the appreciation of the peso.

Operating Income

Our operating income decreased 25% from Ps. 3,105 million in 2000 to Ps. 2,315 million in 2001. This decrease resulted primarily from the decrease in our net sales described above. Our costs of goods sold increased by 0.2% from Ps. 17,148 million in 2000 to Ps. 17,193 million in 2001 due primarily to factors affecting our Flat Glass business unit and higher energy costs. Our general, administrative and selling expenses increased by 3.1% from Ps. 4,752 million to Ps. 4,898 million primarily due to the payment in 2001 of approximately Ps. 101 million in employee productivity bonuses, which we accounted for as an administrative expense. In previous years, including 2000, this bonus was included as part of workers' profit sharing and thus not included in the calculation of operating income.

Flat Glass Business Unit

Operating income of our Flat Glass business unit decreased by 24.3% to Ps. 1,346 million in 2001 from Ps. 1,779 million in 2000. This decrease resulted mainly from an increase in cost of goods sold and general, administrative and selling expenses. Cost of goods sold increased primarily

due to (i) an increase in variable costs due to purchases of some products from third parties to meet customer demand, whose purchase price was higher than our cost of producing similar products, (ii) higher energy costs and (iii) the acquisition of Cristalglass in May 2001 and the inclusion of a full year of costs of Harding, which was acquired in April 2000. This increase in cost of goods sold was partially offset by a decrease in the peso equivalent of the cost of raw materials, since a high percentage of our raw materials costs are either denominated in or linked to the U.S. dollar.

General, administrative and selling expenses increased primarily due to (i) the acquisition of Cristalglass and the inclusion of a full year of expenses of Harding, (ii) the payment in 2001 of employee productivity bonuses of approximately Ps. 58 million, which was included as part of workers' profit sharing in previous years and (iii) an increase in distribution costs resulting from increases in freight costs.

Glass Containers Business Unit

Operating income of our Glass Containers business unit decreased to Ps. 932 million in 2001 from Ps. 1,165 million in 2000 as a result of the decline in net sales described above, both because a large portion of the Glass Containers business unit's costs and expenses are fixed and because this unit's costs of goods sold and general, administrative and selling expenses remained largely unchanged notwithstanding the decline in sales.

Glassware Business Unit

Operating income of our Glassware business unit decreased to Ps. 346 million in 2001 from Ps. 546 million in 2000 as a result of the decline in net sales described above, both because a high portion of the Glassware business unit's costs and expenses are fixed and because our costs of goods sold and general, administrative and selling expenses remained largely unchanged.

Total Financing Cost

Our total financing cost decreased 43% from Ps. 1,073 million in 2000 to Ps. 611 million in 2001. This decrease resulted primarily from (i) a reduction in our net interest expense of Ps. 423 million from Ps. 2,265 million in 2000 to Ps. 1,842 million in 2001 and (ii) a foreign currency exchange gain of Ps. 578 million in 2001 compared with a loss of Ps. 111 million in 2000, due to the appreciation of the Mexican peso against the U.S. dollar. The decline in our interest expense was a result of a lower weighted average cost of our debt, due to lower interest rates in both the United States and Mexican financial markets, and a decrease in our aggregate amount of debt from Ps. 16,340 million in 2000 to Ps. 14,553 million in 2001. This decrease in financing cost was partially offset by a reduced non-cash gain from monetary position from Ps. 1,303 million in 2000 to Ps. 653 million in 2001 due to lower levels of inflation in 2001.

Taxes and Workers' Profit Sharing

The statutory federal tax rate on taxable income for each of our subsidiaries increased in 1999 to 35%. For 1999, the tax was paid at a 32% rate, with the remaining 3% payable when dividends are distributed, and for 2000, the tax was paid at a 30% rate, with the remaining 5% payable when dividends are distributed. In addition, in certain circumstances, Mexican tax law requires that our subsidiaries pay alternative minimum taxes on assets. The alternative minimum tax for each of our subsidiaries is 1.8% payable with respect to certain assets of each company as defined under Mexican tax law. Taxable income, as defined under Mexican tax law, differs in certain respects from income before taxes under Mexican GAAP. In addition, we consolidate for tax purposes in Mexico but only with respect to 60% of our ownership, as permitted by applicable law. Consequently, Vitro and all of its subsidiaries pay taxes on taxable income, provided such taxable income exceeds each company's alternative minimum taxes that would otherwise be payable. However, Mexican tax law allows our companies to offset their future taxable income with their accumulated tax losses and offset future income tax payments with excess alternative minimum taxes paid, if any. Such losses and excess alternative minimum tax payments can be carried forward for up to 10 years from the date they arise. In addition to federal income taxes, each of our companies is required under Mexican tax law to pay to employees of each company a profit sharing bonus of 10% of such company's pre-profit sharing income, as defined under Mexican tax law.

Effective January 1, 2000, Mexican GAAP rules changed to an asset and liability approach for recognizing income tax (Bulletin D-4). The new rules require taxpayers' to recognize the effects of deferred tax for any transactions recorded in different periods for accounting and tax purposes. Deferred income tax assets and liabilities are determined by comparing the accounting and tax basis of assets and liabilities multiplied by the statutory tax rate. The deferred effects of workers' profit sharing are determined based on the reconciliation between the net accounting income for the year and income for statutory profit-sharing purposes multiplied by the statutory rate applicable to workers' profit sharing. Deferred tax assets are only recognized to the extent there is a high probability of recovery.

Income tax and workers' profit sharing decreased to Ps. 432 million in 2001 from Ps. 905 million in 2000, resulting in an effective tax rate of 48.7% in 2001 (including workers' profit sharing) as compared to 56.7% in 2000. Our taxes and workers' profit sharing decreased in 2001 as a result of (i) lower levels of pre-tax income and (ii) our reclassifying a Ps. 103 million employee productivity bonus as an administrative expense rather than as workers' profit sharing as described above.

Net Income

Our net income decreased 28.6% from Ps. 902 million in 2000 to Ps. 644 million in 2001. This decrease in our net income resulted primarily from the decrease in net sales described above which was partially offset by declines in our total financing cost and taxes and workers' profit sharing.

Application of Critical Accounting Policies

We prepare our consolidated financial statements in conformity with Mexican GAAP. As such, we are required to make certain estimates, judgments and assumptions that we believe are reasonable based on the available information. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of revenues and expenses during the periods presented and the related disclosures. The significant accounting policies which we believe are the most sensitive to such estimates and relevant to aid you in fully understanding and evaluating our reported financial statements, in addition to those described above under "Item 3. Key Information-Selected Consolidated Financial Information," are the following:

Trade Receivables

We perform ongoing credit evaluations of our customers and adjust credit limits based upon payment history and the customer's current creditworthiness, as determined by our review of their current credit information. We continually monitor collections and payments from customers

and maintain an allowance for doubtful accounts based upon our historical experience and any specific customer collection issues that we have identified. While such credit losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past. A significant change in our experience of credit losses could have a material adverse impact on our future operating results.

Accounts receivable financings

We entered into several factoring agreements to sell accounts receivables. We continuously monitor collections and customer creditworthiness and provide an allowance for any estimated uncollectible amounts. A significant change in our experience could have a material adverse impact on our future operating results. Please see "Item 5. Operating and Financial Review and Prospects-Off-Balance Sheet Arrangements."

Contingencies

Contingencies, by their nature, relate to uncertainties that require management to exercise judgment both in assessing the likelihood that a liability has been incurred as well as in estimating the amount of potential loss. We believe the amounts recorded and/or disclosed in our financial statements are based on the best estimates and judgments of management. However actual outcomes could differ from our estimates.

Financial Instruments

Assets and liabilities resulting from financial instruments, except for such instruments held to maturity, are recorded on the balance sheet at fair value. The financial instruments held to maturity are valued at their acquisition cost. The effects of changes in the valuation of the financial instruments not held to maturity, including their cost and yield, are recorded in the corresponding year in the statement of operations.

Financial instruments for hedging purposes are valued using the same criteria of valuation of the underlying assets or liabilities hedged, and the effect of such valuation is recognized in net income, net of costs, expenses or income from the assets or liabilities whose risks are being hedged.

For U.S. GAAP purposes, fair values of financial instruments are estimated using available market information or other appropriate valuation methodologies that require considerable judgment in interpreting and developing estimates. The use of different market assumptions and/or estimation methodologies may have a material adverse effect on the estimated fair value amounts. Please see "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

Seniority premiums and retirement plans

Seniority premiums and pension plans for all personnel are considered as costs in the periods in which services are rendered. Periodic costs are calculated in accordance with Bulletin D-3 issued by the IMCP and the actuarial computations are made by an independent actuary, utilizing extensive estimates of salaries, inflation, investment returns, mortality, turnover and discount rates well into the future. While we have made such estimates based on published tables and current market conditions, significant variance in actual experience compared to our estimates could have a material adverse effect on our future operating results and financial condition.

Environmental Obligations

Our operations are subject to the environmental laws and regulations of the jurisdictions in which we conduct our operations. Our environmental department monitors the status of environmental exposures and compliance with regulations through various means, one being an environmental auditing program. An environmental reserve is recorded to cover the costs of expected environmental obligations when we become aware that an expenditure will be required. We estimate the cost for the environmental obligations based on historical experience, results of monitoring and the known extent of exposure. We believe we are in substantial compliance with Mexican and foreign environmental laws applicable to our operations. We do not believe that continued compliance with these environmental laws will have a material adverse effect on our financial condition or results of operations. However, a significant change in laws, the discovery of previously unknown contamination and other factors beyond our control could result in expenditures that are materially greater than currently estimated.

Impairment of Long-lived Assets

Long-lived assets, which include property, goodwill, intangible assets and certain other assets, comprise a significant portion of our total assets. We make judgments and estimate the carrying value of these assets, including amounts to be capitalized, depreciation and amortization methods and useful lives. Additionally, the carrying value of these assets are periodically reviewed for impairment or whenever events or circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recorded in the period in which it is determined that the carrying amount is not recoverable. This requires us to make long-term forecasts of our future revenues and costs relating to the assets under review. These forecasts require assumptions about demand for our products, future market conditions and technological developments. Significant and unanticipated changes to these assumptions could result in a determination that the value of these long-lived assets has been impaired in a future period.

New Accounting Pronouncements

Mexican GAAP

Liabilities, Reserves, Contingent Assets and Liabilities and Obligations

In December 2002 the IMCP issued Bulletin C-9 which sets forth the accounting standards under Mexican GAAP that are to be applied with respect to liabilities, reserves, contingent assets and liabilities and other obligations. Bulletin C-9 applies to all financial statements prepared under Mexican GAAP relating to periods beginning on or after January 1, 2003. Bulletin C-9 supersedes former Bulletin C-9 and Bulletin C-12 relating to liabilities and contingencies and obligations, respectively. Bulletin C-9, in addition to clarifying the guidelines to be used when accounting for liabilities, reserves, contingent assets and liabilities and other obligations, establishes new standards for the use of present value techniques to measure liabilities and for the accounting of early settlement of obligations. We do not anticipate that Bulletin C-9 will have a significant impact on our financial position or our results of operations.

Intangible Assets

In January 2002, the IMCP issued Bulletin C-8 which requires, among other things, that project development costs be capitalized if they fulfill the

criteria to be recognized as an asset. In particular, any start-up expenses relating to project development must be recorded as an expense unless they meet such criteria. Bulletin C-8 also requires that all intangible assets be individually identified to the extent practicable in order to reduce amounts allocated to goodwill in connection with business combinations. Bulletin C-8 supersedes former Bulletin C-8 and applies to all financial statements prepared under Mexican GAAP relating to periods beginning on or after January 1, 2003, except that intangible assets acquired prior to January 1, 2003 may be accounted for in accordance with former Bulletin C-8. We do not anticipate that Bulletin C-8 will have a significant impact on our financial position or our results of operations.

Impairment in the Value of Long-lived Assets and their Disposition

In March 2003, the IMCP issued Bulletin C-15 which set forth new principles to be used for the evaluation and recognition of impairment in the value of long-lived assets and the reversal of the recognition of impairment. In particular, the calculation of the amount of impairment in the value of a long-lived asset requires the determination of the recoverable value, which is now defined as the greater of the net selling price of a cash generating unit and its value in use or the net present value of future cash flows. Bulletin C-15 also sets forth examples of indicators of possible impairment in the value of tangible and intangible long-lived assets then in use, including goodwill. Bulletin C-15 applies to all financial statements prepared under Mexican GAAP relating to periods beginning on or after January 1, 2004. We do not anticipate that Bulletin C-15 will have a significant impact on our financial position or our results of operations.

Segment Financial Information

In April 2003, the IMCP issued Bulletin B-5 which requires, among other things, that the segment financial information reported under Mexican GAAP be the same segment information that is used by management in taking managerial decisions. Bulletin B-5 technically supersedes International Accounting Standard 14, which we refer to as "IAS 14," although, in fact, Bulletin B-5 requires substantially the same information as IAS 14, other than the requirement described in the foregoing sentence. Bulletin B-5 applies to all financial statements prepared under Mexican GAAP relating to periods beginning on or after January 1, 2003. We do not anticipate that Bulletin B-5 will have a significant impact on our financial position or our results of operations.

Financial Instruments with Characteristics of both Liabilities and Equity

In April 2003, the IMCP issued Bulletin C-12 which sets forth the criteria to be used as in determining how to classify and record the debt and equity components of complex financial instruments. Bulletin C-12 applies to all financial statements prepared under Mexican GAAP relating to periods beginning on or after January 1, 2004. We do not anticipate that Bulletin C-12 will have a significant impact on our financial position or our results of operations.

U.S. GAAP

Accounting of Asset Retirement Obligations

In June 2001, the Financial Accounting Standards Board, which we refer to as "FASB," issued SFAS No. 143 which discusses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or the normal operation of a long-lived asset and it requires that the fair value of a liability for an asset retirement obligation be recognized in the year in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs must be capitalized as part of the carrying amount of the long-lived asset. SFAS applies to all financial statements prepared under or reconciled to U.S. GAAP relating to periods beginning on or after January 1, 2003. Although we are still evaluating the effect of SFAS No. 143 on us, we do not anticipate that it will have a significant impact on our financial position or our results of operations.

Rescission of FASB Statements No. 4, 44, and 64; Amendment to FASB Statement No. 13

In April 2002, the FASB issued SFAS No. 145 which requires that gains and losses from extinguishment of debt be classified as extraordinary items only if they meet the criteria set forth in APB Opinion 30. SFAS No. 145 also amended SFAS No. 13 to eliminate inconsistencies between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. SFAS No. 145 applies to all financial statements prepared under or reconciled to U.S. GAAP relating to periods beginning on or after May 15, 2002, except that leases entered into before May 15, 2002 need not be accounted for in accordance with SFAS No. 145. Although we are still evaluating the effect of SFAS No. 145 on us, we do not anticipate that it will have a significant impact on our financial position or our results of operations.

Exit or Disposal Activities

In June 2002, the FASB issued SFAS No. 146 which requires that costs associated with exit or disposal activities be recorded at their fair value at the time the liability is incurred. Under previous guidance, certain exit costs were accrued at the time management committed to an exit plan, which is generally before an actual liability is incurred. SFAS No. 146 applies to exit and disposal activities initiated after December 31, 2002. Although we are still evaluating the effect of SFAS No. 146 on us, we do not anticipate that it will have a significant impact on our financial position or our results of operations.

Disclosure Requirements for Guarantees

In November 2002, the FASB issued FASB Interpretation No. 45 which requires that guarantors recognize, at the time of the issuance of certain guarantees, a liability for the fair value of the obligation undertaken when issuing such guarantees. FASB Interpretation No. 45 also requires additional disclosure about the guarantor's obligations under certain guarantees it has issued. The initial recognition and measurement provisions of this interpretation are applicable to guarantees issued or modified after December 31, 2002 and the disclosure requirements apply to all financial statements prepared under or reconciled to U.S. GAAP relating to periods ending on or after January December 15, 2002. We do not anticipate that this interpretation will have a significant impact on our financial position or our results of operations.

Consolidation of Variable Interest Entities

In January 2003, the FASB issued FASB Interpretation No. 46 "Consolidation of Variable Interest Entities." This interpretation of Accounting Research Bulletin No. 51 "Consolidated Financial Statements" addresses the consolidation of variable interest entities by business enterprises.

Under current practice, if an entity controls another through the ownership of voting interests of such entity, the controlled entity should be included in the controlling entity's consolidated financial statements. FASB Interpretation No. 46 defines "variable interests" and requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse the risk among the parties involved. This interpretation applies immediately to variable interest entities created after January 31, 2003 and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003 to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. We do not anticipate that it will have a significant impact on our financial position or our results of operations.

Derivative Instruments

In April 2003, the FASB issued SFAS No. 149 which amends and clarifies financial accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. These changes require that contracts with comparable characteristics be accounted for similarly. The new standard will applies for contracts entered into or modified after June 30, 2003, except for hedging relationships designated after June 30, 2003 and as stated below, and will be applied prospectively. The provisions of SFAS No. 149 that relate to SFAS No. 133 that have been effective for fiscal quarters that began prior to June 15, 2003 will continue to be applied in accordance with their respective effective dates. Although we are still evaluating the effect of SFAS No. 149 on us, we do not anticipate that it will have a significant impact on our financial position or our results of operations.

Financial Instruments with Characteristics of both Liabilities and Equity

In May 2003, the FASB issued SFAS No. 150 which aims to eliminate diversity in the practice by requiring that the following three types of financial instruments be reported as liabilities by their issuers: (i) mandatory redeemable instruments, (ii) forward contracts, written put options and other financial instruments not in the form of shares that either obligate or may obligate the issuer to settle its obligation for cash or by transferring other assets and (iii) certain other financial instruments that include obligations. SFAS No. 150 applies to all financial instruments issued or whose terms are modified after May 31, 2003 and to pre-existing instruments effective as of the beginning of the first interim period of the issuer beginning after June 15, 2003. Although we are still evaluating the effect of SFAS No. 150 on us, we do not anticipate that it will have a significant impact on our financial position or our results of operations.

OFF-BALANCE SHEET ARRANGEMENTS

Account Receivable Factoring Programs

In order to diversify our sources of financing, we have implemented certain accounts receivable factoring programs. We have implemented accounts receivable factoring programs for our Glass Containers business unit, Vitro America and Cristalglass. As of December 31, 2002, we had utilized $53 million out of the $75 million available in the Glass Containers business unit's program, $37 million out of the $55 million available in Vitro America's program, and $9 million out of the $10 million available in Cristalglass' program. Through these programs, in 2002, we factored approximately 30% of our consolidated accounts receivables and we therefore consider these factoring programs significant to our financial condition.

In general terms, the accounts receivable factoring programs, in addition to providing an alternate source of financing, offer other advantages to us, both in terms of cost and in non-financial value added commitments that promote the sale of certain of our consumer products. When the sale of receivables resulted in a true sale pursuant to Mexican and U.S. GAAP, we treated such sales as off-balance-sheet transactions. As of December 31, 2001 and 2002, respectively, we had an aggregate of $93 million and $99 million in off-balance-sheet financing related to these accounts receivables factoring programs. We have the obligation to pay uncollectible receivables in the case of non-compliance of clients.

On March 19, 2003, GECC assigned Vitro America's accounts receivable factoring program to us in exchange for $38 million in cash. Subsequently, we assigned such accounts receivable factoring program to one of our subsidiaries. The liquidity that the assigned accounts receivable factoring program provided to Vitro America has been replaced by liquidity provided by our subsidiary that was the assignee of the accounts receivable factoring program.

On June 27, 2003, Vitro America entered into a $40 million accounts receivable securitization facility with Wachovia Bank. The facility contains certain customary restrictive covenants. As of June 27, 2003, we had not sold any accounts receivable to the facility. We entered into the accounts receivable securitization facility to replace the accounts receivable factoring program that GECC assigned to us on March 19, 2003.

LIQUIDITY AND CAPITAL RESOURCES

We operate in capital-intensive industries and require ongoing investments to update our assets and technology. Over the past years, funds for those investments and for working capital needs joint venture transactions, acquisitions and dividends have been provided by a combination of cash generated from operations, short and long-term debt and, to a lesser extent, divestitures.

Under Mexican GAAP, our consolidated statement of changes in financial position identifies the generation and application of resources representing differences between beginning and ending financial statement balances in constant pesos. Thus, the changes shown in the statements of changes in financial position included in our consolidated financial statements do not necessarily represent cash flow activities. Accordingly, the discussion of cash flows presented in the following paragraphs are based on the reconciliation to U.S. GAAP included in note 21 to our audited consolidated financial statements.

As of May 31, 2003, we had cash and cash equivalents totaling Ps. 1,177 million ($113 million). Our policy is to invest available cash in short-term instruments issued by Mexican and international banks and securities issued by the governments of Mexico and the United States. We obtain short-term financing from various Mexican and international banks. Short-term financing consists of lines of credit denominated in several currencies including pesos and U.S. dollars. Please see "-Description of Our Indebtedness Short Term Debt" for a description of our short-term financing. As of May 31, 2003, outstanding short-term debt (including the current portion of long-term debt) totaled Ps. 5,248 million ($508 million), approximately 86% of which was U.S. dollar-denominated. As of May 31, 2003, our outstanding consolidated long-term debt (excluding the current portion thereof) totaled Ps. 10,151 million ($982 million), 37% of which was U.S. dollar-denominated.

Maturity	Million Pesos	Million U.S. dollars	Denominated in pesos	Average interest rate	Denominated in U.S. dollars	Average interest rate
2003	Ps. 4,130	Ps. 400	Ps. 385	9.45%	Ps. 3,744	4.91%
2004	1,984	192	604	9.59	1,380	5.22
2005	1,452	141	210	12.25	1,243	5.51
2006 and thereafter	7,833	758	5,955	10.37	1,878	8.69
Total	Ps. 15,399	Ps. 1,490	Ps. 7,154	10.33%	Ps. 8,245	6.29%

Our working capital increased Ps. 788 million during 2002. This increase was principally due to an increase in our inventories, trade receivables and other current assets and liabilities. Our inventories increased by Ps. 503 million due to (i) the reduction of sales volume in the liquor and wine segment of our Glass Containers business unit and (ii) the build-up of finished inventory of flat glass in anticipation of the refurbishment of one of our flat glass facilities during the first half of 2003. Our trade receivables increased Ps. 322 million due to the Ps. 104 million escrow relating to the sale of our former Acros Whirlpool business unit in July 2002 to Whirlpool and the advance payment of Ps. 208 million received from one of our clients of our Glass Containers business unit during 2001, which was extinguished during 2002. During 2002 our working capital investment was also impacted by a decrease in our accounts payable to suppliers and other short-term liabilities of Ps. 204 million. This decrease was a result of our efforts to return to historic levels in our accounts payables, which required us to reduce our accounts payable by Ps. 338 million. In addition, during 2002, we made aggregate pension plan funding payments of Ps. 167 million.

The funds that we anticipate will be generated from continued operations, new and refinanced indebtedness and divestitures will be sufficient to meet our currently expected working capital requirements and investment activities.

Continued Operations

During 2002, net cash generated from continuing operations was Ps. 1,189 million, a decrease of 48.6% compared to the Ps. 2,313 million of net cash generated from continuing operations in 2001. This decrease was primarily due to a Ps. 788 million increase in net working capital in 2002 relative to 2001.

The Ps. 1,189 million of net cash generated from continuing operations in 2002 were used to partially fund (i) the Ps. 985 million in capital expenditures incurred in 2002, (ii) the Ps. 490 million employed in financing activities, including the payment of a Ps. 332 million dividend and (iii) the Ps. 1,251 increase in our cash balance.

Restrictions on Dividend Payments

Pursuant to article 20 of the Mexican Ley General de Sociedades Mercantiles, which we refer to as the "Mexican General Law of Corporations," 5% of the annual net income of Mexican corporations such as us and our Mexican subsidiaries must be set aside to create or increase a mandatory legal reserve until it amounts to not less than 20% of such corporation's outstanding equity capital. Thereafter, excess cash may be distributed as dividends to the shareholders, unless they agree otherwise at a general shareholders' meeting.

In addition to the foregoing restriction, the majority of our joint venture agreements require the consent of our joint venture partners for certain significant operating and management decisions, including the payment of dividends. For example, in our joint venture with Libbey, whether dividends will be paid and the amount of dividends to be paid are decisions determined by the vote of the majority of the shareholders represented in the Board of Directors, and such majority shall consist of at least one director appointed by us and one director appointed by Libbey. In our joint venture with Visteon, whether dividends will be paid and the amount of dividends to be paid are decisions determined by the vote of the majority of shares of common stock of Vitro Flex present at an ordinary shareholders' meeting, provided, however, that if less than 80% of earnings are to be distributed as dividends, then the approval by at least 65% of the Vitro Flex's outstanding shares is required. In the case of our joint venture with Pilkington, whether dividends will be paid and the amount of dividends to be paid are decisions determined by a vote of the majority of the shareholders. In our joint ventures with Solutia, AFG Industries and Rexam, approval by a majority of the shareholders is required in order to distribute dividends.

Description of our Indebtedness

Included below is a description of certain of the debt agreements and instruments governing our indebtedness. However, our financings also include off-balance financing transactions and derivative transactions that are not described in this section. Please see "Item 5. Operating and Financial Review and Prospects-Off-Balance Sheet Arrangements" for a description of such financing transactions and "Item 11. Quantitative and Qualitative Disclosures About Market Risk" for a description of such derivative transactions.

Long-Term Debt

As of December 31, 2002 and May 31, 2003, we had approximately Ps. 12,015 million ($1,150 million), and Ps. 12,282 million ($1,188 million), respectively, of long-term debt, including the current portion of long-term debt.

The following description of certain of our debt agreements and instruments is limited to those agreements pursuant to which more than $20 million (or its equivalent in pesos) of long-term debt was outstanding as of May 31, 2003 or where the relevant debt is publicly listed or quoted.

Facility	Outstanding Principal Amount as of May 31, 2003	Interest Rate and Payment Dates	Maturity/ Amortization of Principal Amount

California Commerce Bank-Flat Glass Credit Agreement Borrower: Vitro Flotado, S.A de C.V. Guarantor: Vitro Plan	$ 30 million	Rate: LIBOR plus 2.32% per annum. Interest Payment Dates: Semi-annually, beginning on June 5, 2001.	December 5, 2003
2000-1 peso-denominated Medium-Term Notes Issuer: Vitro	Ps. 310 million ($ 29 million)	Rate: Determined every 196 days (every interest rate period includes 7 interest payment dates). For the first 196-day period, 180-day CETES rate plus 2.4% per annum. For the following 196-day periods, 180-day CETES rate plus 2.4% per annum, plus or minus the difference between (x) 28-day CETES rate issued during the previous 196-day period plus 3.5% and (y) the rate established for the previous 196-day period. Interest Payment Dates: Interest is paid every 28 days beginning on December 7, 2000.	February 26, 2004
Bank of Montreal-Glassware Credit Facility Borrower: Vitrocrisa	$ 23 million	Rate: LIBOR plus 1.625%, 1.875% and 2.25% per annum for the first, second and third year, respectively. Interest Payment Dates: Quarterly beginning on April 30, 2001.	January 5, 2004
Banamex-Glassware Credit Agreement Borrower: Vitrocrisa Conditional Guarantor: Vitro	$ 30 million	Rate: To be negotiated every 180 days. Interest Payment Dates: Semi-annually beginning on February 19, 1999.	August 31, 2004
1999-3 UDI-Medium-Term Notes Issuer: Vitro	UDI 50 million (Ps. 148 million or $ 14 million)	Rate: 175 basis points above the 5-year UDI-denominated government bond rate per annum. Interest Payment Dates: Quarterly beginning on January 12, 2000.	October 12, 2004
HSBC-Vitro Credit Agreement Borrower: Vitro	$ 25 million	Rate: LIBOR + 3% Amortization and Interest Payment Dates: Bimonthly or quarterly beginning on July 1, 2003	December 23, 2004
1991-1 UDI-Medium-Term Notes Issuer: Vitro	UDI 200 million (Ps. 578 million or $ 56 million)	Rate: 9.0% per annum. Interest Payment Dates: Quarterly beginning on September 7, 1999.	June 7, 2006
Bank of America-Vitro America Credit Agreement Borrower: Vitro America Guarantor: VVP Holdings, Inc.	$ 25 million	No loans are outstanding under this agreement. An $11 million letter of credit has been issued.	June 26, 2006

HSBC/SSB-Glass Containers Credit Facility Borrower: Compania Vidriera, S.A. de C.V. Guarantors: Vitro Packaging, VENA and Vitro	$ 135 million	Rate: LIBOR plus 2.25%, decreasing upon meeting debt ratios Amortization and Interest Payment Dates: Quarterly beginning on November 14, 2001.	August 21, 2006
Banamex-Viplamex Credit Agreements Borrower: Vidrio Plano de Mexico, S.A. de C.V. Guarantor: Vitro Plan	$ 27 million	Rate: LIBOR plus 2.26% per annum. Amortization and Interest Payment Dates: Semi-annually beginning on March 25, 1997.	September 4, 2006
1999-2 UDI-Medium-Term Notes Issuer: Vitro	UDI 155 million (Ps. 449 million or $ 43 million)	Rate: 9.90% per annum. Interest Payment Dates: Quarterly beginning on January 12, 2000.	October 12, 2006
Flat Glass Credit Facility Borrowers: Vitro Plan, VVP Holding Corp., VVP Syndication Inc. Guarantors: All wholly-owned material subsidiaries of Vitro Plan	Tranche A: $ 80 million	Rate Tranche A: Year 1: LIBOR + 1.875% Year 2: LIBOR + 2.000% Year 3: LIBOR + 2.125% Amortization and Interest Payment Dates: Semi-annually beginning on September 27, 2003. Rate Tranche B: Year 1: LIBOR + 2.250% Year 2: LIBOR + 2.375% Year 3: LIBOR + 2.500% Year 4: LIBOR + 2.625% Year 5: LIBOR + 2.750% Amortization and Interest Payment Dates: Semi-annually beginning on September 27, 2004. Rate Tranche C: Year 1: TIIE 28d + 2.000% Year 2: TIIE 28d + 2.125% Year 3: TIIE 28d + 2.250% Year 4: TIIE 28d + 2.375% Amortization and Interest Payment Dates: Semi-annually beginning on September 27, 2003.	Tranche A: March 27, 2006
	Tranche B: $ 41 million		Tranche B: March 27, 2008
	Tranche C: Ps. 628 million ($ 61 million)		Tranche C: March 27, 2007
11 3/8% Vicap Notes Issuer: SOFIVSA Guarantor: Vitro	$ 233 million	Rate: 11 3/8% per annum. Interest Rate Payment Dates: Semi-annually on May 15 and November 15 of each year.	May 15, 2007
2002 Peso-Denominated Certificados Bursatiles Issuer: Vitro	Ps. 360 million ($ 35 million)	Rate: CETES 182d + 3.25 % per annum Interest Rate Payment Dates: Interest is paid every 28 days beginning on October 10, 2002.	October 2, 2008
2002 Peso-Denominated Certificados Bursatiles Issuer: Vitro	Ps. 1 billion ($ 97 million)	Rate: CETES 182d + 3.25 % per annum	December 22, 2008

		Interest Rate Payment Dates: Interest is paid every 28 days beginning on December 30, 2002.	
2003 Peso-Denominated Certificados Bursatiles Issuer: Vitro	Ps. 1.14 billion ($ 110 million)	Rate: CETES 182d + 3.25 % per annum Interest Payment Dates: Interest is paid every 28 days beginning on February 13, 2003.	February 5, 2009
11 1/2% Senior Notes due 2009 Issuer: Vitro	$ 66 million	Rate: 11 1/2% per annum. Interest Payment Dates: Semi-annually on April 30 and October 30 of each year.	April 30, 2009

Below is a summary of the terms of the foregoing facilities or securities.

California Commerce Bank-Flat Glass Credit Agreement

On November 24, 2000, Vitro Flotado, S.A. de C.V. entered into a credit agreement with California Commerce Bank pursuant to which it borrowed an aggregate amount of $30 million. The loan made under this agreement bears an annual floating interest rate of LIBOR plus 2.32%. The principal on this loan will become due on December 5, 2003. The loan is guaranteed by Vitro Plan and contains certain customary restrictive covenants including restrictions on the ability of Vitro Flotado to (i) enter into certain mergers, consolidations and asset sales, (ii) grant certain liens on its assets and (iii) make investments in, or purchases of, other enterprises. Provided we meet certain conditions, our ability to pay dividends is unrestricted by this credit agreement. During 2001 and 2002, we met such conditions.

HSBC-Vitro Credit Agreement

On May 14, 2002, Vitro entered into a credit agreement with HSBC Bank USA pursuant to which it borrowed $25 million. The loan made under this agreement bears an annual floating interest rate of LIBOR plus 3%. The final amortization of the loan will become due on December 23, 2004. The loan is guaranteed by Fomento Inmobilario y de la Construcción, S.A. de C.V. and Vitro Corporativo, S.A. de C.V., and is secured by mortgages on our corporate headquarters' facilities. The credit agreement contains certain customary restrictive covenants. Provided we meet certain conditions, our ability to pay dividends is unrestricted by this credit agreement. During 2002, we met such conditions.

2000-1 Peso-Denominated Medium-Term Notes

On November 9, 2000, Vitro issued medium-term notes with an aggregate principal amount of Ps. 310 million. At issuance, Fitch Mexico rated the medium term notes at MAA-. These medium-term notes bear fixed annual interest rate which is determined every 196 days as follows: (i) for the first 196-day period, the 180-day CETES rate plus 2.4% and (ii) for all subsequent 196-day periods, the 180-day CETES rate plus 2.4% plus or minus the difference between (x) the 28-day CETES rate issued during the previous 196-day period plus 3.5% and (y) the rate established for the previous 196-day period. These notes mature on February 26, 2004, at which point the entire aggregate principal amount will become due. The medium-term notes are senior, unsecured obligations of Vitro and do not impose any restrictive covenants on us.

Bank of Montreal-Glassware Credit Agreement

On January 5, 2001, Vitrocrisa entered into a credit agreement with Bank of Montreal and certain other lenders which provides for loans of up to $30 million. As of May 31, 2003, the outstanding balance of the loans made under this credit agreement was approximately $23 million. The loans under this credit agreement bears an annual floating interest rate of LIBOR plus 1.625%, 1.875% and 2.25% for the first, second and third year, respectively. The final amortization on these loans will become due on January 5, 2004. The Bank of Montreal-Glassware Credit Facility requires Vitrocrisa to maintain compliance with certain financial covenants, including, among others, an interest coverage ratio, a leverage ratio and a minimum net worth. The Bank of Montreal-Glassware Syndicated Facility also contains certain customary restrictive covenants including restrictions on the ability of Vitrocrisa to (i) enter into certain asset sales, mergers or consolidations and (ii) grant certain liens on its assets. Provided we meet certain financial ratios and certain other conditions, our ability to pay dividends is unrestricted by this credit agreement. During 2001 and 2002, we met such financial ratios and conditions.

Banamex-Glassware Credit Facility

On August 19, 1998, Vitrocrisa entered into a credit agreement with Banamex pursuant to which it borrowed $30 million. The loan under this agreement bears the annual interest rate that is negotiated between the parties for the 180-day period following each date that is an integer multiple of 180 days after the date of the credit agreement's execution. The principal on this loan will become due on August 31, 2004. This loan is conditionally guaranteed by Vitro. The Banamex-Glassware Credit Facility requires Vitrocrisa to maintain compliance with certain financial covenants, including, among others, an interest coverage ratio and a leverage ratio. It also contains certain customary restrictive covenants including restrictions on the ability of Vitrocrisa to (i) enter into certain mergers, consolidations and asset sales and (ii) grant certain liens on its assets. Provided we meet certain financial ratios and certain other conditions, our ability to pay dividends is unrestricted by this credit agreement. During 2001 and 2002, we met such financial ratios and conditions.

1999 UDI-Medium-Term Notes

On October 12, 1999, we issued medium-term notes with an aggregate principal amount of UDI 50 million. The medium-term notes were issued under a single financing program, which was approved by the CNBV. At issuance, Fitch Mexico rated the medium term notes at AA-(mex). The medium-term notes bear an annual floating interest rate of 175 basis points over the 5-year UDI-denominated government bond rate and mature on October 12, 2004, at which point the entire aggregate principal amount will become due. The medium-term notes are senior unsecured obligations of Vitro and do not impose any restrictive covenants on us. On January 25, 2001, we entered into a swap agreement which had the effect of converting our payment obligations in UDIs under the medium-term notes into payment obligations in dollars. In May 2002, we entered into a swap agreement which had the effect of converting our payment obligations in dollars under the foregoing swap agreement into payment obligations in

pesos.

On June 7, 1999, we issued medium-term notes with an aggregate principal amount of UDI 200 million. The medium-term notes were issued under a single financing program, which was approved by the CNBV. At issuance, Fitch Mexico rated the medium-term notes at AA-(mex). The medium-term notes bear an annual floating interest rate of 175 basis points over the 5-year UDI-denominated government bond rate and mature on June 7, 2006, at which point the entire aggregate principal amount will become due. The medium-term notes are senior unsecured obligations of Vitro and do not impose any restrictive covenants on us. On January 25, 2001, we entered into a swap agreement which had the effect of converting (i) our payment obligations in UDIs under the medium-term notes into payment obligations in dollars and (ii) the medium-term notes' floating interest rate into a 9.0% fixed interest rate. In May 2002, we entered into a swap agreement which had the effect of converting our payment obligations in dollars under the foregoing swap agreement into payment obligations in pesos.

On October 12, 1999, we issued medium-term notes with an aggregate principal amount of UDI 155 million. The medium-term notes were issued under a single financing program, which was approved by the CNBV. At issuance, Fitch Mexico rated the medium-term notes at AA-(mex). The medium-term notes bear an annual floating interest rate of 175 basis points over the 5-year UDI-denominated government bond rate and mature on October 12, 2006, at which point the entire aggregate principal amount will become due. The medium-term notes are senior unsecured obligations of Vitro and do not impose any restrictive covenants on us. On January 25, 2001, we entered into a swap agreement which had the effect of converting (i) our payment obligations in UDIs under the medium-term notes into payment obligations in dollars and (ii) the medium-term notes' floating interest rate into a 9.9% fixed interest rate. In May 2002, we entered into a swap agreement which had the effect of converting our payment obligations in dollars under the foregoing swap agreement into payment obligations in pesos.

Bank of America-Vitro America Credit Agreement

On January 31, 1997, Vitro America entered into a credit agreement with the Bank of America which provided for a revolving line of credit for up to $50 million. As of May 31, 2003, the outstanding balance of the letters of credit issued under this credit agreement was $11 million, which was collateralized by a security interest in certain assets of Vitro America, including accounts receivable, inventory, equipment and intangible assets, and guaranteed by certain affiliates of Vitro America. The credit agreement contained certain customary restrictive covenants and required continued compliance with certain financial ratios. Provided we met certain financial ratios and certain other conditions, our ability to pay dividends was unrestricted by this credit agreement. During 2001 and 2002, we did not meet such financial ratios and conditions for dividend payments.

On June 27, 2003, Vitro America and the Bank of America amended the credit agreement to (i) reduce the maximum amount borrowable under the revolving line of credit to $25 million and (ii) change the maturity date of the loans made and letters of credit issued under this credit agreement to June 26, 2006. The restated credit agreement provides for (i) revolving loans at an annual floating interest rate equal to the Bank of America's prime rate plus a spread ranging between 0.25% and 1.00%, (ii) revolving loans at an annual floating interest rate of LIBOR plus a spread ranging between 2.00% and 2.75% and (iii) the issuance of standby letters of credit up to a maximum amount of $15 million. The credit agreement is collateralized by a security interest in certain assets of Vitro America, including accounts receivable, inventory, equipment, intangible assets and fixed assets. The amended credit agreement contains certain customary restrictive covenants and requires continued compliance with certain financial ratios. Provided we meet certain financial ratios and certain other conditions, our ability to pay dividends is unrestricted by this credit agreement.

HSBC/SSB-Glass Containers Credit Facility

On August 14, 2001, Compañía Vidriera, S.A. de C.V., which we refer to as "COVISA", entered into credit agreement with HSBC, Salomon Smith Barney and certain other lenders which provide for loans of up to $235 million. As of May 31, 2003, COVISA had an outstanding balance approximately $135 million under this credit agreement. The loan under this credit agreement bears an annual floating interest rate of LIBOR plus 2.25%. The final amortization on this loan will become due on August 21, 2006. The loan made under this credit agreement is guaranteed by Vitro, VENA and Vitro Packaging, and is secured with export receivables. The credit agreement contains certain customary restrictive covenants including restrictions on the ability of the COVISA (i) to incur any additional indebtedness, pursuant to a debt to EBITDA ratio and (ii) to enter into certain transactions with affiliates. It also requires continued compliance with certain financial ratios. Provided we meet certain financial ratios and certain other conditions, our ability to pay dividends is unrestricted by this credit agreement. During 2001 and 2002, we did not meet such financial ratios and conditions for dividend payments.

Banamex-Viplamex Credit Agreements

On September 4, 1996, Vidrio Plano de Mexico, S.A. de C.V, which we refer to as "Viplamex," entered into two credit agreements with Banamex which provide for loans of up to $62 million. As of May 31, 2003, Viplamex had an outstanding balance of approximately $27 million under these credit agreements. The loans under these credit agreements bear an annual floating interest rate of LIBOR plus 2.26%. The final amortization on these loans will become due on September 4, 2006. The amounts outstanding under the Banamex-Viplamex Facilities are secured by mortgages on certain assets of Viplamex. The Banamex-Viplamex Facilities require Vitro Plan, on a consolidated basis, to maintain compliance with certain financial ratios, including, among others, a leverage ratio and a liquidity ratio. The Banamex-Viplamex Facilities contain certain customary restrictive covenants including restrictions on the ability of Viplamex and Vitro Plan to enter into certain mergers, consolidations and asset sales. Provided we meet certain financial ratios and certain other conditions, our ability to pay dividends is unrestricted by these credit agreements. During 2001 and 2002, we did not meet such financial ratios and conditions for dividen payments.

Flat Glass Credit Facility

On February 26, 2003, Vitro Plan entered into a credit facility with Comerica Bank, Citibank and certain other lenders pursuant to which it borrowed an aggregate amount of $182 million. The credit facility includes (i) an approximately $80 million, 3-year term loan with an annual floating interest rate equal to LIBOR plus a spread ranging between 1.875% and 2.125%, (ii) an approximately Ps. 628 million, 4-year term loan with an annual floating interest rate equal to TIIE plus a spread ranging between 2.000% and 2.375% and (iii) an approximately $41 million, 5-year term loan with an annual floating interest rate equal to LIBOR plus a spread ranging between 2.25% and 2.75%. The principal of these loans will become due upon their respective maturities. The loans are partially collateralized and are guaranteed by all wholly-owned material subsidiaries of Vitro Plan. The credit facility contains a requirement that our debt to EBITDA ratio be below 2.75 and certain other customary restrictive covenants. Provided we meet certain conditions, our ability to pay dividends is unrestricted by this credit agreement. The proceeds from these loans were used to repay short term debt.

2002-2003 Peso-Denominated Certificados Bursatiles

On October 10, 2002, we established a Certificados Bursatiles or medium-term notes program under which we can issue up to an aggregate principal amount of Ps. 2.5 billion. Our program was approved by the CNBV. Each Certificado Bursatil issued under the program must be denominated in pesos and have a maturity in excess of one year. The program will expire on October 10, 2006.

On October 10, 2002, we issued Certificados Bursatiles with an aggregate principal amount of Ps. 360 million. The Certificados Bursatiles were issued under the program referenced above. At issuance, Fitch Mexico rated the Certificados Bursatiles at AA-(mex). The Certificados Bursatiles bear an annual floating interest rate of 3.25% over the 182-day CETES and mature on October 2, 2008, at which point the entire aggregate principal amount will become due. The Certificados Bursatiles are senior unsecured obligations of Vitro and do not impose restrictive covenants on us. The proceeds from the Certificados Bursatiles were used to refinance short- and long-term debt and for working capital purposes.

On December 30, 2002, we issued Certificados Bursatiles with an aggregate principal amount of Ps. 1 billion. The Certificados Bursatiles were issued under the program referenced above. At issuance, Fitch Mexico rated the Certificados Bursatiles at AA-(mex). The Certificados Bursatiles bear an annual floating interest rate of 3.25% over the 182-day CETES and mature on December 22, 2008, at which point the entire aggregate principal amount will become due. The Certificados Bursatiles are senior unsecured obligations of Vitro and do not impose restrictive covenants on us. The proceeds from the Certificados Bursatiles were used to refinance short- and long-term debt and for working capital purposes.

On February 13, 2003, we issued Certificados Bursatiles with an aggregate principal amount of Ps. 1.14 billion . The Certificados Bursatiles were issued under the program referenced above. At issuance, Fitch Mexico rated the Certificados Bursatiles at AA-(mex). The Certificados Bursatiles bear an annual floating interest rate of 3.25% over the 182-day CETES and mature on February 5, 2009, at which point the entire aggregate principal amount will become due. The Certificados Bursatiles are senior unsecured obligations of Vitro and do not impose restrictive covenants on us. The proceeds from the Certificados Bursatiles were used to refinance short- and long-term debt and for working capital purposes.

Vicap Notes

On May 13, 1997, Vicap, S.A. de C. V., which we refer to as "Vicap," Vitro's wholly-owned subsidiary and financing vehicle in Mexico, completed an offering under Rule 144A of the Securities Act of 1933, as amended, which we refer to as the "Securities Act" in the international capital markets of $250 million aggregate principal amount of its 11.375% Guaranteed Notes due 2007, unconditionally guaranteed by Vitro, which we refer to as the "Old Vicap Notes."

On November 18, 1998, in accordance with the terms of a registration rights agreement entered into at the time of the Old Vicap Notes, Vicap and Vitro consummated their offer to exchange the Old Vicap Notes for notes of Vicap with an aggregate principal amount of $250 million that were registered under the Securities Act, which we refer to as the "New Vicap Notes". The aggregate principal amount of Old Vicap Notes that were exchanged in the exchange offer for New Vicap Notes was $231,825,000. Pursuant to the undertaking by the Vicap and Vitro in the registration statement filed in connection with the Exchange Offer, Vicap and Vitro removed from registration all the New Vicap Notes that remained unexchanged as of November 18, 1998. Accordingly, as of November 18, 1998 there were outstanding approximately $232 million and $18 million, respectively, of New Vicap Notes and Old Vicap Notes, which we refer to the Old Vicap Notes and the New Vicap Notes collectively as the "Vicap Notes".

The terms of the New Vicap Notes are identical in all material respects to the terms of the Old Vicap Notes except that the New Vicap Notes have been registered under the Securities Act and are issued free of any transfer restrictions. As a consequence, the Old Vicap Notes bear legends restricting their transfer and, in general, may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

The Vicap Notes are debt securities issued under an Indenture dated as of May 1, 1997, which we refer to as the "Indenture" among Vicap, as issuer, Vitro, as guarantor, and The Chase Manhattan Bank, as trustee. The Vicap Notes and the guarantee by Vitro are general, senior unsecured obligations, respectively, of Vicap and Vitro and rank pari passu with senior unsecured obligations, respectively of Vicap and Vitro (other than obligations given preference by statute). However, obligations of Vitro to its creditors, including holders of the Vicap Notes, are effectively subordinated in right of payment to all direct liabilities of its subsidiaries. The Vicap Notes are redeemable at the option of Vicap after May 15, 2002, at defined redemption prices plus accrued interest on the redemption date. The Indenture contains covenants limiting, among other things, the ability of Vitro and/or its Restricted Subsidiaries (as defined therein) to incur additional indebtedness, pay dividends or make certain investments, engage in transactions with affiliates, engage in mergers and consolidations and create or permit liens.

On January 31, 2001, SOFIVSA, a wholly-owned subsidiary of Vitro, entered into a merger agreement with Vicap and upon consummation of the merger contemplated therein, SOFIVSA became the surviving entity. On the same date, SOFIVSA, as issuer, Vitro as guarantor, and The Chase Manhattan Bank, as trustee, entered into a supplemental indenture pursuant to which SOFIVSA expressly assumed all of the obligations of Vicap under the notes and the Indenture. As of the filing of this annual report, we had purchased Vicap Notes with an aggregate principal amount of $17.5 million.

11 1/2% Senior Notes due in 2009

On April 30, 2002, we sold $88.35 million aggregate principal amount of our 2009 Senior Notes to CSFBI, an affiliate of Credit Suisse First Boston Corporation, for net proceeds of $77.9 million. The notes bear a fixed annual interest rate of 11.50%. The 2009 Senior Notes are senior, unsecured debt securities governed by an indenture dated as of April 30, 2002 between Vitro, as issuer, and JPMorgan Chase Bank, as trustee. The indenture contains customary covenants.

A portion of the net proceeds of the sale of the 2009 Senior Notes, in the amount of $38.8 million, was used to pay a portion of the principal and accrued interest of the $175 million aggregate principal amount 10 1/4% Guaranteed Notes due in 2002 issued by our wholly owned subsidiary SOFIVSA, and guaranteed by us, which matured on May 15, 2002. The remaining proceeds, in the amount of $39.1 million, were used to purchase 13.889% Credit Linked Notes issued by the CLN Issuer with an aggregate principal amount of $40 million. Under the terms of the 13.889% Credit Linked Notes, upon the occurrence of a Credit Event, which includes our bankruptcy or insolvency, noncompliance with the terms of our indebtedness which would permit the acceleration thereof, a default with respect to our indebtedness, a restructuring of our indebtedness or a repudiation of or moratorium with respect to payments of our indebtedness, whether by us or a governmental entity, the principal amount of the 13.889% Credit Linked Notes will be reduced pursuant to a formula based on the then current market price of the 11⅜% Guaranteed Notes. As a result, if a Credit Event occurs and we are not able to cure such Credit Event within the applicable period, we may lose the entire amount that we invested in the 13.889% Credit Linked Notes. As long as a Credit Event has not occurred, the CLN Issuer is generally required to redeem (i) the 13.889% Credit Linked Notes in four annual installments, beginning on May 7, 2003 and (ii) a pro rata portion of the 13.889% Credit Linked Notes at the time any portion of the 2009 Senior Notes is sold by CSFBI.

Concurrently with the issuance of the 2009 Senior Notes and the purchase of the 13.889% Credit Linked Notes, we entered into a swap agreement with CSFBI pursuant to which we agreed to make certain payments on April 30 of each year, beginning on April 30, 2003 and ending on April 30, 2006, to CSFBI calculated with respect to an original notional amount of $80 million if a proportional part of the 2009 Senior Notes have not been sold by CSFBI at that time and the market price of the 11?% Guaranteed Notes has declined from an initial benchmark price which is based on the price paid by CSFBI for the 2009 Senior Notes. In addition, under the swap agreement, CSFBI may require us to, at any time, make payments of all amounts that would be owed by us on all future payment dates if the market price of the 11?% Guaranteed Notes has declined to certain levels, with any such payments being reduced by payments we would be required to make on future payment dates. If certain Termination Events occur, which are similar to the Credit Events described above, CSFBI may terminate the swap agreement. In that event, we may owe CSFBI an amount calculated as described above with respect to declines in the market price of the 2009 Senior Notes for up to $40 million.

In accordance with the swap transaction, we have already paid to CSFBI a notional amount of $22.01 million of the $88.35 million aggregate principal amount of the 2009 Senior Notes. As of the date of this annual report, the outstanding aggregate principal amount of the 13.889% Credit Linked Notes is $29.1 million and the outstanding aggregate principal amount of the 2009 Senior Notes is $66.3 million.

Short-Term Debt

Our short-term debt consists primarily of unsecured borrowing arrangements with Mexican and foreign banks and commercial paper programs denominated in both U.S. dollars and Mexican pesos. We engage, from time to time, in the ordinary course of business, in a number and variety of short-term loan arrangements with a number of Mexican and foreign banks. Such loans generally have a maturity ranging from 30 to 180 days and have interest rates ranging from 1.5% to 2.5% above LIBOR, for the U.S. dollar-denominated loans, and floating market rates, for the peso-denominated loans. As of December 31, 2002 and March 31, 2003, we had approximately Ps. 3,176 million ($305 million) and Ps. 3,117 million ($302 million), respectively, of short-term debt, excluding the current portion of long-term debt.

Covenant Compliance

During the last three years and during the first six months of 2003, we breached of certain of our covenants relating to the maintenance of financial ratios and the provision of notice of a change in our subsidiary's corporate name contained in certain of our credit agreements and in one of our accounts receivables factoring programs. In each case, either (i) such breach was waived by the lender, (ii) we repaid in full the outstanding indebtedness under such credit agreements or (iii) we purchased the accounts receivable from the lender. At no time did we fail to make required principal or interest payments. We are currently not in (i) default in the payment of principal, interest or sinking or purchase fund installments or (ii) any other material default that has not been cured within 30 days, in each case, relating to our indebtedness and off-balance sheet arrangements.

In addition, under certain of our subsidiaries' credit agreements, if such subsidiary does not meet certain financial ratios and other conditions, its ability to pay dividends is restricted. During 2001 and 2002, certain of our subsidiaries were restricted from paying dividends by credit agreements. For more information see "-Long-Term Debt."

Divestitures

During the last three years, we received aggregate net proceeds of approximately $200 million from divestitures and asset sales. Please refer to "Item 4. Information on the Company-History and Development of the Company-Divestitures" for a description of these transactions. These resources provided a non-recurring source of cash that were used primarily for debt reduction.

Share Repurchases and Dividends

During the second half of 1998 and the first quarter of 1999, we acquired 28 million common shares of Vitro from a special trust created by Mrs. Lydia Sada Trevino, Mr. Tomas Gonzalez Sada and Mr. Pablo Gonzalez Sada, whom we collectively refer to as the "Gonzalez Sada Family," in a cash neutral transaction that resulted from our agreement to sell our 49.9% interest in Cydsa, S.A., which we refer to as "Cydsa," to the Gonzalez Sada Family in exchange for stock of Vitro held by them. In addition, during the same period, we purchased in the open market three million common shares of Vitro in a series of transactions for an approximate nominal aggregate amount of Ps. 44 million. Additionally, five million common shares of Vitro were transferred from Vitro's stock option trust, which we refer to as the "Stock Option Trust," to us on October 1998. As a result of these transactions, we held 36 million common shares of Vitro in treasury that were canceled on March 26, 1999 at an extraordinary shareholders' meeting.

During the last three quarters of 1999, the Stock Option Trust purchased in the open market approximately 12.9 million common shares of Vitro in a series of transactions for an approximate aggregate amount of Ps. 172 million. These purchases, together with the 10.2 million common shares of Vitro previously held by the Stock Option Trust resulted in total holdings of 23.1 million common shares of Vitro by the Stock Option Trust as of December 31, 1999.

During 2000, the Stock Option Trust purchased in open market transactions 32.1 million common shares of Vitro for an approximate aggregate amount of non-inflation adjusted Ps. 368.2 million. After the sale by the Stock Option Trust of 11.5 million and 11.4 million common shares of Vitro in connection with certain transactions which terminated in 2000 and the sale of 30.5 million common shares of Vitro to Vitro's pension plan, the Stock Option Trust held, as of December 31, 2000, 1.8 million common shares of Vitro.

Additionally, pursuant to the stock repurchase plan approved by our Board of Directors for a maximum aggregate amount of $40 million, from January 1, 2000 to October 9, 2000, in a series of open market transactions, we purchased a total of 34.3 million common shares of Vitro for an approximate aggregate amount of non-inflation adjusted Ps. 380 million. On August 25, 2000, our Board of Directors approved the funding of our subsidiaries' pension plans and on November 28, 2000, we sold to Vitro's pension plan 8.7 million common shares of Vitro for an approximate aggregate amount of non-inflation adjusted Ps. 76.3 million. On December 23, 2000, we sold to Vitro's pension plan an additional 30.5 million common shares of Vitro for an approximate aggregate amount of non-inflation adjusted Ps. 271.5 million.

During the second quarter of 2002 we created a trust in order to pay, with Vitro shares at market value at that time, a part of our variable compensation program to some of our executive employees for an approximate aggregate amount of non-inflation adjusted Ps. 16 million, equivalent to 2.3 million of Vitro's shares.

As of December 31, 2002, and May 30, 2003, we held approximately 48.0 million common shares of Vitro as treasury stock, of which (i) 24.7 million common shares were held by the Stock Option Trust, which we consider for accounting purposes as treasury stock, and (ii) 23.3 million common shares were held as treasury stock.

Capital Expenditures

The following table sets forth our capital expenditures by business unit for the periods presented.

	Year ended on December 31, (Millions of constant pesos as of December 31, 2002)			Three-month period ended on March 31, (Million of constant pesos as of March 31, 2003)
Business Unit	**2000**	**2001**	**2002**	**2003**
Flat Glass	Ps. 364	Ps. 406	Ps. 283	Ps. 95
Glass Containers	407	314	589	275
Glassware	163	91	125	32
Corporate	18	37	21	7
Total	Ps. 952	Ps. 848	Ps. 1,018	Ps. 409

In 2002, our capital expenditures amounted to approximately Ps. 1,018 million ($98 million). The largest investment project was in our Glass Containers and Glassware business units for the expansion of one of our glass containers furnaces in Guadalajara, Mexico and a glassware furnace in Monterrey, Mexico. The remaining amount was mostly used for maintenance programs.

In 2001, our capital expenditures amounted to approximately Ps. 848 million ($81 million). The single largest investment project was in Vifisa, in which we invested Ps. 195 million ($19 million) for the expansion of one of the existing furnaces. Other investments were focused on maintenance and capacity expansions.

In 2000, our capital expenditures amounted to approximately Ps. 952 million ($91 million). The largest investment projects were focused on technological upgrades, maintenance, capacity expansions and environmental protection programs.

The capital expenditures described above do not include amounts that we have spent in connection with acquisition of companies, which amounted to approximately Ps. 31 million ($3 million) and Ps. 475 million ($46 million) in 2002 and 2001, respectively.

Please see "Item 4. Information on the Company-History and Development of the Company-Capital Expenditures" for a discussion of our capital expenditures during 2003.

Energy Project

Starting the second quarter of 2003, our contractual obligations pursuant to the purchase of electrical power and steam from a cogeneration plant built and operated by Tractebel are effective. The contract calls for 15 Vitro subsidiaries to take on a 15 year basis an aggregate demand of 104 Megawatts and for one of those subsidiaries to take a certain amount of steam produced by the plant. Our obligations are contractually established and partially based on known variables such as inflation and the peso/US dollar exchange rate, whose future value is uncertain. However, we can reasonably estimate that our average yearly payments throughout the life of the contract will be in the range of approximately $18 to $22 million for the fixed take-or-pay payments, while the average total savings, after paying for the fixed and variable charges, will be in the order of approximately $10 to $12 million per year.

Tax on Assets Refund

During the last quarter of 2002 we received a refund of Ps. 155 million from the Secretaria de Hacienda y Credito Publico of Mexico, which we refer to as the "SHCP," relating to excess asset tax paid for 4 years. The majority of the proceeds from this refund were used to reduce short-term debt.

PBGC Matter

As part of the disposal of Anchor Glass Inc., which we refer to as "Anchor Glass," in a transaction approved by the U.S. Bankruptcy Court, we entered into a term sheet which contemplated an agreement pursuant to which we would provide to the Pension Benefit Guaranty Corporation, which we refer to as the "PBGC" a United States governmental agency that guarantees pensions, a limited guaranty of Anchor's unfunded pension liability. No payments would be made under such a guaranty unless the PBGC terminated any of the covered pension plans, and the guaranty would be payable only to the extent the PBGC could not otherwise recover the unfunded liabilities from the entity that purchased Anchor's assets, which we refer to as "New Anchor." The amount of the guaranty was originally limited to $70 million. Under the guaranty, payments would not begin until August 1, 2002, and would then generally be payable in equal semiannual installments over the following 10 years. Payments would not bear interest. The amount and the term of the guaranty would be proportionately reduced if the pension plans were terminated after January 31, 2002. Beginning February 2002, the guaranty would be reduced by $7 million semiannually until August 1, 2006, when the guaranty would expire if the plans did not terminate.

On April 15, 2002, New Anchor filed a pre-negotiated plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code. On August 6, 2002, an amended plan of reorganization was confirmed, pursuant to which the plan resulting from the merger of the covered pension plans was terminated and the obligations thereunder were assumed by the PBGC in exchange for cash, securities and a commitment of reorganized New Anchor to make certain future payments.

On June 20, 2003, the PBGC wrote to us, noting that the plan was terminated effective as of July 31, 2002 with an estimated unfunded liability of $219 million but that the value of the recovery from New Anchor and reorganized New Anchor amounts to no more than $122.25 million. The PBGC asserts that the recovery that it secured in the bankruptcy is insufficient and that an underfunding in excess of the Vitro limited guaranty will occur. Accordingly, in such letter, the PBGC demands payments pursuant to the term sheet of $7 million on or before August 1, 2003 and of $3.5 million semi-annually through August 1, 2011. There are various issues concerning such demand and certain defenses that could be asserted by Vitro. It is not possible to estimate the amounts that will ultimately be paid in response to such demand. We have not recorded a reserve in connection with any liability we might have under the term sheet we entered into with the PBGC.

RESEARCH AND DEVELOPMENT

Our research and development efforts are generally decentralized with each operating business unit making its own decisions as to research and development expenditures and areas of emphasis. In 1999, we formed a technology committee which coordinates research and development projects that have the potential to create synergies or that could be implemented in more than one of our business units. In addition, in 2001 we migrated several of our Mexican subsidiaries that own certain of our intellectual property relating to our Flat Glass and Glass Containers business units to Switzerland. These Swiss subsidiaries will perform research and development activities, license the technology to our Mexican operating subsidiaries and undertake development efforts jointly with the Mexican subsidiaries and, eventually, third parties. Also, through technology licensing arrangements, we benefit significantly from research and development conducted by certain of our joint venture partners. Of particular significance to us is the technology license arrangement with Pilkington, which provides us with state of the art float glass technology. Please see. "Item 4 Information on the Company-Operating Business Units-Flat Glass Business Unit". We own a number of trademarks and patents, which, in the aggregate, are important to conduct our business, none of which, however, is individually considered material to our business as a whole. No material amount of money was spent on research activities during 2000, 2001 or 2002 nor the first semester of 2003.

A number of our subsidiaries conduct all or a portion of their businesses through joint ventures or technology alliances with non Mexican partners and we expect to enter into other similar arrangements in the future. Certain of these partners also license technology and trade names to our subsidiaries for use in the manufacture of various products, including flat glass, glassware and glass containers. We believe that these joint ventures, alliances and license arrangements provide us with important competitive advantages. We cannot be certain that in the future, some of these partners will not prefer to conduct business directly in Mexico and terminate their relationships with us in view of the easing of the limitations on foreign investments, the reduction of import duties and tariffs that has occurred under NAFTA or for other reasons. In addition, there can be no assurance that we will be successful in renewing any joint venture, technical assistance, license or other agreements or arrangements upon their expiration, in renewing these agreements on terms as favorable as the present ones, in forming similar alliances with other partners or in developing equivalent technologies independently. Please see "Item 4 Information on the Company-Operating Business Units."

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following tables set forth a summary of our contractual obligations and commercial commitments, as of December 31, 2002 in millions of pesos.

Contractual Obligations	Total	Less than 1 year	1-3 years	More than 3 years
Long- and Short-Term Debt	Ps. 15,191	Ps. 4,778	Ps. 5,464	Ps. 4,949
Capital Lease Obligations	0	0	0	0
Operating Leases	1,856	385	1,101	370
Unconditional Purchase Obligations	0	0	0	0
Other Long-Term Obligations	0	0	0	0
Total Contractual Obligations	17,407	5,163	6,565	5,319

The amounts set forth above under “Operating Leases” include payments that will be made under leases relating to warehouses, three airplanes, forklifts and computer equipment.

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS AND SENIOR MANAGEMENT

Directors

The following information refers to the directors of Vitro. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of them was selected as a director.

The Board of Directors is responsible for the management of the business. Our by-laws provide that the Board of Directors will consist of the number of directors determined by our shareholders at the annual general ordinary shareholders' meeting and that each member of the Board of Directors shall be elected at such shareholders' meeting for a renewable term of one year. Each director shall serve until a successor is duly elected and takes office. Our Board of Directors currently consists of 16 directors. We have no alternate directors.

A list of our current directors, their principal occupations and directorships, the year they first became a director and year of their birth are set forth below.

Name	Principal Occupation	First Became a Director	Year of Birth
Adrian Sada Gonzalez	Chairman of the Board of Directors of Vitro	1984	1944
Adrian Sada Trevino	Director and Honorary Chairman of the Board of Directors of Vitro	1969	1920
Federico Sada Gonzalez	President and Chief Executive Officer of Vitro	1982	1949

Tomas Gonzalez Sada	Chairman of the Board, President and Chief Executive Officer of Grupo Cydsa, S.A.	1980	1943
Andres A. Yarte Cantu	Chief Executive Officer of Distribuidora de Productos Ceramicos, S.A.	1991	1941
Dionisio Garza Medina	Chairman and Chief Executive Officer of Alfa, S.A. de C.V.	1995	1954
Gustavo Madero Munoz	Chief Financial Officer of Promotora Empresarial del Norte, S.A. de C.V.	1996	1955
Roberto G. Mendoza	Financial Advisor	1998	1945
Carlos E. Represas	Executive Vice President of Nestle S.A.	1998	1945
Jaime Serra Puche	Senior Partner of SAI-Consultores, S.C.	1998	1951
Lorenzo H. Zambrano T.	Chairman of the Board of Directors and Chief Executive Officer of Cemex, S.A. de C.V.	1998	1944
Carlos F. Munoz O.	Private Investor	2000	1955
Joaquin Vargas G.	Chairman of the Board of Directors of Grupo MVS, S.A. de C.V.	2000	1954
Raul Rangel Hinojosa	Legal and Financial Advisor and Secretary of the Board of Directors of Vitro	2001	1949
Alejandro Garza Laguera	Member of the Executive Committee of Pulsar Internacional, S.A. de C.V.	2001	1926
Eduardo Brittingham S.	Private Investor	2001	1926

The directors listed above were elected for a one-year term by our shareholders at the annual general ordinary shareholders' meeting held on March 27, 2003. The directors receive directors' fees of three *Centenarios*, which are 37.5-gram gold coins, per each meeting of the Board of Directors they attend and three *Centenarios* per each meeting of a committee of the Board of Directors they attend, except for the members of the Audit Committee, who receive five *Centenarios* plus a fee of Ps. 15,000 per each meeting of such committee they attend.

Following are brief descriptions of the current occupations and biographical information of each of Vitro's directors:

Adrian Sada Gonzalez, Chairman of the Board of Directors of Vitro:

Mr. Sada is a member of the Boards of Directors of Alfa, S.A. de C.V., Gruma, S.A. de C.V., Grupo Cydsa, S.A., Regio Empresas, S.A. de C.V., the Latin American Executive Board for the Wharton School of Finance, the Mexican Businessmen Council, the Consejo de Industriales de Nuevo Leon, Fondo Chiapas and Pronatura. In addition he is a member of the Young Presidents Organization.

Adrian Sada Trevino, Member and Honorary Chairman of the Board of Directors of Vitro:

Mr. Sada is Chairman of the Board of Directors of the Fundacion Martinez Sada.

Federico Sada Gonzalez, President and Chief Executive Officer of Vitro:

Mr. Sada is the former Chairman of the Mexican Council for Foreign Trade. He is currently a member of the Boards of Directors of Alpek, S.A. de C.V., Banco Nacional de Comercio Exterior, S.N.C., the Institute for Educational Investigation and Improvement, the Instituto Tecnologico y de Estudios Superiores de Monterrey, Regio Empresas, S.A. de C.V., The University of Texas, MD Anderson Cancer Center and in June 2003 he was appointed as a member of the Board of Directors of Bombardier Inc. Mr. Sada serves as the Chairman of the Council of the National Museum of History, as the Chairman of the Board of Trustees of Chipinque Ecological Park Foundation and as a Trustee of the Museum of Wildlife and Natural Sciences in Monterrey. Mr. Sada is also a member of the Consejo Coordinador Empresarial of the World Business Council for Sustainable Development and the International Business of the World Economic Forum. On May 14, 1999, he became the first President of the Mexican Council for International Commerce and he currently serves as President of the Mexico-France Bilateral Committee of such organization.

Tomas Gonzalez Sada, Chairman of the Board, President, Chief Executive Officer of Grupo Cydsa, S.A.:

Mr. Gonzalez is the Chairman of the Mexico-Japan Business Committee of the Mexican Council for Foreign Trade, the Chairman of the Board of Trustees of the Universidad Regiomontana, the Treasurer of the Fundacion Martinez Sada and a member of the Boards of Directors of Regio Empresas, S.A. de C.V., the Mexican Businessmen Council, The George Washington University School of Business and Public Management and the Young Presidents Organization.

Andres A. Yarte Cantu, Chief Executive Officer of Distribuidora de Productos Ceramicos, S.A.:

Mr. Yarte is Chairman of the Boards of Directors and Chief Executive Officer of Distribuidora de Productos Ceramicos, S.A. and K-Inver, S.A.

Dionisio Garza Medina, Chairman of the Board of Directors and Chief Executive Officer of Alfa, S.A. de C.V.:

Mr. Garza is the Chairman of the Board of Directors of Universidad de Monterrey and a member of the Boards of Directors of Cemex, S.A. de C.V., Grupo Cydsa, S.A., ING Mexico, S.A. de C.V. and Autoliv, S.A. de C.V., as well as a member of the Associate Board of Directors of the Harvard Business School. Mr. Garza is a member of the Harvard University Advisory Committee to the David Rockefeller Center for Latin American Studies, the Advisory Committee of the New York Stock Exchange and the Young Presidents Organization.

Gustavo Madero Munoz, Chief Financial Officer of Promotora Empresarial del Norte, S.A. de C.V.:

Mr. Madero serves as Chairman of the Boards of Directors of Hermanos Madero, Electronic Publishing and Campestre Carolinas. Mr. Madero is the Regional Vice President of Grupo Financiero Banamex Accival, S.A. de C.V. as well as a member of the Board of Directors of ING-Comercial

America, S.A. de C.V. Mr. Madero is also the President of our Audit Committee.

Roberto G. Mendoza, Financial Advisor:

Mr. Mendoza is Chairman of the Board of Directors of Egg plc and is the former Vice Chairman of J.P. Morgan Chase & Co.

Carlos E. Represas, Executive Vice-President of Nestle S.A.:

Mr. Represas is Chairman of the Board of Directors of Nestle Mexico, S.A. de C.V. and Nestle Holdings, Inc. In addition he is also Co-Chairman of the Board of Directors of Coca-Cola Nestle Refreshments and a member of the Board of Directors of Cereal Partners Worldwide.

Jaime Serra Puche, Senior Partner of SAI-Consultadores, S.C.:

Mr. Serra is a member of the Boards of Directors of Fondo Mexico, Grupo Ferroviario Mexicano, Bardahl, Tamso, RMM Global Sourcing Solutions, Tenaris and Chiquita Brands International. He has served as Mexico's Undersecretary of Revenue, Secretary of Trade and Secretary of Finance.

Mr. Serra led the negotiation and implementation of NAFTA by Mexico and promoted the conclusion of the Uruguay Round and the creation of the World Trade Organization. Mr. Serra also headed the negotiation of free trade agreements with Chile, Colombia, Venezuela, Bolivia and Costa Rica. He founded the Mexican Investment Board and promoted the creation of the Mexican Federal Competition Commission. He served as a trustee of the Yale Corporation and currently co-chairs The President's Council on International Activities of Yale University. He is also a member of the Trilateral Commission and the U.S.-Mexico Bilateral Council.

Mr. Serra is a graduate of the Universidad Nacional Autonoma de Mexico. He earned his Master in Economics at El Colegio de Mexico and his Ph.D. in Economics at Yale University. He has been a professor at El Colegio de Mexico and at Stanford University, Princeton University and New York University.

Lorenzo H. Zambrano T., Chairman of the Board of Directors and Chief Executive Officer of Cemex, S.A. de C.V.:

Mr. Zambrano is Chairman of the Boards of Directors of the Instituto Tecnologico y de Estudios Superiores de Monterrey and the Americas Society. He is a member of the Executive Committee of Grupo Financiero Banamex Accival, S.A. de C.V. and the Salomon Smith Barney International Advisory Board. In addition, he is a member of the Boards of Directors of Coca-Cola Femsa, S.A. de C.V., Empresas ICA Sociedad Controladora, S.A. de C.V., Alfa, S.A. de C.V., Grupo Cydsa, S.A. and Televisa, S.A. He is also a member of the Advisory Council to the Stanford Graduate School of Business, the Museo de Arte Contemporaneo and the U.S.-Mexico Commission for Educational and Cultural Exchange.

Carlos F. Munoz O., Private Investor:

Mr. Munoz is Vice-President of Fomento Bursatil, Super Mart and Manufacturas de Concreto. In addition, he is a member of the Board of Directors of Instituto Tecnologico y de Estudios Superiores de Monterrey, Chihuahua Campus.

Joaquin Vargas G., Chairman of the Board of Directors of Grupo MVS, S.A. de C.V.:

Mr. Vargas is Chairman of the Board of Directors of Corporacion Mexicana de Restaurantes, S.A. de C.V., President of the Asociacion Mexicana de Restaurantes A.C. and First Vice-President of Nucleo Radio Mil. In addition, he is Chairman of the Board of Trustees of the Camara Nacional de Industria de Radio y Television and a member of the Boards of Directors of Possehl, Grupo Costamex, S.A. de C.V., Grupo Posadas, the Mexican Stock Exchange and VistaLink Medical Communications Inc.

Raul Rangel Hinojosa, Legal, Financial Advisor and Secretary of the Board of Directors of Vitro:

Mr. Rangel is the President of the Institutional Relations of the Council for Foreign Trade. In addition, he is a member of the Boards of Directors of Consejo Coordinador Empresarial, the Centro Patronal de Nuevo Leon, the Camara de la Industria de la Transformacion en Nuevo Leon and the Centro de Estudios en Economia y Educacion. He is also member of the Advisory Council of the Universidad Autonoma de Nuevo Leon.

Alejandro Garza Laguera, Member of the Executive Committee of Pulsar Internacional, S.A. de C.V.:

Mr. Garza is a member of the Boards of Directors of Grupo Cydsa, S.A., Grupo Industrial Ramirez S.A., Instituto Tecnologico y de Estudios Superiores de Monterrey and the Centro de Estudios de Economia y Educacion. In addition, he is a member of the Boards of Governors of the Wharton School of Business and the Joseph H. Lauder Institute.

Eduardo Brittingham S., Private Investor:

Mr. Brittingham is also Chief Executive Officer of Auto Express Rapido Nuevo Laredo, S.A. de C.V., Laredo Autos, S.A. de C.V. and Corporacion Internacional de Manufacturas.

Examiner and Secretary

We have a *comisario*, or "Examiner," who is elected by our shareholders at the annual general ordinary shareholders' meeting. Under Mexican law, the Examiner's duties include, among other things, examination of our operations, books, records and any other appropriate documents and the presentation of a report of such examination at the general ordinary shareholders' meeting. At the annual general ordinary shareholders' meeting held on March 27, 2003, Manuel Guemez de la Vega was elected to serve as Examiner for one year and Julio Escamez Ferreiro was elected as alternate Examiner also for one year. The Examiner receives a fee of three *Centenarios* per each meeting of the Board of Directors and three *Centenarios* per each meeting of the committees of the Boards of Directors he attends, other than the Audit Committee, for which he receives five *Centenarios*.

The Board of Directors has the power to appoint the Secretary of the Board of Directors, who need not be a director. The current Secretary of the Board of Directors, elected at the March 27, 2003 ordinary shareholders' meeting, is Raul Rangel Hinojosa.

Senior Management

The following table sets forth information with respect to the executive officers of Vitro. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of them was selected as a member of the senior management.

Name	Title	Current Position Held Since	Year of Birth
Federico Sada Gonzalez	President and Chief Executive Officer	1995	1949
Jose Domene Zambrano	Chief Operating Officer	2001	1954
Francisco Romero Ramos	Director of Legal and Regulatory Affairs	2002	1964
Claudio L. del Valle	Chief Financial Officer	2002	1960
Roberto Rubio Barnes	Vice President of the Glassware business unit	2003	1955
Fernando Flores Faz	Vice President of the Flat Glass business unit	2003	1946
Alfonso Gomez Palacio Gastelum	Vice President of the Glass Containers business unit	2003	1942

The following are brief biographies of each of Vitro's executive officers:

Federico Sada Gonzalez, President and Chief Executive Officer:

Mr. Sada received a Bachelor of Science in Business Administration from the Instituto Tecnologico y de Estudios Superiores de Monterrey and a Master of Business Administration from IMD in Lausanne, Switzerland. He also attended Harvard University's Advanced Management Program. Mr. Sada joined Vitro in 1974. He became Planning and Finance Director of the Glass Containers business unit in 1978. In 1985, he was named President of the North America Glass Containers unit, the largest single business of Vitro at that time. This business included the operations of the Glass Containers business unit in Mexico and the investments of Vitro in North, Central and South America.

On January 1, 1995, Mr. Sada was named President and Chief Executive Officer of Vitro. He is a member of the Boards of Directors of Vitro, Alpek, S.A. de C.V., Banco Nacional de Comercio Exterior, S.N.C., the Institute for Educational Investigation and Improvement, the Instituto Tecnologico y de Estudios Superiores de Monterrey, Regio Empresas, S.A. de C.V., and The University of Texas, MD Anderson Cancer Center.

In addition to his responsibilities at Vitro, Mr. Sada is the Chairman of the Council of the National Museum of History, the Chairman of the Board of Trustees of Chipinque Ecological Park Foundation and a Trustee of the Museum of Wildlife and Natural Sciences in Monterrey. He is a member of the Consejo Coordinador Empresarial of the World Business Council for Sustainable Development and the International Business of the World Economic Forum. On May 14, 1999, he became the first President of the Mexican Council for International Commerce and he currently serves as President of the Mexico-France Bilateral Committee of such organization.

Jose Domene Zambrano, Chief Operating Officer:

Mr. Domene received a Bachelor of Science in Chemical Engineering at the University of Wisconsin-Madison in 1976 and a Master of Business Administration from Stanford University in 1979. Mr. Domene joined Alfa, S.A. de C.V. in 1976 and worked in several executive positions in strategic planning at Alfa Industries. In 1982, Mr. Domene was appointed Vice President of Finance, Planning and Tourism of the Electronics and Food Division at Grupo Protexa, S.A. de C.V. He was later promoted to President of Real Estate and Tourism at such corporation. In 1987, Mr. Domene joined Cemex, S.A. de C.V. as Chief Executive Officer of Cementos Anahuac. He was then appointed Chief Financial Officer of Cemex, S.A. de C.V. and later, Chief Executive Officer of Empresas Tolteca de Mexico. In 1991, Mr. Domene was appointed President of Cemex International. In April 1999, Mr. Domene became the Chief Executive Officer in Altos Hornos de Mexico, S.A. de C.V. Mr. Domene joined Vitro in April 2000. Mr. Domene was appointed Chief Operating Officer in April 2001.

Francisco Romero Ramos, Director of Legal and Regulatory Affairs:

Mr. Romero earned a law degree from the Universidad Autonoma de Chihuahua and a Master of Laws from Washington College of Law. In 1991, Mr. Romero became an Associate at Baker & McKenzie Lawyers S.C. In 1993, he became the Associate General Counsel of Vitro's North American division. In 2002, Mr. Romero was appointed Director of Legal and Regulatory Affairs.

Claudio L. del Valle, Chief Financial Officer:

Mr. del Valle earned a Bachelor degree in Public Accounting at the Universidad Regiomontana in Monterrey, Mexico. In 1978, Mr. del Valle began working for Gomez Morfin Meljem and Asoc. (now Deloitte & Touche) as a Junior Auditor and later became Senior Supervisor. In 1985, Mr. del Valle joined Vitro as a Chief of Special Studies for our former raw materials business. In 1986, he became Tax Consolidation Manager of Vitro. In 1992, Mr. del Valle was appointed Vice President for Administration of Vitro Corporativo, S.A. de C.V. and in 1995 he was appointed Vice President of Finance and Controller of Anchor Glass Container Corp. In 1996, Mr. del Valle was appointed Vice President of Treasury and Administration of Vitro. In 2002, Mr. del Valle was promoted to Chief Financial Officer of Vitro.

Mr. del Valle is a member of the Accounting Institute of the state of Nuevo Leon in Mexico. Also, in 2001 Mr. del Valle was appointed Vice President of the Fiscal Committee of the Mexican Stock Exchange. Currently, Mr. del Valle is the President of the Issuers' Committee of the Mexican Stock Exchange.

Roberto Rubio Barnes, Vice President of the Glassware business unit:

Mr. Rubio earned a Bachelor degree in Mechanical and Electrical Engineering from the Universidad de Anahuac in Mexico City in 1977. In 1980, Mr. Rubio received a Master of Science in Industrial Engineering at North Carolina State University and, in 1990, a Master degree in Management at the Massachusetts Institute of Technology.

Mr. Rubio began working in 1980 for Vitro Flex and, in 1981, became manager of manufacturing engineering. He held several executive positions

from 1981 until 1989 when he was appointed General Manager of Vitro Flex. In 1995, Mr. Rubio was promoted to Vice President for Administration for the glass businesses of the Glassware business unit and in 1996 he was appointed President of the Glassware business unit. At that time, he was also given the responsibility of managing technology at Vitro. In 1999, Mr. Rubio was appointed President of the Glass Containers business unit. In July 2001, he was appointed General Director of the Flat Glass business unit, in October 2002 he was appointed Director of Operations for the Glass Containers and Glassware business units. In May 2003 he was appointed as Vice President of the Glassware business unit.

Fernando Flores Faz, Vice President of the Flat Glass business unit:

Mr. Flores graduated with a degree in Industrial Engineering from the Instituto Tecnologico y de Estudios Superiores de Monterrey in 1970. Mr. Flores also attended the University of Texas' Advanced Management Program in 1979. He began working at Vidriera Monterrey, S.A. de C.V. in 1974, serving in several positions in the areas of industrial engineering, human resources and planning. In 1982, Mr. Flores was named General Manager of Envases de Borosilicato, S.A. de C.V., our former ampoules business. In 1986, he was appointed Vice President of Gas Range Operations and in 1988, he was appointed Vice President of Refrigerator Operations. Mr. Flores worked in the Glass Containers business unit in 1990 as Vice President for Exports, in 1992 as Vice President for Operations and in 1998 as International Vice President for International Operations. In 1999, Mr. Flores was appointed General Director of the Glassware business unit and in July 2001 he was appointed General Director of the Glass Containers business unit. In October 2002 he was appointed Director of Operations for the Flat Glass business unit and in May 2003 Vice President of the Flat Glass business unit.

Alfonso Gomez Palacio Gastelum, Vice President of the Glass Containers business unit:

Mr. Gomez Palacio received a Bachelor and Master degree in Business Administration at the University of California at Berkeley. Later, Mr. Gomez Palacio received a degree in Advanced Studies in Business Administration and Commerce at the University of Bordeaux in France. He was appointed Commercial Vice President of the Glass Containers business unit in 1985 and Executive Vice President of the same business unit in 1992. Mr. Gomez Palacio was appointed Director of Marketing and Sales in October 2002 and in May 2003 he was appointed Vice President of the Glass Containers business unit.

Family Relationship of Directors and Senior Management

Seven of the 22 directors and executive officers are related by blood (including first cousins) or marriage to another member of this same group. Mr. Adrian Sada Trevino, is the father of Messrs. Adrian Sada Gonzalez and Federico Sada Gonzalez. Mr. Tomas Gonzalez Sada is a cousin of Messrs. Adrian Sada Gonzalez and Federico Sada Gonzalez and a nephew of Mr. Adrian Sada Trevino. Mr. Andres A. Yarte Cantu is Mr. Adrian Sada Trevino's son-in-law and Messrs. Adrian Sada Gonzalez's and Federico Sada Gonzalez's brother-in-law, as well as a cousin by marriage of Mr. Tomas Gonzalez Sada. Mr. Gustavo Madero Munoz is a cousin of Mr. Carlos Munoz.

COMPENSATION

For the year ended on December 31, 2002, the aggregate compensation for services rendered by our directors, our Examiners and our senior managers to us was approximately Ps. 255 million ($24 million). This amount includes (i) salaries and variable and extraordinary compensation to our senior managers, (ii) fees to our directors and our Examiners and (iii) approximately Ps. 59 million in salaries and severance payments to two senior managers that are no longer employed by Vitro.

During 2002, we accrued amounts relating to pension and retirement benefits for our senior managers. Our directors were not entitled to pension or retirement benefits from us during 2002. In accordance with actuarial practices in Mexico, reserves for seniority premiums and pensions are determined in the aggregate for each one of our subsidiaries using average amounts for variables such as turnover, age, and life expectancy. We therefore cannot determine the amount reserved for pension or retirement benefits for any individual employee, including our senior managers.

In addition, certain of our directors and senior managers received benefits in kind from the personal use of certain of our assets, including our corporate aircraft and certain real estate owned by us, and personal services performed by certain of our personnel. The personal use of such properties and receipt of personal services performed by such personnel was done in accordance with our Politica de Uso de Activos Restringidos, our use of restricted assets policy, approved by the Audit Committee of our Board of Directors in February 2003.

Directors' Compensation

Pursuant to the Mexican General Law of Corporations, our shareholders, at the general ordinary shareholders' meeting held on March 27, 2003, determined to compensate directors with three Centenarios or its equivalent monetary value, per each meeting of the Board of Directors they attend. Likewise, at such general ordinary shareholders' meeting, the shareholders resolved that the members of each of the Board of Director's committees, other than the Audit Committee's members, shall receive three Centenarios per each meeting of the respective committee they attend. In consideration of the Audit Committee's members newly expanded responsibilities pursuant to recently enacted legislation, the members of such committee receive five Centenarios plus a fee of Ps. 15,000 per each meeting of the Audit Committee they attend.

Variable Compensation

In 2001, we implemented a variable compensation plan in order to help align the objectives of our employees with our business strategy. The purpose of this plan is to: (i) recognize the extraordinary performance of our employees, (ii) boost our growth and cash flow, (iii) align the interests and incentives of our employees with those of our shareholders, (iv) focus on key priorities and (v) attract and retain talented employees.

In order to determine the variable compensation payable to employees under our variable compensation plan, we monitor the improvement of the following metrics: (i) EBITDA, (ii) cash flow from operations, (iii) the quality of our products, services and procedures, as determined by our quality model and (iv) individual performance. Depending on the results of such metrics, our employees are eligible to receive between 2.7 and 10.5 months of their base salary.

In 2002, we paid to our employees, approximately Ps. 18 million ($2 million) under our variable compensation plan.

Employee Stock Option Plan

In March 1998, we adopted an employee stock option plan with respect to Vitro's common shares, which we refer to as the "Plan." Pursuant to the

Plan, effective on the dates listed in the table below, we granted to certain of our employees, senior managers and directors, which we collectively refer to as the "Eligible Executives," stock options pursuant to which the Eligible Executives have the right to buy a certain number of common shares of Vitro at an exercise price to be determined at the time such options are exercised, except for the options granted in 2000, 2001 and 2002, in which the exercise price is determined at the time of issuance of the options. We refer to each date on which we granted such options as a "Grant Date." We established a stock option trust, which we refer to as the "Stock Option Trust," to manage the Plan. As of May 30, 2003, the Stock Option Trust held in trust approximately 24.7 million common shares of Vitro.

Subject to certain exceptions, stock options generally vest and become exercisable as described in this paragraph. Options granted in 1998 and 1999 generally vest and become exercisable with respect to 50% of the shares covered thereby on the third anniversary of the Grant Date and with respect to 25% of the shares covered thereby on each of the fourth and fifth anniversaries of the Grant Date. Options granted in 2000 generally vest and become exercisable with respect to 25% of the shares covered thereby on each of the second, third, fourth and fifth anniversaries of the Grant Date, and options granted in 2001 and 2002 generally vest and become exercisable with respect to 25% of the shares covered thereby on each of the first, second, third and fourth anniversaries of the Grant Date. All options granted under the Plan expire on the tenth anniversary of the applicable Grant Date. Upon the consummation of a change in the ownership or control of Vitro, options granted under the Plan will generally vest and become immediately exercisable with respect to all shares covered thereby and will remain exercisable for a period of 180 days, after which any unexercised options will be canceled.

Except for options granted in 2000, 2001 and 2002, whose exercise price is Ps. 11.00, Ps. 8.27 and Ps. 7.53 per share, respectively, and which have no indexation mechanism, all options have been granted at an initial exercise price equal to the average closing price on the Mexican Stock Exchange of the common shares of Vitro on the 20 trading days prior to the applicable Grant Date. We refer to each such exercise price as an "Initial Exercise Price." Upon vesting, such options may be exercised at an exercise price, which will be calculated as of immediately prior to such option's exercise, equal to the product of the Initial Exercise Price and an indexing factor based on the cumulative performance of Vitro's common shares from the Grant Date to the date of exercise relative to the cumulative performance of the Indice de Precios y Cotizaciones of the Mexican Stock Exchange, which we refer to as the "MSE Price Index," which indexing factor is subject to certain ceilings and floors. The effect of the indexation is that, if the common shares of Vitro outperform the MSE Price Index, the Initial Exercise Price will be increased by a smaller amount than if the common shares of Vitro underperform the MSE Price Index. The Plan does not allow negative indexation. The indexed exercise price will be adjusted for dividends, stock splits and other similar transactions. We refer to the exercise price, as indexed and adjusted, as the "Adjusted Exercise Price".

Although the Plan contemplates yearly grants for a total of 5 years, we may at any time, and at our sole discretion, amend any of the terms of the Plan or otherwise terminate the Plan, subject to previously acquired rights. During 2001, we reset the exercise price of 940,950 options granted in 1998 from Ps. 31.31 to Ps. 13.00. Such repriced options vest and become exercisable with respect to 25% of the shares covered thereby on each of the first, second, third and fourth anniversaries of the Grant Date.

The table below shows for each of the Grant Dates, the number of common shares underlying the options granted, the Initial Exercise Price, and the Adjusted Exercise Price, where applicable, as of December 31, 2002, assuming that the options could be exercised on such date.

	For the year ended December 31,				
	1998	1999	2000	2001	2002
Options granted during the year	2,813,300	2,893,000	4,851,900	3,204,800	3,941,950
Options cancelled during the year	618,820	594,500	583,000	62,000	39,600
Options outstanding as of December 31, 2002	2,194,480	2,298,500	4,268,900	3,142,800	3,902,350
Exercise Price on Grant Date	$ 31.31	$ 14.88	$ 11.00	$ 8.27	$ 7.53
Adjusted Exercise Price as of December 31, 2002(1)	34.82	17.48	N/A	N/A	N/A

(1) The Adjusted Exercise Price shown in the table assumes the exercise of such options on December 31, 2002. These Adjusted Exercise Prices are shown for illustrative purposes only and may not represent the actual Adjusted Exercise Price of such options at the time of their exercise.

The estimated cost to Vitro for options granted under the Plan was Ps. 23 million, Ps. 34 million and Ps. 37 million for 2000, 2001 and 2002, respectively.

Pension Benefits

The pension benefit obligations of Vitro, S.A. de C.V. and its subsidiaries and the related costs are calculated using actuarial models and assumptions applicable in the countries where the plans are located, principally the United States and Mexico. Two critical assumptions, discount rate and expected return on assets, are important elements of plan expense and/or liability measurement. We evaluate these critical assumptions at least annually. Other assumptions involve demographic factors such as retirement, mortality, turnover and rate of compensation increase. These assumptions are evaluated periodically and are updated to reflect our experience. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors. The discount rate enables us to state expected future cash flows at a present value on the measurement date. We have little latitude in selecting this rate, as it is required to represent the market rate for high-quality fixed income investments. A lower discount rate increases the present value of benefit obligations and increases pension expense. We reduced our weighted average discount rate from 5.0% in 2001 to 4.5% in 2002 to reflect market interest rate conditions. To determine the expected long-term rate of return on pension plan assets, we consider the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets. We assumed that the weighted average of long-term returns on our pension plans were 7.0% in 2002 and 6.0% in 2001. With respect to the pension plans in the United States, at December 31, 2002, the assets set aside to satisfy the estimated obligations under such pension plans were sufficient to meet the estimated obligations as they come due. With respect to the pension plans in Mexico, at December 31, 2002, the assets set aside to satisfy the estimated obligations under such pension plans were Ps. 423 million while the related estimated obligations were Ps. 1,684 million. Our approximate pension expense in 2002 was Ps. 214 million. Further information on our principal pension plans, including the assumptions used in calculating the referenced obligations, is provided in Note 10 to our Consolidated Statements of Stockholders' Equity.

BOARD PRACTICES

Our by-laws provide that the Board of Directors will consist of the number of directors determined by our shareholders at the annual general ordinary shareholders' meeting and that each member of the Board of Directors shall be elected at such shareholders' meeting for a renewable term of one year. In the event the one year term of office of any director is not renewed at the annual general ordinary shareholders' meeting, each director shall serve until a successor is duly elected and takes office. Our Board of Directors currently consists of 16 directors, whose terms of office were renewed for 2003 at the annual general ordinary shareholders' meeting held on March 27, 2003. We have no alternate directors.

Pursuant to Vitro's by-laws, the Board of Directors must meet at least four times per calendar year and dedicate one such meeting to the analysis of our medium- and long-term strategy. Meetings usually take place at our principal executive offices. However, if necessary, such meetings may be held anywhere within or without Mexico or by telephone. For a quorum to exist at a meeting of the Board of Directors, a majority of the directors must be in attendance. The affirmative vote of the majority of the directors present at a duly called meeting of the Board of Directors is required for the adoption of any resolution. Minutes must be prepared after every meeting of the Board of Directors to reflect the resolutions adopted and any relevant discussions that took place. Such minutes must be signed by the Chairman of the Board, the Secretary and the Examiner, in each case, if they attended the meeting. Resolutions adopted at meetings not conducted in person have the same force and effect as those adopted at a meeting conducted in person as long as they are duly documented in writing and adopted unanimously.

The Board of Directors can create as many committees as it deems appropriate for the discharge of its duties. However, pursuant to our by-laws the following committees are required: (i) Evaluation and Compensation, (ii) Audit and (iii) Finance and Planning. In addition to the foregoing, the Board of Directors has also formed a Corporate Responsibility Committee.

Each committee consists of between 3 and 5 directors and has the ability to delegate to experts, advisors or consultants such tasks or powers as the Board of Directors deems appropriate. The committees shall meet as often as necessary and must provide a report of their activities and findings to the Board of Directors at any time the Board of Directors requests such report or whenever the committee deems appropriate to report any events or facts that are relevant to Vitro.

Neither we nor our subsidiaries has entered into a service contract with any of our directors providing for benefits to such directors upon termination of employment.

Consistent with the new board and governance practices mandated by the Sarbanes-Oxley Act of 2002, which we refer to as the "SOA," we have already complied, in advance of the timeframe required by SEC rules implementing the SOA, with the requirement of having an Audit Committee that is composed exclusively by independent members of the Board of Directors under the final rules implemented by the SEC, which may be supplemented by additional rules implemented by the NYSE. The Audit Committee is now responsible for verifying that our management is complying with its obligations regarding financial control and the preparation of financial statements and for the oversight of our auditors. In addition, the Audit Committee is responsible for the appointment, compensation and oversight of Vitro's independent external auditors. Moreover, the Audit Committee regularly meets with the Vitro's management, internal auditors and independent external auditors. Other requirements of the SOA will be complied with on or before the dates mandated by the SOA.

The Audit Committee's members are Messrs. Gustavo Madero M., Jaime Serra Puche, Joaquin Vargas G. and Alejandro Garza L. Mr. Gustavo Madero is the President of the Audit Committee. The Audit Committee's charter provides that (i) the members of the committee must be elected by our Board of Directors, (ii) the committee must be composed of at least three and not more than five independent directors, (iii) the president, examiner and secretary of the committee must be appointed by the Board of Directors, (iv) any member of the committee may convoke a meeting through written notice given to the other members of the committee at least five days before the meeting, (v) the committee must meet at least three times per year; (vi) the committee must provide to the Board of Directors and the annual shareholders' meeting a report about the annual activities of the committee, (vii) the attendance of at least the majority of the committee's members will be considered a quorum and the committee's resolutions shall be adopted by the vote of at least the majority of its members present at the relevant meeting, (viii) resolutions of the committee may be adopted without a meeting, provided such resolutions are approved unanimously and confirmed in writing, and (ix) the committee must perform such duties required by law and by our Board of Directors.

Moreover, pursuant to the Audit Committee's charter, the committee must verify that the internal and external audit duties are duly performed and corroborate our compliance with all laws and regulations regarding the reliability, sufficiency and transparency of our financial statements.

The Audit Committee shall have the authority to, among other things, (i) designate, compensate and supervise our independent auditors, (ii) review our independent working program, letters and reports and inform our Board of Directors about the audit's results, (iii) work as a communication channel between our Board of Directors, and internal and independent auditors and our Examiner, (iv) resolve conflicts between our senior management and our independent auditors, (v) assist our Board of Directors in the review, preparation and issuance of our financial statements, (vi) validate our management's proposal regarding our internal controls, (vii) verify that we have implemented mechanisms to ensure compliance with applicable laws and regulations, (viii) create procedures for the receipt of information from protected witnesses or unsigned letters, (ix) obtain support from external consultants or advisors for the accomplishment of its duties, (x) resolve issues involving conflicts of interest and transactions among related parties, pursuant to the Mexican Law of the Securities Market, (xi) review our annual reports filed with the SEC and the CNBV and (xi) approve our Code of Ethics and Business Conduct.

Our Board of Directors also has an Evaluation and Compensation Committee, which is composed of Messrs. Adrián Sada G., Federico Sada G., Carlos E. Represas, Lorenzo H. Zambrano T., Alejandro Garza L. and Eduardo S. Brittingham. Mr. Lorenzo H. Zambrano T. is the President of the Evaluation and Compensation Committee. The Evaluation and Compensation Committee operates under the following guidelines, which were approved by our Board of Directors and provide that the committee must (i) meet whenever deemed necessary, but at least two meetings per year are recommended; (ii) support and advise our Board of Directors in the evaluation and compensation of our Director General (Chief Executive Officer) and senior management members; (iii) be composed by at least three and not more than five members; (iv) advise our Board of Directors about procedures to be proposed to the Chief Executive Officer and senior management members; (v) propose criteria to observe in the evaluation of the Chief Executive Officer and senior management's performance, pursuant to our Board of Director's own guidelines; (vi) analyze and propose to our Board of Directors the compensation to be granted to our senior management members; (vii) review that the recruiting conditions regarding the Chief Executive Officer and senior management are in conformity with our Board of Director's guidelines; (viii) review that the severance conditions regarding the Chief Executive Officer and senior management are in conformity with our Board of Directors' guidelines; and (ix) ensure that the policies regarding and the composition of our directors', Chief Executive Officer's and senior management's compensation package are fully described in our publicly filed annual reports.

EMPLOYEES

As of December 31, 2002, we employed approximately 27,000 persons, approximately 80% of whom were located in Mexico.

The following table sets forth, for the periods indicated, the period end and average number of employees of each of our three operating business units and our corporate offices.

	2002		2001		2000	
Business Unit	**Period End**	**Average**	**Period End**	**Average**	**Period End**	**Average**
Flat Glass	10,990	10,966	10,929	10,954	11,120	10,916
Glass Containers	10,922	11,191	11,195	11,243	10,764	11,414
Glassware	4,581	4,870	4,669	4,748	5,157	5,278
Corporate Offices	680	737	770	786	785	839
Total	27,173	27,794	27,563	27,731	27,826	28,447

The following table sets forth, for the periods indicated, our employees by geographic location.

	2002		2001		2000	
Location	**Period End**	**Average**	**Period End**	**Average**	**Period End**	**Average**
Mexico	21,380	22,002	21,594	22,110	22,437	23,170
United States	2,987	3,080	3,189	3,241	3,254	3,060
Rest of the world	2,806	2,712	2,780	2,381	2,135	2,219
Total	27,173	27,794	27,563	27,731	27,826	28,448

Although the aggregate number of our employees has not varied significantly, we have increased the number of our employees through acquisitions and decreased the number of our employees through employee reduction programs and divestitures.

Relation with Labor Unions

In Mexico, all of our workers (others than our empleados de confianza) are currently affiliated with labor unions. Labor relations in each manufacturing facility in Mexico are governed by separate collective bargaining agreements which were entered into between the relevant subsidiary and a union selected by the employees of the relevant facility. The terms of the collective bargaining agreements are renegotiated every two years, except for wages which are negotiated on every year. For over 60 years, we have not experienced any strikes that materially affected our overall operations in Mexico and management believes that it has a good relationship with its employees and the labor unions to which they are affiliated.

In the United States a majority of our workers are currently affiliated with labor unions. Management believes that it has a good relationship with its employees in the United States and the labor unions to which they are affiliated.

SHARE OWNERSHIP

The following table presents information regarding the beneficial ownership of shares of our common stock as of March 27, 2003, the date of our general ordinary annual stockholders' meeting, by each of our directors and our senior management.

Name	Number of Shares Owned	Percentage of Shares Outstanding	Granted Options[3]	Exercise Price on Grant Date	Adjusted Exercise Price	Expiration Date
Adrian Sada Gonzalez	14,697,104[1]	5.32%	90,400	13.00	13.00	March 1, 2008
			225,000	14.88	17.48	March 1, 2009
			430,000	11.00	N/A	June 1, 2010
			550,000	8.27	N/A	March 1, 2011
			550,000	7.53	N/A	March 1, 2012
Adrian Sada Trevino	35,120,434[1][2]	12.73%	75,000	13.00	13.00	March 1, 2008
Federico Sada Gonzalez	14,587,227[1]	5.28%	90,400	13.00	13.00	March 1, 2008
			225,000	14.88	17.48	March 1, 2009
			430,000	11.00	N/A	June 1, 2010
			550,000	8.27	N/A	March 1, 2011
			550,000	7.53	N/A	March 1, 2012
Tomas Gonzalez Sada	*	*	-	-	-	-
Andres A. Yarte Cantu	*	*	-	-	-	-
Dionisio Garza Medina	*	*	-	-	-	-
Gustavo Madero Munoz	3,226,575	1.07%	-	-	-	-

Roberto Mendoza	*	*	-	-	-	-
Carlos Represas	*	*	-	-	-	-
Jaime Serra Puche	*	*	-	-	-	-
Lorenzo Zambrano	*	*	-	-	-	-
Carlos Munoz	6,700,000	2.23%	-	-	-	-
Joaquin Vargas	*	*	-	-	-	-
Raul Rangel Hinojosa	*	*	-	-	-	-
Alejandro Garza Laguera	*	*	-	-	-	-
Jose Domene	*	*	-	-	-	-
			180,000	11.00	N/A	June 1, 2010
			360,000	8.27	N/A	March 1, 2011
			360,000	7.53	N/A	March 1, 2012
Francisco Romero	*	*	5,400	13.00	13.00	March 1, 2008
			9,000	14.88	17.48	March 1, 2009
			18,000	11.00	N/A	March 1, 2010
			19,200	8.27	N/A	March 1, 2011
			37,500	7.53	N/A	March 1, 2012
Claudio del Valle	*	*	15,100	13.00	13.00	March 1, 2008
			28,000	14.88	17.48	March 1, 2009
			60,000	11.00	N/A	June 1, 2010
			59,000	8.27	N/A	March 1, 2011
			60,500	7.53	N/A	March 1, 2012
Roberto Rubio	*	*	48,200	13.00	13.00	March 1, 2008
			100,000	14.88	17.48	March 1, 2009
			180,000	11.00	N/A	June 1, 2010
			190,000	8.27	N/A	March 1, 2011
			150,000	7.53	N/A	March 1, 2012
Fernando Flores	*	*	13,300	13.00	13.00	March 1, 2008
			45,000	14.88	17.48	March 1, 2009
			150,000	11.00	N/A	June 1, 2010
			160,000	8.27	N/A	March 1, 2011
			160,000	7.53	N/A	March 1, 2012
Alfonso Gomez Palacio	*	*	54,300	13.00	13.00	March 1, 2008
			90,000	14.88	17.48	March 1, 2009
			120,000	11.00	N/A	June 1, 2010
			130,000	8.27	N/A	March 1, 2011
			150,000	7.53	N/A	March 1, 2012

* Beneficially owns less than one percent of the outstanding shares of our common stock.

(1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. All such shares have the same voting rights as the shares owned by any other shareholder.
(2) Reported as a group with his wife, Mrs. Maria Nelly Gonzalez de Sada.
(3) The options listed below are options to purchase shares of Vitro's common stock, no par value.

Please see "-Compensation-Employee Stock Option Plan" for a discussion of our only arrangement providing our employees with equity-based compensation.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

MAJOR SHAREHOLDERS

As of June 20, 2003, Vitro had 324 million issued and approximately 300 million outstanding shares of common stock, no par value, of which approximately (i) 24.7 million shares of common stock were held by the Stock Option Trust and (ii) approximately 23.3 million shares of common stock were held as treasury stock. Vitro has one class of American Depositary Shares, which we refer to as "ADSs," registered pursuant to the Securities Act. ADSs are evidenced by American Depositary Receipts, which we refer to as "ADRs," which in turn represent three Ordinary Participation Certificates. Each Ordinary Participation Certificate represents one share of common stock of Vitro. As of March 31, 2003, there were approximately 22.5 million ADSs outstanding (representing approximately 67.5 million common voting shares of Vitro). Vitro's ADRs are issuable by Citibank, N.A. pursuant to a deposit agreement.

The following table discloses our major shareholders and their shareholdings as of March 27, 2003. The shares held by our major shareholders have similar voting rights to the shares held by all of our other shareholders.

Name	Shares outstanding[(1)(2)]	% of ownership[(1)(2)]
Pension Plan Trust	39,150,000	14.18%
Mrs. Maria Nelly Gonzalez de Sada[(3) (4)]	18,650,011	6.76%
Mr. Adrian Sada Trevino[(3) (4)]	16,470,423	5.97%
Mr. Adrian Sada Gonzalez	14,697,104	5.32%
Mr. Federico Sada Gonzalez	14,587,227	5.28%

(1) In order to calculate the shares outstanding, we are considering, when applicable, the granted options.
(2) In order to calculate the ownership percentage, we have used as the denominator the total number of shares outstanding minus the number of shares held as treasury stock, which as of May 9, 2003 were 47,979,489 shares, including the shares held by the Stock Option Trust.
(3) Mr. Adrian Sada Trevino and his wife Mrs. Maria Nelly Gonzalez de Sada together hold 12.73% of the outstanding shares of Vitro's common stock.
(4) The number of shares of Vitro's common stock owned by Ms. Alejandra Sada Gonzalez and Mrs. Maria Nelly Sada de Yarte, their children, their children's spouses and their respective children, is 19,435,589 shares, representing 7.04% of the total outstanding shares of Vitro's common stock. Ms. Alejandra Sada Gonzalez and Mrs. Maria Nelly Sada de Yarte are the daughters of Mr. Adrian Sada Trevino and Mrs. Maria Nelly Gonzalez de Sada.

For information relating to changes in shareholdings of the major shareholders during the three prior fiscal years, please see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Share Repurchases and Dividends."

Please see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Share Repurchases and Dividends" for a description of changes in beneficial ownership of shares of Vitro's common stock.

RELATED PARTY TRANSACTIONS

We purchase paint for industrial equipment from Regio Empresas, S.A. These purchases are made after arm's-length negotiations and on terms and conditions that are no less favorable to us than prevailing terms and conditions in the market. The aggregate annual amount of these purchases is approximately Ps. 10 million per year. As a group, certain of our directors and senior managers own 26.4% of the outstanding shares of common stock of Regio Empresas, S.A. These directors and senior managers are also shareholders of Vitro.

As approved by our Board of Directors and Audit Committee, on June 27, 2003, we sold certain of our non-strategic real estate to Mrs. Liliana Melo Gonzalez, Mrs. Esther Cueva Garza and Mr. Adrián Sada Cueva for an aggregate approximate amount of $4 million. Mrs. Melo Gonzalez is Mr. Federico Sada Gonzalez' wife. Mrs. Cueva Garza and Mr. Sada Cueva are Mr. Adrián Sada Gonzalez' wife and son, respectively. The sales price was determined by reference to an independent appraisal of such real estate and the terms of the sale, including the sales price, were no less favorable to us than the prevailing market terms for similar sales.

Item 8. FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION.

Consolidated Financial Statements

Please see "Item 18. Financial Statements" and pages F-1 to F-47 for a copy of our audited financial statements.

Export Sales

The following table sets forth, for the periods indicated, a breakdown of our domestic sales, export sales and sales attributable to our foreign subsidiaries.

	Flat Glass	% of Consol. Sales	Glassware	% of Consol. Sales	Glass Containers	% of Consol. Sales	Consolidated	% of Consol. Sales
2002								
Domestic sales	Ps. 3,334	29%	Ps. 1,817	69%	Ps. 6,256	62%	Ps. 11,319	47%
Export sales	2,718	24%	801	31%	2,474	25%	5,993	25%
Foreign subsidiaries	5,328	47%	0	0%	1,282	13%	6,610	28%
Total sales	Ps. 11,380	100%	Ps. 2,618	100%	Ps. 10,012	100%	Ps. 23,922	100%
2001								
Domestic sales	Ps. 3,699	31%	Ps. 1,940	70%	Ps. 6,167	62%	Ps. 11,686	48%
Export sales	2,616	23%	836	30%	2,645	26%	6,097	25%
Foreign subsidiaries	5,438	46%	0	0%	1,185	12%	6,623	27%
Total sales	Ps. 11,753	100%	Ps. 2,776	100%	Ps. 9,997	100%	Ps. 24,406	100%
2000								
Domestic sales	Ps. 3,990	34%	Ps. 2,319	73%	Ps. 6,423	63%	Ps. 12,668	51%
Export sales	2,783	24%	868	27%	2,691	26%	6,342	25%

Foreign subsidiaries	4,851	42%	0	0%	1,144	11%	5,995	24%
Total sales	Ps. 11,624	100%	Ps. 3,187	100%	Ps. 10,258	100%	Ps. 25,005	100%

Legal or Arbitration Proceedings

For information relating to the PBGC matter, please see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-PBGC Matter."

Other than as set forth immediately above, there are no material pending legal proceedings to which we are a party.

Dividend Policy

The majority of the outstanding shares of our common stock, at a general ordinary shareholders' meeting, determine whether dividends are to be paid and the amount and date of their payment. This decision is generally, but not necessarily, based on the recommendation of our Board of Directors. Our Board of Directors, taking into account our financial condition and the terms of the shareholders' approval, generally determines the timing for the payment of the dividends formally declared by the corresponding general ordinary shareholders' meeting.

SIGNIFICANT CHANGES

Since the date of our annual financial statements, no significant change in our financial information has occurred other than those changes described in "Item 5. Operating and Financial Review and Prospects-Other Factors, Trends and Uncertainties."

Item 9. THE OFFER AND LISTING

OFFER AND LISTING DETAILS

Vitro is registered as a public company in Mexico. Vitro shares are listed in the Mexican Stock Exchange, where they trade under the symbol "VITROA", and listed on the NYSE through ADSs, which trade under the symbol "VTO."

The following table sets forth for each year in the five year period ended on December 31, 2002, the reported highest and lowest market quotation in nominal pesos on the Mexican Stock Exchange for shares of our Series "A" common stock and the high and low sales price in nominal dollars on the NYSE for our ADSs. There is no public market outside of Mexico for shares of our Series "A" common stock.

	Pesos per share of our Series "A" common stock(1)(3) Mexican Stock Exchange		U.S. dollars per ADS(2)(3) New York Stock Exchange	
Year	High	Low	High	Low
1998	Ps. 35.90	Ps. 11.50	$ 13.38	$ 3.25
1999	23.10	11.90	7.50	3.50
2000	17.00	6.60	5.81	2.00
2001	11.30	6.96	3.50	2.14
2002	14.09	6.47	4.54	2.08

(1) Source: Infosel
(2) Not adjusted for dividends
(3) Each ADS represents 3 shares of our Series "A" common stock

The following table sets forth for each quarter in the two year period ended on December 31, 2002 and the three month period ended on March 31, 2003, the reported highest and lowest market quotation in nominal pesos on the Mexican Stock Exchange for shares of our Series "A" common stock and the high and low sales price in nominal dollars on the NYSE for our ADSs.

	Pesos per share of our Series "A" common stock(1) Mexican Stock Exchange		U.S. dollars per ADS(2)(3) New York Stock Exchange	
Year	High	Low	High	Low
2001				
First Quarter	Ps. 11.30	Ps. 7.40	$ 3.5	$ 2.38
Second Quarter	9.90	8.09	3.02	2.17
Third Quarter	9.60	7.52	3.10	2.34
Fourth Quarter	8.20	6.96	2.45	2.14
2002				
First Quarter	Ps. 9.39	Ps. 6.47	$ 3.22	$ 2.08
Second Quarter	14.09	8.68	4,54	2.93
Third Quarter	11.31	8.60	3.54	2.42
Fourth Quarter	9.10	7.80	2.67	2.28

2003				
First Quarter	Ps. 9.51	Ps. 7.80	$ 2.85	$ 2.12

(1) Source: Infosel
(2) Not adjusted for dividends
(3) Each ADS indirectly represents 3 shares of our Series "A" common stock.

The following table sets forth for each month in the six month period ended on May 31, 2003, the reported highest and lowest market quotation in nominal pesos on the Mexican Stock Exchange for shares of our Series "A" common stock and the high and low sales price in annual dollars on the NYSE for our ADSs.

	Pesos per share of our common stock[1] Mexican Stock Exchange		U.S. dollars per ADS[2][3] New York Stock Exchange	
Year	**High**	**Low**	**High**	**Low**
2002				
December	8.49	8.00	2.50	2.30
2003				
January	9.51	8.10	2.85	2.40
February	9.04	8.00	2.57	2.16
March	8.41	7.80	2.30	2.12
April	7.95	7.15	2.25	2.08
May	7.38	7.05	2.22	2.03

(1) Source: Infosel
(2) Not adjusted for dividends
(3) Each ADS indirectly represents 3 shares of our Series "A" common stock.

MARKETS

Trading on the Mexican Stock Exchange

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Operating continuously since 1907, it is organized as a corporation whose shares are held by brokerage firms, which are the sole authorized entities to trade on the floor of the exchange. Trading on the Mexican Stock Exchange takes place electronically through the centralized automated system of the exchange, which is open each business day between the hours of 8:30 a.m. and 3:00 p.m., Mexico City time. Most transactions in listed Mexican securities take place through the Mexican Stock Exchange. Trades on or off the Mexican Stock Exchange involving ten percent or more of an issuer's outstanding capital stock must be reported to the CNBV, which in turn must notify the Mexican Stock Exchange of such trade. Directors, officers and other insiders must report to the CNBV any and all transactions undertaken with respect to securities of the issuer with which they are related. In addition, directors, officers and other insiders holding stock representing 5% or more of the outstanding capital stock of the related issuer may not buy or sell such stock within a period of three months from the date of their last purchase or sale.

The Mexican Stock Exchange publishes a daily official price list (Boletin Diario de Precios y Cotizaciones) that includes price information on each listed security traded that day. The Mexican Stock Exchange operates a system of automatic temporary suspensions of trading in shares of a particular issuer as a means of controlling excessive price volatility. Each day a price band is established, with upper and lower limits. If during the day a bid or offer is accepted at a price outside this price band, trading in the shares is automatically suspended for one hour. Suspension periods in effect at the close of trading are not carried over to the next trading day. Our shares of common stock, as well as other Mexican securities publicly traded in the United States, however, are not subject to the above-described temporary suspension of trading rules dictated by the Mexican Stock Exchange. In addition, the Mexican Stock Exchange may also suspend trading of a security, including securities not subject to the automatic suspension systems for up to five days if it determines that disorderly trading is occurring with respect to such security, such suspension may be extended beyond five days if so approved by the CNBV.

Trading on the New York Stock Exchange

Since November 19, 1991, our ADSs have been listed on the NYSE. Since May 6, 1992, each ADS represents three Ordinary Participation Certificates , which we refer to as a "CPO," issued by Nacional Financiera, as trustee, which we refer to as the "CPO Trustee," for a Mexican trust which we refer to as the "CPO Trust". Each CPO represents economic interests, but does not grant voting rights, in one share of our Series "A" common stock, with no par value, of Vitro held in the CPO Trust. The ADSs are evidenced by American Depositary Receipts, which we refer to as "ADRs." ADRs evidencing ADSs may be issued by Citibank, N.A., as depositary, which we refer to as the "Depositary," pursuant to the Deposit Agreement dated as of November 26, 1991 among Vitro, the CPO Trustee, the Depositary and all registered holders, from time to time, of the ADRs issued thereunder. An ADR may evidence any number of ADSs.

As of March 31, 2003, approximately 7% of the outstanding shares of Vitro's common stock were publicly held through CPOs in the Mexican Stock Exchange and approximately 21% of the outstanding shares of Vitro's common stock were publicly held through ADRs (in turn representing CPOs) in the NYSE. Holders of ADRs and CPOs have no voting rights with respect to the underlying shares but have all economic rights relating to those shares. Pursuant to the Trust Agreements dated as of November 24, 1989 and November 28, 1990, Nacional Financiera, as trustee for both trusts, is required to vote the shares of our common stock held by such trusts in the same manner as the majority of the shares of our common stock that are not so held and that are voted at the relevant meeting. Consequently, under Mexican law, holders of CPOs and ADRs are not able to exercise voting or other rights granted to minorities. However, if a Mexican holder acquires CPOs, it may request from the trustee the cancellation of such CPOs and delivery of the equivalent number of shares.

Item 10. ADDITIONAL INFORMATION.

MEMORANDUM AND ARTICLES OF ASSOCIATION

Set forth below is a brief summary of certain provisions of our by-laws and applicable Mexican law. This summary does not purport to be complete and is qualified by reference to our by-laws and applicable Mexican law.

General Information and Corporate Purpose

Vitro was incorporated on August 27, 1936 as Fomento de Industria y Comercio, S.A., a corporation (sociedad anonima) formed under the laws of Mexico. The incorporation deed was registered on October 3, 1936 in the Registro Publico de la Propiedad y del Comercio de Monterrey, which we refer to as the "Public Registry of Commerce of Monterrey," as entry number 139, volume 82, book 3. On May 9, 1980, we changed our corporate name to Vitro, S. A. and the deed pursuant to which our name was changed was registered in the Public Registry of Commerce of Monterrey on June 9, 1980 as entry number 1,224, volume 117, book 4. We adopted the variable capital corporate form on March 30, 1998 and the deed pursuant to which we adopted such corporate form was registered in the Public Registry of Commerce of Monterrey on April 1, 1998 as entry number 2,091, volume 207-42, book 4.

Our corporate domicile is San Pedro Garza Garcia, State of Nuevo Leon, Mexico and its principal executive offices are located at Ave. Ricardo Margain Zozaya 400, San Pedro Garza Garcia, Nuevo Leon, Mexico.

Pursuant to the second clause of our by-laws, our principal corporate purposes are (i) to issue, buy and sell stock, bonds, debentures or other securities and generally execute any transaction involving such securities that is permitted by law, (ii) if authorized by our Board of Directors, to acquire shares of our capital stock through purchases on the Mexican Stock Exchange or any other securities exchange in which such shares are registered, (iii) to execute any kind of credit transaction, (iv) to issue, accept and endorse credit instruments, (v) to grant loans and guarantee in any manner, through personal or real guarantees, the fulfillment of our subsidiaries' or affiliates' obligations, and, with the consent of our Board of Directors, the obligations of any third party, (vi) to render services and perform promotion, enhancement and restructuring studies and analyses for our subsidiaries, (vii) to acquire such tangible or intangible goods and real estate properties that are necessary to conduct our business and (viii) in general, to enter into and execute agreements, negotiable instruments, guarantees, loans, credit transactions and any other related transactions necessary to fulfill our corporate purposes.

Directors' and Shareholders' Conflict of Interest

The provisions of applicable Mexican law described below govern issues relating to our directors' and shareholders' conflict of interests. The forty-second clause of our by-laws states that any issue not expressly provided for in our by-laws will be governed by the Mexican General Law of Corporations and the Ley del Mercado de Valores, which we refer to as the "Mexican Law of the Securities Market."

Pursuant to article 156 of the Mexican General Law of Corporations and article 14 Bis 5 of the Mexican Law of the Securities Market, any director of Vitro who has a conflict of interest with Vitro with respect to a transaction must disclose such fact to our other directors and abstain from voting on such transaction. A director of Vitro who does not comply with the requirements described in the immediately foregoing sentence will be liable to Vitro for any damages suffered by us arising out of such transaction. Additionally, the directors and Examiner of Vitro may not represent or act as a proxy for shareholders in any general shareholders' meetings. However, this limitation does not apply to prohibit directors of Vitro from attending, participating and voting at general shareholders' meetings to the extent they are also shareholders of Vitro.

Under article 196 of the Mexican General Law of Corporations, any shareholder of Vitro that has a conflict of interest with Vitro with respect to a transaction must abstain from voting on such transaction. A shareholder of Vitro who does not comply with the requirement described in the immediately foregoing sentence will be liable to Vitro for any damages suffered by us arising out of such transaction, but only if the transaction would not have been approved without such shareholder's vote.

Directors' Compensation

Our Board of Directors may not set the compensation of our directors. Our by-laws and article 181 of the Mexican General Law of Corporations require that a majority of the shares of our Series "A" common stock, no par value, which we refer to as our "Shares," present at the annual general ordinary shareholders' meeting with a right to vote, determine our directors' and our Examiner's compensation for the immediately subsequent year.

Capital Structure

As a sociedad anonima de capital variable, a portion of our capital must be fixed capital and we may have variable capital. The amount of our variable capital may not exceed ten times the amount of our fixed capital. Both our fixed and variable capital must be represented by our Shares. Other than our Shares, no class or series of our common stock has been authorized.

We have not issued Shares representing our variable capital and our fixed capital is Ps. 324,000,000, which is represented by 324,000,000 of our Shares.

Pursuant to our by-laws and Mexican law, our Shares may only be held by Mexican investors. However, non-Mexican investors may acquire an economic interest in our Shares by holding CPOs. Any acquisition of our Shares by non-Mexican investors in violation of our by-laws or Mexican law would be null and void. Please see "-Description of CPOs."

Share Registration and Transfer

Our Shares are evidenced by share certificates in registered form. Shareholders of Vitro may hold their shares in the form of physical certificates or indirectly through institutions that have an account with S.D. Indeval, S.A. de C.V., Institucion para el Deposito de Valores, which we refer to as "Indeval." Brokers, banks or other entities approved by the CNBV, which we collectively refer to as "Indeval Participants," may maintain accounts at Indeval. Vitro maintains a registry of our shareholders who have either received physical certificates evidencing our Shares or are holding our Shares through an Indeval Participant. Only persons listed in such registry and persons holding statements issued by Indeval or an Indeval Participant evidencing ownership of our Shares will be recognized as shareholders of Vitro.

Voting Rights; Preferences and Restrictions

Although at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting must approve the issuance of new series or classes of our common stock, whose terms may contain certain preferences or impose certain restrictions, other than our Shares, no series or class of our common stock has been authorized. Each of our Shares entitles the holder thereof to one vote at each general shareholders' meeting of Vitro. However, the holders of CPOs are not entitled to the voting rights appurtenant to the Shares underlying their CPOs. For a detailed description of this limitation, please see "-Description of CPOs."

So long as our Shares are registered at the Securities Section of the Registro Nacional de Valores, which we refer to as the "RNV," we may not issue shares of common stock that do not grant a right to vote or limit other corporate rights without the approval of (i) the CNBV and (ii) at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting. Pursuant to our by-laws, we may not have outstanding shares of our common stock whose terms are different than the terms of our Shares in excess of 25% of the aggregate book value of our outstanding equity capital. Notwithstanding the foregoing, the CNBV may authorize the increase of the foregoing limit by an additional 25% of the aggregate book value of our outstanding equity capital, provided that such additional shares must be non-voting or otherwise restricted shares and must be converted into our Shares within 5 years of their issuance.

Dividends

At each annual general ordinary shareholders' meeting, the Board of Directors must submit the audited financial statements of Vitro for the previous fiscal year, together with a report thereon prepared by the Board of Directors, to our shareholders for their consideration and approval. If and when our shareholders approve such financial statements, they must determine, subject to the immediately subsequent sentence, the allocation of our distributable earnings for the preceding fiscal year. Pursuant to our by-laws, 5% of our net income must be allocated to a legal reserve fund until such fund reaches an amount equal to at least 20% of our capital. Allocation to the legal reserve is determined without reference to inflation adjustments required by Mexican GAAP. Thereafter, the remainder of our net income may be allocated to create a reserve fund for the repurchase of our Shares and other reserve funds as determined by a majority of our Shares present at such annual general ordinary shareholders' meeting. The remaining net income shall be distributed to the shareholders on a pro rata basis among all of the outstanding Shares.

Those of our Shares that are fully paid and outstanding at the time a dividend or other distribution is declared will be entitled to share equally in such dividend or other distribution. Those of our Shares that are partially paid will be entitled to share in a dividend or distribution in the same proportion that such Shares have been paid at the time of the declaration of such dividend or distribution. In accordance with the Codigo de Comercio, which we refer to as the "Mexican Code of Commerce," our shareholders have 5 years to collect their dividends from us, beginning on the date the dividends are declared payable. If the dividends are not collected during such period, a shareholder's right to the dividend is extinguished. For a description of dividend rights applicable to holders of CPOs, please see "-Description of CPOs".

Liquidation

Upon our dissolution, one or more liquidators which will wind up our affairs must be appointed by a majority of our Shares present at a general extraordinary shareholders' meeting. Those of our Shares that are fully paid and outstanding at the time of our dissolution will be entitled to share equally in any distribution upon liquidation. Those of our Shares that are partially paid at the time of our dissolution will be entitled to share in a liquidation distribution in the same manner as they would in a dividend distribution.

Employee's Mandatory Share in the Company's Profits

Pursuant to Mexican law, each of Vitro and its subsidiaries must pay to their respective employees 10% of the taxable income of such entity, as determined in accordance with such law, which is generally lower than the taxable income and the net income reported by each of Vitro and its subsidiaries. To see the amounts paid by us in previous years pursuant to such law, please refer to note 17 of our audited financial statements included elsewhere in this document.

Redemption

Our Shares are subject to redemption in connection with a reduction in our capital. Our capital may be reduced through redemption in the following situations: (i) to absorb losses, (ii) to return invested capital to shareholders, (iii) to redeem Shares with retained earnings, (iv) upon failure to pay for a subscribed Share and (v) upon a Share purchase. In each case, the redemption must be approved by at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting.

The redemption set forth in clause (i) above must be on a pro rata basis among all of our outstanding Shares. Our Shares subject to the redemption procedure set forth in clause (ii) above would be selected by lot before a Notary Public and the selected Shares will be cancelled. In the event of a redemption of our Shares with retained earnings, at the option of at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting, such redemption may be carried out either by means of a public tender offer conducted in the Mexican Stock Exchange at the prices and upon the offer terms determined by such majority or on a pro rata basis among all of our outstanding Shares, so that after the redemption, each of our shareholders will have the same ownership percentage of our outstanding Shares that they had before the redemption.

Purchase by us of our Shares

We may also decrease the number of outstanding Shares by purchasing our Shares in the Mexican Stock Exchange at prevailing market prices. Purchases would have the effect of either reducing (i) shareholders' equity or (ii) paid-in capital. If the purchased Shares are cancelled, shareholders' equity will be reduced. If the purchased Shares are held as treasury shares, paid-in capital will be reduced.

If the purchase is to be accounted for as a reduction of shareholders' equity, a majority of our Shares present at a general ordinary shareholders' meeting must approve, for the current fiscal year, the maximum aggregate amount of shareholders' equity that may be used for stock purchases, which amount may not exceed the aggregate amount of our net retained earnings. The Board of Directors' consent is not required for the sale or purchase of our Shares.

Purchase Obligation

In accordance with our by-laws, and as required by the CNBV, any controlling shareholder Vitro may have must make a public offer to purchase those of our Shares held by our other shareholders if our Shares cease to be quoted on the Mexican Stock Exchange due to a decision by our shareholders to delist our Shares or an order of the CNBV. The price at which such shares must be purchased by our controlling shareholder is the

higher of (i) the average closing quotation price for the 30 trading days prior to the date of the offer and (ii) the book value per share, as reflected in the last quarterly report with the CNBV and the Mexican Stock Exchange. Notwithstanding the foregoing, our controlling shareholder is not required to make such public offer if all of our Shares present at the relevant general shareholders' meeting approve the delisting of our Shares from the Mexican Stock Exchange. Voluntary delisting of our Shares from the Mexican Stock Exchange requires the affirmative vote of at least 95% of our Shares present at the relevant general shareholders' meeting and the approval of the CNBV.

Variable Capital and Certain Rights to Sell

The fixed portion of our capital may be increased or decreased in the manner and on the terms approved by at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting. The variable portion of our capital may be increased or decreased in the manner and on the terms approved by a majority of our Shares present at a general ordinary shareholders' meeting. Capital increases and decreases must be recorded in our Libro de Variaciones de Capital.

If we issue Shares representing the variable portion of our capital, any holder of such shares will have the right to have such shares redeemed at their request. Any such shareholder intending to obtain a total or partial redemption of our Shares representing the variable portion of our capital must notify Vitro of such intent by delivering an authenticated written notice of withdrawal. If a notice of withdrawal is received prior to the last quarter of the fiscal year, the withdrawal will become effective at the end of the fiscal year in which the notice is given. Otherwise, the withdrawal will become effective at the end of the following fiscal year.

According to our by-laws, shares representing the variable portion of our capital that are the subject to a withdrawal notice must be redeemed at the lower of: (i) 95% of the average closing quotation price on the Mexican Stock Exchange for the 30 trading days prior to the date on which the withdrawal becomes effective and (ii) the book value per share as stated in our financial statements (as such have been approved at the annual general ordinary shareholders' meeting) for the fiscal year at the end of which the withdrawal becomes effective. Any such amount to be paid by Vitro becomes due on the day following the annual ordinary general shareholders' meeting referred to in clause (ii) above.

Capital Increase; Preemptive Rights

At least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting may authorize an increase of the fixed portion of our capital and a majority of our Shares present at a general ordinary shareholders' meeting may increase the variable portion of our capital. An increase in our capital cannot be effected if the Shares representing our then existing capital have not been paid in full. Our capital may be increased either through (i) contributions made by existing or new shareholders, (ii) the capitalization of share-related premiums or advances previously made by our shareholders, (iii) the capitalization of retained earnings or valuation reserves or (iv) the capitalization of our indebtedness.

In the event of a capital increase, a holder of issued and outstanding Shares has a preferential right to subscribe for a sufficient number of our Shares to maintain such holder's existing proportional holdings of our Shares. Preemptive rights must be exercised within 15 days following the publication of notice of the capital increase in the Periodico Oficial del Estado de Nuevo Leon. Under Mexican law, such preferential rights cannot be waived in advance and cannot be represented by an instrument that is negotiable separately from the corresponding Share.

Our shareholders are not entitled to preferential rights to subscribe for our Shares issued in connection with a public offering if (i) at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting called for such purpose approves the public offering and (ii) other requirements specified in Article 81 of the Mexican Law of the Securities Market are satisfied, including obtaining the approval of the CNBV. Such public offering may not be made if 25% or more of our Shares present at the general extraordinary shareholders' meeting called to consider the public offering vote against the public offering.

Appraisal Rights

The Mexican General Law of Corporations provides that upon the adoption, at a general extraordinary shareholders' meeting, of any of the resolutions listed below, dissenting shareholders will have the right to have the Shares they hold appraised and to compel us to redeem such shares at the appraised price, subject to the satisfaction of certain terms and conditions. The appraisal price will be determined by the proportion of shares submitted for appraisal to our net worth as stated in our financial statements approved at the most recent general ordinary shareholders' meeting.

Such appraisal rights are triggered by shareholders' resolutions approving (i) changes in our business purpose, (ii) our reincorporation in a jurisdiction other than Mexico or (iii) our transformation from one corporate form to another. Dissenting shareholders must perfect their appraisal rights by making a request for appraisal of their Shares within 15 days following the date on which the meeting adopting the relevant resolution adjourns.

Modification of Shareholders' Rights

The rights appurtenant to our Shares may only be modified through a resolution adopted by at least 50% of our outstanding Shares acting at a general extraordinary shareholders' meeting.

Shareholders' Meetings and Resolutions

General shareholders' meetings may be ordinary meetings or extraordinary meetings. Extraordinary general meetings are those called to consider those matters specified in Article 182 of the Mexican General Law of Corporations including, among others, (i) any amendments to our by-laws, (ii) our early dissolution, (iii) our merger with another corporation, (iv) any change of our business purpose, (v) our issuance of preferred stock, (vi) our transformation from one corporate form to another and (vii) any increases or decreases of the fixed portion of our capital. General shareholders' meetings called to consider all other matters, including increases and decreases of the variable portion of our capital, are ordinary meetings.

A general ordinary shareholders' meeting must be held at least once a year within the four months following the end of the prior fiscal year. The annual general ordinary shareholders' meeting is held every year (i) to discuss, approve or modify the Board of Directors' annual report regarding our prior year's financial results, the business' development, relevant projects, the policies adopted by the Board of Directors and our current financial condition, (ii) to elect our directors and Examiner for the immediately subsequent year, (iii) to determine our directors' and Examiner's compensation for the immediately subsequent year, (iv) to consider, and approve our Board of Directors' annual report to our shareholders regarding our subsidiaries' prior year's results and performance, including the approval of their respective financial statements for the preceding fiscal year and (v) to determine the amount of capital that may be used for the purchase of our Shares. A general ordinary shareholders' meeting

may be called and held at any time (i) to discuss and approve the acquisition or disposition of our Shares, whose value exceeds 20% of our shareholders' equity as determined by reference to our most recent financial statements, whether through one transaction or a series of transactions, (ii) to discuss and approve the disposition of shares of one of our subsidiaries dedicated to the production, manufacture, distribution or sale of glass containers, flat glass products or glassware products, when such disposition would cause the change of control of such subsidiary, and (iii) to approve an increase or decrease of the variable portion of our capital. At any such general ordinary shareholders' meeting, any shareholder or group of shareholders holding 10% or more of our outstanding Shares may appoint one of our directors. A majority of our Shares present at the annual general ordinary shareholders' meeting must determine the number of directors that will comprise the Board of Directors for the immediately subsequent fiscal year. The directors elected at the annual general ordinary shareholders' meeting serve for a renewable term of one year. If the one year term of office of any of our directors is not renewed at the annual general shareholders' meeting, each such director will serve until his or her successor is duly elected and takes office.

The quorum for a general ordinary shareholders' meeting convened at the first call is at least 50% of our outstanding Shares entitled to vote at such meeting and action may be taken by holders of a majority of our Shares present at such meeting. If a quorum is not present, a subsequent meeting may be called at which a quorum shall exist regardless of the number of our Shares present at such subsequent meeting and action may be taken by a majority of our Shares present at such subsequent meeting. The quorum for a general extraordinary shareholders' meeting convened at the first call is 75% of our Shares entitled to vote at such meeting. If a quorum is not present, subsequent meetings may be called at which 50% of our Shares entitled to vote at such subsequent meeting will constitute a quorum. Whether on first or subsequent calls, actions at a general extraordinary shareholders' meeting may be taken only by at least 50% of our outstanding Shares, except for the cancellation of the registration of our Shares with the RNV or the delisting of our Shares from the Mexican Stock Exchange, which actions may only be taken by at least 95% of our outstanding Shares.

General shareholders' meetings may be called by (i) the Board of Directors or the Examiner, (ii) 10% of our Shares entitled to vote at such meeting by means of a request to the Board of Directors or the Examiner to call such a meeting, (iii) a Mexican court in the event the Board of Directors or the Examiner do not comply with a request as described in clause (ii) above and (iv) any of our shareholders, if no general shareholders' meeting has been held for two consecutive years or if any of the following matters has not been addressed at a general shareholders' meeting within such two year period: (a) the annual report of the Board of Directors regarding our financial statements, (b) the allocation of our net income, (c) the appointment of our directors and Examiner or (d) the compensation of our directors and Examiner. Notice of general shareholders' meetings must be published in the Periodico Oficial del Estado de Nuevo Leon or in a newspaper of wide distribution in Monterrey, Mexico at least 15 calendar days prior to a general shareholders' meeting. Only shareholders who have either deposited Shares at our offices or who present statements issued by Indeval or an Indeval Participant evidencing ownership by such person of our Shares will be admitted as a shareholder to a general shareholders' meeting. In order to attend and participate in a general shareholders' meeting, each shareholder must obtain from our Secretary a certificate acknowledging their status as a shareholder at least 48 hours before the date of the general shareholders' meeting. A shareholder may be represented by an attorney-in-fact who holds a duly granted proxy or power-of-attorney.

Under the Mexican Law of the Securities Market, at least 10% of our Shares entitled to vote on a particular matter may seek to have any shareholder action with respect to such matter set aside by filing a complaint with a court of law within 15 days after the adjournment of the general shareholders' meeting at which such action was taken and showing that the challenged action violates Mexican law or our by-laws. Such relief is only available to holders (i) who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action and (ii) whose Shares were not represented when the action was taken or, if represented, voted against it.

Under Mexican law, Vitro must initiate an action for civil liabilities against one or more of our directors upon the approval of a resolution of our shareholders to that effect. If our shareholders approve such a resolution, the persons against whom such action is brought will immediately cease to be one of our directors. Additionally, at least 15% of our outstanding Shares may directly initiate such an action against our directors, provided that (i) such Shares shall not have been voted against initiating such an action at the relevant general shareholders' meeting and (ii) the claim covers all of the damages alleged to have been caused to Vitro and not merely the damages suffered by the plaintiffs. Any recovery of damages with respect to such actions will be for our benefit and not for the benefit of the shareholders bringing the action.

Asset Acquisitions and Divestitures

Pursuant to our bylaws, the Board of Directors has the exclusive and non-assignable power to approve transactions involving: (i) the acquisition or disposition of 10% or more of our total assets, (ii) guarantees by Vitro in an amount exceeding 30% of our total assets and (iii) transactions different from the foregoing in any way affecting more than 1% of our total assets.

Description of CPOs

The following is a description of certain provisions of (i) the Trust Agreement dated as of November 28, 1990 between Nacional Financiera, S.N.C., as grantor and as CPO Trustee, and Vitro, (ii) the public deed dated as of November 29, 1990 which evidences the issuance of CPOs by the CPO Trustee pursuant to the CPO Trust Agreement and which deed is registered with, and may be examined at, the Registro Publico del Comercio de la Ciudad de Mexico, D.F., which deed we refer to as the "First CPO Deed," (iii) the public deed dated as of June 24, 1998 which evidences the issuance of CPOs by the CPO Trustee pursuant to the CPO Trust Agreement and which deed is registered with, and may be examined at, the Registro Publico del Comercio de la Ciudad de Mexico, D.F., which deed we refer to as the "Second CPO Deed," and (iv) applicable provisions of the Ley General de Titulos y Operaciones de Credito, which we refer to as the "Negotiable Instruments Law." We refer to the First CPO Deed and the Second CPO Deed, together, as the "CPO Deeds." This description does not purport to be complete and is qualified in its entirety by reference to the CPO Trust Agreement, the CPO Deeds, and the provisions of Mexican law referred to in this description.

The CPO Trust Agreement established a master trust that enables non-Mexican investors to acquire ordinary participation certificates representing economic interests in our Shares. The trust is necessary because, under Mexican law and our by-laws, our Shares may not be purchased or held directly by non-Mexican investors, as such are determined by applicable law and our by-laws.

The terms of the CPO Trust Agreement were authorized by an official communication dated November 27, 1990 from the Direccion General de Inversiones Extranjeras de la Comision Nacional de Inversiones Extranjeras. The CPO Trust Agreement is registered with the Registro Nacional de Inversiones Extranjeras in Mexico City, which we refer to as the "National Registry of Foreign Investment." An official communication of the CNBV authorized the issuance of CPOs by the CPO Trustee pursuant to the CPO Trust Agreement.

CPOs, which are negotiable instruments under Mexican law, have been issued by the CPO Trustee pursuant to the terms of the CPO Trust Agreement and the CPO Deeds and may be redeemed as described in "-Deposit and Withdrawal of our Shares." Each CPO represents an economic interest in one of our Shares held in the CPO Trust. Currently, the maximum number of CPOs that can be issued pursuant to the CPO

Deeds is 200,000,000. Holders of CPOs are not entitled to exercise any voting rights with respect to our Shares held in the CPO Trust. Such rights are exercisable by the CPO Trustee pursuant to the terms of the CPO Trust Agreement. Pursuant to the Ley de Inversion Extranjera, which we refer to as the "Foreign Investment Law," the CPO Trust Agreement qualifies as a "neutral investment" trust because, among other things, voting rights in respect of the underlying Shares are exercisable only by the CPO Trustee and not by the holders of the CPOs.

Deposit and Withdrawal of our Shares

Holders of our Shares may deliver such shares to the account of the CPO Trustee at Indeval and receive in return CPOs delivered by the CPO Trustee pursuant to the CPO Trust Agreement. All of our Shares delivered to the CPO Trustee will be held in trust by the CPO Trustee in accordance with the terms and conditions of the CPO Trust Agreement. We will deem the CPO Trustee to be the holder of the Shares delivered to the CPO Trustee. Transfer of ownership of those of our Shares that underlie CPOs will be effected through the records maintained by Indeval and Indeval Participants.

The CPO Trustee will deliver CPOs in respect of our Shares transferred as described above. All of the CPOs are evidenced by a single certificate, which we refer to as the "Global CPO," which has been issued to and deposited with Indeval, acting as depositary. Ownership of CPOs deposited with Indeval will be shown on, and transfer of the ownership of such CPOs will be effected through, records maintained by Indeval and Indeval Participants. Holders of CPOs are not entitled to receive physical certificates evidencing such CPOs but may request statements issued by Indeval and Indeval Participants evidencing ownership of CPOs. Holders of CPOs that are non-Mexican investors are not entitled to withdraw the Shares that are held in the CPO Trust and represented by CPOs.

Holders of CPOs may sell their CPOs (i) to a non-Mexican investor, in which case, the non-Mexican investor will become the transferee of such CPOs or (ii) to a Mexican investor, through the Mexican Stock Exchange, in which case, the Mexican investor would be the transferee of the Shares underlying such CPOs directly or, by keeping such shares deposited at an account at Indeval, such CPOs will be held by the CPO Trustee pending delivery.

Dividends, Other Distributions and Preemptive and Other Rights

Holders of CPOs are entitled to receive the economic benefits related to the Shares underlying such CPOs, including those dividends or distributions approved by our shareholders and to receive the proceeds from the sale of such shares at the termination of the CPO Trust Agreement. Please see "-Termination of the CPO Trust." The CPO Trustee, through Indeval, will distribute cash dividends and other cash distributions received by it with respect to our Shares held in the CPO Trust to the holders of the CPOs in proportion to their respective holdings in the same currency in which they were received. Dividends paid with respect to our Shares underlying CPOs will be distributed to CPO holders by Indeval on the business day following the date on which Indeval receives the funds on behalf of the CPO Trustee.

If a distribution by Vitro consists of a stock dividend on our Shares, such distributed shares will be transferred to Indeval, on behalf of the CPO Trustee, and held in the CPO Trust. The CPO Trustee will distribute to the holders of outstanding CPOs, in proportion to their holdings, additional CPOs in an aggregate number equal to the aggregate number of our Shares received by the CPO Trustee as the stock dividend. If the maximum amount of CPOs that may be delivered under the CPO Deeds would be exceeded as a result of a dividend on our Shares, a new CPO deed will be entered into setting forth that new CPOs (including those CPOs exceeding the number of CPOs authorized under the CPO Deed) may be issued. If the CPO Trustee receives any distribution with respect to our Shares held in the CPO Trust (other than in the form of cash or additional Shares), the CPO Trustee will adopt such method, as it may deem legal, equitable and practicable to effect the distribution of such property. If we offer, or cause to be offered, to the holders of our Shares, the right to subscribe for additional Shares, subject to applicable law, the CPO Trustee will offer to each holder of CPOs the right to instruct the CPO Trustee to subscribe for such holder's proportionate share of such additional Shares (subject to such holder providing the CPO Trustee (through Indeval) with the funds necessary to subscribe for such additional Shares). Neither we nor the CPO Trustee will be obliged to register such rights or the related Shares or CPOs under the Securities Act. If an offering of rights occurs, under applicable law and without registration under the Securities Act, and CPO holders provide the CPO Trustee with the necessary funds, the CPO Trustee (through Indeval) will subscribe for the corresponding number of our Shares, which will be placed in the CPO Trust (to the extent possible), and deliver additional CPOs (through Indeval) in respect of such shares to the applicable CPO holders pursuant to the CPO Deeds or, if applicable, through a new CPO deed.

According to Mexican law, dividends or other distributions and the proceeds from the sale of our Shares held in the CPO Trust that are not received or claimed by a CPO holder within 3 years from the receipt of such dividends or distributions by the CPO Trustee or 10 years from such sale will become the property of the Mexican Secretaria de Salud.

Changes Affecting our Shares

Upon any change in par value, stock split, consolidation or any other reclassification of our Shares, upon any merger or consolidation affecting us, or if we pay dividends by distributing shares or other goods different from our Shares, the CPO Trustee shall determine, in an equitable and proportional manner, any required amendments to be made to the CPO Trust, the CPO Deeds and the CPOs, as well as to the instruments representing such CPOs. If in connection with a redemption of our Shares, any of our Shares held in the CPO Trust are called for redemption, the CPO Trustee will, in accordance with the instructions of the technical committee (as defined in "-Administration of the CPO Trust"), determine, in any manner deemed to be legal, equitable and practicable, the CPOs that are to be redeemed (in a number equal to the number of our Shares held in the CPO Trust called for redemption) and pay the holders of such CPOs their proportionate share of the consideration paid by us in respect thereof.

Voting of our Shares

Holders of CPOs are not entitled to exercise any voting rights with respect to our Shares held in the CPO Trust. Such voting rights are exercisable only by the CPO Trustee, which is required by the terms of the CPO Trust to vote such shares in the same manner as a majority of our outstanding Shares that not held in the CPO Trust are voted at the relevant shareholders' meeting. Because CPOs grant no voting rights to holders thereof, such holders do not have the benefit of any rights (including minority protection rights) granted under applicable law or our by-laws to holders of our Shares.

Administration of the CPO Trust

Pursuant to the terms of the CPO Trust Agreement, the CPO Trustee administers the CPO Trust under the direction of a technical committee. The technical committee of the CPO Trust, which we refer to as the "CPO Technical Committee," consists of five members and their respective

alternates. Each of the following entities appoints one member of the CPO Technical Committee: the Comision Nacional de Inversiones Extranjeras, the Mexican Stock Exchange, the Asociacion Mexicana de Casas de Bolsa, the Common Representative (as defined below) and the CPO Trustee. Actions taken by the CPO Technical Committee must be approved by a majority of the members present at any meeting of such committee, at which at least the majority of the members are present. Banca Serfin, Sociedad Anonima, Institucion de Banca Multiple, Grupo Financiero Serfin, has been appointed as the common representative of the holders of CPOs and we refer to it as the "Common Representative."

Pursuant to the Negotiable Instruments Law, the duties of the Common Representative include, among others, (i) verifying the due execution and terms of the CPO Trust Agreement, (ii) verifying the existence of our Shares being held in the CPO Trust, (iii) authenticating the Global CPO, (iv) exercising the rights of the CPO holders in connection with the payment of any dividend or distribution to which such CPO holders are entitled, (v) undertaking any other action to protect the rights, actions or remedies to which CPO holders are entitled, (vi) calling and presiding over CPO holders' general meetings, each of which we refer to as a "CPO General Meeting," and (vii) carrying out the decisions adopted therein. The Common Representative may request from the CPO Trustee all information and data necessary for the performance of its duties. CPO holders, by a resolution adopted at a duly held CPO General Meeting, may (i) revoke the appointment of the Common Representative and appoint a substitute Common Representative and (ii) instruct the Common Representative to undertake certain actions.

Holders of CPOs representing at least 10% of the aggregate number of outstanding CPOs may request that the Common Representative call a CPO General Meeting, including in such request the order of business for such meeting. Announcements of CPO General Meetings shall be published in the Dario Oficial de la Federacion and in one of the newspapers with the largest distribution in the domicile of the CPO Trustee, which is currently Mexico City, at least 10 days in advance of the date on which the CPO General Meeting is scheduled. Announcements of CPO General Meetings shall include the order of business for such meetings.

In order for holders of CPOs to be entitled to attend CPO General Meetings, such holders must request a statement from Indeval or an Indeval Participant, not less than 2 days prior to the date on which such meeting is scheduled, evidencing their holdings of CPOs and must submit such statement to the institution designated for such purpose in the notice for such meeting on or before the day prior to the date on which such meeting is scheduled. Persons appointed by an instrument in writing as representatives for a holder of CPOs will be entitled to attend CPO General Meetings.

At CPO General Meetings, each holder of a CPO will be entitled to one vote per CPO owned by them. Resolutions of the CPO holders must be approved by a majority of CPOs present at a CPO General Meeting at which there is a quorum. A quorum at a CPO General Meeting initially is constituted by holders of a majority of CPOs delivered and, if no quorum is present at such meeting, any CPOs present at a subsequently called CPO General Meeting shall constitute a quorum. Resolutions adopted by the required number of CPO at a duly convened CPO General Meeting will bind all CPOs including absent and dissident holders.

Certain matters must be approved at a special CPO General Meeting at which, for the first call, 75% of the CPOs delivered must be present and resolutions with respect to such matters must be approved by a majority CPOs present at such meeting. Such matters include appointment and revocation of the Common Representative and the granting of consents, waivers or grace periods to the CPO Trustee. If a quorum is not present with respect to a CPO General Meeting discussing any such matters, a subsequent meeting may be called at which action may be taken regardless of the percentage of delivered CPOs present at such meeting.

Enforcement of Rights of CPO Holders

In accordance with the Negotiable Instruments Law, CPO holders may, with certain limitations, individually and directly exercise certain rights with respect to CPOs. Such rights include the right to cause the CPO Trustee to distribute dividends or other distributions received by it (directly or through Indeval), to cause the Common Representative to protect the rights to which the CPO holders are entitled and to enforce such rights and to bring action against the Common Representative for civil liabilities in the event of willful misconduct.

Status of CPO Holders

The CPO Trust Agreement and the CPO Deeds provide that any investors deemed a non-Mexican investor acquiring CPOs shall be considered under the CPO Trust Agreement, by virtue of its acquisition of CPOs, to be a Mexican national with respect to its holdings of CPOs and shall be deemed to have agreed not to invoke the protection of its own government. If such protection is invoked, such CPO holder will forfeit its CPOs to the Mexican government. A holder of CPOs is deemed to have invoked the protection of the home government of such holder by, for example, asking such government to interpose a diplomatic claim against the Mexican government with respect to the CPO holders' rights or by bringing suit in its home jurisdiction against the Mexican government with respect to such rights. CPO holders will not be deemed to have waived any of their other rights, including any rights such holder may have under the United States securities laws or pursuant to the terms and provisions of the CPOs.

Termination of the CPO Trust

The CPO Trust Agreement and the CPOs issued under the CPO Deeds will expire 30 years after the date of execution of the CPO Trust Agreement. The CPO Trustee will commence the procedure for the termination of the CPO Trust Agreement 12 months prior to its expiration. At the time of such termination, the CPO Trustee will sell our Shares held in the CPO Trust and will distribute the proceeds of such sale to the holders of the CPOs on a pro rata basis in accordance with the number of CPOs owned by each holder. The CPO Trust, with respect of our Shares, may also be terminated upon a resolution approved by a majority of the CPOs present at a CPO General Meeting. Notwithstanding the foregoing, the CPO Trust Agreement cannot be terminated if any dividends or other distributions previously received by the CPO Trustee remain unpaid to the CPO holders.

Upon the expiration of the CPO Trust Agreement, subject to obtaining the applicable authorizations from the Mexican government, the CPO Trustee and any CPO holder may execute a new trust agreement with the same terms as the CPO Trust Agreement. There can be no assurances that a new trust agreement will be executed. In such a case, our Shares represented by the CPOs owned by any holder who executes the new trust agreement will be transferred by the CPO Trustee to the new trust created pursuant to such new trust agreement and new ordinary participation certificates issued under the new trust agreement will be issued by the trustee and delivered to such holder.

Limitations Affecting ADSs Holders

Each of our Shares is entitled to one vote at general shareholders' meetings. Holders of ADRs and CPOs are not entitled to vote the underlying Shares. Voting rights with respect to the underlying Shares are exercisable only by the CPO Trustee, which is required to vote all such shares in

the same manner as the majority of our Shares that are not held in the CPO Trust are voted at the relevant meeting.

Our by-laws prohibit ownership of our Shares by non-Mexican nationals. Any acquisition of our Shares in violation of such provision would be null and void under Mexican law and such shares would be cancelled and our capital accordingly reduced. Non-Mexican nationals may, however, hold an economic interest in our Shares through a neutral investment trust such as the CPO Trust.

MATERIAL CONTRACTS

Vitromatic

On July 3, 2002, we sold our controlling 51% interest in Vitromatic, our joint venture with Whirlpool that engaged in the production and distribution of household appliances, to Whirlpool for $148.3 million in cash ($10 million of which was paid into escrow in support of certain indemnification obligations to Whirlpool). At the time of the transaction, approximately $67 million of our consolidated debt and approximately $97 million of our consolidated off-balance sheet financings were obligations of Vitromatic. Consequently, upon the consummation of the sale of our interest in Vitromatic, our consolidated debt and off-balance sheet financings were reduced by approximately $67 million and approximately $97 million, respectively.

Indebtedness

Please see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Description of our Indebtedness" for a summary of the terms of the agreements and instruments governing our material indebtedness.

Off-Balance Sheet Arrangements

Please see "Item 5. Operating and Financial Review and Prospects-Off-Balance Sheet Arrangements" for a description of our off-balance sheet arrangements.

EXCHANGE CONTROLS

Please see "Risk Factors-If exchange controls and restrictions are imposed, we may not be able to service our debt in U.S. dollars, which can expose investors to currency risk."

TAXATION

Mexican Taxes

The following general summary of Mexican taxes is based on Mexican federal tax laws in force on the date of this Form 20 F, which are subject to change. It is not intended to constitute a complete analysis of the tax consequences under Mexican law of the purchase, ownership and sale of ADSs, CPOs or Common Shares. (See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Description Of Our Indebtedness—Vicap Notes) by individuals or corporations non-residents of Mexico.

Each prospective investor should consult its tax adviser as to the Mexican, United States, or other tax consequences of an investment in, the ownership of, and the disposition of, ADSs, CPOs, common shares, or Vicap Notes, including the effects of any foreign, state or local tax laws.

ADSs, CPOs and Common Shares

Effective in June 2001 a new rule was issued by the Ministry of Finance and Public Credit under which payments of dividends, either in cash or any other form, paid with respect to ADSs, CPOs or Common Shares to a non-resident of Mexico will be subject to a withholding tax equal to 5% of the amount of dividends paid.

Gains realized by non-residents of Mexico resulting from the sale of Common Shares, CPOs or ADSs sold through an authorized stock exchange (such as the Mexican Stock Exchange or the New York Stock Exchange) or broad-based market in any country, as determined by the general rules issued therefore by the Ministry of Finance and Public Credit (an "Authorized Stock Exchange Market") are exempt from Mexican Federal withholding tax. However, if the sale of the Common Shares, CPOs or ADSs by a non-resident of Mexico is not made through an Authorized Stock Exchange Market, the transaction will be subject to Mexican federal withholding tax at a rate of 20% of the gross sales price. However if the seller is a resident of a country not-deemed a tax-haven under Mexican Law, and the seller appoints a representative in Mexico for income tax purposes related to such sale, the seller has the option to pay Mexican federal income tax at a rate of 40% of the gain on the sale.

Notwithstanding the foregoing, according to the Tax Treaty (as defined below), gains obtained by a resident of the United States for tax from the sale of stock of the Company (such as our Common Shares, CPOs and ADSs), may only be taxed in Mexico if the recipient of the gain, during the 12 month period preceding such sale, had a participation, directly or indirectly, of at least 25% in our capital; otherwise such gain will not be taxed in Mexico.

Deposits and withdrawals of CPOs in exchange for ADSs will not be subject to Mexican federal withholding tax. There are no Mexican indebtedness taxes imputable to the ownership, transfer or dispositions of Common Shares, CPOs or ADSs.

United States Taxes

ADS, CPOs and Common Shares

The following summary of United States federal income taxes is based on United States federal income tax laws in force on the date of this Form 20 F. It describes the principal United States federal income tax consequences of the purchase, ownership and sale of ADSs (which are evidenced

by ADRs) or CPOs, as the case may be, by a citizen, or resident of the United States or a corporation (or entity taxable as a corporation) organized or created in the United States or any political subdivision thereof, as the case may be ("United States Holder"). This section does not provide a complete analysis or listing of all of the possible tax consequences of the purchase, ownership and sale of the ADSs or CPOs, as the case may be, and does not address tax consequences to special persons such as dealers or traders in securities, United States Holders whose functional currency is not the U.S. dollar, persons holding ADSs or CPOs, as part of a hedge, straddle, conversion or other integrated transaction, certain U.S. expatriates, banks, real estate investment trusts (REITs), regulated investment companies (RICs), tax-exempt entities or corporations owning at least 10% of our stock.

If a partnership holds ADSs or CPOs, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner of a partnership holding ADSs or CPOs you should consult your tax advisor. Investors should consult their tax advisors with respect to the tax consequences of the purchase, ownership and sale of ADSs or CPOs including consequences under state and local tax laws.

Taxation of Cash Distributions and Distributions of Stock

For United States federal income tax purposes, United States Holders of ADSs or CPOs generally will be treated as the owners of the underlying Common Shares. To the extent that distributions paid by us with respect to such Common Shares do not exceed our earnings and profits ("E&P"), as calculated for United States federal income tax purposes, such distributions will be taxed as dividends. If these dividends constitute qualified dividend income ("QDI"), individual United States Holders of our ADSs or CPOs will generally pay tax on such dividends at rates applicable to net capital gains (see "Taxation Upon Sale or Other Disposition"), provided that certain holding period requirements are satisfied. Dividends paid by us will be QDI if we are a Qualified Foreign Corporation ("QFC") at the time the dividends are paid. We believe that we are currently, and will continue to be, a QFC so as to allow all dividends paid by us to be QDI for United States federal income tax purposes. Corporate Holders receiving dividends paid by us will not benefit from the reduced tax rate on dividends available to individual Holders.

To the extent that distributions by us exceed our E&P, such distributions will be treated as a tax-free return of capital, by both individual and corporate Holders, to the extent of each such Holder's basis in their ADSs or CPOs, and will reduce such Holder's basis in the ADSs or CPOs on a dollar-for-dollar basis (thereby increasing any gain or decreasing any loss on a disposition of the ADSs or CPOs). To the extent that the distributions exceed the Holders basis in the ADSs or CPOs, each such individual or corporate Holder will be taxed as having recognized gain on the sale or disposition of the ADSs or CPOs (see "Taxation Upon Sale or Disposition," below). Because we are not a United States corporation, dividends paid by us will not be eligible for the dividends received deduction generally allowable to corporations under the Internal Revenue Code.

If distributions on the ADSs and CPOs are made in pesos, any dividends so paid generally will be includible in a United States Holder's gross income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day such Holder or the CPO Trustee receives the dividend. It is expected that the CPO Trustee will, in the ordinary course, convert pesos received by it as distributions on the ADSs or CPOs into U.S. dollars. To the extent that the CPO Trustee does not convert the pesos into U.S. dollars at the time that such Holder is required to take the distribution into gross income for United States federal income tax purposes, such Holder may recognize foreign exchange gain or loss, taxable as ordinary income or loss, on the later conversion of the pesos into U.S. dollar. The gain or loss recognized will generally be based upon the difference between the exchange rate in effect when the pesos are actually converted at the "spot" exchange rate in effect at the time the distribution is taken into account.

Dividends paid by us will generally be treated as foreign source income for United States foreign tax credit limitation purposes. Subject to certain limitations, United States holders may elect to claim a foreign tax credit against their United States federal income tax liability for foreign tax withheld (if any) from dividends received in respect of the ADSs or CPOs, as applicable. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends paid in respect of our ADSs or CPOs, as applicable, generally will be "passive income" or, in the case of certain types of United States holders, "financial services income" and therefore any United States federal income tax imposed on these dividends cannot be offset by excess foreign tax credits that such Holders may have from foreign source income not qualifying as passive income or financial service income, respectively. United States Holders that do not elect to claim a foreign tax credit may instead claim a deduction for foreign tax withheld (if any).

Distributions of Common Shares to the CPO Trustee with respect to its holdings of Common Shares and distributions of CPOs and ADSs to United States Holders with respect to their holdings of CPOs and ADSs, as the case may be (such previously held ADSs or CPOs being "Old Stock"), that are pro rata with respect to their holdings of Old Stock will generally not be subject to United States federal income tax (except with respect to cash received in lieu of fractional Common Shares, CPOs and ADSs). The basis of the CPOs and ADSs so received will be determined by allocating the United States Holder's adjusted basis in the Old Stock between the Old Stock and the CPOs and ADSs so received.

Taxation Upon Sale or Other Disposition

A United States Holder that holds ADSs or CPOs as capital assets will recognize capital gain or loss for United States federal income tax purposes upon a sale or other disposition of such ADSs or CPOs in an amount equal to the difference between such United States Holder's basis in the ADSs or CPOs and the amount realized on their disposition. Under current law, capital gains realized by corporate and individual taxpayers are generally subject to United States federal income taxes at the same rate as ordinary income, except that long-term capital gains realized by individuals, trusts and estates are subject to federal income taxes at a maximum rate of 15% for taxable years beginning before January 1, 2009 (20% thereafter). Certain limitations exist on the deductibility of capital losses by both corporate and individual taxpayers. Capital gains and losses on the sale or other disposition by a United States Holder of ADSs or CPOs generally should constitute gains or losses from sources within the United States.

If you are a cash basis United States Holder who receives foreign currency in connection with a sale or other taxable disposition of ADSs or CPOs, as applicable, the amount realized will be based on the U.S. dollar value of the foreign currency received with respect to such ADSs or CPOs as determined on the settlement date of such sale or other taxable disposition.

If you are an accrual basis United States Holder, you may elect the same treatment required of cash basis taxpayers with respect to a sale or other taxable disposition of ADS or CPOs, as applicable, provided that the election is applied consistently from year to year. Such election may not be changed without the consent of the Internal Revenue Service. If you are an accrual basis United States Holder and do not elect to be treated as a cash basis taxpayer (pursuant to the Treasury Regulations applicable to foreign currency transactions) for this purpose, you may have a foreign currency gain or loss for United States federal income tax purposes because of differences between the U.S. dollar value of the foreign currency received prevailing on the date of the sale or other taxable disposition of ADSs or CPOs, as applicable, and the date of payment. Any such currency gain or loss generally will be treated as ordinary income or loss and would be in addition to gain or loss, if any, that you recognized

on the sale or other taxable disposition of ADS or CPOs, as applicable.

Deposits and withdrawals by United States Holders of CPOs in exchange for ADSs and of ADSs in exchange for CPOs will not be subject to any United States federal income tax.

U.S. Federal Income Tax Consequences to Non-United States Holders

Taxation of Cash Distributions and Distributions of Stock

Holders who are not United States Holders ("Non-United States Holders") will generally not be subject to U.S. federal income tax on distributions made on ADSs or CPOs, as the case may be, unless such Holders conduct a trade or business in the United States and such dividends are effectively connected with the conduct of that trade or business (and, if an applicable income tax treaty so requires as a condition for you to be subject to U.S. federal income tax on a net income basis in respect of income from our ADSs or CPOs, such dividends are attributable to a permanent establishment that you maintain in the United States).

If a Non-United States Holder fails the above test, such Holder will generally be subject to U.S. federal income tax with respect to such dividends in the same manner as a United States Holder, as described above. In addition, any effectively connected dividends received by a non-U.S. corporation may also, under certain circumstances, be subject to an additional branch profit tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty.

Taxation Upon Sale or Other Disposition

Non-United States Holders will not be subject to U.S. federal income tax in respect of gain recognized on a sale or other disposition of ADSs or CPOs unless (i) such non-United States Holder's gain is effectively connected with a trade or business conducted by such Holder in the United States (and, if an applicable tax treaty so requires, as a condition for you to be subject to U.S. federal income tax on a net basis in respect of gain from the sale or other disposition of ADSs or CPOs, such gain is attributable to a permanent establishment maintained by such Holder in the United States or (ii) such Holder is an individual and present in the United States for at least 183 days in the taxable year of the sale or other disposition and certain other conditions are met.

Effectively connected gains realized by a non U.S. corporation may also, under certain circumstances, be subject to an additional branch profit tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty.

United States Backup Withholding and Information Reporting

In general, information reporting requirements will apply to certain payments of principal or interest on payments of dividends on Common Shares, ADSs or CPOs and the proceeds of certain sales of Common Shares, ADSs or CPOs in respect of United States Holders other than certain exempt persons (such as corporations). A 28% backup withholding tax (31% for 2011 and thereafter) will apply to such payments if the United States Holder fails to provide a correct taxpayer identification number of certification of exempt status or, with respect to certain payments, the United States Holder fails to report in full all dividend and interest income and the Internal Revenue Service notifies the payer of such under-reporting. Non-United States Holders generally are not subject to information reporting and backup withholding, but may be required to provide certification of Non-United States status in order to establish exemption. Backup withholding may apply to Non-United States Holders if such Holders sell Common Shares, ADSs or CPOs through a U.S. broker and information reporting, but not backup withholding, may apply if such Holders sell Common Shares, ADSs or CPOs through a broker with certain connections in the U.S. Amounts withheld under the backup withholding rules may be credited against your United States federal tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim form with the Internal Revenue Service.

Tax Treaties

A Convention for the Avoidance of Double Taxation and a Protocol thereto (the "Tax Treaty") between the United States and Mexico became effective on January 1, 1994. Provisions of the Tax Treaty that may affect the taxation of certain United States holders of Notes are included above. The United States and Mexico have also entered into an agreement that covers the exchange of information with respect to tax matters. In addition, Mexico has in effect similar tax treaties with Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Italy, Japan, Korea, Netherlands, Norway, Spain, Singapore, Sweden, Switzerland, the United Kingdom, Chile, Ecuador, Ireland, Israel and Venezuela.

DIVIDENDS AND PAYING AGENTS

Owners of ADSs and CPOs are entitled to receive any dividends payable in respect of the shares of Series "A" common stock underlying such ADSs and CPOs. However, those owners are not entitled to vote the underlying shares of Series "A" common stock, including with respect to the approval of such dividends. Cash dividends will be paid to the CPO Trustee in pesos and, with respect to CPOs on deposit with the Depositary, such dividends will be paid by the CPO Trustee to the Depositary in pesos.

DOCUMENTS ON DISPLAY

Vitro is subject to the informational reporting requirements of the Exchange Act and files with the SEC:

* annual reports;

* certain other reports or information that it makes public under Mexican law, files with the CNBV and the Mexican Stock Exchange or distributes to shareholders; and

* other information.

You may access and read Vitro's SEC filings through the SEC's Internet site at www.sec.gov. This site contains reports and other information that Vitro files electronically with the SEC.

You may also read and copy any reports or other information that Vitro files with the SEC at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, materials filed by Vitro may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

As a foreign private issuer, Vitro is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements and is not required to file proxy statements with the SEC. In addition, Vitro's officers, directors and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions contained in Section 16 of the Exchange Act.

You may request copies of any of our SEC filings or any other document described in this annual report by requesting them in writing or by telephone at the following address and phone number:

Vitro, S.A. de C.V.
Av. Ricardo Margain Zozaya 440,
Col. Valle del Campestre,
San Pedro Garza Garcia,
Nuevo Leon, 66265, Mexico
Attention: Investor Relations Department
Telephone number: (52-81) 8863-12-00

You may obtain additional information about Vitro through our web site at www.vitro.com. The information contained therein is not part of this annual report.

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities require that we hold or issue financial instruments, primarily debt obligations in pesos or in U.S. dollars, that expose us to market risk caused by movements in interest rates or currency exchange rates. To minimize our exposure to these risks, we utilize financial derivative instruments. We enter into derivative transactions for periods and amounts consistent with related underlying exposures. We do not enter into derivative transactions for arbitrage or speculative purposes.

Debt Subject to Market Risk

The table below provides information as of December 31, 2002 regarding our debt obligations with maturities originally extending for more than one year that are sensitive to changes in interest or foreign currency exchange rates. For these debt obligations, the table presents scheduled principal according to their respective maturity dates. The fair value of long-term fixed-rate debt is based on the quoted market prices for the debt instrument when there is an observable market (Senior Vicap Notes) or, when this is not the case, fair value is calculated based on the present value of future cash flows, discounted back using the yield curve that applies to the most recent issuance of a comparable instrument (fair value of fixed-rate UDIs future cash flows is discounted back using the forward variable rate that applies to the recent issuance of Certificados Bursatiles).

	Expected Maturity Date (Millions of constant pesos as of December 31, 2002, except for percentages)							
	2003	2004	2005	2006	2007	Thereafter	Total	Fair Value
Fixed rate debt:								
Dollar-denominated (1)	Ps. 234	Ps. 234	Ps. 234	Ps. 234	Ps. 2,415	Ps. 0	Ps. 351	Ps. 2,901
Weighted average coupon	11.40%							
Floating rate debt:								
Dollar-denominated (1)	Ps. 1,525	Ps. 2,183	Ps. 932	Ps. 661	Ps. 293	Ps. 37	Ps. 5,631	Ps. 5,631
Weighted average interest rate	LIBOR plus 2.28%							
Peso-denominated	Ps. 0	Ps. 310	Ps. 0	Ps. 0	Ps. 0	Ps. 1,360	Ps. 1,670	Ps. 1,670
Weighted average interest rate:	180-day CETES plus 3.09%							
UDI-denominated(2)	Ps. 54	Ps. 208	Ps. 54	Ps. 1,049	Ps. 0	Ps. 0	Ps.1,365	Ps. 1,692
Weighted average interest rate	9.40%							

(1) The principal amount of our dollar-denominated debt was translated to pesos at 10.4393, the Free Exchange Rate as of December 31, 2002.
(2) Based on the pesos per UDI value published by Banco de México in the Diario Oficial de la Federación, which in turn, is based on the INPC.

Interest Rate Risk

Our exposure to market risk associated with changes in interest rates relates primarily to our debt obligations, most of which bear interest at floating rates. In the ordinary course of business we enter into interest rate swap agreements to hedge future interest payments under floating rate debt.

The following table presents notional amounts and weighted average interest rates by contractual maturity dates of our interest rate swaps as of December 31, 2002. Notional amounts are used to calculate the contractual payments to be exchanged under each contract.

Outstanding Notional Amounts
(Millions of constant pesos as of December 31, 2002, except for percentages)

Interest Rate Swaps	2002	2003	2004	2005	2006	There-after	Weighted average	Fair Value
a) From Float to Fixed								
Aggregate outstanding notional at year end	Ps. 2,164	Ps. 1,573	Ps. 982	Ps. 391	Ps. 0	Ps. 0		
Vitro pays (vs LIBOR receipts)	5.39%	5.39%	5.39%	5.20%			5.36%	Ps. 118
b) From Fixed on UDIS to Fixed on $								
Aggregate outstanding notional at year end	Ps 1,145	Ps. 1,145	Ps. 1,145	Ps. 1,145	Ps. 0	Ps. 0		
Vitro pays over a notional amount of 107.9 Million Ps.	8.97%	8.97%	8.97%	8.97%			8.97%	
Vitro receives over the outstanding notional amount	9.39%	9.39%	9.39%	9.39%			9.39%	Note (1)
Interest Rate Options								
Aggregate outstanding notional at year end	Ps. 3,654	Ps. 3,654	Ps. 3,654	Ps. 3,654	Ps. 0	Ps. 0		
Option premium (financed)	1.95%	1.95%	1.95%	1.95%			1.95%	
Strike price on 6 month LIBOR	4.00%	4.00%	4.00%	4.00%			4.00%	Ps. 210

(1) The fair value of this Swap is included in the valuation of the "Swaps covering UDI-denominated debt" in the following section.

Figures shown in brackets represent a gain in the market value of the derivative transaction.

Exchange Rate Risk

We periodically enter into currency swap agreements to mitigate our exposure to foreign currency exchange rate variation. The table below provides information as of December 31, 2002 regarding our currency swaps used primarily to reduce our exposure to UDI or U.S. dollar exchange rate risk.

	Exchange of Notional Amounts (millions of constant pesos as of December 31, 2002)						
Currency Exchange Swaps	2003	2004	2005	2006	2007	Total	Fair Value
a) Swaps covering UDI-denominated debt notional UDIs (receive (1)	UDIs 0	UDIs 50	UDIs 0	UDIs 355	UDIs 0	UDIs 405	
Nominal Pesos (pay)(2)	Ps. 0	Ps. 160	Ps. 0	Ps. 1,227	Ps. 0	Ps. 1,387	(Ps. 101)
b) Swaps covering dollar denominated debt							
	$ 0	$ 0	$ 0	$ 0	$ 200	$ 200	
Notional $(receive)							
Nominal Pesos (pay)	Ps. 0	Ps. 0	Ps. 0	Ps. 0	Ps. 2,336	Ps. 2,336	(Ps. 51)

(1) UDIS amounts are shown in Millions. Entered into to cover debt represented by notes issued by us in the Mexican public market. The price of the UDI as of December 31, 2002 was Ps. 3.225778 per UDI. We will receive an amount of Pesos equal to the notional amount of UDIs shown in the table, multiplied by the peso/UDI exchange rate on the maturity date, and we will pay the amount of pesos shown in the table.

Since this table deals with amounts of local currency to be received in the future, it is appropriate to express the amounts in nominal or non-inflation adjusted amounts.

Other Financial Instruments Risks

As described in "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Description of our Indebtedness," a swap and the 13.889% Credit Linked Notes issued by the CLN Issuer in connection with its purchase of the 2009 Senior Notes convey certain exposure to financial risk to us until the total amount of the 2009 Senior Notes are sold by CSFBI. Our exposure depends on the market value of 11 3/8% Guaranteed Notes and the occurrence of a "Credit Event" (as defined in the 13.889% Credit Linked Notes).

Natural Gas Price Risk

Natural gas is the principal fuel source of our glass furnaces. We have entered in the past, and intend to continue entering in the future, into natural gas purchase contracts to reduce the price volatility to us of the natural gas we consume. Any such contracts we have entered into or will enter into will be designated as cash flow hedges to cover our anticipated natural gas requirements. Accordingly, these natural gas hedges will be purchases in the ordinary course of business, and thus, not subject to derivative accounting.

As of December 31, 2002, we maintained hedges on the price of natural gas for approximately 42% of our consumption needs with Pemex at a price of $4.00 per million British Thermal Unit, which we refer to as “MMBTU.” These hedges expired on March 31, 2003. Approximately an additional 25% of our natural gas requirements were covered by additional hedges contracted in the derivatives market at prices averaging $4.08 per MMBTU, which we refer to as the “market hedges.” The market hedges expired on or prior to March 31, 2003.

We also maintain additional hedges with Pemex at a price of $4.16 MMBTU which will expire in December 2003. These hedges relate to approximately 17% of our expected natural gas consumption for the remainder of 2003.

Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Covenant Compliance

During the last three years and during the first six months of 2003, we breached certain of our covenants relating to the maintenance of financial ratios and the provision of notice of a change in our subsidiary's corporate name contained in certain of our credit agreements and in one of our accounts receivables factoring programs. In each case, either (i) such breach was waived by the lender, (ii) we repaid in full the outstanding indebtedness under such credit agreements or (iii) we purchased the accounts receivable from the lender. At no time did we fail to make required principal or interest payments. We are currently not in (i) default in the payment of principal, interest or sinking or purchase fund installments or (ii) any other material default that has not been cured within 30 days, in each case, relating to our indebtedness and off-balance sheet arrangements.

In addition, under certain of our subsidiaries' credit agreements, if such subsidiary does not meet certain financial ratios and other conditions, its ability to pay dividends is restricted. During 2001 and 2002, certain of our subsidiaries were restricted from paying dividends by their credit agreements. For more information, please see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources-Description of our Indebtedness-Long-Term Debt."

Anchor Glass Inc.

In September 1996, Anchor Glass filed for protection under Chapter 11 of the United States Bankruptcy Code. In connection with the bankruptcy proceedings, Anchor Glass stopped payments of principal and interests due on approximately $470 million in aggregate principal amount of its various series of outstanding debt securities (of which, $170 million, $100 million and $200 million were senior secured, senior unsecured and senior subordinated debt securities, respectively). In February 1997, Anchor Glass sold substantially all of its assets to New Anchor and to Owens-Brockway Glass. In connection with such sale, the creditors' committee of Anchor Glass released Vitro from any liabilities we might have had under Anchor Glass' indebtedness.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

Item 15. CONTROLS AND PROCEDURES

We have conducted an evaluation of the effectiveness of the design and operation of our "disclosure controls and procedures" within the 90 days prior to the date of this Annual Report on Form 20 F. We refer to such disclosure controls and procedures as our "Disclosure Controls." This evaluation, which we refer to as the "Controls Evaluation," was conducted under the supervision and with the participation of management, including the Chief Executive Officer and the Chief Financial Officer, which we refer to as the "CEO" and the "CFO," respectively.

Our management, including the CEO and the CFO, does not expect that our Disclosure Controls or our internal controls and procedures for financial reporting, which we refer to as our "Internal Controls," will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of the controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Vitro have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Based upon the Controls Evaluation, the CEO and the CFO have concluded that, subject to the limitations noted above, the Disclosure Controls are effective to timely alert management to material information relating to us during the period when our periodic reports are being prepared.

In addition, since the date of the Controls Evaluation to the date of this Annual Report, there have been no significant changes in our Internal Controls or in other factors that could significantly affect our Internal Controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

Outsourcing of Internal Audit Function

During 2001, 2002 and the first half of 2003, we outsourced our internal audit function to Deloitte & Touche / Galaz, Yamazaki, Ruiz Urquiza, S.C., which was also our independent auditor during the same periods. Beginning on May 6, 2004, pursuant to the SOA and the SEC regulations enacted thereunder, such internal audit functions may not be performed for us by our independent auditor. We have already begun the process of interviewing and selecting an alternative provider of these internal audit functions.

Item 16. RESERVED

Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

As required by the regulations issued by the CNBV, on March 19, 2003, we designated Mr. Jaime Serra Puche, one of our directors, as the experto financiero serving on the Audit Committee of our Board of Directors. The attributes necessary to be an experto financiero for purposes of Mexican regulation are not the same attributes necessary to be an "audit committee financial expert" under the rules and regulations issued by the SEC and the listing standards of the NYSE. Therefore, Mr. Serra Puche may not be, and we make no representation that he is, an "audit committee financial expert" for purposes of U.S. federal securities law.

PART III

Item 17. FINANCIAL STATEMENTS

We are furnishing financial statements pursuant to the instructions of Item 18 of Form 20 F.

Item 18. FINANCIAL STATEMENTS

The consolidated financial statements of Vitro, S.A. de C.V. and its subsidiaries attached to this annual report on Form 20 F have been audited by Deloitte & Touche, independent public accountants, as stated in their report with respect to the consolidated financial statements. See pages F 1 to F-47.

Item 19. EXHIBITS

	Page
1.1 By-laws (Estatutos Sociales) of Vitro, S.A. de C.V.	***
2.1 Form of Deposit Agreement among the Company, Nacional Financiera S.N.C., Citibank, N.A. and all registered holders from time to time of American Depositary Receipts issued thereunder, including the form of American Depositary Receipt	**
2.2 Trust Agreement dated November 28, 1990 between the Common Shares Trustee, as grantor, and the CPO Trustee (the "CPO Trust Agreement"), together with an English translation	**
2.3 Public Deed dated November 29, 1009 (the "Public Deed"), together with an English translation	**
2.4 Common Shares Trust Agreement	**
2.5 CPO Trust Agreement and Public Deed	**
2.6 Form of *Certificado Bursatil*	*
2.7 Indenture dated as of May 1, 1997 among Vicap, S.A. de C.V., Vitro, S.A. and Texas Commerce Bank National Association, as Trustee (including exhibits)	****
2.8 Form of 11 3/8% Guaranteed Senior Note due 2007 (included in Exhibit 2.7)	****
2.9 Form of 11 3/8% Guarantee (included in Exhibit 2.7)	****
2.10 Indenture dated as of April 30, 2002 between Vitro, S.A. de C.V. and JPMorgan Chase Bank (including exhibits)	*
2.11 Form of 11.50% Senior Note due 2009 (included in Exhibit 2.10)	*
4.1 Vitro Flex, S.A. Joint Venture Agreement dated October 1, 1979 between Ford Motor Company and Vidrio Plano de Mexico, S.A.	**
4.2 Articles of Incorporation and By-laws of Vitro Flex, S.A. together with an English translation	**
4.3 Agreement dated March 29, 1965 between Pilkington Brothers Limited and Fomento de Industria y Comercio S.A.	**
4.4 Letter Agreements dated June 15, 1998 amending the Technical Assistance Agreement dated September 1, 1983 between Pilkington Brothers plc and Vitro Flotado, S.A. de C.V.	**
4.5 Master Investment Agreement dated August 15, 1997 among Libbey Inc., Libbey Glass Inc., LGA 2 Corp., LGA 3 Corp. and LGA 4 Corp., on the one hand, and Vitro, S.A., Vitrocrisa Holding, S.A. de C.V., Vitro Corporativo, S.A. de C.V., Vitrocrisa, S.A. de C.V., World Crisa Corporation and Crisa Corporation	****
4.6 Loan Agreement dated as of August 14, 2001 among Compania Vidreria, S.A. de C.V., HSBC Securities (USA) Inc., Salomon Smith Barney Inc. and certain other lenders party thereto	*
4.7 Loan Agreement dated as of February 26, 2003 among Vitro Plan, S.A. de C.V., VVP Holding Corp., VVP Syndication, Inc., Salomon Smith Barney Inc., Salomon Smith Barney Inc. and certain other lenders party thereto	*
4.8 Loan Agreement dated as of February 26, 2003 among Vitro Plan, S.A. de C.V., certain subsidiaries and affiliates of Vitro Plan, Banco Nacional de México, S.A. and certain other lenders party thereto, together with an English translation	*

4.9 Factoring Agreement dated as of August 4, 2000 (the "Factoring Agreement") among Vitro Envases Norteamérica, S.A. de C.V. ("VENA"), certain subsidiaries of VENA party thereto and Transamerica Comercial Finance Corporation ("Transamerica")	*
4.10 Amendment Number One to the Factoring Agreement dated as of November 1, 2000 among VENA, certain subsidiaries of VENA party thereto and Transamerica	*
4.11 Amendment Number Two to the Factoring Agreement dated as of April 30, 2002 among VENA, certain subsidiaries of VENA party thereto and Transamerica	*
4.12 Stock Purchase Agreement dated as of June 3, 2002 between Whirlpool Corporation, Whirlpool Holdings, Inc. and Vitro, S.A. de C.V.	*
8.1 List of subsidiaries of Vitro, S.A. de C.V.	*
12.1 Certifications of the Chief Executive Officer and the Chief Financial Officer of Vitro, S.A. de C.V. pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.	*
12.2 Certifications of the Chief Executive Officer and the Chief Financial Officer of Vitro, S.A. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*

* Filed herewith

** Filed as an exhibit to the Registration Statement of Vitro, S.A. de C.V. on Form F-1 (File no. 33-43660) and incorporated herein by reference thereto

*** Originally filed as an exhibit to the Registration Statement of Vitro, S.A. de C.V. on Form F-1 (File no. 33-43660) and incorporated herein by reference thereto. Amendments to the Corporate Charter of Vitro were filed as exhibits to Vitro's annual reports on Form 20-F for the fiscal years ended December 31, 1992, 1993, 1994 and 1997 and are incorporated herein by reference thereto.

**** Filed as an exhibit to the Registration Statement of Vicap, S.A. de C.V. on Form F-4 (File no. 333-9498) and incorporated herein by reference thereto

Link to Financial Statements

SIGNATURES

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

Vitro, S.A. de C.V.

By:

/s/ Claudio Luis del Valle
Claudio Luis del Valle

Chief Financial Officer

Date: June 30, 2003

Independent Auditors' Report

Deloitte & Touche

Board of Directors and Stockholders of
Vitro, S.A. de C.V.
San Pedro Garza García, N. L.

We have audited the accompanying consolidated balance sheets of Vitro, S.A. de C.V. and Subsidiaries (the "Company") as of December 31, 2001 and 2002, and the related consolidated statements of income, stockholders' equity and changes in financial position for each of the three years in the period ended December 31, 2002 (all expressed in millions of constant Mexican pesos as of December 31, 2002). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of the subsidiaries and associated companies named in note 2 b), were audited by other auditors whose reports have been furnished to us, and our opinion, regarding the amounts reported by these companies, is based solely on the reports of such other auditors. The total assets of the companies above mentioned represent 21% in 2001 and 9% in 2002 of the consolidated total assets, whereas their net sales represent 9% of the consolidated net sales in 2000, 2001 and 2002.

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

In our opinion, based on our audits and the reports of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Vitro, S.A. de C.V. and Subsidiaries as of December 31, 2001 and 2002, and the results of their operations and changes in their financial position for each of the three years in the period ended December 31 2002, in conformity with accounting principles generally accepted in México.

Accounting principles generally accepted in Mexico vary in certain significant respects from accounting principles generally accepted in the United States of America. The application of the latter would have affected the determination of net income (loss) for each of the three years in the period ended December 31, 2002 and the determination of stockholders' equity at December 31, 2000, 2001 and 2002 to the extent summarized in note 21.

Our audits also comprehended the translation of Mexican peso amounts into United States dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in note 2 a). Such United States dollar amounts are presented solely for the convenience of readers.

The accompanying financial statements have been translated into English language for the convenience of readers.

February 7, 2003
February 27, 2003, as to note 20a)
June 20, 2003, as to note 20b)
June 26, 2003, as to note 21

Report of Independent Accountants
(Translated from Spanish)

To the Board of Directors of
Vitro, S. A. de C. V.

1. Empresas Comegua, S. A. and its Subsidiaries prepare their consolidated financial statements, expressed in U. S. dollars, in conformity with accounting principles generally accepted in Guatemala. These consolidated financial statements are the Group's all-purpose financial statements that we audited and regarding which we issued our unqualified report dated February 1, 2003. We also audited the consolidated balance sheets of Empresas Comegua, S. A. (a Panama company) and its Subsidiaries as of December 31, 2002 and, 2001 and the related statements of income and retained earnings and of cash flows, expressed in U. S. dollars (currency of legal tender in Panama), for the years then ended, for their special consolidation with Vitro, S. A. de C. V. (Note 1). These financial statements are the responsibility of the Companies' management. Our responsibility is to express an opinion on these financial statements based on our audits.

2. We conducted our audits in accordance with auditing standards generally accepted in Guatemala. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the

amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

3. The accompanying consolidated financial statements were prepared for the sole and single purpose of consolidating them in conformity with the accounting policies prescribed by Vitro, S. A. de C. V. and described Note 1, and not for conforming them to accounting principles generally accepted in Guatemala.

4. In our opinion, the consolidated financial statements, expressed in U. S. dollars, that were prepared for the special purpose of consolidating them, present fairly, in all material respects, the financial position of Empresas Comegua, S. A. and Subsidiaries as of December 31, 2002 and 2001, and their results of operations and cash flows for the years then ended, in conformity with the accounting policies explained in Note 1 to the financial statements.

5. This report is intended for the sole information and use of Vitro, S. A. de C. V. for it to consolidated its affiliate Empresas Comegua, S. A. and Subsidiaries, and is not intended to be and should not be used by anyone other tan these specified parties.

6. The accompanying consolidated financial statements, expressed in U. S. dollars, were translated from the financial statements (not submitted herewith) of the group's operating subsidiaries expressed in Quetzales, Costa Rican Colones and Córdobas, in conformity with the policy on translation described in Note 1 to the consolidated financial statements. This translation should not be construed as representing that the locally currency amounts of the subsidiaries actually represent or have been, or could be, converted into U.S. dollars at those or other exchange rates.

PricewaterhouseCoopers

February 1, 2003

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in jurisdictions other than Guatemala. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Guatemala.

The standards, procedures and practices used in Guatemala to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Guatemala.

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers, S.C.
Condominio Losoles D-21
Av. Lázaro Cárdenas Poniente 2400
66270 Garza García, N. L.
Teléfono (81) 8152 2000
Fax (81) 8363 3483

REPORT OF INDEPENDENT ACOUNTANTS

To the Stockholders of
Vitro Flex, S. A. de C. V.:

Monterrey, N. L., February 7, 2003

We have audited the balance sheets of Vitro Flex, S. A. de C. V. as of December 31, 2002 and 2001, and the related statements of income, of changes in stockholders' equity and of changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Vitro Flex, S. A. de C. V. at December 31, 2002 and 2001, and the results of its operations, the changes in its stockholders' equity and the changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in Mexico.

C.P. José de Jesús Mariscal Chávez
Partner
Assurance and Business Advisory Services

Vitro, S.A. de C.V. and Subsidiaries
Consolidated Balance Sheets
(Millions of constant Mexican pesos as of December 31, 2002)

	December 31,		Millions of US dollars (Convenience Translation)
ASSETS	**2001**	**2002**	**2002**
Cash and cash equivalents	Ps. 1,087	Ps. 2,232	$ 214
Trade receivables, net (note 5)	1,761	2,046	196
Other receivables	1,035	1,036	99
Inventories (note 6)	3,423	3,809	365
Current assets of discontinued operations (note 4)	1,240		
Current assets	8,546	9,123	874
Land and buildings (note 7)	9,413	8,712	835
Machinery and equipment (note 7)	9,385	8,962	858

Construction in progress	609	816	78
Goodwill, net of accumulated amortization of Ps. 122 and Ps. 157	724	748	72
Intangible pension asset	701	609	58
Other assets	1,027	1,046	100
Non-current assets of discontinued operations (note 4)	3,246		
Long - term assets	25,105	20,893	2,001
Total assets	Ps. 33,651	Ps. 30,016	$ 2,875
LIABILITIES			
Short-term borrowings (note 8)	Ps. 3,207	Ps. 3,176	$ 305
Current maturities of long-term debt (note 9)	2,795	1,602	153
Trade payables	2,568	2,295	220
Accrued expenses	639	676	64
Other current liabilities	1,053	1,326	127
Current liabilities of discontinued operations (note 4)	1,646		
Current liabilities	11,908	9,075	869
Long-term debt (note 9)	8,551	10,413	997
Seniority premiums, pensions and other long-term liabilities (note 10)	1,248	1,380	132
Deferred tax liabilities (note 17)	1,412	550	53
Longerm liabilities of discontinued operations (note 4)	821		
Long-term liabilities	12,032	12,343	1,182
Total liabilities	23,940	21,418	2,051
Commitments and contingencies (note 11)			
STOCKHOLDERS' EQUITY			
Capital stock: no par value, shares issued and outstanding, 324,000,000	324	324	31
Restatement of capital stock	5,878	5,878	563
Capital stock restated	6,202	6,202	594
Treasury stock (50,294,020 shares in 2001 and 47,979,489 in 2002)	(547)	(514)	(49)
Paid-in capital	941	915	87
Shortfall in restatement of capital	(17,073)	(16,996)	(1,628)
Cumulative effect of deferred taxes	(1,484)	(1,484)	(142)
Minimum pension liability adjustment	(191)	(298)	(28)
Retained earnings reserved for reacquisition of shares of Vitro	1,300	514	49
Retained earnings	16,934	17,598	1,686
Total majority interest	6,082	5,937	569
Minority interest in consolidated subsidiaries	3,629	2,661	255
Total stockholders' equity (note 13)	9,711	8,598	824
Total liabilities and stockholders' equity	Ps. 33,651	Ps. 30,016	$ 2,875

Vitro, S.A. de C.V. and Subsidiaries
Consolidated Statements of Income
(Millions of constant Mexican pesos as of December 31, 2002, except per share amounts)

	Year ended December 31,			Millions of US dollars, except per share amounts (Convenience translation)
	2000	**2001**	**2002**	**2002**
Net sales	Ps. 25,005	Ps. 24,406	Ps. 23,922	$ 2,292
Cost of sales	17,148	17,193	16,999	1,629
Gross profit	7,857	7,213	6,923	663
General, administrative and selling expenses	4,752	4,898	4,937	473
Operating income	3,105	2,315	1,986	190
Total financing cost (note 14)	1,073	611	2,259	216
Income (loss) after financing cost	2,032	1,704	(273)	(26)
Other expense, net (note 15)	436	817	416	40
Income (loss) before income tax and workers' profit sharing	1,596	887	(689)	(66)
Income and asset tax (note 17)	581	336	(478)	(46)
Workers' profit sharing (note 17)	324	96	47	5
Net income (loss) from continuing operations	691	455	(258)	(25)
Net income (loss) from discontinued operations (note 4)	211	189	(118)	(11)
Income on disposal of discontinued operations (note 4)			463	44

Net income for the year	Ps. 902	Ps. 644	Ps. 87	$ 8
Net income of minority interest	Ps. 525	Ps. 480	Ps. 131	$ 12
Net income (loss) of majority interest	377	164	(44)	(4)
	Ps. 902	Ps. 644	Ps. 87	$ 8
Earnings per common share (based on weighted average shares outstanding of 278,402,173 for 2000, 286,078,897 for 2001 and 275,441,504 for 2002):				
Net income (loss) from continuing operations	Ps. 2.48	Ps.1.59	Ps. (0.94)	$ (0.09)
Income on disposal of discontinued operations			1.68	0.16
Net income (loss) from discontinued operations	0.76	0.66	(0.43)	(0.04)
Net income of minority interest	(1.89)	(1.68)	(0.47)	(0.05)
Net income (loss) of majority interest	Ps.1.35	Ps. 0.57	Ps. (0.16)	$ (0.02)

Vitro, S.A. de C.V. and Subsidiaries
Consolidated Statements of Changes in Financial Position
(Millions of constant Mexican pesos as of December 31, 2002)

	Year ended December 31,			Millions of US dollars (Convenience Translation)
	2000	**2001**	**2002**	**2002**
OPERATING ACTIVITIES:				
Net income (loss) from continuing operations	Ps.691	Ps. 455	Ps. (258)	$ (25)
Add (deduct) non cash items:				
Depreciation and amortization	1,948	1,929	1,908	183
Provision for seniority premiums and pensions	211	211	187	18
Amortization of debt issue costs	50	58	51	5
Share in net income of unconsolidated associated companies	(5)	(9)		
(Gain) loss from sale of subsidiaries and associated companies	(60)	124	(65)	(6)
Write-off and loss from sale of assets	347	375	409	39
Deferred income tax and workers' profit sharing	256	104	(848)	(81)
	3,438	3,247	1,384	133
Increase (decrease) in trade payables	101	579	(272)	(26)
Decrease (increase) in trade receivables	552	355	(303)	(29)
Decrease (increase) in inventories	(378)	1	(534)	(51)
Change in other current assets and liabilities, net	368	(277)	330	31
Pension funding payments	(687)	(91)	(167)	(16)
Resources generated from continuing operations	3,394	3,814	438	42
Net income (loss) from discontinued operations	211	189	(118)	(11)
Proceeds from disposal of discontinued operations			1,418	135
Operating assets and liabilities from discontinued operations	331	198	166	16
Resources generated from operations	3,936	4,201	1,904	182
FINANCING ACTIVITIES:				
Short-term bank loans	6,651	4,293	5,495	526
Long-term bank loans	6,987	6,233	3,855	369
Capital stock contributed by minority interest	8	107	7	1
Monetary effect on liabilities with financing cost	(1,367)	(659)	(784)	(75)
Payment of short-term loans	(5,162)	(6,491)	(6,086)	(583)
Payment of long-term loans	(7,610)	(5,098)	(1,850)	(177)
Acquisition of treasury stock	(860)	(180)		
Sale of treasury stock	622		24	2
Dividends paid to stockholders of Vitro	(341)	(162)	(78)	(7)
Dividends paid to minority interest	(396)	(293)	(272)	(26)
Effect from discontinued operations	(397)	(224)	(42)	(4)
Resources (used in) generated from financing activities	(1,865)	(2,474)	269	26
INVESTING ACTIVITIES:				
Investment in land and buildings and machinery and equipment	(952)	(848)	(1,018)	(98)
Sale of land and buildings and machinery and equipment	228	133	140	14
Investment in subsidiaries and associated companies	(595)	(475)	(9)	(1)
Sale of subsidiaries and associated companies		94	115	11
Long-term investments		(145)	(49)	(4)
Effect from discontinued operations	(144)	(164)	(6)	(1)
Other	(438)	(85)	(201)	(19)
Resources used in investing activities	(1,901)	(1,490)	(1,028)	(98)
Net increase in cash and cash equivalents	170	237	1,145	110
Balance at beginning of year	680	850	1,087	104

Balance at end of year	Ps. 850	Ps. 1,087	Ps. 2,232	$ 214

Vitro, S.A. de C.V. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(Millions of constant Mexican pesos as of December 31, 2002, except per share amounts)

	Capital stock	Treasury stock and paid-in capital	Shortfall in restatement of capital	Cumulative effect of deferred taxes	Minimum pension liability adjustment	Retained earnings	Minority interest	Stock-holders' equity
Balance at January 1, 2000	Ps. 6,202	Ps. 758	Ps.(16,452)	Ps.	Ps. (137)	Ps.18,358	Ps. 4,732	Ps. 13,461
Dividends (Ps. 1.05 per share)						(341)		(341)
Decrease in minority interest							(524)	(524)
Sale of treasury stock		698						698
Paid-in capital		(53)						(53)
Acquisition of treasury stock		(860)						(860)
Comprehensive loss (note 13 i)			(265)	(1,484)	(23)	377	(715)	(2,110)
Balance at December 31, 2000	6,202	543	(16,717)	(1,484)	(160)	18,394	3,493	10,271
Dividends (Ps. 1.05 per share)						(324)		(324)
Decrease in minority interest							(128)	(128)
Paid-in capital		55						55
Acquisition of treasury stock		(204)						(204)
Comprehensive income (note 13i)			(356)		(31)	164	264	41
Balance at December 31, 2001	6,202	394	(17,073)	(1,484)	(191)	18,234	3,629	9,711
Dividends (Ps. 0.25 per share)						(78)		(78)
Decrease in minority interest							(1,304)	(1,304)
Paid-in capital		7						7
Comprehensive income (note 13i)			77		(107)	(44)	336	262
Balance at December 31, 2002	Ps.6,202	Ps. 401	Ps.(16,996)	Ps. (1,484)	Ps. (298)	Ps.18,112	Ps. 2,661	Ps. 8,598

Vitro, S.A. de C.V. and Subsidiaries
Notes to Consolidated Financial Statements
(Millions of constant Mexican pesos as of December 31, 2002, except per share amounts)

1. Activities of the company

Vitro, S.A. de C.V. ("Vitro") is a holding company, the subsidiaries of which manufacture and market glass and plastic containers, thermoformed articles, aluminum cans, flat glass for construction and automotive uses, glassware for table and kitchen use, fiberglass insulation and reinforcements, chemical products and minerals, and capital goods.

2. Basis of presentation and principles of consolidation

a) Basis of presentation

The consolidated financial statements of Vitro and its subsidiaries (the "Company") are prepared in accordance with accounting principles generally accepted in México ("Mexican GAAP"), as further described in note 3.

The consolidated financial statements presented herein are expressed in millions of constant Mexican pesos as of December 31, 2002, except per share amounts. However, solely for the convenience of users, the consolidated financial statements as of and for the year ended December 31, 2002 have been translated into United States (US) dollars at the rate of 10.4393 pesos per one dollar, the rate of exchange determined by Banco de México (Mexico's Central Bank) on December 31, 2002. The translation should not be construed as a representation that the peso amounts shown could be converted into US dollars at such rate or at any rate.

All references to dollars, in the financial statements and these notes, correspond to dollars of the United States of America.

b) Consolidated subsidiaries

Those companies in which Vitro holds, directly or indirectly, more than 50% of the capital stock or which Vitro controls are included in the consolidated financial statements. For those companies in which Vitro has joint control, the proportionate consolidation method is used, this method consists in consolidating on a proportionate basis the assets, liabilities, stockholders equity and revenues. All significant intercompany balances and transactions have been eliminated in consolidation.

Vitro's subsidiaries Vitromátic, S. A. de C. V. and subsidiaries (see note 18f); Empresas Comegua, S.A. and subsidiaries; and Vitro Flex, S. A. de C. V.; as well as certain other subsidiaries and associated companies which in the aggregate are not material, are audited by firms of public accountants other than the Company's principal auditor.

In order to consolidate the financial statements of subsidiaries located in the United States of America, the effects of inflation were taken into consideration in accordance with Bulletin B-10, as amended, which is the principal difference between US generally accepted accounting principles ("US GAAP") and Mexican GAAP for these companies. Such companies' financial statements are initially prepared in accordance with US GAAP and are translated into Mexican pesos under the current rate method. The assets, liabilities, stockholders' equity (except capital stock) and the income statement accounts are translated into Mexican pesos using the exchange rate as of the date of the most recent balance sheet presented. The cumulative translation adjustment is included as a component of stockholders' equity.

c) Investment in associated companies

Associated companies are those companies in which Vitro holds, as a permanent investment, less than 50% of the capital stock and maintains significant influence. Such investments are accounted for by the equity method.

3. Principal accounting policies

a) Accounting method for the treatment of the effects of inflation

The consolidated financial statements of the Company have been prepared in accordance with Bulletin B-10, "Recognition of the Effects of Inflation in Financial Information", as amended, issued by the Mexican Institute of Public Accountants ("IMCP"), which relates to the recognition of the effects of inflation. The Third Amendment to Bulletin B-10 (the "Third Amendment") has been adopted in preparing such consolidated financial statements. The Third Amendment requires the restatement of all comparative financial statements to constant pesos as of the date of the most recent balance sheet presented. For that purpose, Vitro's Mexican subsidiaries and associated companies use the "Indice Nacional de Precios al Consumidor" (Mexican National Consumer Price Index: "INPC"), published by Banco de México; Vitro's US subsidiaries use the Consumer Price Index - All Urban Consumers - All Items, Unadjusted ("CPI") published by the US Labor Department, and are translated using the exchange rate at the end of the last period presented.

Bulletin B-12 set the rules related to the statement of changes in financial position. This statement presents the sources and uses of funds during the period measured as the differences, in constant pesos, between the beginning and ending balances of balance sheet items adjusted by the excess (shortfall) in restatement of capital. As required by Bulletin B-12, the monetary effect and the effect of changes in exchange rates are not considered non-cash items in the determination of resources generated from operations due to the fact they affect the purchasing power of the entity.

b) Cash and cash equivalents

Highly liquid short-term investments with original maturity of ninety days or less, consisting primarily of Mexican Government Treasury Bonds and money market instruments, are classified as cash equivalents. They are valued at the lower of acquisition cost plus accrued yields or estimated net realizable value.

c) Financial instruments

Assets and liabilities resulting from any financial instrument, except for such instruments held to maturity, are recorded in the balance sheet at fair value. The financial instruments held to maturity are valued at their acquisition cost. The effects of valuation of the financial instruments, including their cost and yield are recorded in the corresponding year in the statement of operations.

Financial instruments for hedging purposes, are valued using the same criteria of valuation of the assets or liabilities hedged, and the effect of such valuation is recognized in net income, net of costs, expenses, or income from the assets or liabilities whose risks are being hedged.

d) Inventories and cost of sales

Inventories are valued at the price of the last purchase made during the year or at the latest production cost without exceeding the net realizable value. Cost of sales is determined by using the price of the last purchase prior to the date of consumption or the latest production cost at the time of sale.

e) Land, buildings, machinery and equipment

Expenditures for land, buildings, machinery and equipment, including renewals and improvements that extend useful lives, are capitalized. The Company follows the principles of the Fifth Amendment to Bulletin B-10, under which, fixed assets are restated under the method of consumer price index adjustment, using the INPC. The initial balance to apply the INPC was the net replacement value as of December 31, 1996. For machinery and equipment purchased in a foreign country, the restatement is based on a general consumer price index from the country of origin and the exchange rate at the end of each period.

Maintenance and repair expenses are recorded as costs and expenses in the period when they are incurred.

Depreciation is calculated using the straight-line method, taking into consideration the estimated useful life of the asset, in order to depreciate the original cost and the revaluation. The depreciation begins in the month in which the asset is placed in service. The estimated useful lives of the assets are as follows:

	Years
Buildings	20 to 50
Machinery and equipment	5 to 30

f) Goodwill

Goodwill is amortized on a straight-line basis over a period of 20 years. Amortization expense for the years ended December 31, 2000, 2001 and 2002 was Ps. 18, Ps. 30 and Ps. 41, respectively.

g) Seniority premiums, retirement plans and severance payments

Seniority premiums and pension plans for all personnel are considered as costs in the periods in which services are rendered. Periodic costs are calculated in accordance with Bulletin D-3 issued by the IMCP, and the actuarial computations were made by an independent actuary, using estimates of the salaries that will be in effect at the time of payment. The past service cost is amortized over the average period required for workers to reach their retirement age. The method used is the projected unit credit. Effective 2000 the Company began funding a trust in order to cover the payment of such liabilities.

Severance payments are expensed in the period in which such payments are made.

h) Excess (shortfall) in restatement of capital

This item, which is an element of stockholders' equity, reflects the accumulated effect of holding non-monetary assets and the effect of the initial monetary position gain or loss. The accumulated effect of holding non-monetary assets represents the difference between the specific values of non-monetary assets in excess of or below the increase attributable to general inflation as measured by the INPC and CPI.

i) Restatement of capital stock and retained earnings

Capital stock and retained earnings, for Mexican subsidiaries, are restated using the INPC from the respective dates such capital was contributed or net income generated to the date of the most recent balance sheet presented. Retained earnings for US subsidiaries are restated using the CPI.

j) Employee stock option plan

An employee stock option plan (see note 13b) was adopted in 1998. The Company is accounting for stock-based compensation using a fair value based method. Compensation cost is measured at the grant date based on the value of the stock option award and is recognized over the vesting period.

k) Transactions in foreign currency for Mexican subsidiaries

All transactions in foreign currency are translated at the exchange rate as of the date of such transactions. In accordance with the Third Amendment, to Bulletin B-10, such transactions are restated using the INPC. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the exchange rate at the date of the financial statements. Exchange fluctuations are recorded in the statements of operations as part of the total financing cost.

l) Revenue recognition

Revenues and related costs are recognized in the period in which risks and benefits are transferred to purchasers, which generally coincides with the shipment of products to costumers in satisfaction of orders.

m) Gain (loss) from monetary position

The gain (loss) from monetary position reflects the result of holding monetary assets and liabilities during periods of inflation. Values stated in current monetary units decrease in purchasing power over time. This means that losses are incurred by holding monetary assets over time, whereas gains are realized by maintaining monetary liabilities. The net effect is presented in the statements of operations as part of the total financing cost. For subsidiaries located in the US the result from monetary position is calculated using the CPI.

n) Income tax, tax on assets and profit sharing to workers

The Company applies the provisions of the Bulletin D-4 "Accounting Treatment of Income Tax, Tax on Assets and Workers' Profit Sharing", issued by the IMCP. As required by this bulletin, deferred income taxes are provided for differences between the book and tax value of assets and liabilities and deferred workers' profit sharing for temporary differences between the financial and adjusted tax income, that are expected to reverse in the future. Additionally, tax on assets paid in excess of income tax payable is recognized as an asset to the extent it is recoverable.

o) Earnings per share

Earnings per share are computed by dividing income by the weighted average number of shares outstanding during each period. Diluted earnings per share is no presented for periods in which all common stock equivalents are anti-dilutive or periods in which the Company records a net loss from continuing operations.

p) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts in these consolidated financial statements and in the related disclosures. Actual results could differ from those estimated.

4. Discontinued operations

On July 3, 2002, Vitro sold its 51% interest in Vitromátic, S.A. de C.V (Vitromátic) the holding company of the subsidiaries who comprised the segment Acros - Whirlpool. Vitro sold its ownership in Vitromátic to Whirlpool Corporation, who owns the related remaining 49% interest, for $ 148.3 million. Such sale resulted in a gain of Ps. 463 which is presented in the consolidated statement of income in the line item "Income on disposal of discontinued operations."

The balance sheet and statements of income for all periods presented, have been restated to present the balances and results of Vitromátic as discontinued operations. The condensed balance sheet and income statements of Vitromátic are comprised as follows:

Condensed Balance sheet:

	December 31, 2001
Cash and cash equivalents	Ps. 8
Trade receivables	668
Inventories	479
Other receivables	85
Current assets	1,240
Fixed assets	3,034
Other assets	212
Long-term assets	3,246
Total assets	Ps. 4,486
Trade payables	Ps. 965
Short-term borrowings	522
Other current liabilities	159
Current liabilities	1,646
Long-term debt	249
Other long-term liabilities	572
Long-term liabilities	821
Total liabilities	2,467
Stockholders' equity	2,019
Total liabilities and stockholders' equity	Ps. 4,486

Condensed income statements:

	Year ended December 31,		Period from January 1, to June 31, 2002
	2000	2001	(unaudited)
Net sales	Ps. 6,115	Ps. 6,306	Ps. 3,311
Cost of sales	4,877	5,213	2,772
Gross profit	1,238	1,093	539
General, administrative and selling expenses	588	598	304
Operating income	650	495	235
Financing cost and other	275	176	445
Income tax	164	130	(92)
Net income (loss)	Ps. 211	Ps. 189	Ps. (118)

5. Trade receivables

a) Trade receivables are recorded net of allowance for doubtful accounts of Ps. 43 and Ps. 62 at December 31, 2001 and 2002, respectively.

b) Sales of receivables.- The Company has entered into several factoring agreements to sell trade accounts receivable. In accordance with the terms of these agreements, the Company has the obligation to pay uncollected receivables, in the case of non-compliance of clients. The outstanding balance of receivables sold, which are deducted from the trade receivables balance, at December 31, 2001 and 2002 amounted to $ 93 million and $ 99 million. The Company periodically monitors collections to provide for any uncollectible account.

6. Inventories

Inventories are summarized as follows:

	December, 31	
	2001	2002
Semi-finished and finished products	Ps. 2,497	Ps. 2,658
Raw materials	400	499
Packaging materials	89	86
	2,986	3,243
Spare parts	243	272
Refractory	51	95
Merchandise in transit	118	177
Other	25	22
	Ps. 3,423	Ps. 3,809

7. Land and buildings, and machinery and equipment

Land and buildings, and machinery and equipment are summarized as follows:

	December, 31	
	2001	2002
Land	Ps. 3,517	Ps. 3,390
Buildings	10,947	10,211
Accumulated depreciation	5,051	4,889
	Ps. 9,413	Ps. 8,712
Machinery and equipment	Ps. 25,708	Ps. 25,655
Accumulated depreciation	16,323	16,693
	Ps. 9,385	Ps. 8,962

As mentioned in note 3 e), machinery and equipment purchased in a foreign country was restated using the CPI of such country.

8. Short-term borrowings

At December 31, 2001 and 2002, short-term borrowings denominated in Mexican pesos totaled Ps. 122 and Ps. 71, respectively, and short-term borrowings denominated in foreign currency (all of which are denominated in US dollars) totaled Ps. 3,085 and Ps. 3,105, respectively. During 2002, the Company weighted average rate for short-term borrowings in Mexican pesos was 9.45% and for short-term borrowings denominated in dollars was 4.28%.

9. Long-term debt

Long-term debt consists of the following:

	December 31,	
	2001	2002
I. Foreign Subsidiaries (payable in US Dollars):		
Secured debt, floating interest rate based on LIBOR plus a spread between 2.0% and 2.5%, principal payable in several installments through 2005.	Ps. 159	Ps. 167
Secured debt, fixed interest rate of 5.25%, principal payable in several installments through 2008.		90
Unsecured debt, floating interest rate based on LIBOR plus a spread of 1.6%, principal payable in 2003.	312	287
Unsecured debt, floating interest rate based on EURIBOR plus a spread of 2.54%, principal payable in several installments through 2010.		30
II. Mexican Subsidiaries (payable in US Dollars):		
Secured debt, floating interest rate based on LIBOR plus a spread between 1.75% and 2.3%, principal payable in several installments through 2007.	2,836	2,323
Unsecured debt, floating interest rate based on LIBOR plus a spread between 1.5% and 2.5%, principal payable in several installments through 2008.	1,944	2,825
Unsecured debt, fixed interest rate of 11.50%, principal payable in several installments through 2009.		844(1)
11.375% guaranteed senior unsecured notes due in 2007.	4,022	2,415
III. Vitro and Mexican Subsidiaries (payable in Mexican Pesos):		
Unsecured medium term notes, floating interest rate based on 182 day treasury bonds (CETES) plus a spread between of 2.4% and 3.26%, principal payable in 2004 and 2008.	328	1,670
IV. Vitro and Mexican Subsidiaries denominated in UDI's (investment units), payable in Mexican Pesos :		
Unsecured debt, interest rate of 8.75%, principal payable in several installments through 2006.	229	174
Unsecured medium term notes, fixed interest rate between 9.0% and 10.0%, principal payable in 2002 and 2006.	1,370	1,037
Unsecured medium term notes, floating rate based on UDI's plus 1.75%, principal payable in 2004.	146	153
	11,346	12,015
Less current maturities	2,795	1,602
	Ps. 8,551	Ps. 10,413

(1) A portion of the net proceeds of the sale of the 2009 Senior Notes, in the amount of $39.1 million, were used to purchase 13.889% Credit Linked Notes issued by the CLN Issuer with an aggregate principal amount of $40 million. Under the terms of the 13.889% Credit Linked Notes, upon the occurrence of a Credit Event, which includes our bankruptcy or insolvency, noncompliance with the terms of our indebtedness which would permit the acceleration thereof, a default with respect to our indebtedness, a restructuring of our indebtedness or a repudiation of or moratorium with respect to payments of our indebtedness, whether by us or a governmental entity, the principal amount of the 13.889% Credit Linked Notes will be reduced pursuant to a formula based on the then current market price of the 11?% Guaranteed Notes. As a result, if a Credit Event occurs and we are not able to cure such Credit Event within the applicable period, we may lose the entire amount that we invested in the 13.889% Credit Linked Notes. As long as a Credit Event has not occurred, the CLN Issuer is generally required to redeem (i) the 13.889% Credit

Linked Notes in four annual installments, beginning on May 7, 2003 and (ii) a pro rata portion of the 13.889% Credit Linked Notes at the time any portion of the 2009 Senior Notes is sold by CSFBI.

Concurrently with the issuance of the 2009 Senior Notes and the purchase of the 13.889% Credit Linked Notes, we entered into a swap agreement with CSFBI pursuant to which we agreed to make certain payments on April 30 of each year, beginning on April 30, 2003 and ending on April 30, 2006, to CSFBI calculated with respect to an original notional amount of $80 million if a proportional part of the 2009 Senior Notes have not been sold by CSFBI at that time and the market price of the 11?% Guaranteed Notes has declined from an initial benchmark price which is based on the price paid by CSFBI for the 2009 Senior Notes. In addition, under the swap agreement, CSFBI may require us to, at any time, make payments of all amounts that would be owed by us on all future payment dates if the market price of the 11?% Guaranteed Notes has declined to certain levels, with any such payments being reduced by payments we would be required to make on future payment dates. If certain Termination Events occur, which are similar to the Credit Events described above, CSFBI may terminate the swap agreement. In that event, we may owe CSFBI an amount calculated as described above with respect to declines in the market price of the 2009 Senior Notes for up to $40 million.

As of December 31, 2002, the interest rate of EURIBOR, CETES and LIBOR were 2.90%, 6.88% and 1.42%, respectively.

We reclassified short- term borrowings to long- term debt (see note 20).

The schedule of principal payments of long-term debt as of December 31, 2002 is as follows:

2004	Ps. 2,724
2005	1,009
2006	1,731
2007	2,708
2008	2,241
	Ps. 10,413

Certain of the Company's long-term debt agreements contain restrictions and covenants that require the maintenance of various financial ratios. The Company has complied with the restrictions and covenants during 2002.

Debt of the Company totaling Ps. 2,822 is collateralized with fixed assets and trade receivables with a book value of Ps. 4,379 as of December 31, 2002.

The Company primarily uses interest rate swaps ("interest swaps"), foreign currency forward contracts ("forward contracts"), and currency swaps ("currency swaps") to manage its exposure to fluctuations in interest and foreign currency exchange rates. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various derivative transactions. It is the Company's policy not to enter into derivative financial instruments for speculative purposes.

The Company's Interest Swaps effectively convert a portion of its variable rate debt to fixed rate debt. Their forward contracts provide for the purchase of foreign currencies at specified future dates at specified exchange rates. Further, the Company's currency swaps effectively convert a portion of its UDI's denominated debt to dollars and then to mexican pesos denominated debt.

The following table summarizes the derivative financial instruments in place as of December 31, 2002:

Type of transaction	Commencement date	Termination date	Fixed interest rate	Variable interest rate	Notional amount	Interest rate cap	Contract currency	Foreign exchange rate
Interest swap	29-Jun-00	29-Jun-05	6.85%	Libor - reviewed each 6 months	20 million USD			
Interest swap	30-Jun-01	30-Jun-06	5.20%	Libor - reviewed each 3 months	188 million USD			
Interest cap	28-Nov-01	28-Nov-06			350 Million USD	5.9457%		
Currency swap	24-Jan-01	12-Oct-06			155 million UDI's		Dollars	
Currency swap	24-Jan-01	7-Jun-06			200 million UDI's		Dollars	
Currency swap	25-Jan-01	12-Oct-04			50 million UDI's		Dollars	
Currency swap	17-Apr-02	12-Oct-06			47 million USD		Pesos	
Currency swap	17-Apr-02	7-Jun-06			61 million USD		Pesos	
Currency swap	17-Apr-02	12-Oct-04			15 millon USD		Pesos	
Forward contract	12-Aug-02	12-Aug-07			100 million USD		Pesos	11.61
Forward contract	29-Aug-02	12-Aug-07			100 million USD		Pesos	11.76

The effect in the income statement of the above mentioned transactions were:

	Income (expense) Year ended December 31,	
	2001	2002
Interest swap	Ps. (32)	Ps. (151)
Forward contract		61
Currency swap	166	5

Net	Ps. 134	Ps. (85)

10. Pension plans and seniority premiums

The disclosures relating to the Company's pension plans and seniority premiums required by Bulletin D-3, issued by IMCP, calculated as described in note 3 g), together with certain actuarial assumptions utilized are presented below as of December 31, 2001 and 2002:

	December 31,	
	2001	2002
Accumulated benefit obligation	Ps. 1,586	Ps. 1,684
Projected benefit obligation	Ps. 1,647	Ps. 1,759
Plan assets at fair value	(418)	(433)
Unrecognized net loss	(237)	(212)
Unrecognized transition obligation	(491)	(419)
Changes in assumptions and adjustments from experience	(286)	(515)
Projected net liability	Ps. 215	Ps. 180
Additional minimum liability	Ps. 964	Ps. 1,071
Net periodic cost (Ps. 245 for 2000)	210	214

At December 31, 2002, the plan assets presented above, included 39.2 million shares of Vitro.

Assumptions:

	December 31,	
	2001	2002
Discount rate	5.0%	4.5%
Expected rate of return on plan assets	7.0%	6.0%
Rate of compensation increase	1.0%	1.0%

11. Commitments and contingencies

a) In October, 2000, several subsidiaries of Vitro, S.A. de C.V. which have facilities throughout Monterrey, Mexico and the Mexico City area, entered into a 15 year energy purchase agreement for approximately 110 MW ("Megawatts") of electricity with Tractebel Energía de Monterrey, S. de R..L. de C.V. ("Tractebel"). It is expected that Tractebel will commence commercial operations during February 2003.

b) The Company's consumption of natural gas during 2002 was approximately 24,000,000 of British Thermal Units ("MMBTUS"), of which, it had covered a total of 14,211,024 MMBTUS with fixed price purchased contracts as follows:

	% of coverage over consumption	MMBTUS coverage price
Petroleos Mexicanos	42%	$4.00
Petroleos Mexicanos	17%	4.165

As of December 31, 2002, the Company maintains hedges on the price of natural gas for approximately 42% of its future planned consumption with Petróleos Mexicanos at a price of $ 4.00 dollar per MMBTUS.

As of February 7, 2003, the market price for MMBTUS was $ 5.435 dollars.

c) The Company has several non-cancellable operating lease agreements for the rent of warehouses and equipment. Rental expense for the years 2000, 2001 and 2002 was Ps. 280, Ps. 340 and Ps. 386, respectively.

Future minimum lease payments under these agreements are as follows:

2003	Ps. 385
2004	377
2005	359
2006	365
2007	370

d) The Company is not a party, and none of its assets is subject, to any pending legal proceedings nor is the Company subject to any contingent liabilities, other than as described in note 11 e) and legal proceedings and contingent liabilities arising in the normal course of business and against which the Company is adequately insured or indemnified or which the Company believes are not material in the aggregate.

e) As part of Anchor's disposal in a transaction approved by the U.S. Bankruptcy Court, Vitro provided to the Pension Benefit Guaranty Corporation ("PBGC"), a United States governmental agency that guarantees pensions, a limited guarantee of Anchor's under funded pension liability. No payments would be made under the guarantee unless the PBGC terminated any of Anchor's pension plans, and the guarantee would be payable only to the extent the PBGC could not otherwise recover the under funded liabilities from the entity that purchased Anchor's assets. The amount of the guarantee was originally limited to $70 million. Under the guarantee, payments would not begin until August 1, 2002, and would then

generally be payable in equal semiannual installments over the following 10 years. Payments would not bear interest. The amount and the term of the guarantee would be proportionately reduced if the pension plans were terminated after January 31, 2002. Beginning February 2002, the guarantee would be reduced by $7 million semiannually until August 1, 2006, when the guarantee would expire if the plans did not terminate.

On April 15, 2002, Anchor filed a pre-negotiated plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code. On August 6, 2002, an amended plan of reorganization was confirmed, pursuant to which the Anchor pension plan was terminated and the obligations there under were assumed by the PBGC in exchange for cash, securities and a commitment of the new reorganized entity to make certain future payments. The actual date of the termination is not known. The PBGC may consider that this termination of the Anchor plan may give rise to claims against Vitro under the limited guarantee. There are various certain issues concerning any such possible claims and certain defenses that could be asserted by Vitro. It is not possible to estimate the amounts, if any, that would be paid with respect to such possible claims; however, the total payments required could not exceed $63 million under the terms of the guarantee payable in equal bi-annual installments through August 1, 2011. If the termination date was after July 31, 2002, then the maximum payments could not exceed $56 million payable in equal bi-annual installments through February 1, 2011. See Note 20.

12. Foreign currency operations

a) At December 31, 2002, the assets and liabilities denominated in foreign currency (other than Mexican pesos) of the Company's Mexican subsidiaries consist of the following:

	Millions of US Dollars	Millions of Mexican Pesos
Monetary assets	$132	Ps. 1,375
Inventories	29	298
Fixed assets	392	4,096
Monetary liabilities	987	10,302

b) Foreign operations of the Company's Mexican subsidiaries during 2002 consisted of the following:

	Millions of US Dollars	Millions of Mexican Pesos
Exports	$586	Ps. 5,993
Imports	318	3,170
Interest expense, net	113	1,135

c) The condensed financial information of the principal foreign subsidiaries of the Company at December 31, 2002 is the following:

	United States of America	Central and South America	Europe
Net sales	Ps. 7,730	Ps. 1,309	Ps. 867
Operating income	146	156	93
Total assets	2,413	2,786	1,257
Total liabilities	968	813	583

d) The exchange rates of the Mexican peso against the US dollar, used for purposes of the Company's consolidated financial statements at the following dates were:

December 31, 1999	Ps. 9.4986
December 31, 2000	9.6098
December 31, 2001	9.1695
December 31, 2002	10.4394

On February 7, 2003, the exchange rate was Ps. 10.8979 per one US dollar.

13. Stockholders' equity

a) At December 31, 2001 and 2002, the capital stock of the Company consisted of 324,000,000 ordinary, nominative, fully paid common shares, without par value.

b) The Company maintains an Employee Stock Option Plan established in March 1998 (the "Plan"). The Plan specifies amount of shares, time and initial exercise price, which is equal to the average closing price on the Mexican Stock Exchange of the common shares on the 20 days prior to the Grant Date, except for the options issued during 2000, 2001 and 2002, which were Ps. 11.00, Ps. 8.27 and Ps. 7.53, respectively. The vesting period of the options is 5 years and the life of such options is 10 years. At December 31, 2002, no options have been exercised.

The following table summarizes the activity relating to the Plan:

	1998	1999	2000	2001	2002
Options granted during the year	2,813,300	2,893,000	4,851,900	3,204,800	3,941,950
Options cancelled in 2002	618,820	594,500	583,000	62,000	39,600
Options outstanding at December 31, 2002	2,194,480	2,298,500	4,268,900	3,142,800	3,902,350
Exercisable options	822,250	1,357,500	1,377,525	891,975	0
Initial exercise price	Ps. 31.31	Ps. 14.88	Ps. 11.00	Ps. 8.27	Ps. 7.53

Weighted exercise price at December 31, 2002	34.82	17.48	11.00	8.27	7.53

During 2001 the Company repriced 940,950 of the options granted in 1998 to Ps. 13.00.

The closing price of the Company's shares on the Mexican Stock Exchange on December 31, 2002 was Ps. 8.02.

The exercise price of the options granted in 1998 and 1999 will be determined at the time such options are exercised by indexing the initial price using an indexing factor based on the cumulative performance of the Company's common shares relative to the cumulative performance of the Indice de Precios y Cotizaciones of the Mexican Stock Exchange; such indexing factor is subject to certain ceilings and floors. There is no indexing factor for the options granted in 2000, 2001 and 2002.

The estimated fair value of the options was made on the Grant Date using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate	3.23%
Expected life in years	8
Price volatility	44.62%
Dividend Yield	0

Compensation cost charged against income for such plan was Ps. 23, Ps. 34 and Ps. 37 for 2000, 2001 and 2002, respectively.

c) As of December 31, 2001 and 2002 the treasury shares held by the Company were 50,294,020 and 47,979,489, respectively, which include the shares held by Stock Option Trust (see note 13b) which were 24,674,020 as of December 31, 2001 and 2002.

d) Stockholders' equity, except restated paid-in capital and tax retained earnings will be subject to a 35% dividend tax, payable by the Company in the event of distribution. Beginning 2003 such tax rate will be reduced by 1 percent each year through 2005 to 32%. The tax paid for such dividend can be credited against the income tax of the Company during the three years following the payment.

The balance of the stockholders' equity tax accounts, corresponding to the contributed capital account and the net consolidated tax income account, as of December 31, 2002 are Ps. 1,389 and Ps. 1,111, respectively.

e) Dividends declared and paid:

Stockholders' meeting date	Dividend Amount Nominal	Constant	Payment date
March 31, 2000	146	171	April, 2000
March 31, 2000	146	162	October, 2000
April 5, 2001	149	162	May, 2001
April 5, 2001	149		(1)
March 14, 2002	75	78	June, 2002

(1) This dividend will be paid on a date to be determined by the Board of Directors.

f) Minority interest in consolidated subsidiaries consists of the following:

	December 31, 2001	2002
Capital stock	Ps. 4,102	Ps. 2,094
Shortfall in restatement of capital	(4,378)	(2,657)
Retained earnings	3,425	3,093
Net income for the year	480	131
	Ps. 3,629	Ps. 2,661

g) Majority interest stockholders' equity consists of the following:

	December 31, 2002		
	Nominal Value	Restatement	Restated Value
Capital stock	Ps. 324	Ps. 5,878	Ps. 6,202
Treasury stock	(303)	(211)	(514)
Paid-in capital	(121)	1,036	915
Shortfall in restatement of capital		(16,996)	(16,996)
Cumulative effect of deferred taxes	(1,259)	(225)	(1,484)
Minimum pension liability adjustment	(298)		(298)
Retained earnings	(2,395)	20,507	18,112
	Ps. (4,052)	Ps. 9,989	Ps. 5,937

h) At December 31, 2002, stockholders equity includes Ps. 3,615 of retained earnings and other undistributed capital items of the subsidiaries.

i) Comprehensive income (loss) that is reflected in the accompanying statements of Stockholders´ Equity, represents the net result of the Company's performance each financial year, and consists of net income of each year plus other items of comprehensive income of the same period, which in accordance with the Mexican GAAP are reflected directly in Stockholders´ Equity, without affecting the income statement. The other items of comprehensive income consist of the result of holding non-monetary assets and the minimum pension liability adjustment. In addition, in 2000 the comprehensive loss includes the cumulative effect of deferred income tax of Ps. 1,484 in majority interest and Ps. 1,125 in minority interest. Consequently, comprehensive income of 2001 and 2002, is not comparable with 2000.

14. Total financing cost

Following is a disclosure of the most important items that are included in total financing cost:

	Year ended December 31,		
	2000	2001	2002
Interest expense on debt denominated in dollars	Ps. 1,252	Ps. 1,308	Ps. 1,157
Interest expense on debt denominated in pesos	432	165	69
Interest expense on debt denominated in UDI's	188	50	34
Restatement of UDI's	164	27	9
Interest income	(25)	(28)	(57)
Exchange loss (gain), net	111	(578)	1,544
Gain from monetary position	(1,303)	(653)	(778)
Other financial expenses	254	320	281
Total financing cost	Ps. 1,073	Ps. 611	Ps. 2,259

15. Other expense, net

Following is the analysis of other expenses, net:

	Year ended December 31,		
	2000	2001	2002
Restructuring charges	Ps. 139	Ps. 302	Ps. 94
Write-off and loss from sale of fixed assets	284	375	409
(Gain) loss from sale of subsidiaries and associated companies	(60)	124	(65)
Disposition of Manufacturas, Ensamblajes y Fundiciones, S. de R.L. de C.V. (see note 18 b)	76		
Other	(3)	16	(22)
	Ps. 436	Ps. 817	Ps. 416

During 2000, 2001 and 2002 the Company downsized its corporate services at headquarters and certain business units, which resulted in a charge of Ps. 139, Ps. 302 and Ps. 94, respectively.

16. Tax loss carryforwards

At December 31, 2002, the tax loss carryforwards, the asset tax to be recovered and the capital losses that can be amortized against capital gains consist of the following:

	Tax loss carryforwards		Asset Tax		
Expiration Year	Majority Interest	Minority Interest	Majority Interest	Minority Interest	Capital Losses
2004	Ps.	Ps.	Ps. 185	Ps.	Ps. 2,086
2005	281				
2006					537
2007	1,741				1,128
2008	4,586	12	172		
2009	64	5			
2010	463	129			
2011	209	33			
2012	1,133	170			
	Ps. 8,477	Ps. 349	Ps. 357	Ps.	Ps. 3,751

17. Income tax , workers' profit sharing and asset tax

a) The Company is subject to income tax and tax on assets for consolidation purposes in the proportion of the number of the subsidiary's voting shares that Vitro owns. As of January 1, 2002, the proportion is calculated based on the average daily equity percentage which the Company owns of its subsidiaries during the year. The taxable income of the subsidiaries are consolidated at 60% of the mentioned proportion. The monthly tax advances to Secretaría de Hacienda y Credito Publico of Vitro as well as its subsidiaries, are made as if they have not elected tax consolidation.

b) The income tax and workers' profit sharing included in the Company's results are:

Year ended December 31,

	2000	2001	2002
Income tax:			
Current	Ps. 478	Ps. 280	Ps. 399
Deferred	90	56	(869)
	568	336	(470)
Asset tax	13		(8)
	Ps. 581	Ps. 336	Ps. (478)

	Year ended December 31,		
	2000	2001	2002
Workers' profit sharing:			
Current	Ps. 173	Ps. 48	Ps. 46
Deferred	151	48	1
	Ps. 324	Ps. 96	Ps. 47

Deferred tax assets (liabilities) presented on the balance sheets consist of the following:

	December 31,	
	2001	2002
Assets:		
Accounts receivable	Ps. 187	Ps. 110
Tax benefit from the future deduction of inventories held on December 31, 1986	156	81
Reserve for seniority premiums and pensions	496	430
Tax loss carryforwards	2,452	2,835
Exchange fluctuations	(40)	14
Asset tax	392	357
	3,643	3,827
Liabilities:		
Inventories	968	794
Fixed assets	3,698	3,247
Other	389	336
	5,055	4,377
Net liabilities	Ps. 1,412	Ps. 550

c) The income tax rate is 35%. In accordance with the new income tax law, which became effective on January 1, 2002, the income tax rate will be reduced annually by 1% beginning 2003 through 2005. The effect of this decrease in the income tax rate was recorded effective January 1, 2002 and was a decrease in net long-term liabilities and an increase in net income of Ps. 36. Following is a reconciliation between the Company's effective income tax rate and the statutory rate:

	Year ended December 31,		
	2000	2001	2002
Effective income tax rate	36.4%	37.9%	69.4%
Asset tax included as income tax			(1.2)
Loss on sale of subsidiaries		5.6	1.0
Difference between tax and accounting basis for monetary gain	(0.6)	(1.9)	(8.9)
Loss from foreign companies and minority interest	(0.2)	(3.6)	(14.0)
Effect of change in the income tax rate			(5.1)
Other	(0.6)	(3.0)	(6.2)
Statutory income tax rate	35.0%	35.0%	35.0%

d) Changes in stockholders' equity in shortfall in restatement of capital and minimum pension liability adjustment are presented net of deferred tax effect as follows:

	Year ended December 31,		
	2000	2001	2002
Shortfall in restatement of capital	Ps. 108	Ps. 172	Ps. (108)
Minimum pension liability adjustment	13	17	59
	Ps. 121	Ps. 189	Ps. (49)

18. Business acquisitions and dispositions

a) Acquisition of Harding Glass Inc.- In April 2000, VVP America consummated the acquisition of substantially all of the assets of Harding Glass, Inc., for an amount of $ 31.4 million. With the acquisition of Harding, VVP America incorporated into its operations 5 distribution centers and 118 retail stores located throughout the United States. Harding is one of the leading distributors of glass products for automotive and construction

markets.

b) Disposition of Manufacturas, Ensamblajes y Fundiciones, S. de R. L. de C.V.- On August 10, 2000 Vitro and GE México, S.A. de C.V. a subsidiary of General Electric Company, a U.S. Corporation, decided to terminate their Joint Venture Agreement which in 1997 resulted in the creation of Manufacturas, Ensamblajes y Fundiciones, S. de R.L. de C.V. The termination of the joint venture was subject to compliance with certain requirements imposed by both parties. Those requirements were completed in January 2001, resulting in the closing of such facility. A loss of Ps. 76 was recognized in 2000 and is included in Other expense, net.

c) Sale of Regioplast, S.A. de C.V.- On May 21, 2001, Vitro sold its 50% interest in Regioplast, S.A. de C.V. to Owens Illinois Inc., former partner of Vitro in such company, for an amount of $ 8.0 million. A loss of Ps. 86 was realized as a result of this transaction and is included in Other expense, net.

d) Acquisition of Cristalglass Vidrio Aislante, S.A. - On May 4, 2001 the Company acquired 60 percent of the outstanding shares of Spain's Cristalglass Vidrio Aislante, S.A., holding company of Group Cristalglass. Cristalglass fabricates, distributes and sells flat glass for the construction industry. The company employs over 300 people. Annual sales are approximately $ 60 million.

e) Ampolletas- On April 15, 2002 the Company sold to Gerresheimer Glas AG, its 51% interest in Ampolletas, S.A. for consideration that includes cash, the assumption of debt and the assignment of certain receivables, that altogether amount to approximately $ 21 million.

f) Vitromatic - On July 3, 2002, Vitro sold its interest in Vitromatic (see note 4).

19. Business segment data

The accounting policies of the segments are the same as those described in notes 2 and 3. The Company evaluates the performance of its segments on the basis of operating income. Intersegment sales and transfers are accounted for as if the sales and transfers were to third parties, that is, at current market prices.

Vitro's reportable segments are strategic business units that offer different products. The segments are managed separately; each requires different manufacturing operations, technology and marketing strategies; and each segment primarily serves a different customer base.

The Company has three reportable segments: Glass Containers, Flat Glass and Glassware. On July 3, 2002, Vitro sold its interest in the segment Acros - Whirlpool (see note 4). The principal products of each of the segments are summarized below:

Segment	Principal products
Glass Containers	Glass containers, sodium carbonate, borosilicate glass, capital goods, aluminum cans, precision components and molds for glass industry
Flat Glass	Flat glass for the construction and automotive industries and Fiberglass
Glassware	Glassware for table and kitchen use, and plastic disposable thermo fold ware

The segment data presented below does not include discontinued operations for any of the periods presented.

	Glass Containers	Flat Glass	Glassware	Corporate and other	Consolidated
December 31, 2000:					
Net sales	Ps. 10,258	Ps. 11,624	Ps. 3,187	Ps. 132	Ps. 25,201
Interdivisional sales	52	102	42		196
Consolidated net sales	10,206	11,522	3,145	132	25,005
Operating income	1,165	1,779	546	(385)	3,105
Assets	15,368	11,464	3,965	159	30,956
Capital expenditures	407	364	163	18	952
Depreciation and amortization	1,019	619	241	69	1,948
Goodwill		345			345
December 31, 2001:					
Net sales	Ps. 9,997	Ps. 11,753	Ps. 2,776	Ps. 79	Ps. 24,605
Interdivisional sales	64	94	41		199
Consolidated net sales	9,933	11,659	2,735	79	24,406
Operating income	932	1,346	346	(309)	2,315
Assets	13,380	11,254	3,390	1,141	29,165
Capital expenditures	314	406	91	37	848
Depreciation and amortization	975	616	251	87	1,929
Goodwill		724			724

December 31, 2002:					
Net sales	Ps. 10,012	Ps. 11,380	Ps. 2,618	Ps. 117	Ps. 24,127
Interdivisional sales	69	107	29		205
Consolidated net sales	9,943	11,273	2,589	117	23,922
Operating income	1,188	845	260	(307)	1,986
Assets	12,969	11,467	3,200	2,380	30,016
Capital expenditures	589	283	125	21	1,018
Depreciation and amortization	893	656	264	95	1,908
Goodwill		748			748

Export sales from México, substantially all of which are denominated in US dollars, are mainly to the United States and Canada and were as follows (in million of US dollars):

Year ended December 31,		
2000	2001	2002
$ 608	$ 589	$ 586

Certain geographic information about the Company's operations and assets is summarized as follows:

	Year ended December 31,		
	2000	2001	2002
Net sales (1) to customers in:			
Mexico	Ps. 12,668	Ps. 11,687	Ps. 11,319
All foreign countries, mainly the United States and Canada	12,337	12,719	12,603
Consolidated	Ps. 25,005	Ps. 24,406	Ps. 23,922

Consolidated net sales to any single external customer did not equal 10% or more of Vitro's total consolidated net sales.

	December 31,		
	2000	2001	2002
Land and buildings, machinery and equipment, and construction in progress:			
Mexico	Ps. 19,016	Ps. 17,413	Ps. 16,466
All foreign countries, mainly Central and South America and the United States	1,889	1,994	2,024
Consolidated	Ps. 20,905	Ps. 19,407	Ps. 18,490

20. Subsequent events

a) On February 27, 2003, the Company signed a Syndicated Facility for $ 201 million through its subsidiary Vitro Plan, S.A. de C.V. Accordingly, we reclassified short- term borrowings to long- term debt in the amount of $ 80 million.

b) On June 20, 2003, the Company received a letter from the PBGC, noting that the Anchor Plan was terminated effective as of July 31, 2002, and demanding payments pursuant to the limited guaranty of $7 million on or before August 1, 2003 and of $3.5 million semi-annually through August 1, 2011. There are various issues concerning any demand and certain defenses that could be asserted by Vitro. It is not possible to estimate the amounts that will ultimately be paid in response to such demand; however, the total payments required could not exceed $63 million under the guaranty.

21. Differences between Mexican and United States accounting principles

The Company's consolidated financial statements are prepared in accordance with Mexican GAAP, which differ in certain significant respects from US GAAP. The Mexican GAAP consolidated financial statements include the effects of inflation as provided for under Bulletin B-10, as amended (see note 3), whereas financial statements prepared under US GAAP are presented on a historical basis. However, the following reconciliation to US GAAP does not include the reversal of the adjustments required under Bulletin B-10, as amended, with the exceptions of the adjustment required by the fifth amendment to Bulletin B-10 discussed in note 21h) and the restatement of prior years' balances mentioned in note 21i). The application of Bulletin B-10, as amended, represents a comprehensive measure of the effects of price level changes in the inflationary Mexican economy and, as such, is considered a more meaningful presentation than historical cost-based financial reporting for both Mexican and U.S. accounting purposes.

The other principal differences between Mexican GAAP and US GAAP and the effect on consolidated net income and consolidated stockholders' equity are presented below:

Reconciliation of Net income (loss):

	Year ended December 31,			Millions of US Dollars (Convenience Translation) Year Ended December 31,
	2000	2001	2002	2002
Net income (loss) of majority interest as reported under Mexican GAAP	Ps. 377	Ps. 164	Ps. (44)	$ (4)
Deferred income tax *	295	82	(119)	(11)
Reduction of depreciation expense related to negative goodwill	(13)	35	30	3
Depreciation of the effect of applying the Fifth Amendment	(157)	(188)	(202)	(19)
Workers' profit sharing *	(43)	344	37	3
Pre-operating expenses	25	16		
Capitalized interest	(7)	(6)	(7)	(1)
Goodwill amortization			41	4
Fair value of derivative financial instruments			(176)	(17)
Effect of applying Bulletin B-15	(3)	(22)		
Discontinued operations	2	22	(251)	(24)
Effect of the above adjustments on net income of minority interest	183	(60)	164	16
TOTAL US GAAP adjustments	282	223	(483)	(46)
Net income (loss) under US GAAP	Ps. 659	Ps. 387	Ps. (527)	$ (50)

* Net of monetary gain

Reconciliation of Stockholders' Equity:

	Year ended December 31,			Millions of US Dollars (Convenience Translation) Year Ended December 31,
	2000	2001	2002	2002
Total stockholders' equity reported under Mexican GAAP	Ps. 10,271	Ps. 9,711	Ps. 8,598	$ 824
Less minority interest included as stockholders' equity under Mexican GAAP	(3,493)	(3,629)	(2,661)	(255)
Majority interest stockholders' equity under Mexican GAAP	6,778	6,082	5,937	569
US GAAP adjustments:				
Deferred income tax:				
Effect on retained earnings	(33)	69	(51)	(5)
Effect on excess (shortfall) in restatement of capital	(606)	(801)	(622)	(60)
Reversal of negative goodwill	(4,492)	(4,492)	(4,492)	(430)
Reversal of the accumulated depreciation related to negative goodwill	4,265	4,300	4,330	415
Workers' profit sharing	(453)	(86)	(58)	(6)
Preoperating expenses	(16)			
Capitalized interest	99	90	83	8
Goodwill amortization			41	4
Effect of applying the Fifth Amendment	1,535	1,711	1,144	110

Effect of applying Bulletin B-15	(50)	(233)		
Fair value of derivative financial instruments		144	(176)	(17)
Income on disposal of discontinued operations			(251)	(24)
Effect of the above adjustments in stockholders' equity of minority interest	(159)	(288)	(66)	(6)
Total US GAAP adjustments	90	414	(118)	(11)
Total stockholders' equity under US GAAP	Ps. 6,868	Ps.6,496	Ps.5,819	$ 558

a) Minority interest

Under Mexican GAAP the minority interest in consolidated subsidiaries is presented as a separate component within the stockholders' equity section in the consolidated balance sheet. For US GAAP purposes, the minority interest is not included in stockholders' equity.

b) Provision for deferred income tax

The Company applies the provisions of the Bulletin D-4 "Accounting Treatment of Income Tax, Tax on Assets and Workers' Profit Sharing", issued by the IMCP (see notes 3n and 17). As required by this bulletin, deferred income taxes are provided for differences between the book and tax value of assets and liabilities and deferred workers' profit sharing for temporary differences between the financial and adjusted tax income that are expected to reverse in the future. Additionally, the tax on assets paid is recognized as an asset to the extent it is determined recoverable. For U.S. GAAP purposes, the Company has applied Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes" for all periods presented.

Under SFAS No. 109, deferred tax assets and liabilities are recognized for future tax consequences of temporary differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Deferred tax assets are also recognized for the estimated future effects of tax loss carry forwards. Deferred tax assets are reduced by any tax benefits that are not expected to be realized.

The significant components of deferred tax assets and liabilities, net of discontinued operations, which differ for US GAAP from deferred tax assets and liabilities calculated under Mexican GAAP, are presented as follows:

	December 31, 2001	December 31, 2002
DEFERRED TAX ASSETS AND LIABILITIES NONCURRENT:		
Assets		
Reversal of negative goodwill	Ps. 67	Ps. 53
NOL and tax on assets carryforwards	410	78[1]
Capital losses	1,571	1,221[1]
Liabilities		
Fair value of derivative financial instruments	(51)	60
Buildings and machinery and equipment	(473)	(243)
Stockholders' equity	(119)	(390)
Other	(21)	(17)
Net deferred assets	1,384	762
VALUATION ALLOWANCE	(1,981)	(1,299)[1]
Net deferred tax liability	Ps. (597)	Ps. (537)

(1) The valuation allowance at December 31, 2001 and 2002 of Ps. 1,981 and Ps. 1,299, respectively, includes Ps. 1,571 and Ps. 1,221, respectively, related to capital losses and Ps. 410 and Ps. 78, respectively, related to NOL and tax on assets carryforwards.

c) Negative goodwill and reduction in depreciation expense

The Company records as a component of the consolidated statements of operations the amortization of the excess of book value over cost of certain acquisitions (negative goodwill). The period of amortization for negative goodwill is 18 months. Under US GAAP, such excess is recorded as a reduction of fixed assets, and depreciation expense is reduced accordingly over the life of the related assets.

d) Workers' profit sharing

In accordance with Mexican GAAP the Company determines the provision of workers' profit sharing with the partial accrual method (Bulletin D-4). For US GAAP purposes the Company accrues for workers' profit sharing based on a liability approach similar to accounting for income taxes under SFAS 109. If the methodology of SFAS 109 had been used for the year ended December 31, 2002, the cumulative effect in the results of the Company would have been an expense of Ps. 108 and a debit to excess (shortfall) in restatement of capital in the amount of Ps. 470. From these amounts the effect in the results for the years 2000, 2001 and 2002 would have been an increase (decrease) in the amount of Ps. 26, Ps. (129) and Ps.106, respectively.

e) Pre-operating expenses

Pre-operating expenses, which have been deferred under Mexican GAAP, are charged to expense as incurred under US GAAP.

f) Capitalized interest

In prior years, the Company has not capitalized interest under Mexican GAAP. Beginning in 1999, certain interest on additions to buildings and machinery and equipment was capitalized as is required under US GAAP. Consequently, the related differences in depreciation on such amounts included in buildings and machinery and equipment are presented in the reconciliation of net income for the years ended December 31, 2000, 2001 and 2002.

g) Goodwill and Other Intangible Assets

Under Mexican GAAP, goodwill is amortized over a straight line basis over 20 years. Effective January 1, 2002, the Company adopted SFAS 142, "Goodwill and Other Intangible Assets." SFAS 142 requires that goodwill and intangible assets with indefinite lives no longer be amortized, but instead tested for impairment at least annually and written-down with a charge to operations when the carrying amount exceeds the estimated fair value. The cost of intangible assets with determinable useful lives continues to be amortized over the useful lives of the assets. In connection with the transition provisions for adopting this standard, the Company performed a transitional impairment test and found no impairment. The Company also reviewed the classification of its intangible assets and determined there were no other intangible assets with indefinite lives, requiring reclassification. The Company performed their annual impairment test at December 31, 2002 and found no impairment. The effect of ceasing amortization of goodwill increased after-tax net income by approximately Ps. 41 in the year ended December 31, 2002.

A reconciliation of previously reported net income and net income per share to the amounts adjusted to exclude amortization of goodwill net of the related income tax effect, is as follows:

	2000	2001	2002
Reported net income (loss)	Ps. 659	Ps. 387	Ps. (527)
Add back: goodwill amortization	18	30	
Adjusted net income (loss)	Ps. 677	Ps. 417	Ps. (527)
Basic and diluted earnings per share	Ps. 2.37	Ps. 1.35	Ps. (1.91)
Add back: goodwill amortization per share	0.06	0.11	
Adjusted net income (loss) per share	Ps. 2.43	Ps. 1.46	Ps. (1.91)

The changes in the carrying amount of goodwill for the years ended December 31, 2002 and 2001 are as follows:

Balance as of January 1, 2001	Ps. 298
Goodwill acquired	381
Amortization	(30)
Changes for effects of inflation	14
Balance as of December 31, 2001	663
Goodwill acquired	10
Changes for effects of inflation	115
Balance as of December 31, 2002	Ps. 788

h) Effect of applying the Fifth Amendment to Bulletin B-10.

As discussed in note 3e), under Mexican GAAP the Fifth Amendment to Bulletin B-10 requires the restatement of machinery and equipment purchased in a foreign country using the consumer price index of the country of origin. For US GAAP purposes, such restatement is based on the INPC.

i) Effect of applying Bulletin B-15.

In 1997, the IMCP issued Bulletin B-15 which specifies procedures to be applied in the consolidation of foreign subsidiaries by Mexican companies for (i) current year amounts and (ii) prior year amounts, presented for comparative purposes. Vitro's accounting policies for the consolidation of its foreign subsidiaries are described in notes 2b) and 3a). Such policies conform to the requirements of Bulletin B-15.

The staff of the SEC has agreed that the methodology of Bulletin B-15 to translate the current year amounts for foreign operations will not result in a difference between Mexican GAAP and US GAAP which must be reconciled in order to comply with the rules of the SEC.

There are two methods allowed under Bulletin B-15 to restate prior years amounts for foreign subsidiaries. Vitro uses the method which reconsolidates prior years' balances by restating foreign subsidiaries (in Vitro's case, principally US subsidiaries) using the current inflation rate in the foreign country and translating into pesos using the year end exchange rate. The staff of the SEC has stated that the methodologies of Bulletin B-15 used to restate prior years' balances for comparative purposes do not conform to the requirements of SEC Rule 3-20e of Regulation S-X which requires all amounts in financial statements to be presented in the same reporting currency. Accordingly, in filings with the SEC, the staff requires an adjustment for the difference in methodologies of restating prior year balances. These amounts (Ps. (3) and Ps. (22) in 2000 and 2001, respectively, in the reconciliation of net income; and Ps. (50) and Ps. (233) in 2000 and 2001, respectively, in the reconciliation of stockholders' equity) represent the differences between (i) the balance if all amounts were adjusted by the Mexican inflation rate, and (ii) the balance used in the primary financial statements to comply with Bulletin B-15.

j) Fair value of derivative financial instruments

Under Mexican GAAP, derivative instruments that are considered as a hedge from an accounting perspective, are valued using the same criteria of valuation of the assets or liabilities hedged and the effect of such valuation is recognized in net income. Under U.S. GAAP, the Company's derivative instruments are accounted for as defined by Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133). SFAS No. 133 requires that each derivative be stated in the balance sheet at its fair value with gains and losses reflected in the income statement, except to the extent the derivative qualifies for hedge accounting. Derivatives that do qualify for hedge accounting, under SFAS No. 133, should be recorded where the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income (outside earnings) and subsequently reclassified into earnings when the forecasted transaction affects earnings. SFAS No. 133 further provides specific criteria necessary for a derivative to qualify for hedge accounting and requires the discontinuance, on a prospective basis, of the accounting of the effective portion recorded in other comprehensive income for an existing hedge if the designation of the cash flow hedge is removed. Derivatives entered into by the Company in 2002 do not qualify for hedge accounting, as defined by SFAS No. 133. Additionally, the Company removed the designation of a cash flow hedge of those derivatives entered into in 2001 and, thus, has discontinued, on a prospective basis, the accounting of the effective portion recorded in other comprehensive income. The effect of the above at December 31, 2001 and 2002, respectively, was an increase in comprehensive income in the amount of Ps. 94 and a decrease in net income of Ps. 130. Within the next 12 months, the Company does not anticipate that any amounts will be reclassified out of other comprehensive earnings and into earnings.

k) Discontinued operations

The basis of the assets and liabilities of Vitromatic under US GAAP at the time of the sale in 2002 was different from the basis of such assets and liabilities under Mexican GAAP; accordingly, in 2002 the gain recorded on disposal of discontinued operations under US GAAP differs from that under Mexican GAAP.

l) Other differences and supplemental US GAAP disclosures

1. Pension disclosures.- The Company maintains defined benefit pension plans for all of its subsidiaries and seniority premium plans for all of its Mexican subsidiaries. For the Mexican companies, the Company adopted Bulletin D-3 issued by the IMCP. The accounting treatment for pensions set forth in this Bulletin are substantially the same as those set forth in Statement of Financial Accounting Standards No. 87 "Employer's Accounting for Pensions" ("SFAS 87"). The Company records the pension cost determined by actuarial computations, as described in notes 3g) and 10. Significant assumptions (weighted average rates) used in determining net periodic pension cost and related pension obligations for the benefit plans for 2001 and 2002 are also described in note 10.

For purposes of determining the cost of pensions and seniority premiums under US GAAP, the Company applies SFAS 87. The additional pension disclosures under Statement of Financial Accounting Standards No. 132 "Employers Disclosures about Pensions and Other Post-retirement Benefits" ("SFAS 132") which are applicable to the Company, net of discontinued operations, are presented below.

	2001	2002
Change in benefit obligation:		
Benefit obligation at beginning of year	Ps. 1,682	Ps. 1,807
Service cost	47	50
Interest cost	79	77
Benefits paid	(161)	(175)
Benefit obligation at end of year	1,647	1,759
Changes in plan assets:		
Fair value of plan assets at beginning of year	538	393
Contribution of cash and securities	20	180
Return on plan assets	32	27
Benefits paid	(172)	(167)
Fair value of plan assets at end of year (1)	418	433
Funded status:	1,229	1,326
Unrecognized actuarial loss	(286)	(515)
Unrecognized prior service costs	(728)	(631)
Net amount recognized	Ps. 215	Ps. 180
Amounts recognized in the consolidated balance sheet consists of:	Ps. 1,179	Ps. 1,251
Accrued benefit liability	(701)	(609)
Intangible asset	(263)	(462)
Accumulated other comprehensive income	Ps. 215	Ps. 180

(1) Includes approximately Ps. 314 as of December 31, 2002, Vitro common shares (39,150,000 shares at market value as of December 31, 2002).

Pension and seniority premium costs for 2000, 2001 and 2002 are summarized below:

Year ended December 31,

	2000	2001	2002
Service costs	Ps. 43	Ps. 47	Ps. 50
Interest cost	73	79	77
Return on plan assets	(1)	(32)	(27)
Net amortization and deferral	131	116	114
Net periodic cost	Ps. 246	Ps. 210	Ps. 214

2. Proportionate consolidation method.- The subsidiary Vitro-American National Can, S.A. de C.V. (Vancan) is a joint venture in which the Company has 50% interest and shares the control of the subsidiary with the other partner, Rexam. Under Mexican GAAP this company is consolidated using the proportionate method. Under US GAAP, the Company's investment in and its interest in the net income of Vancan is recorded based on the equity method.

Summary information of the Company's 50% interest is as follows:

	As of and for the year ended December 31,	
	2001	2002
Current assets	Ps. 150	Ps. 159
Total assets	402	395
Total liabilities	177	152
Stockholders' equity	225	243
Net sales	326	336
Net income	13	11
Cash flow information-net cash provided by:		
Operating activities	51	(7)
Financing activities	(30)	(9)
Investing activities	(8)	(2)

Under US GAAP, the Company's investment in Vancan at December 31, 2001 and 2002 is Ps. 225 and Ps. 243, respectively.

3. Weighted average interest rates.- The weighted average interest rates on short-term borrowings outstanding as of December 31, 2000, 2001 and 2002 were approximately 8.4%, 6.2% and 4.3%, respectively.

4. Fair value of financial instruments.- Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments" ("SFAS 107") requires disclosure of the estimated fair values of certain financial instruments. The carrying amounts and estimated fair values of the Company's significant financial instruments were as follows:

	December 31, 2001		December 31, 2002	
	Carrying Amount (Mexican GAAP)	Fair Value	Carrying Amount (Mexican GAAP)	Fair Value
Liabilities:				
Short-term borrowings	3,207	3,207	3,176	3,176
Long-term debt (1)	11,346	10,866	12,015	11,895
Derivative instruments:				
Interest swaps	-	(45)	-	(328)
Foreign currency forward contracts	1,517	1,328	3,723	3,571

(1) Includes current portion of long-term debt.

The fair value of short-term borrowings approximate their carrying value due to their short maturities. The fair value of the U.S. (dollar denominated) publicly traded long-term debt was Ps. 3,542 and Ps. 1,967 as of December 31, 2001 and 2002, respectively, and its related book value was Ps. 4,022 and Ps. 2,415, respectively. The fair value of the UDI's denominated debt was Ps. 1,692 as of December 31, 2002 and its related book value was Ps. 1,364. The fair value of the remaining long-term debt closely approximates its book value of Ps. 7,324 and Ps. 8,236 as of December 31, 2001 and 2002, respectively.

The fair value of long-term investments and long-term debt was determined using available quoted market prices or other appropriate valuation methodologies that require considerable judgment in interpreting market data and developing estimates. Accordingly, the estimates presented above on long-term financial instruments are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The fair value information presented herein is based on information available to management as of December 31, 2001 and 2002. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and, therefore, the current estimates of fair value may differ significantly from the amounts presented herein.

5. Classification of worker's profit sharing.- In a US GAAP statement of operations, worker's profit sharing expense would be classified as an operating expense.

6. Net sales and operating income.- The use of the proportionate consolidation method for Vancan under Mexican GAAP as discussed under 21l (2) above, results in differences in net sales and operating income as reported under Mexican GAAP and US GAAP, but does not effect net income.

7. Earnings per common share in accordance with US GAAP.- Earnings per share in accordance with US GAAP are based on the provisions of Statement of Financial Accounting Standards No. 128 "Earnings Per Share" ("SFAS 128") and are calculated using the weighted average number of common shares outstanding during each period. The stock options granted under the Company's Plan (see note 13b) were not dilutive during 2000, 2001 and 2002, as the average market price per share of the Company's common stock during the period was less than the exercise price per share of the options and due to the net loss recorded in 2002. The Company has no other potentially dilutive securities. Basic earnings per share are based upon, 278,402,173, 286,078,897 and 275,441,504 weighted average shares outstanding for 2000, 2001 and 2002, respectively.

Earnings (loss) per common share computed in accordance with US GAAP are presented below:

	Year ended December 31,		
	2000	2001	2002
Earnings (loss) per share.- Basic and diluted earnings (loss)before discontinued operations	Ps. 1.6	Ps. 0.62	Ps. (2.25)
Discontinued operations	0.77	0.73	0.34
Earnings (loss) per common share	Ps. 2.37	Ps. 1.35	Ps. (1.91)

8. Comprehensive income.- Under US GAAP, Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income" ("SFAS 130"), establishes standards for reporting and display of comprehensive income and its components. Vitro's only items of other comprehensive income are loss from holding non- monetary assets, unrealized gain (loss) on long-term investments and minimum pension liability adjustments.

See note 21m), for Consolidated Financial Statements on a US GAAP basis, which reflects the provisions of SFAS 130.

Additional required disclosures under SFAS 130 are as follows:

Disclosure of accumulated other comprehensive income balances:

	Loss from Holding Non-monetary Assets	Minimum Pension Liability Adjustment	Fair Value of Financial Instruments
Balance at December 31, 2000	Ps. (16,228)	Ps. (161)	Ps.
Bulletin B-15 effect	(779)		
Change for the year	(209)	(30)	94
Balance at December 31, 2001	(17,216)	(191)	94
Bulletin B-15 effect	227		
Change for the year	355	(107)	(94)
Balance at December 31, 2002	Ps. (16,634)	Ps. (298)	Ps. 0

There were no reclassification adjustments for any of the periods presented.

9. Employee stock option plan. - The Plan (see note 13b) was adopted in 1998. The Company applies SFAS 123 in accounting for its Plan under both Mexican GAAP and US GAAP. The disclosures required under US GAAP are included in note 13b).

10. Restrictions which limit the payment of dividends by the registrant. - The Company derives substantially all of its operating income from advances, fees, interest and dividends paid to the Company by its subsidiaries. Accordingly, in paying the principal of, premium, if any, interest on, and additional amounts, if any, with respect to the Company's indebtedness, the Company relies on income from advances, fees, interest and dividends from its' subsidiaries, as well as income from the disposition of one or more of its subsidiaries, interests therein or assets thereof. Therefore, the Company's subsidiaries' ability to pay such dividends or make such distributions are subject to (i) such subsidiaries having net income and the requisite amount of paid-in capital under Mexican law, (ii) such subsidiaries' shareholders (including the Company's joint venture partners) having approved the payment of such dividends at the annual shareholders' meeting and (iii) applicable laws and, in certain circumstances, restrictions contained in joint venture agreements and debt instruments. At December 31, 2002, the amount of restricted retained earnings of the Company's consolidated subsidiaries amounted to Ps. 2,579.

11. New accounting pronouncements. - In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which is effective for the Company beginning in 2003. The Company plans to adopt this new standard in 2003. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. It applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or the normal operation of a long-lived asset, except for certain obligations of lessees. This Statement requires that the fair value of a liability for an asset retirement obligation be recognized in the year in which it is incurred if a reasonable estimate of fair value

can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. Management is currently evaluating the effects of adopting SFAS No. 143, but believes it will not have a material effect on the Company's results of operations and financial position.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections", which requires that gains and losses from extinguishment of debt in all years presented be classified as extraordinary items only if they meet the criteria of APB Opinion 30, "Reporting the Results of Operations-Discontinued Events and Extraordinary Items". The amendment of SFAS No. 13, "Accounting for Leases", eliminates an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. The new standard will be effective for financial statements issued for fiscal years beginning after May 15, 2002 and lease transactions occurring after May 15, 2002, with early application encouraged. The Company plans to adopt this new standard in 2003. Management is currently evaluating the effects of adopting SFAS No. 145, but believes it will not have a material effect on the Company's results of operations and financial position.

In June 2002, the FASB issued SFAS No. 146, "Accounting for the Costs Associated with Exit or Disposal Activities." SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002 and requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan, which is generally before an actual liability has been incurred. Management is currently evaluating the effects of adopting SFAS No. 146, but believes it will not have a material effect on the Company's results of operations and financial position.

In November 2002, the FASB issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 requires that the guarantor recognize, at the inception of certain guarantees, a liability for the fair value of the obligation undertaken in issuing such guarantee. FIN 45 also requires additional disclosure requirements about the guarantor's obligations under certain guarantees that it has issued. The initial recognition and measurement provisions of this interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002 and the disclosure requirements are effective for financial statement periods ending after December 15, 2002. The Company has disclosed the guarantees subject to FIN 45 relating to the PBGC guarantee at note 11e).

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities". This interpretation of Accounting Research Bulletin No. 51 "Consolidated Financial Statements," addresses consolidation by business enterprises of variable interest entities. Under current practice, two enterprises generally have been included in consolidated financial statements because one enterprise controls the other through voting interests. This interpretation defines the concept of "variable interests" and requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse the risks among the parties involved. This interpretation applies immediately to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not believe the adoption of this interpretation will have a material impact on its financial position or results of operations.

In April 2003 the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. This Statement requires that contracts with comparable characteristics be accounted for similarly. The new standard will be effective for contracts entered into or modified after June 30, 2003, except as stated below and for hedging relationships designated after June 30, 2003. In addition, except as stated below, all provisions of this Statement should be applied prospectively. The provisions of this Statement that relate to SFAS No. 133 Implementation Issues that have been effective for fiscal quarters that began prior to June 15, 2003 should continue to be applied in accordance with their respective effective dates. Management is currently evaluating the effects of SFAS 149, but believes it will not have a material effect on the Company's results of operations and financial position.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 aims to eliminate diversity in practice by requiring that the following three types of financial instruments be reported as liabilities by their issuers 1.) mandatorily redeemable instruments, 2.) forward contracts, written put options, and other financial instruments not in the form of shares that either obligate or may obligate the issuer to settle its obligation for cash or by transferring other assets, and 3.) certain other financial instruments that include obligations. The provisions of SFAS No. 150 are effective for financial instruments entered into or modified after May 31, 2003 and pre-existing instruments effective at the beginning of the first interim period beginning after June 15, 2003. Management is currently evaluating the effects of SFAS 150, but believes it will not have a material effect on the Company's results of operations and financial position.

m) Summarized comparative consolidated financial statements - U.S. GAAP

CONDENSED CONSOLIDATED BALANCE SHEETS
US GAAP BASIS
(Millions of constant Mexican pesos as of December 31, 2002)

	2001	2002
ASSETS		
Cash and cash equivalents	Ps. 1,029	Ps. 2,224
Trade receivables, net of allowance for doubtful accounts of Ps. 43 and Ps. 62	1,646	1,977
Other receivables	1,000	1,028
Inventories	3,252	3,745
Discontinued operations	1,237	
Current assets	8,164	8,974
Long-term investments	605	590
Investment in associated companies	224	386

Land and buildings	9,311	8,708
Machinery and equipment	10,300	9,296
Construction in progress	607	812
Excess of cost over fair value of net assets acquired, net of accumulated amortization of Ps. 122	663	788
Intangible pension assets	701	609
Other assets	525	441
Discontinued operations	3,634	
Total assets	Ps. 34,734	Ps. 30,604
LIABILITIES		
Short-term borrowings	Ps. 2,480	Ps. 3,176
Current portion of long-term debt	3,499	1,549
Trade payables	2,427	2,235
Accrued expenses payable	632	674
Deferred taxes	680	672
Other current liabilities	955	1,302
Discontinued operations	1,788	
Current liabilities	12,461	9,608
Long-term debt	8,463	10,412
Seniority premiums, pensions and other long-term liabilities	1,329	1,609
Deferred taxes	1,348	429
Discontinued operations	827	
Long-term liabilities	11,967	12,450
Total liabilities	24,428	22,058
Minority interest in consolidated subsidiaries	3,810	2,727
STOCKHOLDERS' EQUITY		
Majority interest:		
Capital stock: no par value shares issued and outstanding, 324,000,000 in 2001 and 2002	324	324
Restatement of capital stock	5,878	5,878
Capital stock restated	6,202	6,202
Treasury stock (50,294,020 shares in 2001 and 47,979,489 in 2002)	(547)	(514)
Paid-in capital	941	915
Shortfall in restatement of capital	(17,216)	(16,634)
Fair value of derivative financial instruments	94	
Minimum pension liability adjustment	(191)	(298)
Retained earnings reserved for reacquisition of shares of Vitro	1,300	1,300
Retained earnings	15,526	15,375
Net income (loss) for the year	387	(527)
Total stockholders' equity	6,496	5,819
Total liabilities, minority interest in consolidated subsidiaries and stockholders' equity	Ps. 34,734	Ps. 30,604

CONSOLIDATED STATEMENTS OF OPERATIONS
US GAAP BASIS
(Millions of constant Mexican pesos as of December 31, 2002)

	Year Ended December 31,		
	2000	**2001**	**2002**
Net sales	Ps. 24,424	Ps. 23,172	Ps. 23,585
Cost of sales	16,845	16,412	16,893
Gross profit	7,579	6,760	6,692
General, administrative and selling expenses	5,469	5,098	5,383
Operating income	2,110	1,662	1,309
Interest expense	2,291	1,856	1,802
Interest income	42	33	135
Exchange loss (gain), net	109	(573)	1,532

Gain from monetary position	1,292	649	774
Total financing cost	1,066	601	2,425
Income (loss) after financing	1,044	1,061	(1,116)
Other income (loss), net	(12)	(148)	87
Share in net income of unconsolidated associated companies	26	20	10
Income (loss) from continuing operations before income tax	1,058	933	(1,019)
Income tax expense	272	231	(367)
Net income (loss) from continuing operations before minority interest	786	702	(652)
Discontinued operations	214	210	(118)
Income on disposal of discontinued operations			212
Minority interest	(341)	(525)	31
Net income (loss)	Ps. 659	Ps. 387	Ps. (527)

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
US GAAP BASIS
(Millions of constant Mexican pesos as of December 31, 2002)

	Capital stock	Treasury stock	Paid-In capital	Shortfall in restatement of capital	Other	Retained earnings	Compre-hensive income	Stock holders' equity
Balance at January 01, 2000	Ps. 6,202	Ps. (498)	Ps. 1,254	Ps. (16,552)	Ps. (136)	Ps. 16,740		Ps. 7,010
Comprehensive income:								
Net income						659	Ps. 659	659
Bulletin B-15 adjustments				470		(545)		(75)
Other comprehensive income:								
Minimum pension liability adjustment					(36)		(36)	(36)
Loss from holding non-monetary assets				(376)			(376)	(376)
Deferred taxes allocation				40	12		52	52
Effect of applying the Fifth Amendment				199			199	199
Deferred workers' profit sharing allocation				(9)			(9)	(9)
Other comprehensive loss							(170)	
Comprehensive income							Ps. 489	
Dividends (Ps.1.05 pesos per share)						(342)		(342)
Sales of treasury stock		1,013	(313)					700
Paid in capital			(53)					(53)
Acquisition of treasury stock		(861)						(861)
Balance at December 31, 2000	Ps 6,202	Ps. (346)	Ps. 888	Ps. (16,228)	Ps. (160)	Ps. 16,512		Ps. 6,868
Comprehensive income:								
Net income						387	Ps. 387	387
Bulletin B-15 adjustments				(779)		638		(141)
Other comprehensive income:								
Minimum pension liability adjustment					(48)		(48)	(48)
Loss from holding non-monetary assets				(550)			(550)	(550)
Deferred taxes allocation				68	(33)		35	35
Effect of applying the Fifth Amendment				294			294	294
Deferred workers' profit sharing allocation				(21)			(21)	(21)
Fair value of financial instruments					144		144	144
Other comprehensive loss							(146)	
Comprehensive income							Ps. 241	
Dividends (Ps. 1.05 pesos per share)						(324)		(324)
Paid in capital			53					53
Acquisition of treasury stock		(201)						(201)

Balance at December 31, 2001	Ps 6,202	Ps. (547)	Ps. 941	Ps. (17,216)	Ps. (97)	Ps. 17,213			Ps. 6,496
Comprehensive income:									
Net loss							(527)	Ps. (527)	(527) (233)
Bulletin B-15 adjustments				227		(460)			
Other comprehensive income:									
Minimum pension liability adjustment					(166)			(166)	(166)
Loss from holding non-monetary assets				31				31	31
Deferred taxes allocation				615	109			724	724
Effect of applying the Fifth Amendment				(283)				(283)	(283)
Deferred workers' profit sharing allocation				(8)				(8)	(8)
Fair value of financial instruments					(144)			(144)	(144)
Other comprehensive income								154	
Comprehensive loss								Ps. (373)	
Dividends (Ps. 0.25 pesos per share)							(78)		(78)
Paid in capital			(26)						(26)
Sales of treasury stock		33							33
Balance at December 31, 2002	Ps 6,202	Ps. (514)	Ps. 915	Ps. (16,634)	Ps. (298)	Ps. 16,148			Ps. 5,819

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
US GAAP BASIS *
(Millions of nominal pesos)

	2000	2001	2002
OPERATING ACTIVITIES:			
Net income (loss) from continuing operations in constant pesos	Ps. 786	Ps. 702	Ps. (652)
Effect of constant pesos	(107)	(37)	(42)
Net income (loss) from continuing operations in nominal pesos	679	665	(694)
Add (deduct) non cash items:			
Depreciation and amortization	1,813	1,894	1,965
Provision for seniority premiums, pension and other long-term liabilities	183	196	182
Amortization of debt issue cost	42	54	50
Share in net income of unconsolidated associated companies	(21)	(20)	(10)
Fair value of derivative financial instruments			176
(Gain) loss from sale of subsidiaries and associated companies	(55)	114	(64)
Write-off and loss from sale of fixed assets	282	348	395
Deferred income tax and workers' profit sharing	(31)	(310)	(761)
Gain from monetary position	(1,122)	(601)	(757)
Exchange loss (gain)	104	(530)	1,495
	1,874	1,810	1,977
Increase (decrease) in trade payables	149	625	(131)
Decrease (increase) in trade receivables	376	244	(322)
(Increase) decrease in inventories	(313)	7	(503)
Change in other current assets and liabilities, net	421	(287)	335
Pension funding payments	(617)	(86)	(167)
Cash provided by continuing operations	1,890	2,313	1,189
Net income (loss) from discontinued operations	186	197	(116)
Proceeds from disposal of discontinued operations			1,390
Operating assets and liabilities from discontinued operations	209	106	164
Cash provided by operating activities	2,285	2,616	2,627
INVESTING ACTIVITIES:			
Sales of land and buildings and machinery and equipment	202	122	138
Investment in land and buildings and machinery and equipment	(830)	(777)	(985)
Investment in subsidiaries and associated companies	(510)	(445)	(9)
Sale of subsidiaries and associated companies		76	111
Long -term receivables		(137)	(49)
Effect from discontinued operations	(128)	(147)	(6)
Other	(419)	(80)	(204)
Cash used in investing activities	(1,685)	(1,388)	(1,004)

FINANCING ACTIVITIES:			
Short-term borrowings	5,815	4,119	4,640
Issuance of long-term debt	5,916	6,196	2,793
Capital stock contributed by minority interest	8	97	7
Payment of short-term borrowings	(4,473)	(5,935)	(5,801)
Payment of long-term debt	(6,581)	(4,723)	(1,779)
Acquisition of treasury stock	(744)	(169)	
Sale of treasury stock	551		24
Dividends paid to stockholders of Vitro	(292)	(149)	(75)
Dividends paid to minority interests	(340)	(266)	(257)
Effect from discontinued operations	(267)	(156)	(42)
Cash used in financing activities	(407)	(986)	(490)
Net increase in cash and cash equivalents	193	242	1,133
Monetary and exchange rate effect on cash and cash equivalents	(4)	(23)	118
Balance at beginning of year	565	754	973
Balance at end of year	Ps. 754	Ps. 973	Ps. 2,224
Net cash provided by operating activities reflects net cash payments of interest and income taxes as follows:			
Interest	Ps. 1,833	Ps. 1,729	Ps. 1,536
Income taxes	354	194	148

EXHIBIT 2.6

CERTIFICADO BURSATIL

VITRO, S.A. DE C.V.
(VITRO 03)

Por este Certificado Bursatil, Vitro, S.A. de C.V., ("VITRO" o el "Emisor") se obliga incondicionalmente a pagar en una sola exhibicion en el lugar de pago indicado mas adelante, la cantidad de Ps.**********, precisamente el dia ** de ******* de ****, o si fuera inhabil el siguiente dia habil.

Este Certificado Bursatil ampara 11'400,000 ********** Certificados Bursatiles, al portador, con valor nominal de $100.00 (cien pesos 00/100M.N.) cada uno.

Este Certificado Bursatil se mantendra en deposito en la S.D. Indeval, S.A. de C.V., Institucion para el Deposito de Valores, para los efectos de la Ley del Mercado de Valores.

Este Certificado Bursatil se emite al amparo del Programa de Certificados Bursatiles del Emisor y se encuentra inscrito en la Seccion de Valores del Registro Nacional de Valores bajo el No. **********.

Definiciones. Los siguientes terminos tendran el significado que se indica para cada uno de ellos, siendo estos igualmente aplicables en singular y en plural:

"BMV" significa Bolsa Mexicana de Valores, S.A. de C.V.

"Caso de Vencimiento Anticipado" tiene el significado que se menciona en la seccion "Amortizacion Anticipada" contenida mas adelante.

"Certificados Bursatiles" significan los certificados bursatiles al portador que ampara el presente titulo.

"CNBV" significa la Comision Nacional Bancaria y de Valores.

"Dia Habil" significa cualquier dia que no sea sabado o domingo, o dia feriado por la ley, en el que las instituciones de banca multiple deban mantener sus oficinas abiertas para celebrar operaciones con el publico, conforme al calendario que publique periodicamente la CNBV.

"Emision" significa la emision de los Certificados Bursatiles que ampara el presente titulo, a la cual le fue asignada la clave de pizarra "********".

"Emisor" significa Vitro, S.A. de C.V., una sociedad cuyo objeto social es: a).- Suscribir, comprar o vender acciones, bonos, obligaciones u otros titulos valores y, en general, realizar con ellos todas las operaciones permitidas por la Ley. b).- Adquirir las acciones representativas de su capital social, previo acuerdo del Consejo de Administracion, a traves de la Bolsa Mexicana de Valores, S.A. de C.V., o de cualquier otra Bolsa en que se coticen en terminos de las disposiciones aplicables. c).- Celebrar

cualquier operacion de credito en los terminos de la Ley. d).- Girar, aceptar y endosar titulos de credito; otorgar prestamos y avalar o garantizar en cualquier forma a traves de garantias reales o personales, el cumplimiento de las obligaciones a cargo de sus companias subsidiarias o asociadas o de cualquier otra entidad con autorizacion del Consejo de Administracion. e).- Prestar servicios y efectuar estudios de promocion, ampliacion y reestructuracion a sus companias subsidiarias o asociadas. f).- Adquirir solo aquellos bienes muebles, inmuebles o derechos reales y personales que sean indispensables para la operacion de la Sociedad. g).- En general, celebrar los contratos, realizar las operaciones y efectuar los actos que sean necesarios o convenientes para la realizacion de sus objetivos fundamentales.

"Fecha de Determinacion de la Tasa de Interes Bruto Anual" tiene el significado que se menciona en la seccion "Tasa de Interes; Forma de Calculo

de los Intereses" contenida mas adelante.

"Indeval" significa la S.D. Indeval, S.A. de C.V., Institucion para el Deposito de Valores.

"PCGA en Mexico" significa los principios de contabilidad generalmente aceptados en Mexico, aplicados en forma consistente.

"Representante Comun" significa Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, cuya institucion funge como representante comun de los Tenedores.

"Subsidiarias Importantes" significa cualquier subsidiaria del Emisor que, individual o conjuntamente con sus respectivas subsidiarias, en cualquier momento (I) represente el 10% o mas de las ventas netas (antes de eliminaciones) consolidadas del Emisor durante los ultimos doce meses, o (ii) su utilidad de operacion mas depreciaciones y amortizaciones represente 10% o mas de la utilidad de operacion mas depreciaciones y amortizaciones consolidada del Emisor durante los ultimos doce meses, o (iii) que sea propietaria de activos equivalentes al 10% o mas de los activos consolidados del Emisor, todo lo anterior calculado en base a los estados financieros consolidados trimestrales que comprenden un periodo de 12 (doce) meses del Emisor mas recientes que se tengan disponibles.

"Tasa de Interes Neto Anual " tiene el significado que se menciona en la seccion "Tasa de Interes; Forma de Calculo de los Intereses" contenida mas adelante.

"Tasa de Interes Bruto Anual " tiene el significado que se menciona en la seccion "Tasa de Interes; Forma de Calculo de los Intereses" contenida mas adelante.

"Tenedores" significan los tenedores de los Certificados Bursatiles en circulacion.

"Monto de la Emision" Ps.********** pesos 00/100 M.N.).

"Plazo de la Emision" Los Certificados Bursatiles tienen una vigencia de 2,184 dias, equivalentes a aproximadamente 6 anos, en el entendido que dicho plazo se podra incrementar a 2,185 dias en el caso que la fecha de vencimiento sea un dia inhabil.

"Fecha de Vencimiento" 05 de febrero de 2009, o si fuere inhabil el siguiente dia habil.

"Destino de los Recursos Los recursos que obtenga VITRO como consecuencia de la emision de Certificados Bursatiles seran destinados entre otros, a la consolidacion de pasivos bancarios de corto plazo, inversiones en activos, reparaciones, mantenimientos mayores y capital de trabajo"

"Tasa de Interes; Forma de Calculo de Intereses" A partir de su fecha de colocacion, y en tanto no sean amortizados, los Certificados Bursatiles devengaran un interes bruto anual sobre su valor nominal, que el Representante Comun calculara cada periodo de 196 (ciento noventa y seis) dias, el dia habil inmediato anterior al inicio de cada periodo de 196 (ciento noventa y seis) dias ("Fecha de Determinacion de la Tasa de Interes Bruto Anual"), computado a partir de la fecha de emision y que regira durante el periodo siguiente.

Cada periodo de 196 (ciento noventa y seis) dias comprendera siete periodos consecutivos de 28 (veintiocho) dias, en los que deben liquidarse los intereses que devenguen los Certificados Bursatiles, conforme al calendario de pagos que aparece en este titulo y en el Suplemento.

La tasa de interes neto anual ("Tasa de Interes Neto Anual") se calculara mediante la adicion de 3.25 (TRES PUNTO VEINTICINCO) puntos a la tasa de interes anual o la que la sustituya, en colocacion primaria de los Certificados de la Tesoreria de la Federacion (CETES), a plazo de 182 (ciento ochenta y dos) dias capitalizada a 196 (ciento noventa y seis) dias, dada a conocer por la Secretaria de Hacienda y Credito Publico a traves de Banco de Mexico por el medio masivo de comunicacion que este determine o a traves de cualquier otro medio electronico de computo o telecomunicacion, incluso

internet, autorizado al efecto por el Banco de Mexico, en la Fecha de Determinacion de la Tasa de Interes Bruto Anual o, en su defecto, dentro de los 22 (veintidos) dias habiles anteriores, en cuyo caso debera tomarse la tasa comunicada en el dia habil mas proximo a dicha fecha. En caso de que desaparezcan los CETES arriba citados, o deje de publicarse la tasa correspondiente a los mismos, el Representante Comun utilizara como tasa sustituta para determinar la Tasa de Interes Neto Anual de los Certificados Bursatiles, aquella que de a conocer la Secretaria de Hacienda y Credito Publico como tasa sustituta de los CETES.

Para determinar la tasa de interes capitalizada al numero de dias efectivamente transcurridos del periodo de que se trate, de los CETES al plazo antes mencionado, el Representante Comun utilizara la siguiente formula:

$$TC = \left[\left(1 + \frac{TR}{36000} \times PL\right)^{\frac{NDE}{PL}} - 1\right] \times \left[\frac{36000}{NDE}\right]$$

En donde:

TC = Tasa de CETES capitalizada a 196 dias.

TR = Tasa de interes de CETES.
PL = Plazo de CETES en dias.
NDE = Numero de dias efectivamente transcurridos de cada periodo.

A la Tasa de Interes Neto Anual, se le aplicara en su caso, una sobretasa equivalente a la tasa de retencion por ingresos por intereses para personas fisicas, que fije la Ley del Impuesto Sobre la Renta, vigente en la Fecha de Determinacion de la Tasa de Interes Bruto Anual, y el resultado sera "la Tasa de Interes Bruto Anual" de los Certificados Bursatiles, con el fin de que dichos inversionistas reciban un pago de intereses igual al que hubieran recibido de no aplicarse dicha retencion.

El interes que devengaran los Certificados Bursatiles se computara a partir de su fecha de emision y los calculos para determinar las tasas y los intereses a pagar, deberan comprender los dias naturales de que efectivamente consten los periodos respectivos. Los calculos se efectuaran cerrandose a centesimas.

Los intereses que devenguen los Certificados Bursatiles se liquidaran cada periodo de 28 (veintiocho) dias en la fecha senalada en el calendario de pagos inserto en este titulo, o si fuere inhabil, el siguiente dia habil, durante la vigencia de la emision; en el entendido que el primer pago de intereses se realizara el 13 de marzo de 2003 y el ultimo pago de intereses, considerara los dias efectivamente transcurridos a partir de la penultima fecha de pago de intereses y hasta la fecha de amortizacion y vencimiento de los Certificados Bursatiles

Para determinar el monto de intereses pagaderos en cada periodo respecto de los Certificados Bursatiles, el Representante Comun utilizara la siguiente formula:

$$I = VN \left(\frac{TB}{36,000} \times NDE\right)$$

En donde:

I = Interes bruto del periodo.
VN = Valor nominal total de los Certificados Bursatiles en circulacion.
TB = Tasa de Interes Bruto Anual.
NDE = Numero de dias efectivamente transcurridos de cada periodo.

Iniciado cada periodo de 196 (ciento noventa y seis) dias, la Tasa de Interes Bruto Anual determinada para dicho periodo no sufrira cambios durante el

mismo. El Representante Comun dara a conocer por escrito a la C.N.B.V., al Indeval y a la B.M.V., a traves de los medios que esta ultima determine: (i) la Tasa de Interes Bruto Anual de los Certificados Bursatiles aplicable para los siguientes 7 (siete) periodos de 28 dias cada uno y (ii) el importe de los intereses a pagar, el dia habil anterior a cada fecha de pago. La Tasa de Interes Bruto Anual aplicable para cada periodo de 196 (ciento noventa y seis) dias, se publicara el dia de su entrada en vigor en uno de los periodicos de mayor circulacion a nivel nacional.

Los Certificados Bursatiles dejaran de devengar intereses a partir de la fecha senalada para su pago, siempre que el Emisor hubiere constituido el deposito del importe de la amortizacion y, en su caso, de los intereses correspondientes, en las oficinas del Indeval, a mas tardar a las 11:00 a.m. de ese dia.

En los terminos de la Ley del Mercado de Valores el presente titulo no lleva cupones adheridos haciendo las veces de estos, para todos los efectos legales, las constancias que expida el Indeval.

PERIODICIDAD EN EL PAGO DE INTERESES.

Los intereses que devenguen los Certificados Bursatiles se liquidaran cada 28 (veintiocho) dias o si fuere inhabil, el siguiente dia habil, durante la vigencia de la emision, conforme al siguiente calendario y en las siguientes fechas:

No.	Fecha de pago de Intereses		
01	Del ** de ******* de ****	al	** de ***** de ****
02	Del ** de ******* de ****	al	** de ***** de ****
03	Del ** de ******* de ****	al	** de ***** de ****
04	Del ** de ******* de ****	al	** de ***** de ****
05	Del ** de ******* de ****	al	** de ***** de ****
06	Del ** de ******* de ****	al	** de ***** de ****
07	Del ** de ******* de ****	al	** de ***** de ****
08	Del ** de ******* de ****	al	** de ***** de ****
09	Del ** de ******* de ****	al	** de ***** de ****
10	Del ** de ******* de ****	al	** de ***** de ****
11	Del ** de ******* de ****	al	** de ***** de ****
12	Del ** de ******* de ****	al	** de ***** de ****
13	Del ** de ******* de ****	al	** de ***** de ****
14	Del ** de ******* de ****	al	** de ***** de ****
15	Del ** de ******* de ****	al	** de ***** de ****
16	Del ** de ******* de ****	al	** de ***** de ****
17	Del ** de ******* de ****	al	** de ***** de ****
18	Del ** de ******* de ****	al	** de ***** de ****
19	Del ** de ******* de ****	al	** de ***** de ****
20	Del ** de ******* de ****	al	** de ***** de ****
21	Del ** de ******* de ****	al	** de ***** de ****
22	Del ** de ******* de ****	al	** de ***** de ****
23	Del ** de ******* de ****	al	** de ***** de ****
24	Del ** de ******* de ****	al	** de ***** de ****
25	Del ** de ******* de ****	al	** de ***** de ****
26	Del ** de ******* de ****	al	** de ***** de ****
27	Del ** de ******* de ****	al	** de ***** de ****
28	Del ** de ******* de ****	al	** de ***** de ****
29	Del ** de ******* de ****	al	** de ***** de ****
30	Del ** de ******* de ****	al	** de ***** de ****
31	Del ** de ******* de ****	al	** de ***** de ****
32	Del ** de ******* de ****	al	** de ***** de ****
33	Del ** de ******* de ****	al	** de ***** de ****
34	Del ** de ******* de ****	al	** de ***** de ****
35	Del ** de ******* de ****	al	** de ***** de ****
36	Del ** de ******* de ****	al	** de ***** de ****
37	Del ** de ******* de ****	al	** de ***** de ****

38	Del ** de ******* de ****	al	** de ***** de ****
39	Del ** de ******* de ****	al	** de ***** de ****
40	Del ** de ******* de ****	al	** de ***** de ****
41	Del ** de ******* de ****	al	** de ***** de ****
42	Del ** de ******* de ****	al	** de ***** de ****
43	Del ** de ******* de ****	al	** de ***** de ****
44	Del ** de ******* de ****	al	** de ***** de ****
45	Del ** de ******* de ****	al	** de ***** de ****
46	Del ** de ******* de ****	al	** de ***** de ****
47	Del ** de ******* de ****	al	** de ***** de ****
48	Del ** de ******* de ****	al	** de ***** de ****
49	Del ** de ******* de ****	al	** de ***** de ****
50	Del ** de ******* de ****	al	** de ***** de ****
51	Del ** de ******* de ****	al	** de ***** de ****
52	Del ** de ******* de ****	al	** de ***** de ****
53	Del ** de ******* de ****	al	** de ***** de ****
54	Del ** de ******* de ****	al	** de ***** de ****
55	Del ** de ******* de ****	al	** de ***** de ****
56	Del ** de ******* de ****	al	** de ***** de ****
57	Del ** de ******* de ****	al	** de ***** de ****
58	Del ** de ******* de ****	al	** de ***** de ****
59	Del ** de ******* de ****	al	** de ***** de ****
60	Del ** de ******* de ****	al	** de ***** de ****
61	Del ** de ******* de ****	al	** de ***** de ****
62	Del ** de ******* de ****	al	** de ***** de ****
63	Del ** de ******* de ****	al	** de ***** de ****
64	Del ** de ******* de ****	al	** de ***** de ****
65	Del ** de ******* de ****	al	** de ***** de ****
66	Del ** de ******* de ****	al	** de ***** de ****
67	Del ** de ******* de ****	al	** de ***** de ****
68	Del ** de ******* de ****	al	** de ***** de ****
69	Del ** de ******* de ****	al	** de ***** de ****
70	Del ** de ******* de ****	al	** de ***** de ****
71	Del ** de ******* de ****	al	** de ***** de ****
72	Del ** de ******* de ****	al	** de ***** de ****
73	Del ** de ******* de ****	al	** de ***** de ****
74	Del ** de ******* de ****	al	** de ***** de ****
75	Del ** de ******* de ****	al	** de ***** de ****
76	Del ** de ******* de ****	al	** de ***** de ****
77	Del ** de ******* de ****	al	** de ***** de ****
78	Del ** de ******* de ****	al	** de ***** de ****

"Intereses Moratorios" En caso de incumplimiento en el pago de principal de los Certificados Bursatiles, se causaran intereses moratorios sobre el principal Insoluto de los Certificados Bursatiles a una tasa igual a la Tasa de Interes Bruto Anual aplicable durante cada periodo en que ocurra y continue el incumplimiento mas 2 (dos) puntos porcentuales Los intereses moratorios seran pagaderos a la vista desde la fecha en que tenga lugar el incumplimiento y hasta que la suma principal haya quedado integramente cubierta. La suma que se adeude por concepto de intereses moratorios debera ser cubierta en las oficinas del Emisor y en la misma moneda que la suma principal.

"Lugar y Forma de Pago" El principal y los intereses generados, respecto de la presente Emision de Certificados Bursatiles se pagaran el dia de su vencimiento,

mediante transferencia electronica, en el domicilio de Indeval, ubicado en Paseo de la Reforma No. 255, Piso 3, Col. Cuauhtemoc, 06500, Mexico, D.F., o en su caso en las oficinas del Emisor ubicadas en Ave. Ricardo Margain Zozaya No. 400, Col. Valle Campestre, Garza Garcia, Nuevo Leon, C.P. 66265.

"Amortizacion Anticipada" En el supuesto de que suceda cualquiera de los siguientes eventos (cada uno, un "Caso de Vencimiento Anticipado") se podran dar por vencidos anticipadamente los Certificados Bursatiles en los terminos y condiciones establecidos mas adelante.

(1) Pago Oportuno de Intereses. Si el Emisor dejare de realizar el pago oportuno, a su vencimiento, de cualquier cantidad de intereses, y dicho pago no se realizare dentro de los 3 (tres) Dias Habiles siguientes a la fecha en

que debio realizarse.

(2) Insolvencia. Si VITRO o cualquiera de sus Subsidiarias Importantes fuere declarada en quiebra, insolvencia, concurso mercantil o procedimiento similar o si admitiere por escrito su incapacidad para pagar sus deudas a su vencimiento.

(3) Validez de los Certificados Bursatiles. Si el Emisor rechaza, reclama o impugna la validez o exigibilidad de los Certificados Bursatiles.

En el caso de que ocurra cualquiera de los eventos mencionados en los incisos (2) o (3) anteriores, los Certificados Bursatiles se daran por vencidos de manera automatica, sin necesidad de aviso previo de incumplimiento, presentacion, requerimiento de pago, protesto o notificacion de cualquier naturaleza, judicial o extrajudicial, constituyendose en mora el Emisor desde dicho momento y haciendose exigible de inmediato la suma principal insoluta de los Certificados Bursatiles, los intereses devengados y no pagados con respecto a la misma y todas las demas cantidades que se adeuden conforme a los mismos.

En el caso de que ocurra el evento mencionado en el inciso (1) anterior (y haya transcurrido el plazo de gracia aplicable), todas las cantidades pagaderas por la Emisora conforme a los Certificados Bursatiles se podran declarar vencidas anticipadamente, siempre y cuando al menos 1 (un) Tenedor entregue una notificacion al Representante Comun indicando su intencion de declarar vencidos anticipadamente los Certificados Bursatiles, en cuyo caso el Emisor se constituira en mora desde dicho momento y se haran exigibles de inmediato la suma principal insoluta de los Certificados Bursatiles, los intereses devengados y no pagados con respecto a la misma y todas las demas cantidades que se adeuden conforme a los mismos.

Garantias. Los Certificados Bursatiles seran quirografarios, por lo que no contaran con garantia real o personal alguna.

Asamblea de Tenedores. (a) Las asambleas de los Tenedores representaran al conjunto de estos y se regiran, en todo caso, por las disposiciones de este titulo y de la Ley General de Titulos y Operaciones de Credito, siendo validas sus resoluciones respecto de todos los Tenedores, aun respecto de los ausentes y disidentes.

(b) La asamblea general de Tenedores se reunira siempre que sea convocada por el Representante Comun.

(c) El Emisor o los Tenedores que representen un 10% (diez por ciento) de los Certificados Bursatiles en circulacion, podran pedir al Representante Comun que convoque a la asamblea general de Tenedores, especificando en su peticion los puntos que en la asamblea deberan tratarse, asi como el lugar y hora en que debera celebrarse dicha asamblea. El Representante Comun debera expedir la convocatoria para que la asamblea se reuna dentro del termino de 30 (treinta) dias naturales contados a partir de la fecha en que reciba la solicitud. Si el Representante Comun no cumpliere con esta obligacion, el juez de primera instancia del domicilio del Emisor, a peticion de los Tenedores solicitante, debera expedir la convocatoria para la reunion de la asamblea.

(d) La convocatoria para las asambleas de Tenedores se publicara una vez, por lo menos, en el Diario Oficial de la Federacion y en alguno de los periodicos de mayor circulacion a nivel nacional, con cuando menos 10 (diez) dias naturales de anticipacion a la fecha en que la asamblea deba reunirse. En la convocatoria se expresaran los puntos que en la asamblea deberan tratarse.

(e) Para que una asamblea de Tenedores reunida para tratar asuntos distintos a los senalados en el inciso (f) siguiente se considere legalmente instalada en virtud de primera convocatoria, deberan estar representados, por lo menos, la mitad mas uno de los Certificados Bursatiles en circulacion y sus decisiones seran validas cuando sean aprobadas por la mayoria de los presentes.

Si la asamblea de Tenedores se reune en virtud de segunda o ulterior convocatoria para tratar asuntos distintos a los senalados en el inciso (f) siguiente, habra quorum con cualesquiera que sea el numero de Certificados Bursatiles en ella representados y sus decisiones seran validas si son tomadas por la mayoria de los Tenedores presentes.

(f) Se requerira que este representado en la asamblea de Tenedores, en virtud de primera convocatoria, cuando menos el 75% (setenta y cinco por ciento) de los Certificados Bursatiles en circulacion, y que las decisiones sean aprobadas por la mayoria de los presentes, en los siguientes casos:

(1) cuando se trate de revocar la designacion del Representante Comun o nombrar a cualquier otro representante comun; o

(2) cuando se trate de realizar cualquier modificacion a los terminos o condiciones de los Certificados Bursatiles u otorgar prorrogas o esperas al Emisor de los pagos de principal e intereses conforme a este titulo.

(g) Si la asamblea de Tenedores se reune en virtud de segunda o ulterior convocatoria para tratar cualesquiera de los asuntos senalados en el inciso (f) (1) anterior, se requerira que esten presentes o representados la mitad mas uno de los Certificados Bursatiles en circulacion y sus decisiones seran validas si son tomadas por la mayoria de los Certificados Bursatiles presentes, salvo que se tratare de cualesquiera de los asuntos mencionados en el inciso (f) (2) anterior, en cuyo caso, se requerira que este representado en la asamblea de Tenedores, cuando menos el 75% (setenta y cinco por ciento) de los Certificados Bursatiles en circulacion y que las decisiones sean aprobadas por lo menos por la mayoria de los presentes.

(h) Para concurrir a las asambleas de Tenedores, los Tenedores deberan depositar las constancias de deposito que expida el Indeval y el listado que al efecto expida la casa de bolsa correspondiente, de ser el caso, respecto de los Certificados Bursatiles de las cuales son titulares, en el lugar que se designe en la convocatoria a la asamblea de Tenedores, por lo menos el Dia Habil anterior a la fecha en que la asamblea de Tenedores deba celebrarse. Los Tenedores podran hacerse representar en la asamblea por apoderado, acreditado con simple carta poder. (i) En ningun caso podran ser representadas en la asamblea de Tenedores, los Certificados Bursatiles que el Emisor o cualquier persona relacionada con el Emisor haya adquirido en el mercado.

(j) De cada asamblea se levantara acta suscrita por quienes hayan fungido como presidente y secretario. Al acta se agregara la lista de asistencia, firmada por los concurrentes y por los escrutadores. Las actas, asi como los titulos, libros de contabilidad y demas datos y documentos que se refieran a la actuacion de las asambleas de Tenedores o del Representante Comun, seran conservados por este y podran, en todo tiempo, ser consultadas por los Tenedores, los cuales tendran derecho a que, a su costa, el Representante Comun les expida copias certificadas de dichos documentos.

(k) Para efectos de calcular el quorum de asistencia a las asambleas de Tenedores, se tomara como base el numero de Certificados Bursatiles en circulacion. La asamblea de Tenedores sera presidida por el Representante Comun y en ella los Tenedores tendran derecho a tantos votos como les correspondan en virtud de los Certificados Bursatiles que posean, computandose un voto por cada Certificado Bursatil en circulacion.

(l) No obstante lo estipulado en la presente seccion, las resoluciones tomadas fuera de asamblea por unanimidad de los Tenedores que representen la totalidad de los Certificados Bursatiles con derecho a voto tendran, para todos los efectos legales, la misma validez que si hubieren sido adoptadas reunidos en asamblea, siempre que se confirmen por escrito.

Nada de lo contenido en este titulo limitara o afectara los derechos que, en su caso, tuvieren los Tenedores de conformidad con el Articulo 223 de la Ley General de Titulos y Operaciones de Credito.

Representante Comun. Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat., sera el Representante Comun de todos los Tenedores y, por este medio y por conducto de su representante, acepta dicho cargo.

El Representante Comun tendra los derechos y obligaciones que se contemplan en la legislacion aplicable, en la Ley General de Titulos y Operaciones de Credito y en el presente titulo. Para todo aquello no expresamente previsto en este titulo, el Representante Comun actuara de conformidad con las

instrucciones de la mayoria de los Tenedores, computada conforme a lo dispuesto en este titulo para que este proceda a llevar a cabo cualquier acto en relacion con los Certificados Bursatiles. El Representante Comun tendra, entre otros, los siguientes derechos y obligaciones:

(1) vigilar el cumplimiento del destino de los fondos de la Emision autorizado por la C.N.B.V., conforme a este Titulo;

(2) verificar que los Certificados Bursatiles cumplan con todas las disposiciones legales y, una vez hecho lo anterior, firmar como Representante Comun este titulo;

(3) ejercer todas las acciones o derechos que al conjunto de Tenedores corresponda, por el pago del principal, intereses u otras cantidades;

(4) convocar y presidir la asamblea de Tenedores y ejecutar sus decisiones;

(5) asistir a las asambleas generales de accionistas del Emisor y recabar de los administradores, gerentes y funcionarios de la misma, todos los informes y datos que necesite para el ejercicio de sus atribuciones, incluyendo los relativos a la situacion financiera del Emisor;

(6) otorgar en nombre del conjunto de los Tenedores, los documentos o contratos que con el Emisor deban celebrarse, previa instruccion de la asamblea de Tenedores;

(7) calcular los intereses pagaderos respecto de los Certificados Bursatiles;

(8) calcular y publicar la tasa de interes pagadera conforme a los Certificados y/o amortizacion de principal correspondiente a los Certificados Bursatiles, en uno de los periodicos de mayor circulacion a nivel nacional, asi como informar a la CNBV, la BMV y el Indeval, sobre el pago de los intereses conforme al presente titulo;

(9) actuar como intermediario frente al Emisor, respecto de los Tenedores, para el pago a estos ultimos de principal, intereses y cualesquiera otras sumas pagaderas respecto de los Certificados Bursatiles;

(10) ejercer todas las funciones, facultades y obligaciones que senalen la Ley General de Titulos y Operaciones de Credito, la Ley del Mercado de Valores y las circulares aplicables emitidas por la C.N.B.V. y los sanos usos y practicas bursatiles; y

(11) en general, llevar a cabo los actos necesarios a fin de salvaguardar los derechos de los Tenedores.

Todos y cada uno de los actos que lleve a cabo el Representante Comun en nombre o por cuenta de los Tenedores, en los terminos de este Titulo o de la Legislacion aplicable, seran obligatorios y se consideraran como aceptados por los Tenedores.

El Representante Comun podra ser removido por acuerdo de la Asamblea de Tenedores, en el entendido que dicha remocion solo tendra efectos a partir de la fecha en que un representante comun sucesor haya sido designado, haya aceptado el cargo y haya tomado posesion del mismo.

El Representante Comun concluira sus funciones en la fecha en que todos los Certificados Bursatiles sean pagados en su totalidad (incluyendo, para estos efectos, los intereses devengados y no pagados y las demas cantidades pagaderas).

El Representante Comun en ningun momento estara obligado a erogar ningun tipo de gasto u honorario o cantidad alguna a cargo de su patrimonio para llevar a cabo todos los actos y funciones que puede o debe llevar a cabo.

Ley Aplicable; Jurisdiccion. El presente Certificado Bursatil se regira e interpretara de conformidad con las leyes de Mexico. El Emisor, el

Representante Comun y, por virtud de la adquisicion de Certificados Bursatiles, los Tenedores, se someten a la jurisdiccion de los tribunales federales, con sede en la Ciudad de Mexico, D.F., para cualquier controversia relacionada con los Certificados Bursatiles, renunciando a cualquier otro fuero que pudiera corresponderles por razon de domicilio, presente o futuro, o por cualquier causa.

El presente Titulo consta de 11 paginas y se suscribe por el Emisor y el Representante Comun el ** de ******* de ****.

VITRO, S.A. DE C.V.

Por:
Cargo:
Lugar:

SCOTIA INVERLAT, CASA DE BOLSA, S.A. DE C.V.
GRUPO FINANCIERO SCOTIABANK INVERLAT

Por:
Cargo:
Lugar:

TRANSLATION ONLY

NOTE CERTIFICATE
VITRO, S.A. DE C.V.
(VITRO 03)

Through this Note Certificate, Vitro, S.A. de C.V. ("VITRO" or the "Issuer") unconditional binds to pay in one exhibition in the place of payment mentioned below, the amount of $********** exactly on ******** **, ****, or if it is a non-business day on the following day.

This Note Certificate covers ******* bearer note certificates, with a par value of $100.00 (one hundred pesos 00/100 Mex. Cur.) each.

This Note Certificate shall be kept in deposit at S.D. Indeval, S.A. de C.V., Institution for Deposit of Securities, for effects of the "Ley del Mercado de Valores".

This Note Certificate is issued under the "Programa de Certificados Bursatiles del Emisor" and is recorded in the Security Section of the National Registry of Securities under No. **********.

Definitions: The following terms shall have the meaning mentioned for each one o them, being these applicable in singular and plural form.

"BMV": Means Bolsa Mexicana de Valores, S.A. de C.V.

"Anticipated Maturity Case": it has the meaning mentioned in the "Anticipated Amortization" section included below.

"CNBV": means the Comision Nacional Bancaria y de Valores.

"Business Day": means any day not being Saturday or Sunday or holyday by law, in which bank institutions should keep their offices open to hold operation with the public, according to the calendar periodically published by the CNBV.

"Issue": means the issuance of the Note Certificates comprising this certificate, to which was assigned ticker symbol "********".

"Issuer": means Vitro, S.A. de C.V. a corporation which corporate purpose is: a) To subscribe, purchase or sell shares of stock, bonds, debentures or other credit instruments and in general, to perform with them all the operations permitted by law. b) To acquire the representative shares of its corporate capital, upon prior resolution of the Board of Directors or through Bolsa Mexicana de Valores, S.A. de C.V. or any other Stock Exchange where such are traded under terms of the applicable provisions. c) To carry out any credit operation under the terms of the Law. d) To draw, accept, and endorse credit instruments; grant and receive loans and endorse or guarantee in any manner, through real or personal guarantees, the fulfillment of the obligations in charge of its subsidiaries or associated companies, or of any other entity authorized upon the Board of Directors. e) To render services and perform promotion, enhancement and restructure studies for its subsidiaries or associated companies. f) To acquire only such real estate, chattels or real and personal rights indispensable for the operation of the Corporation. g) In general, enter into agreements, perform the operations, and the necessary or convenient acts for the fulfillment of its main objectives.

"Determination Date of the Annual Gross Interest Rate": has the meaning established in the "Interest Rate, Calculation of Interest" section mentioned below.

"Indeval": means S.D. Indeval, S.A. de C.V., Institution for Deposit of Securities.

"PCGA in Mexico": means the generally accounting principles accepted in Mexico, applied in a consisting manner.

"Common Representative": means Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabank Inverlat, which institution works as common representative of the Holders.

"Important Subsidiaries": means any subsidiary of the Issuer that, individually or jointly with its respective subsidiaries, at any time (i) represent 10% or more of the consolidated net sales (before eliminations) o the Issuer during the last twelve months, or (ii) its income operation plus depreciation and amortization representing 10% or more of the income operation plus depreciation and consolidated amortization of the Issuer during the last twelve months, or (iii) be proprietary of assets equal to 10% or more of the Issuer' consolidated assets, all of the above calculated basing on the quarterly consolidated financial statements comprising the most recent 12 (twelve) month period of the Issuer available.

"Annual Net Interest Rate": has the meaning mentioned in the "Interest Rate, Calculation of Interest" section included below.

"Annual Gross Interest Rate": has the meaning mentioned in the "Interest Rate, Calculation of Interest" section included below.

"Holders": means the holders of the Note Certificates in circulation.

"Issuance Amount": Ps.*****

"Issuance Term": The Note Certificates have an effectiveness of 2,184 days, equal to approximately 6 years, in the understanding that such term can be increased into 2,185 days in the event that the expiration date is not a business day.

"Expiration Date": ******** **, ****, or at the following day in the event it is a non-business day.

"Resources Destined": The resources obtained by VITRO as a consequence of the Note Certificates issuance, shall be destined amongst others, to the consolidation of short-term bank liabilities, assets investment, repairs,

mayor maintenance, and working capital.

"Interest Rate, Calculation of Interest": From the date of placement and meanwhile are not amortized , the Note Certificates shall accrue an annual gross interest over its nominal value, that the Common Representative shall calculate each 196 (one hundred and ninety six) day period, the following business day after the commencement of each 196 (one hundred and ninety six) day period ("Determination Date of the Annual Gross Interest"), computed from the issuance date and shall rule during the following period.

Each 196 (one hundred and ninety six) day period shall comprise seven consecutive periods of 28 (twenty eight) days, in which the interest accrued in the Note Certificates, should be pay, according to the calendar payment showed in this certificated and in its Supplement.

The annual net interest rate ("Annual net Interest Rate") shall be calculated by the addition of 3.25 (three period twenty five) points to the annual interest rate or the one that replaces it, in primary placement of the "Certificados de la Tesoreria de la Federacion (CETES)" in a 182 (one hundred and eighty two day period capitalized to 196 (one hundred and ninety six) days, notified by the Ministry of Finance "Secretaria de Hacienda y Credito Publico" through the Banco de Mexico by a communication mean determined by such or through any other computer electronic mean or telecommunication, including Internet, authorized for such effect by the Banco de Mexico, in the Determination Date of the Annual Gross Interest Rate or, otherwise, within the previous 22 (twenty two) business days, in such event it should take into account the rate communicated in the most recent business day to such date. In the event that the abovementioned CETES disappear, or cease the publication of the corresponding rate, the Common Representative shall use as substitute rate to determine the Annual Net Interest Rate of the Note Certificate, shall be the one given by the Ministry of Finance as the CETES substitute rate.

To determine the capitalized interest rate to the number of days effectively lapsed of the subject period, to the CETES in the term mentioned above, the Common Representative shall use the following formula:

$$TC = \left[\left(1 + \frac{TR}{36000} \times PL\right)^{\frac{NDE}{PL}} - 1\right] \times \left[\frac{36000}{NDE}\right]$$

where:

TC = CETES rate capitalized to 196 days
TR = CETES' interest rate
PL = CETES term in days
NDE = Number of days effectively lapsed for each period.

To the Annual Net Interest Rate, shall by applied in its case, a surcharge equal to the interest income retention for individuals, established by the Income Tax Law, in force in the Determination Date of the Annual Gross Interest Rate, ad the result shall be "The Annual Gross Interest Rate" of the Note Certificate, with the purpose that such investors receive an interest payment equal to the received, in the event such retention was not applied.

The interest accrued in the Note Certificates shall be computed from the date of its issuance and the calculation to determine the rates and interest to be paid, shall comprise the natural days in which effectively evidence the respective periods. The interest accrued by the Note Certificate shall be paid each 28 (twenty eight) day period on the date mentioned in the payment calendar attached to this certificated, or if it's a non business day, during the effectiveness term, in the understanding that, the first interest payment shall be done on March 13, 2003 and the last interest payment, shall consider the days effectively lapsed from the before last date of interest and up to the amortization and expiration date of the Stock Exchange.

To determine the amount of interest paid in each respective date of the Stock Exchange, the Common Representative shall use the following formula.

$$I = VN \left(\frac{TB}{36{,}000} \times NDE \right)$$

where:

I = gross interest of the period.
VN= Total nominal value of the Stock Exchange Commission in circulation
TB= Annual Gross Interest Rate
NDE : Number of days effectively lapsed each period.

Once commenced each 196 (one hundred and ninety six) period, the Annual Gross Interest Rate determined for such period shall not suffer changes during the same. The Common Representative shall acknowledge in writing to the CNBV, Indeval, and BMV, through the means determined by such: (i) the Annual Gross Interest Rate of the Note Certificates applicable for the following 7 /seven) period of 28 days each, and (ii) the amount of the interest to be paid, the previous business day to each day of payment. The applicable Annual Gross Interest Rate for each 196 (one hundred and ninety six) day period, shall be published on the effective date in one of the mayor circulation newspaper nationally.

The Note Certificates shall cease accruing interest from the date established for payment, whenever the Issuer constituted the deposit of the amortization amount, and in its case, of the corresponding interest, at Indeval offices, 11:00 o'clock of that day at the latest.

In terms of the Ley del Mercado de Valores this certificate does not carry any coupon adhere as an evidence issued by Indeval, for any legal effect.

SCHEDULE FOR THE PAYMENT OF INTEREST

The interest accrued by the Note Certificates shall be paid every 28 (twenty eight) days or if is a non-business day, at the following business day, during the effectiveness of the issuance, according to the following calendar and dates:

No.	Payment of Interest Date		
01	From **********, ****	through	**********, ****
02	From **********, ****	through	**********, ****
03	From **********, ****	through	**********, ****
04	From **********, ****	through	**********, ****
05	From **********, ****	through	**********, ****
06	From **********, ****	through	**********, ****
07	From **********, ****	through	**********, ****
08	From **********, ****	through	**********, ****
09	From **********, ****	through	**********, ****
10	From **********, ****	through	**********, ****
11	From **********, ****	through	**********, ****
12	From **********, ****	through	**********, ****
13	From **********, ****	through	**********, ****
14	From **********, ****	through	**********, ****
15	From **********, ****	through	**********, ****
16	From **********, ****	through	**********, ****
17	From **********, ****	through	**********, ****
18	From **********, ****	through	**********, ****
19	From **********, ****	through	**********, ****
20	From **********, ****	through	**********, ****
21	From **********, ****	through	**********, ****
22	From **********, ****	through	**********, ****
23	From **********, ****	through	**********, ****
24	From **********, ****	through	**********, ****
25	From **********, ****	through	**********, ****

26	From **********, ****	through	**********, ****
27	From **********, ****	through	**********, ****
28	From **********, ****	through	**********, ****
29	From **********, ****	through	**********, ****
30	From **********, ****	through	**********, ****
31	From **********, ****	through	**********, ****
32	From **********, ****	through	**********, ****
33	From **********, ****	through	**********, ****
34	From **********, ****	through	**********, ****
35	From **********, ****	through	**********, ****
36	From **********, ****	through	**********, ****
37	From **********, ****	through	**********, ****
38	From **********, ****	through	**********, ****
39	From **********, ****	through	**********, ****
40	From **********, ****	through	**********, ****
41	From **********, ****	through	**********, ****
42	From **********, ****	through	**********, ****
43	From **********, ****	through	**********, ****
44	From **********, ****	through	**********, ****
45	From **********, ****	through	**********, ****
46	From **********, ****	through	**********, ****
47	From **********, ****	through	**********, ****

48	From **********, ****	through	**********, ****
49	From **********, ****	through	**********, ****
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76	From **********, ****	through	**********, ****
77	From **********, ****	through	**********, ****
78	From **********, ****	through	**********, ****

"Overdue Interest": Failure to comply with the payment of the principal amount of the Note Certificates, the unpaid principal balance of the Note Certificate shall bear overdue interest at a rate equal to the Annual Gross Interest Rate applicable during each period of the occurrence and if the failure continues, plus 2 (two) percentage points. Overdue interest shall be paid from the date of the failure until the principal amount has been completely paid. The unpaid amount for overdue interest should be paid at the Issuer offices and in the same currency as the principal amount.

"Place and Payment Manner": The principal and interest, regarding this Issuance of Note Certificates shall be paid on its maturity day, by wire transfer, at Indeval domicile located at Paseo de la Reforma No. 255, Piso 3,

Col. Cuauhtemoc, 06500, Mexico, D.F., or in its case at the Issuer's offices located at Ave. Ricardo Margain Zozaya No. 400, Col. Valle del Campestre, Garza Garcia, Nuevo leon, C.P. 66265.

"Anticipated Amortization": In the event of any of the following (each one, an "Anticipated Maturity Case", the Note Certificates can be determined as anticipatory matured in terms and conditions established as follows:

(1) Timely Payment of Interest. If Issuer ceases to timely pay, at its maturity, any interest amount, and such payment is not made within the following 3 (three) Business Days to the matured date.

(2) Insolvency. If VITRO or any of its Important Subsidiaries is declared in bankruptcy, insolvency, mercantile bid or similar proceeding or if admits in writing its hinderance to pay its debts at its maturity.

(3) Validity of the Note Certificates. If Issuer rejects, claims or challenges the validity or enforceability of the Note Certificates.

In the occurrence of any of the events mentioned in paragraphs (2) or (3) above, the Note Certificates shall be automatically matured, without prior incompliance, notice, submittance, payment request, protest or notification of any nature, judicial or extrajudicial, constituting the Issuer in default from such moment, and the unpaid principal of the Note Certificate can be immediately demanded, the interest accrued and unpaid regarding the same, and the remaining amounts owe according to the same.

In the occurrence of event mentioned in paragraph (1) above, (lapsing the applicable grace term), all amounts payable by the Issuer according the Note Certificates could be stated as anticipatorily matured, if an when at least 1 (one) Holder delivers a notification to the Common Representative indicating his intention to state the Note Certificates as anticipatorily matured, in such event, the Issuer shall constitute in default from

such moment, and the unpaid principal of the Note Certificate can be immediately demanded, the interest accrued and unpaid regarding the same, and the remaining amounts owe according to the same.

Guarantees. The Note Certificates are unsecured, therefore such may not have any real or personal guaranty.

Holder's Meeting: (a) the Holders meeting shall represent a group, and shall be ruled, in every event, by the provisions of this certificate and the Ley General de Titulos y Operaciones de Credito, being their resolutions valid regarding all Holders, even those absent and dissenting.

(b) the general Holder's meeting shall meet whenever is called by the Common Representative.

(c) The Issuer or Holders that represent 10% (ten percent) of the Note Certificates in circulation, may request to the Common Representative to call a general Holders' meeting, specifying the agenda to be discuss in the request, as well as the place and hour to hold such meeting. The Common Representative should issue the call to hold a meeting within a 30 (thirty) natural day term counted from the date the request was received. If the Common Representative fails with this obligation, the judge of the Issuer domicile, upon request from Holders, should issue the call to hold the meeting.

(d) The call for the Holders meeting shall be publish once, at least, in the Official Gazette of the Federation and in any of the newspaper of mayor circulation nationally, at least 10 (ten) natural days anticipating the date to hold the meeting. The call shall state the agenda to be discuss.

(e) In order for a Holders' meeting met to deal other matters to the mentioned in paragraph (f) below, is considered as legally hold by virtue of first call, should be represented at least, half plus one of the Note Certificates in circulation and their resolutions shall be valid when approved by the majority attending.

If the Holders' meeting meets by virtue of second or subsequent call to deal other matters different from the mentioned in paragraph (f) below, there shall be a quorum with whichever number of Note Certificates represented therein, and their decisions shall be valid if taken by the majority of the attending Holders.

(f) It shall be required at the Holders' meeting by virtue of first call, at least 75% (seventy vive percent)of the Note Certificate in circulation and that the resolutions are approved by the attending majority, in the following cases:

(1) When the Common Representative designation should be revoked or appoint any other common representative; or

(2) When making any alteration to the terms and conditions of the Note Certificates or grant extension or stand stills to the issuer of the principal and interest payment according to this title.

(g) If the Holders' meeting is met by virtue or second or subsequent call to deal any of the matters mentioned in paragraph (f) (1) above, the Note Certificates in circulation shall be attending or represented by half plus one, and their resolutions shall be valid if taken by the majority of the attending Note Certificates, unless any of the matters mentioned in paragraph (f) (2) above, in such event, the Holders' meeting shall be represented with at least 75% (seventy five percent) of the Note Certificates in circulation and the resolutions shall be approved by at least the attending majority.

(h) To attend to the Holders' meeting, the Holders should deposit the evidence issued by Indeval and the list issue by the corresponding stock exchange, in such event, regarding the Note Certificates of which are holders, at the place designated in the Holders' meeting call, at least on the previous Business Day to the date the meeting is to be hold. The Holders may be represented in the meeting by an attorney-in-fact, evidencing a proxy.

(i) In no event may be represented in the Holders' meeting, the Note Certificates that the Issuer or any person related to the Issuer had acquired in the market.

(j) A Minute, signed by the chairman and secretary, should be written. The Minute shall include the attending list, signed by the attendants and tellers. The Minute, as well as the certificates, accounting books and other data and documents referred to the Holders' meeting or Common Representative acts, shall be kept by such and may, at all time, be consulted by Holders, which are entitled that, at their expense, the Common Representative issue the certified copies of such documents.

(k) For the effects of calculating the attendance quorum to the Holders' meeting, the Note Certificates in circulation shall be taken into account. The Holders' meeting shall be presided by the Common Representative and in such, the Holders are entitle to as many votes as correspond to them by virtue of the Note Certificates they posses, computing a vote per each Note Certificate in circulation.

(l) Notwithstanding the established in this section, the resolutions taken out of the meeting by Holders' unanimity that represent the totality of the Note Certificates entitled to vote, shall have for every legal effect, the same validity as if such resolutions were adopted in the meeting, whenever are confirmed in writing.

Nothing contained in this certificate shall limit or affect the rights that, in its case, may have the Holders pursuant to Article 223 of the Ley General de Titulos y Operaciones de Credito.

Common Representative. Scotia Inverlat Casa de Bolsa, S.A. de C.V., Grupo Financiero Scotiabnak Inverlat, shall be the Holders' Common Representative, and by this mean and through its principal, accepts such duty.

The Legal Representative shall have the rights and obligations contained in applicable law, in the Ley General de Titulos y Operaciones de

Credito and in this certificate. For the matters not provided herein, the Common Representative shall act according to the instructions of the majority, computed as provided herein to proceed and

carry out any act related to the Note Certificates. The Common Representative shall have, among other, the following rights and obligations.

(1) To survey the compliance of the destine of the funds of the Issuance authorized by C.N.B.V. according to this Certificate;

(2) To verify that the Note Certificates comply with all legal provisions, and once done, sign this Certificate as Common Representative.

(3) To exercise all acts or rights that correspond to all Holders for the principal, interest or other amounts payment;

(4) To call and preside the Holders' meeting, and execute their resolutions;

(5) To attend the general shareholders meeting of the Issuer and obtain from administrators, managers and officers of the same, all reports and data needed to exercise his attributions, including the related to the financial situation of the Issuer;

(6) To grant on behalf of all Holders, the documents or agreements to be entered into with the Issuer, prior instruction of the Holders' meeting;

(7) To calculate payable interest with respect to Note Certificates;

(8) To calculate and publish the payable interest rate according to the Note Certificates and/or the corresponding principal amortization to the Note Certificates, in one of the mayor circulation newspaper nationally, as well as inform to CNBV; BMV, and Indeval, the interest payment according to this Certificate.

(9) To act as intermediary before Issuer, regarding Holders, for the payment to the latter of the principal, interest and any other amount payable regarding the Note Certificate;

(10) To exercise all duties, powers, and obligations established in the Ley General de Titulos y Operaciones de Credito, Ley del Mercado de Valores, and the notifications applicable issued by CNBV and the well-stock uses and practices; and

(11) in general, to carry out the acts needed to safeguard the Holders' rights.

Each and every act carried out by the Common Representative in name or by account of the Holders, in terms of this Certificate or the applicable Law, shall be obligatory and considered as accepted by Holders.

The Common Representative may be removed by the Holders' Meeting agreement, in the understanding that, such removal shall only be effective from the date in which the successor of the common representative is elected, has accepted the duty and taken possession of the same.

The Common Representative shall conclude his duties in the date in which all Note Certificates are paid completely (including, for these effects, the accrued and unpaid interest and other payable amounts).

The Common Representative at no time, shall be bind to pay any kind of expense or fee or amount at his charge to carry out all acts and duties that may or must carry out.

Applicable Law, Jurisdiction This Note Certificate shall be ruled and interpreted pursuant to the laws of Mexico. The Issuer, the Common Representative and by virtue of the acquisition of the Note Certificates, the Holders, are subdue to the jurisdiction of the federal courts sited in the City of Mexico, D.F., for any dispute related to the Note Certificates,

waiving to any other jurisdiction that may correspond them for reason of their, future or present domicile, or for any other reason.

This Certificate is in 15 pages and executed by the Issuer and Common Representative on the **th day of ********, ****

** THIS IS A TRANSLATION FROM THE ORIGINAL DOCUMENT IN SPANISH, DRAFTED ONLY FOR CLARIFYING PURPOSES, NOT INTENDED TO CREATE AN OBLIGATION UPON THE ISSUER, AND AS SUCH SHALL NOT BE CONSIDERED A BINDING INSTRUMENT**

EXHIBIT 2.10

VITRO, S. A. de C.V.
as Issuer

AND

JPMORGAN CHASE BANK
as Trustee

Indenture

Dated as of April 30, 2002

$88,350,000

Senior Notes due 2009

CROSS-REFERENCE TABLE

TIA Sections	Indenture Sections
ss. 310	12.07
(a)	5.08
(b)	5.09
ss. 311	12.07
(b)(4)	5.12
(b)(6)	5.12
ss. 312(a)	12.07
(a)	3.06
ss. 313(a)	12.07
(a)	3.07
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ss. 317	12.07

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THIS INDENTURE, dated as of April 30, 2002 between Vitro, S.A. de C.V. (the "Issuer") and JPMorgan Chase Bank (the "Trustee").

W I T N E S S E T H :

WHEREAS, the Issuer has duly authorized the issue of its 11.50% Senior Notes Due 2009 (the "Notes") and, to provide, among other things, for the authentication, delivery and administration thereof, the Issuer has duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Notes and the Trustee's certificate of authentication shall be in substantially the following form:

[FORM OF FACE OF NOTE]

No. $
[CUSIP][CINS]

Vitro, S.A. de C.V.
11.50% Senior Note Due 2009

Vitro, S.A. de C.V., a stock corporation with variable capital (sociedad anonima de capital variable) organized under the laws of the United Mexican States (the "Issuer"), for value received hereby promises to pay to [ ] or registered assigns the principal sum of [ ] Dollars at the Issuer's office or agency for said purpose in the City of New York, on [ ], 2009, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest, semi-annually on April 30 and October 30 (each an "Interest Payment Date") of each year, commencing with October 30, 2002, on said principal sum in like coin or currency at the rate per annum set forth above at said office or agency from the most recent Interest Payment Date to which interest on the Notes has been paid or duly provided for, unless the date hereof is a date to which interest on the Notes has been paid or duly provided for, in which case from the date of this Note. Notwithstanding the foregoing, if the date hereof is after April 15 or October 15 (each an "Interest Record Date"), as the case may be, and before the immediately following Interest Payment Date, this Note shall bear interest from such Interest Payment Date; provided that if the Issuer shall default in the payment of interest due on such Interest Payment Date then this Note shall bear interest from the next preceding Interest Payment Date to which interest on the Notes has been paid or duly provided for. The interest so payable on any Interest Payment Date will, except as otherwise provided in the Indenture referred to on the reverse hereof, be paid to the person in whose name this Note is registered at the close of business on the Interest Record Date preceding such Interest Payment Date whether or not such day is a business day; provided that interest may be paid, at the option of the Issuer, by mailing a check therefor payable to the registered holder entitled thereto at such holder's last address as it appears on the Note Register or by wire transfer, in immediately available funds, to such bank or other entity in the continental United States as shall be designated by such holder and shall have appropriate facilities for such purpose.

Subject to the exceptions set forth in the Indenture, all payments of principal, premium, if any, and interest in respect of this Note shall be made free and clear of, and without withholding

or deduction for or on account of any present or future taxes, duties, assessments or governmental charges or penalties or interest related thereto of whatever nature imposed, levied, collected, withheld or assessed by or within the United Mexican States ("Mexico") or any political subdivision thereof or therein, unless such withholding or deduction is required by law or by regulation. In the event that such withholding or deduction in respect of principal, premium or interest is so required, the Issuer shall pay such Additional Amounts in respect of payments of principal of, and interest on, this Note, subject to the exceptions set forth in the Indenture, as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable in respect of this Note in the absence of such withholding or deduction.

Interest on the Notes will be computed on the basis of a 360- day year consisting of twelve 30-day months and, in the case of an incomplete month, the number of days elapsed.

Reference is made to the further provisions set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Note shall not be entitled to any benefits under the Indenture, or be valid or obligatory for any purpose until the certificate of authentication hereon shall have been duly signed by the Trustee acting under the Indenture.

IN WITNESS WHEREOF, the Issuer has caused this instrument to be duly executed.

Dated:

VITRO, S.A. de C.V.

By: _____
Name:
Title:

By: _____
Name:
Title:

[FORM OF REVERSE OF NOTE]

Vitro, S.A. de C.V.
11.50% Senior Note Due 2009

This Note is one of a duly authorized issue of debt securities of the Issuer, limited to the aggregate principal amount of $ (except as otherwise provided in the Indenture mentioned below), issued or to be issued pursuant to an indenture dated as of April 30, 2002 (the "Indenture"), duly executed and delivered by the Issuer to JPMorgan Chase Bank, as Trustee (herein called the "Trustee"). Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Issuer and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Notes.

This Note will bear interest until final maturity at a rate per annum shown above, except as provided in the next paragraph. The Issuer will pay interest on overdue principal of, premium, if any, and to the extent lawful, interest on overdue installments of interest, at a 11.50% rate per annum based on a year of 360 days and actual days elapsed.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all the Notes may be declared due and payable, in the manner and with the effect, and subject to the conditions, provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be waived by the holders of a majority in aggregate principal amount of the Notes then outstanding and that, prior to any such declaration, such holders may waive any past default under the Indenture and its consequences except a default in the payment of principal of or premium, if any, or interest on any of the Notes. Any such consent or waiver by the holder of this Note (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Note and any Note which may be issued in exchange or substitution therefor, whether or not any notation thereof is made upon this Note or such other Notes.

Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding, and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of a least a majority in principal amount of the Notes then outstanding. Without notice to or the consent of any holder, the parties thereto may amend or supplement the Indenture or the Notes to, among other things, cure any ambiguity, defect or inconsistency and make any change

that does not materially and adversely affect the rights of any holder.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Note at the place, times, and rate, and in the currency, herein prescribed.

The Notes are issuable only as registered Notes without coupons in denominations of $1,000 and any multiple of $1,000.

At the office or agency of the Issuer referred to on the face hereof and in the manner and subject to the limitations provided in the Indenture, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations.

Upon due presentment for registration of transfer of this Note at the above-mentioned office or agency of the Issuer, a new Note or Notes of authorized denominations, for a like aggregate principal amount, will be issued to the transferee as provided in the Indenture. No service charge shall be made for any such transfer, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Notes are subject to redemption upon not less than 30 nor more than 60 days' notice by first class mail at any time, at a Redemption Price equal to 100% of the principal amount together with any accrued interest to the Redemption Date, if the Issuer certifies to the Trustee, immediately prior to the giving of such notice, that, it has or will, on the next succeeding Interest Payment Date, become obligated to pay Additional Amounts with respect to payments on the Notes in excess of Additional Amounts attributable to payments of interest (or amounts deemed interest) on the Notes subject to withholding taxes imposed at certain rates set forth in the Indenture; provided, however, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such excess Additional Amounts, if a payment in respect of the Notes were then due. Prior to the giving of any notice of redemption of the Notes pursuant to the Indenture, the Issuer shall deliver to the Trustee an Officers' Certificate, stating that the Issuer is entitled to effect such a redemption pursuant to the Indenture, and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption (together with a written Opinion of Counsel to the effect, among other things, that the Issuer has or will, on the next succeeding interest payment date, become obligated to pay such excess Additional Amounts and that all governmental approvals, if any, necessary for the Issuer to effect such redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained).

Subject to payment by the Issuer of a sum sufficient to pay the amount due on redemption, interest on this Note (or portion hereof if this Note is redeemed in part) shall cease to accrue upon the date duly fixed for redemption of this Note (or portion hereof if this Note is redeemed in part).

Upon the occurrence of a Change of Control, as defined in the Indenture, each holder shall have the right to require the repurchase of its Notes by the Issuer in cash pursuant to the offer described in the Indenture (the "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest (if any) to the date of purchase (the "Change of Control Payment").

A notice of such Change of Control will be mailed within 30 days after any Change of Control occurs to each holder at his last address as it appears in the Note Register. Notes in original denominations larger than $1,000 may be sold to the Issuer in part. On and after the Change of Control Payment Date, interest ceases to accrue on Notes or portions of Notes surrendered for purchase by the

Issuer, unless the Issuer defaults in the payment of the Change of Control Payment.

The Issuer, the Trustee, and any authorized agent of the Issuer or the Trustee, may deem and treat the registered holder hereof as the absolute owner of this Note (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Issuer or the Trustee or any authorized agent of the Issuer or the Trustee), for the purpose of receiving payment of, or on account of, the principal hereof and premium, if any, and, subject to the provisions on the face hereof, interest hereon and for all other purposes, and none of the Issuer, the Trustee or any authorized agent of the Issuer or the Trustee shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or premium, if any, or the interest on this Note, for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, shareholder, officer, director, employee or controlling person, as such, past, present or future, of the Issuer or of any successor corporation, either directly or through the Issuer or any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

The Indenture is hereby incorporated by the reference and to the extent of any variance between the provisions hereof and the Indenture, the Indenture shall control.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Notes referred to in the within-mentioned Indenture.

JPMORGAN CHASE BANK, as Trustee

By: _____
Name:
Title:

Dated:

[FORM OF TRANSFER NOTICE]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s), assign(s) and transfer(s) unto Insert Taxpayer Identification No. _____

_____

Please print or typewrite name and address including zip code of assignee

_____

the within Note and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said Note on the books of the Issuer with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED
ON ALL NOTES OTHER THAN

PERMANENT OFFSHORE GLOBAL NOTES AND
OFFSHORE PHYSICAL NOTES]

In connection with any transfer of this Note occurring prior to the date which is two years after the later of the original issuance of this Note or the last date on which this Note was held by the Issuer or an Affiliate of the Issuer, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If neither of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the holder hereof unless and until the conditions to any such transfer or registration set forth herein and in Section 2.08 of the Indenture shall have been satisfied.

Date: _____

_____
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Date:_____

_____
NOTICE: To be executed by an executive officer

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Note purchased by the Issuer pursuant to Section 3.15 or Section 3.16 of the Indenture, check the Box: |_|

If you wish to have a portion of this Note purchased by the Issuer pursuant to Section 3.15 or Section 3.16 of the Indenture, state the amount): $_____.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

AND WHEREAS, all things necessary to make the Notes, when executed by the Issuer and authenticated and delivered by the Trustee as in the Indenture provided, the valid, binding and legal obligations of the Issuer, and to constitute these presents a valid indenture and agreement according to its terms, have been done;

NOW, THEREFORE:

In consideration of the premises and the purchases of the Notes by the holders thereof, the Issuer, and the Trustee mutually covenant and agree for the equal and proportionate benefit of the respective holders from time to time of the Notes as follows:

ARTICLE 1
DEFINITIONS

SECTION 1.01. Certain Terms Defined. The following terms (except as otherwise expressly provided or unless the context otherwise clearly requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section. All other terms used in this Indenture which are defined in the Trust Indenture Act of 1939 or the definitions of which in the Securities Act of 1933 are referred to in the Trust Indenture Act of 1939 (except as herein otherwise expressly provided or unless the context otherwise clearly requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of this Indenture. All accounting terms used herein and not expressly defined shall have the meanings given to them in accordance with Mexican GAAP (whether or not such is indicated herein). The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms defined in this Article include the plural as well as the singular.

"Adjusted Consolidated Net Income" is defined to mean, for any period, the aggregate net income (if positive) of the Issuer and its consolidated Restricted Subsidiaries for such period determined in conformity with Mexican GAAP; provided that the following items shall be excluded in computing Adjusted Consolidated Net Income (without duplication): (i) the net income (loss) of any Person that is not a Restricted Subsidiary, except, in the case of net income, to the extent of the amount of dividends or other distributions that both (x) are actually paid in cash to the Issuer or any of its Restricted Subsidiaries by such Person during such period and (y) when taken together with all other dividends and distributions paid during such period in cash to the Issuer or any of its Restricted Subsidiaries by such Person, are not in excess of the Issuer's or any of its Restricted Subsidiaries' pro rata share of such other Person's aggregate net income earned during such period; (ii) solely for the purposes of calculating the amount of Restricted Payments that may be made pursuant to the first paragraph of the "Limitation on Restricted Payments" covenant described in Section 3.09 (and, in such case, except to the extent includible pursuant to clause (i) above), the net income (or loss) of any Person acquired in a pooling of interests transaction accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Issuer or any of its Restricted Subsidiaries; (iii) the net income (if positive) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such

Restricted Subsidiary of such net income is not during such period permitted by its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary; (iv) any net gains or losses (on an after-tax basis) attributable to Asset Sales; (v) except for purposes of calculating the amount of Restricted Payments that may be made pursuant to the first paragraph under "Limitation on Restricted Payments" in Section 3.09, any amount paid as dividends on Preferred Stock of the Issuer or Preferred Stock of any Restricted Subsidiary owned by Persons other than the Issuer and any of its Restricted Subsidiaries; (vi) all net after-tax extraordinary gains and extraordinary losses and (vii) the cumulative effect of a change in accounting principle.

"Adjusted EBITDA" for any period is defined to mean the sum of the amounts for such period of (i) Adjusted Consolidated Net Income, plus (ii) Consolidated Interest Expense, to the extent such amount was deducted in calculating Adjusted Consolidated Net Income, plus (iii) income and asset taxes and workers' profit sharing (or payments made in lieu of such profit sharing), to the extent such amounts were deducted in calculating Adjusted Consolidated Net Income (other than income taxes (either positive or negative) attributable to extraordinary gains or losses or to gains or losses on sales of assets, plus (iv) depreciation expense, to the extent such amount was deducted in calculating Adjusted Consolidated Net Income, plus (v) amortization expense, to the extent such amount was deducted in calculating Adjusted Consolidated Net Income, plus (vi) foreign exchange losses that are reported below the "operating income (loss)" line on the Issuer's consolidated statements of operations, to the extent such amounts were deducted in calculating Adjusted Consolidated Net Income, plus (vii) all non-cash items that are reported below the "operating income (loss)" line on the Issuer's consolidated statements of operations (including monetary losses and equity in losses of Persons that are not Restricted Subsidiaries), to the extent such amounts were deducted in calculating Adjusted Consolidated Net Income, (other than items that will require cash payments and for which an accrual or reserve is, or is required by Mexican GAAP to be, made), less (viii) foreign exchange gains that are reported below the "operating income (loss)" line on the Issuer's consolidated statements of operations, to the extent such amounts were included in calculating Adjusted Consolidated Net Income, and less (ix) all non-cash items that are reported below the "operating income (loss)" line on the Issuer's consolidated statements of operations (including monetary gains that are reported and equity in earnings of Persons that are not Restricted Subsidiaries), to the extent such amounts were included in calculating Adjusted Consolidated Net Income, (other than (A) items that will result in the receipt of cash payments and (B) items resulting from the reversal of an item anticipated to require cash payments for which an accrual or reserve was, or was required by Mexican GAAP to be, made, to the extent such item was deducted from the calculation of Adjusted EBITDA pursuant to clause (vii) above), all as determined on a consolidated basis for the Issuer and its Restricted Subsidiaries in conformity with Mexican GAAP.

"Affiliate" is defined to mean, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, is defined to mean the possession, directly or indirectly, of the power to direct or cause

the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agent Members" has the meaning provided in Section 2.07(a).

"amount" is defined to mean, (i) with respect to any Indebtedness

outstanding at any time other than Preferred Stock, the principal amount thereof; provided that the amount of any such Indebtedness outstanding at any time that was issued at a price less than the principal amount thereof shall equal the amount of the liability in respect thereof at such time determined in accordance with Mexican GAAP and (ii) with respect to any Indebtedness outstanding at any time that is Preferred Stock, the aggregate liquidation value thereof at such time.

"Asset Sale" is defined to mean any sale, transfer or other disposition (including by way of merger, consolidation or sale-leaseback transactions) in one transaction or a series of related transactions by the Issuer or any of its Restricted Subsidiaries to any Person other than the Issuer or any of its Restricted Subsidiaries of (i) all or any of the Capital Stock of any Restricted Subsidiary, (ii) all or substantially all of the assets that constitute a division or line of business of the Issuer or any of its Restricted Subsidiaries and (iii) any other disposition or series of related dispositions of property or assets with a fair market value (as determined in good faith by the Board of Directors) in excess of $1 million; provided that the definition of "Asset Sale" shall not include (1) the sale by the Issuer or any Restricted Subsidiary in the ordinary course of business of assets or Cash Equivalents; (2) the sale by the Issuer or any Restricted Subsidiary of damaged, worn out or obsolete property in the ordinary course of business; (3) any Restricted Payment that is permitted to be made under the Indenture; (4) any financing transaction with respect to property originated, built or acquired by the Issuer or any Restricted Subsidiary including, without limitation, sale- leasebacks and asset securitizations; or (5) the sale, transfer or other disposition of all or substantially all of the assets of the Issuer pursuant to and in accordance with the provisions described herein under "Consolidation, Merger and Sale of Assets" in Section 8.01.

"Attributable Indebtedness" is defined to mean, when used in connection with a sale-leaseback transaction referred to in Section 3.14, at any date of determination, the present value (discounted at the interest rate implicit in the Sale-Leaseback Transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale-Leaseback Transaction (including any period for which such lease has been extended).

"Average Life" is defined to mean, at any date of determination with respect to any debt security, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such debt security and (b) the amount of such principal payment by (ii) the sum of all such principal payments.

"Board of Directors" is defined to mean the Board of Directors of the Issuer or any authorized committee of such Board that has authority to bind the Issuer.

"Board Resolution" is defined to mean a resolution, certified by the Secretary of the Issuer, to have been duly adopted by the Board of Directors of the Issuer and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" is defined to mean a day which in the city (or in any of the cities, if more than one) where amounts are payable in respect of the Notes, as specified on the face of the form of Note recited above, is not a Saturday, Sunday or legal holiday, nor a day on which banking institutions are authorized by law or regulation to close.

"Capital Stock" is defined to mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital stock or other ownership interests, whether now outstanding or issued after the date of the Indenture, including, without limitation, all common stock and Preferred Stock.

"Capitalized Lease" is defined to mean, as applied to any Person, any lease of any property (whether real, personal or mixed) of which the

discounted present value of the rental obligations of such Person as lessee, in conformity with Mexican GAAP, is required to be capitalized on the balance sheet of such Person; and "Capitalized Lease Obligation" is defined to mean the rental obligations, as aforesaid, under such lease.

"Cash Equivalent" is defined to mean, at any time:

(i) direct obligations of the United States of America or any agency or instrumentality thereof with a maturity of 365 days or less from the date of acquisition and other obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof);

(ii) demand deposits, time deposits, certificates of deposit or Eurodollar deposits with a maturity of 365 days or less from the date of acquisition of any financial institution which at the date of acquisition has outstanding indebtedness rated at least "A-" by Standard & Poor's Ratings Group or at least "A3" by Moody's Investor Service, Inc. (or the equivalent of such rating by such rating organization, or, if no rating of Standard & Poor's Ratings Group or Moody's Investors Services, Inc. then exists because neither of the foregoing then rates obligations of the type described in this clause, the equivalent of such rating by any other United States nationally recognized securities rating agency);

(iii) commercial paper with a maturity of 180 days or less from the date of acquisition of an issuer which at the date of acquisition has outstanding indebtedness rated at least "A-1" by Standard & Poor's Rating Group or at least "P- 1" by Moody's Investors Service, Inc. (or the equivalent of such rating by such rating organization, or, if no rating of Standard & Poor's Ratings Group or Moody's Investors Service, Inc. then exists because neither of the foregoing then rates obligations of the type described in this clause, the equivalent of such rating by any other United States nationally recognized securities rating agency);

(iv) repurchase agreements and reverse repurchase agreements relating to marketable obligations directly or indirectly issued or unconditionally guaranteed by the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; provided, however, that the terms of such agreements comply with the guidelines set forth in the Federal Financial Agreements of Depository Institutions with Securities Dealers and Others, as adopted by the Comptroller of the Currency;

(v) securities with maturities of six months or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at the date of acquisition at least "A-" by Standard & Poor's Ratings Group or "A3" by Moody's Investor's Service, Inc. (or the equivalent of such rating by such rating organization, or, if no rating of Standard & Poor's Ratings Group or Moody's Investors Service, Inc. then exists because neither of the foregoing then rates obligations of the type described in this clause, the equivalent of such rating by any other United States nationally recognized securities rating agency);

(vi) instruments backed by letters of credit of institutions satisfying the requirements of clause (ii) above;

(vii) Certificados de la Tesoreria de la Federacion denominados en moneda nacional (Cetes), Certificados de la Tesoreria de la Federacion denominadosen unidades de inversion (Udicetes), Bonos de Desarrollo del Gobierno Federal denominados en moneda nacional (Bondes), Bonos de Desarrrollo del Gobierno Federal denominados en unidades de inversion (Udibondes) or Bonos Ajustables del Gobierno Federal (Ajustabonos), in each case, issued by the government of Mexico;

(viii) any other instruments issued or guaranteed by the government of Mexico and denominated and payable in pesos (including instruments issued by Banco Nacional de Comercio Exterior, S.N.C., Nacional Financiera, S.N.C. and Banco Nacional de Obras y Servicios Publicos, S.N.C.);

(ix) any investment in any fund substantially all the assets of which consist of investments of the type described in clauses (i) through (viii) above;

(x) repurchase agreements or reverse repurchase agreements relating to marketable obligations of a type described in clause (vii) or (viii) above or with a bank described in clause (xi) below; and

(xi) demand deposits, certificates of deposit, time deposits and bankers' acceptances maturing not more than 180 days (or 365 days in the case of clause (A)(I) or (B)(I) after the acquisition thereof) (A) denominated in pesos and issued by (I) any of the five top-rated banks (as evaluated by any internationally recognized rating agency) organized under the laws of Mexico or any other state thereof, or (II) any such bank which at the date of acquisition is a lender to or has

made available a line of credit to (in each case in an amount equal to or greater than the amount of the proposed acquisition), the Issuer or any of its Restricted Subsidiaries, (B) in the currency of any jurisdiction other than Mexico where the Issuer or any of its Restricted Subsidiaries conducts business and (I) issued by one of the three largest banks doing business in such jurisdiction, or (II) any such bank in such jurisdiction which at the date of acquisition is a lender to or has made available a line of credit to (in each case in an amount equal to or greater than the amount of the proposed acquisition), the Issuer or any of its Restricted Subsidiaries, or (C) issued by any bank which at the date of acquisition is a lender to or has made available a line of credit to the Issuer or any of its Restricted Subsidiaries and which is not under intervention, receivership or any similar arrangement at the time of acquisition; provided that the aggregate amount of all such demand deposits, certificates of deposit, time deposits and bankers' acceptances acquired in accordance with this clause (C) does not exceed $50 million at any one time, or (D) issued by any bank which at the date of acquisition has an outstanding loan to the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount at least equal to the aggregate principal amount of such demand deposit, certificate of deposit, time deposit or bankers' acceptance.

"Change of Control" is defined to mean:

(i) any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act, whether or not applicable, except that for purposes of this clause (i) such person or group shall be deemed to have "beneficial ownership" of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), excluding Permitted Holders, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 promulgated pursuant to the Exchange Act), directly or indirectly, of more than 35% of the aggregate voting power of the Voting Stock of the Issuer; or

(ii) individuals who on the Vicap Closing Date constituted the Board of Directors of the Issuer (together with any new director whose election by such Board or whose nomination for election by the stockholders of the Issuer was approved by a majority of the directors then still in office who were either directors on the Vicap Closing Date or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of the Issuer then in office.

"Closing Date" is defined to mean the date and time at which the Notes are originally issued under the Indenture.

"Commission" is defined to mean the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

"Commodity Swap Agreement" is defined to mean any commodity swap agreement or other similar agreement or arrangement.

"Consolidated Interest Expense" is defined to mean for any period the aggregate amount of interest expense, on a consolidated

basis, in respect of Indebtedness of the Issuer and its Restricted Subsidiaries (including amortization of original issue discount on any Indebtedness and the interest portion of any deferred payment obligation of the Issuer and its Restricted Subsidiaries, calculated in accordance with Mexican GAAP; all commissions, discounts and other fees and charges owed with respect to financing pursuant to bankers' acceptances, letters of credit and other similar instruments of the Issuer and its Restricted Subsidiaries; the net costs associated with Currency Agreements and Interest Rate Agreements of the Issuer and its Restricted Subsidiaries; and interest paid (by any Person) with respect to Indebtedness that is Guaranteed by or secured by any assets of the Issuer or any of its Restricted Subsidiaries) plus, to the extent not included in such interest expense, (i) dividend requirements in respect of all Redeemable Stock and all other Preferred Stock of the Issuer or any Restricted Subsidiary held by Persons other than the Issuer or a Wholly Owned Restricted Subsidiary whether or not declared or paid, and (ii) all but the principal component of rentals in respect of Capitalized Lease Obligations paid, accrued or scheduled to be paid or to be accrued by the Issuer and its Restricted Subsidiaries on a consolidated basis during such period.

"Corporate Trust Office" is defined to mean the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date as of which this Indenture is dated, located at 600 Travis Street, Suite 1150, Houston, Texas, 77002-3009.

"Currency Agreement" is defined to mean any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect the Issuer or any Restricted Subsidiary against fluctuations in currency values.

"Cydsa" is defined to mean Cydsa, S.A.

"Default" is defined to mean any event that is, or after notice or passage of time or both would be, an Event of Default.

"Depositary" is defined to mean The Depository Trust Company, its nominees, and their respective successors.

"Dollar Equivalent" is defined to mean, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank in New York City at approximately 11:00 a.m. (New York time) on the date two Business Days prior to such determination, or if no such rate is quoted by the Federal Reserve Bank with respect to the currency of Mexico, the exchange rate published by Banco de Mexico in the Diario Oficial de la Federacion on the date two Business Days prior to such determination.

"Event of Default" is defined to mean any event or condition specified as such in Section 4.01 which shall have continued for the period of time, if any, therein designated.

"Excess Proceeds" has the meaning provided in Section 3.15.

"Exchange Act" is defined to mean the Notes Exchange Act of 1934, as it may be amended and any successor act thereto.

"Global Notes" has the meaning provided in Section 2.04.

"Grupo Serfin" is defined to mean Grupo Financiero Serfin, S.A. de C.V.

"Guarantee" is defined to mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"holder," "holder of Notes," "Noteholder" or other similar terms are defined to mean the registered holder of any Note.

"Income Tax Law" has the meaning provided in Section 3.18.

"Incur" is defined to mean, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness, including an Incurrence of Indebtedness by reason of the acquisition of more than 50% of the Capital Stock of any Person; provided that neither the accrual of interest or expenses nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness.

"Indebtedness" is defined to mean, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of bankers' acceptances, letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, (v) all obligations of such Person as lessee under Capitalized Leases, (vi) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of such Indebtedness shall be the lesser of (A) the fair market value of such asset at such date of determination and (B) the amount of such Indebtedness, (vii) all Indebtedness of and any liquidation preference and any mandatory redemption payment obligations in respect of Preferred Stock issued by other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person, (viii) to the extent not otherwise included in this definition, obligations under Currency Agreements and Interest Rate Agreements net of all benefits under any Currency Agreements and Interest Rate Agreements to the extent able to be set-off against such obligations, (ix) the liquidation preference and any mandatory redemption payment obligations (without duplication) of any Restricted Subsidiary of such Person in respect of Preferred Stock issued by such Restricted Subsidiary and (x) the

maximum fixed redemption or repurchase price of any Redeemable Stock issued by such Person. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, provided that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with Mexican GAAP. Notwithstanding the

foregoing, "Indebtedness" shall not include (i) any liability to the Pension Benefit Guaranty Corporation under the term sheet dated January 29, 1997 and entered into in connection with the sale of assets of Anchor Glass Container Corporation (or any definitive agreement in respect thereof or instrument relating thereto) or (ii) Trade Payables.

"Indebtedness to Adjusted EBITDA Ratio" is defined to mean as of any date of determination the ratio of (i) the aggregate amount of Indebtedness of the Issuer and its Restricted Subsidiaries on a consolidated basis as of such date of determination to (ii) Adjusted EBITDA for the period of the most recently completed four consecutive fiscal quarters for which quarterly or annual financial statements of the Issuer are available; provided, however, that (a) if since the beginning of such period the Issuer or any Restricted Subsidiary shall have made any Asset Sale, Adjusted EBITDA for such period shall be reduced by an amount equal to the Adjusted EBITDA (if positive) attributable to the assets which were the subject of such Asset Sale for such period or increased by an amount equal to the Adjusted EBITDA (if negative) attributable thereto for such period, (b) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Restricted Subsidiary (or any Person which becomes a Restricted Subsidiary) or an acquisition of assets, including any Investment in a Restricted Subsidiary or any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, Adjusted EBITDA for such period shall be calculated after giving effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period and (c) if since the beginning of such period any Person (that subsequently became a Restricted Subsidiary or was consolidated with or merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Sale, Investment or acquisition of assets that would have required an adjustment pursuant to clause (a) or (b) above if made by the Issuer or a Restricted Subsidiary during such period, Adjusted EBITDA for such period shall be calculated after giving effect thereto as if such Asset Sale, Investment or acquisition occurred on the first day of such period. For purposes of this definition, whenever effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and any Indebtedness Incurred in connection therewith, the calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer.

"Indenture" is defined to mean this instrument as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented.

"Institutional Accredited Investor" is defined to mean an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Interest Payment Date" is defined to mean each semiannual interest payment date on April 30 and October 30 of each year, commencing October 30, 2002.

"Interest Rate Agreement" is defined to mean any interest rate swap agreement, interest rate collar agreement or other similar agreement or arrangement designed to protect the Issuer or any of its Restricted Subsidiaries against fluctuations in interest rates.

"Interest Record Date" for the Interest payable on any Interest Payment Date (except a date for payment of defaulted interest) is defined to mean the April 15 or October 15 (whether or not a Business Day) as the case may be, next preceding such Interest Payment Date.

"Investment" is defined to mean any direct or indirect advance, loan or other extension of credit (other than advances to customers in the ordinary course of business that are, in conformity with Mexican GAAP, recorded as accounts receivable on the balance sheet of the Issuer or its Restricted Subsidiaries, travel and similar advances to employees in the ordinary course of business and advances of sales commissions to agents in the ordinary course of business) or capital contribution to (by means of any transfer of cash or

other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, bonds, notes, debentures or other similar instruments issued by any other Person, or the acquisition, by purchase or otherwise, of all or substantially all of the business or assets or stock or other beneficial ownership of, any person. For purposes of the definition of "Unrestricted Subsidiary" and the "Limitation on Restricted Payments" covenant in Section 3.09, (i) "Investment" shall include the fair market value of the assets (net of liabilities) of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary and shall exclude the fair market value of the assets (net of liabilities) of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary and (ii) any property transferred to or from any Person shall be valued at its fair market value at the time of such transfer, in each case as determined by the Issuer in good faith, or in the case of any property transferred having a fair market value at the time of the transfer greater than $10 million, as determined by the Board of Directors of the Issuer in good faith.

"Investment Grade Rating" is defined to mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's Investors Service, Inc. or BBB- (or the equivalent) by Standard & Poor's Ratings Group or, with respect to a company organized under the laws of Mexico, a rating from at least two nationally recognized Mexican rating agencies of not less than the rating of the Issuer on the Vicap Closing Date.

"Junior Indebtedness" is defined to mean Indebtedness of any Person that (i) requires no payment of principal prior to or on the date on which all principal of and interest on the Notes is paid in full and (ii) is subordinate and junior in right of payment to the Notes in all respects.

"Lien" is defined to mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention

agreement or lease in the nature thereof, any option or other agreement to sell, or any filing of any security interest).

"Material Financial Obligation" is defined to mean Indebtedness (other than obligations in respect of the Notes) or exposure in respect of Derivatives Obligations of the Issuer and/or one or more of its Subsidiaries in an aggregate principal amount exceeding $25 million. As used in this definition, "Derivatives Obligation" of the Issuer or any of its Subsidiaries at any time means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, synthetic or "total return" swaps, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, derivatives transactions with respect to foreign currency exchange, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar swap or derivative transaction or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions, and including without limitation any "total return swap" or sale and repurchase agreement with respect to any equity interest or debt obligation, or any other swap, derivative or other agreement or combination of agreements pursuant to which the Issuer or such Subsidiary is or may become obligated to make (i) any payment in connection with the purchase by any third party, from a Person other than the Issuer or one of its Subsidiaries, of any equity interest or debt obligation or (ii) any payment (other than on account of a permitted purchase by it of any equity interest or debt obligation) the amount of which is determined by reference to the price or value at any time of any equity interest or debt obligation. The "principal amount" of any Derivative Obligations for purposes of this definition shall be the maximum aggregate amount (after giving effect to any netting agreements) that the Issuer or such Subsidiary would be required to pay if the agreement or agreements governing such Derivatives Obligation were terminated at such time.

"Mexican GAAP" is defined to mean generally accepted accounting principles in Mexico and the accounting principles and policies of the Issuer and its Restricted Subsidiaries, in each case as in effect as of the Vicap

Closing Date. All ratios and computations shall be computed in conformity with Mexican GAAP applied on a consistent basis and using constant Peso calculations.

"Mexico" is defined to mean the United Mexican States.

"Net Cash Proceeds" is defined to mean, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents (except to the extent such obligations are financed or sold with recourse to the Issuer or any Restricted Subsidiary) and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of (i) brokerage commissions and other fees and expenses (including fees and expenses of counsel, accountants and investment bankers) related to such Asset Sale, (ii) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Issuer and its Restricted Subsidiaries, taken as a whole, (iii) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (A) is secured by a Lien on the property or assets sold or (B) is required

to be paid as a result of such sale and (iv) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with Mexican GAAP.

"Non-U.S. Person" is defined to mean a person who is not a U.S. person, as defined in Regulation S.

"Note" or "Notes" is defined to mean any Note or Notes, as the case may be, authenticated and delivered under this Indenture.

"Note Register" has the meaning provided in Section 2.06.

"Officers' Certificate" is defined to mean a certificate signed (i) by the Chairman of the Board of Directors, the President, any Vice President (whether or not designated by a number or numbers or a word or words added before or after the title "Vice President"), any Director General or any Director and (ii) by the Treasurer or the Secretary or any Assistant Secretary, in each case of the Issuer, and delivered to the Trustee. Each such certificate shall comply with Section 314 of the Trust Indenture Act of 1939 and include the statements provided for in Section 11.05.

"Offshore Global Notes" has the meaning provided in Section 2.04.

"Offshore Physical Notes" has the meaning provided in Section 2.04.

"Offshore Notes Exchange Date" has the meaning provided in Section 2.04.

"Opinion of Counsel" is defined to mean an opinion in writing signed by legal counsel who may be an employee of or counsel to the Issuer or who may be other counsel satisfactory to the Trustee. Each such opinion shall comply with Section 314 of the Trust Indenture Act and include the statements provided for in Section 11.05, and such others as may reasonably be requested by the Trustee, if and to the extent required hereby.

"Original Issue Date" of any Note (or portion thereof) is defined to mean the earlier of (i) the date of such Note or (ii) the date of any Note (or portion thereof) for which such Note was issued (directly or indirectly) on registration of transfer, exchange or substitution.

"outstanding", when used with reference to Notes, subject to the provisions of Section 6.03 and Article 11, is defined to mean, as of any particular time, all Notes authenticated and delivered by the Trustee under

this Indenture, except

(a) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Notes, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Issuer) or shall have been set aside, segregated and held in trust by the Issuer (if the Issuer

shall act as its own paying agent), provided that if such Notes are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as herein provided, or provision satisfactory to the Trustee shall have been made for giving such notice; and

(c) Notes in substitution for which other Notes shall have been authenticated and delivered, or which shall have been paid, pursuant to the terms of Section 2.09 (unless proof satisfactory to the Trustee and the Issuer is presented that any of such Notes is held by a person in whose hands such Note is a legal, valid and binding obligation of the Issuer).

"Permanent Offshore Global Note" has the meaning provided in Section 2.04.

"Permitted Holders" is defined to mean (i) any member of the Board of Directors of the Issuer on the Vicap Closing Date, (ii) a parent, brother or sister of any of the individuals named in clause (i), (iii) the spouse or a former spouse of any individual named in clause (i) or (ii), (iv) the lineal descendants of any person named in clauses (i) through (iii) and the spouse or a former spouse of any such lineal descendant, (v) the estate or any guardian, custodian or other legal representative of any individual named in clauses (i) through (iv), (vi) any trust established solely for the benefit of any one or more of the individuals named in clauses (i) through (v) and (vii) any Person in which all of the equity interests are owned, directly or indirectly, by one or more of the Persons named in clauses (i) through (vi).

"Permitted Liens" is defined to mean (i) any Lien on any property acquired, constructed or improved by the Issuer after the date of the Indenture which is created, incurred or assumed contemporaneously with, or within 180 days after, such acquisition (or, in the case of any such property constructed or improved, contemporaneously with, or within 180 days after, the completion or commencement of commercial operation of such property, whichever is later) to secure or provide for the payment of any part of the purchase price of such property or the costs of such construction or improvement (including costs such as escalation, interest during construction and finance costs); provided that in the case of any such construction or improvement the Lien shall not apply to any such property theretofore owned by the Issuer or any Subsidiary, other than improvements thereon and any theretofore unimproved real property on which the property so constructed, or the improvement, is located; (ii) any Lien on any property existing at the time of acquisition thereof and which is not created as a result of or in connection with or in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property and is otherwise permitted by clause (i) above); (iii) any Lien on any property acquired from a corporation which is merged with or into the Issuer and which is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property and is otherwise permitted by clause (i) above); (iv) any Lien which secures only Indebtedness owing to one or more Restricted Subsidiaries; (v) Liens existing on the Vicap Closing Date and the date of this Indenture; (vi) Liens upon Unrestricted Investments or Restricted Investments; (vii) Liens in respect of performance bonds in an aggregate amount at any time of not more than $25 million, in each case issued or delivered in the ordinary course of business to

secure performance by the Issuer and it Subsidiaries under supply and service contracts and (viii) any other Liens securing Indebtedness the aggregate amount of which, together with all Attributable Indebtedness, does not exceed $100 million.

"Person" is defined to mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, limited liability company, unincorporated organization or government or agency or political subdivision thereof.

"Physical Notes" has the meaning provided in Section 2.04.

"Preferred Stock" is defined to mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's preferred or preference stock, whether now outstanding or hereafter issued, including, without limitation, all series and classes of such preferred or preference stock.

"principal" wherever used with reference to the Notes or any Note or any portion thereof, shall be deemed to include "and premium, if any".

"Private Placement Legend" is defined to mean the legend initially set forth on the Notes in the form set forth in Section 2.05(b).

"Public Issuance" is defined to mean any issuance of debt securities (other than debt securities denominated in pesos) by, or Guaranteed by, the Issuer and/or a Restricted Subsidiary offered through a "public offering" registered under the Securities Act or through a distribution under Rule 144A and/or Regulation S in a manner substantially similar to that of the Vicap Notes, which such debt securities contain a covenant restricting "Restricted Payments" or payments (whether or not so defined) similar to those restricted by Section 3.09.

"QIB" is defined to mean a "qualified institutional buyer" as defined in Rule 144A under the Securities Act.

"Redeemable Stock" is defined to mean any class or series of Capital Stock of any Person that by its terms or otherwise is (i) required to be redeemed prior to the Stated Maturity of the Notes, (ii) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (iii) convertible into or exchangeable for Capital Stock referred to in clause (i) or (ii) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; provided that any Capital Stock that would not constitute Redeemable Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Redeemable Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "Limitation on Asset Sales" and "Repurchase of Notes Upon a Change of Control" covenants described in Sections 3.15 and 3.16 herein and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of such Notes as are required to be repurchased pursuant to the "Limitation on Asset Sales" and

"Repurchase of Notes upon a Change of Control" covenants described in Sections 3.15 and 3.16. Notwithstanding the foregoing, Capital Stock shall not be deemed to be Redeemable Stock if it may only be so redeemed solely in consideration of Capital Stock that is not Redeemable Stock.

"Refinance" is defined to mean, in respect of any Indebtedness, to refinance, extend, refund, repay, prepay, redeem, to legally defease or

retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Registrar" has the meaning provided in Section 2.06.

"Regulation S" is defined to mean Regulation S under the Securities Act.

"Responsible Officer" when used with respect to the Trustee is defined to mean the chairman of the board of directors, any vice chairman of the board of directors, the chairman of the trust committee, the chairman of the executive committee, any vice chairman of the executive committee, the president, any vice president (whether or not designated by numbers or words added before or after the title "vice president"), the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Restricted Investment" is defined to mean any Investment in any Person other than (i) an Investment in the Issuer or in a Restricted Subsidiary or in any Person that, as a result of such Investment, becomes a Restricted Subsidiary, (ii) cash or Cash Equivalents, (iii) loans or advances made to employees of the Issuer or any Restricted Subsidiary in the ordinary course of business that do not exceed $1 million with respect to any employee and $25 million in the aggregate at any time outstanding, (iv) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (x) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (y) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default, (v) Investments consisting of Interest Rate Agreements or Currency Agreements that constitute Permitted Indebtedness, (vi) loans and advances to officers, directors and employees for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business, (vii) any Investment in a Similar Business (other than an Investment in an Unrestricted Subsidiary) having an aggregate fair market value, taken together with all other existing Investments made pursuant to this clause (vii) that are at the time outstanding, not to exceed $25 million (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), (viii) Investments the payment for which consists of Capital Stock

(exclusive of Redeemable Stock) of the Issuer, or (ix) other Investments that do not in the aggregate exceed $25 million at any time outstanding.

"Restricted Subsidiary" is defined to mean any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

"Rule 144A" is defined to mean Rule 144A under the Securities Act.

"Securities Act" is defined to mean the Securities Act of 1933, as it may be amended and any successor act thereto.

"Significant Subsidiary" is defined to mean, at any date of determination, any Subsidiary of the Issuer that, together with its Subsidiaries, (i) for the most recent fiscal year of the Issuer, accounted for more than 10% of the consolidated revenues of the Issuer and its Restricted Subsidiaries or (ii) as of the end of such fiscal year, was the owner of more than 10% of the consolidated assets of the Issuer and its Restricted Subsidiaries, all as set forth on the most recently available consolidated financial statements of the Issuer for such fiscal year.

"Similar Business" is defined to mean any business, the majority of whose revenues are derived from the production and sale of containers for the food

and beverage industry, flat glass, household appliances or glassware and related products or are derived from raw materials or feedstock used in connection with the manufacture of any of the foregoing.

"Special Section" has the meaning provided in Section 3.21.

"Stated Maturity" is defined to mean, (i) with respect to any debt security, the date specified in such debt security as the fixed date on which the final installment of principal of such debt security is due and payable and (ii) with respect to any scheduled installment of principal of or interest on any debt security, the date specified in such debt security as the fixed date on which such installment is due and payable.

"Subsidiary" is defined to mean, with respect to any Person, (i) any corporation, association or other business entity of which more than 50% of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) any other corporation, association or other business entity that is required by Mexican GAAP to be combined or consolidated with such Person for purposes of general financial reporting.

"Temporary Offshore Global Note" has the meaning provided in Section 2.04.

"Trade Payables" is defined to mean, with respect to any Person, any accounts payable, Indebtedness or monetary obligation to trade creditors (or bankers' acceptances, letters of credit or other similar instruments (including reimbursement obligations with respect thereto) issued to assure payment of any such accounts payable, Indebtedness or monetary obligation) Incurred by such Person arising in the ordinary course of business in connection with the acquisition of goods or services and required to be paid within one year from the date of Incurrence thereof.

"Transaction Date" is defined to mean, with respect to the Incurrence of any Indebtedness by the Issuer or any of its Restricted Subsidiaries, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"Trust Indenture Act of 1939" is defined to mean the Trust Indenture Act of 1939, as amended, as in force at the date as of which this Indenture was originally executed, and "TIA", when used in respect of an indenture supplemental hereto, means such Act as in force at the time such indenture supplemental hereto becomes effective.

"Trustee" is defined to mean the entity identified as "Trustee" in the first paragraph hereof and, subject to the provisions of Article 5, shall also include any successor trustee.

"U.S. Global Note" has the meaning provided in Section 2.04.

"U.S. Government Obligations" is defined to mean securities issued or directly and fully guaranteed or insured by the United States of America or any agent or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof).

"U.S. Person" has the meaning provided in Section 2.05.

"U.S. Physical Notes" has the meaning provided in Section 2.04.

"Unrestricted Investments" is defined to mean the Capital Stock of Grupo Serfin and Cydsa held by the Issuer on the Vicap Closing Date.

"Unrestricted Subsidiary" is defined to mean any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Issuer in the manner provided below. The Board of Directors of the Issuer may designate any Restricted Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Stock of, or owns or holds any Lien on any property of, the Issuer or any Restricted Subsidiary; provided that (i) such

designation would be permitted under the "Limitation on Restricted Payments" covenant in Section 3.09, (ii) no portion of the Indebtedness or any other obligation (contingent or otherwise) of such Subsidiary (A) is Guaranteed by the Issuer or any Restricted Subsidiary, (B) is recourse to or obligates the Issuer or any Restricted Subsidiary in any way or (C) subjects any property or asset of the Issuer or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, and (iii) no default or event of default with respect to any Indebtedness of such Subsidiary would permit any holder of any Indebtedness of the Issuer or any Restricted Subsidiary to declare such Indebtedness of the Issuer or any Restricted Subsidiary due and payable prior to its maturity. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Issuer; provided that immediately after giving effect to such designation (x) the Issuer could Incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) and (y) no Default or Event of Default shall have occurred and be continuing. Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by promptly filing with the

Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

"Vicap Closing Date" is defined to mean May 7, 1997.

"Vicap Indenture" is defined to mean the Indenture dated as of May 7, 1997 among Vicap, S.A. de C.V., as issuer, Vitro, S.A. de C.V., as guarantor, and Texas Commerce Bank National Association, as trustee.

"Vicap Notes" has the meaning provided in Section 3.23.

"Voting Stock" is defined to mean with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Wholly Owned" is defined to mean, with respect to any Subsidiary of any Person, such Subsidiary if all of the outstanding Common Stock or other similar equity ownership interests (but not including Preferred Stock) in such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) is owned directly or indirectly by such Person.

"Withholding Tax Effective Rate" is defined to mean (i) from the Closing Date until the Effective Date, 5% and (ii) from and after the Effective Date, (A) if the Notes are registered with the Special Section pursuant to Section 10.01(b), the withholding tax rate uniformly applicable from time to time in respect of payments made by the Issuer to all holders or beneficial holders of securities (y) initially placed through banks, investment banks or broker-dealers that are residents of a country with which Mexico has entered into a treaty for the avoidance of double taxation and (z) complying with the other requirements set forth in Article 195, Section II, paragraph a, of the Income Tax Law or any successor provision and (B) if the Notes are not registered with the Special Section pursuant to Section 10.01(b), the withholding tax rate uniformly applicable from time to time in respect of payments made by the Issuer to all holders or beneficial owners of the Notes that are (w) financial institutions registered with the Ministry of Finance as set forth in Article 195, Section I, of the Income Tax Law or any successor provision, (x) residents of a country with which Mexico has entered into a treaty for the avoidance of double taxation, (y) eligible for the benefits of such treaty without regard to the particular circumstances of such holders or beneficial owners and (z) the effective beneficiaries of the interest paid; provided that (x) if at any time after the Notes are registered with the Special Section as provided in clause (A) above, such registration shall cease to be in full force and effect, the Withholding Tax Effective Rate shall be determined pursuant to clause (B) above and (y) if at any time after the date hereof the Issuer or any Subsidiary in the future agrees to any provision relating to the redemption of other publicly- or privately-issued debt securities that permits the redemption of such other debt securities only following an increase in the applicable withholding tax rate to a rate (the "New Debt Rate") that is higher than the Withholding Tax Effective Rate at

such time, the Withholding Tax Effective Rate shall be the higher of the New Debt Rate and the Withholding Tax Effective Rate determined pursuant to the remainder of this definition. Without limiting the effect of the foregoing,

promptly upon the making of any such agreement, the Issuer shall execute and deliver such confirmatory documentation as the Trustee may reasonably request to evidence such New Debt Rate.

ARTICLE 2
ISSUE, EXECUTION, FORM AND REGISTRATION OF NOTES

SECTION 2.01. Authentication and Delivery of Notes. Upon the execution and delivery of this Indenture, or from time to time thereafter, Notes in an aggregate principal amount not in excess of the amount specified in the form of Note hereinabove recited (except as otherwise provided in Section 2.09) may be executed by the Issuer and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Issuer, signed by both (a) its Chairman of the Board of Directors, any Vice Chairman of the Board of Directors, its President, any Vice President (whether or not designated by a number or numbers or a word or words added before or after the title "Vice President"), any Director General or any Director, in any case, as a duly and validly appointed and empowered attorney-in-fact of the Issuer, and (b) by its Treasurer, attorney in fact or any Assistant Treasurer, in any case, as a duly and validly appointed and empowered attorney-in-fact of the Issuer, without any further action by the Issuer.

SECTION 2.02. Execution of Notes. The Notes shall be signed on behalf of the Issuer by both (a) its Chairman of the Board of Directors, any Vice Chairman of the Board of Directors, its President, any Vice President (whether or not designated by a number or numbers or a word or words added before or after the title "Vice President"), any Director General or any Director, in any case, as a duly and validly appointed and empowered attorney-in-fact of the Issuer and (b) by its Treasurer, attorney-in-fact or any Assistant Treasurer or its Secretary or any Assistant Secretary, which persons or officers shall be authorized to do so under a notarized power of attorney. Such signatures may be the manual or facsimile signatures of the present or any future such officers. Typographical and other minor errors or defects in any such reproduction of any such signature shall not affect the validity or enforceability of any Note which has been duly authenticated and delivered by the Trustee.

In case any officer of the Issuer who shall have signed any of the Notes shall cease to be such officer or duly appointed attorney- in-fact before the Note so signed shall be authenticated and delivered by the Trustee or disposed of by the Issuer, such Note nevertheless may be authenticated and delivered or disposed of as though the person who signed such Note had not ceased to be such officer or duly appointed attorney-in-fact of the Issuer; and any Note may be signed on behalf of the Issuer by such persons as, at the actual date of the execution of such Note, shall be the proper officers and duly appointed attorneys-in-fact of the Issuer, although at the date of the execution and delivery of this Indenture any such person was not such officer.

SECTION 2.03. Certificate of Authentication. Only such Notes as shall bear thereon a certificate of authentication substantially in the form hereinabove recited, executed by the Trustee by manual signature of one of its authorized officers, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Note executed by

the Issuer shall be conclusive evidence and the only evidence that the Note so authenticated has been duly authenticated and delivered hereunder and that the

holder is entitled to the benefits of this Indenture.

SECTION 2.04. Form, Denomination and Date of Notes; Payments of Interest. The Notes and the Trustee's certificates of authentication shall be substantially in the form recited above. The Notes shall be issuable in denominations provided for in the form of Note recited above. The Notes shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plans as the officers of the Issuer executing the same may determine with the approval of the Trustee.

Any of the Notes may be issued with appropriate insertions, omissions, substitutions and variations, and may have imprinted or otherwise reproduced thereon such legend or legends, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto, including those required by Section 2.05, or with the rules of any securities market in which the Notes are admitted to trading, or to conform to general usage.

Each Note shall be dated the date of its authentication, shall bear interest from the applicable date and shall be payable on the dates specified on the face of the form of Note recited above.

Notes offered and sold in reliance on Section 4(2) and Rule 144A shall be issued initially in the form of a single permanent global Note in registered form, substantially in the form hereinabove recited (the "U.S. Global Note"), deposited with the Trustee, as custodian for the Depositary, and registered in the name of a nominee of the Depositary for the accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System and Cedel Bank, S.A., duly executed by the Issuer, and authenticated by the Trustee as herein provided. The aggregate principal amount of the U.S. Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Notes offered and sold in offshore transactions in reliance on Regulation S shall be issued initially in the form of a single temporary global Note in registered form substantially in the form hereinabove recited (the "Temporary Offshore Global Note") deposited with the Trustee, as custodian for the Depositary, duly executed by the Issuer, and authenticated by the Trustee as provided herein. At any time on and after the date that is 40 days after the completion of the distribution of the Notes (the "Offshore Notes Exchange Date"), a single permanent global Note in registered form substantially in the form hereinabove recited without the Private Placement Legend (the "Permanent Offshore Global Note"; and together with the Temporary Offshore Global Note, the "Offshore Global Notes") duly executed by the Issuer, and authenticated by the Trustee as provided herein shall be deposited with the Trustee, as custodian for the Depositary, and the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Temporary Offshore Global Note in an amount equal to the principal amount of the beneficial interest in the Temporary Offshore Global Note transferred.

Notes offered and sold in reliance on Regulation D under the Securities Act shall be issued in the form of permanent certificated

Notes in registered form in substantially the form hereinabove recited (the "U.S. Physical Notes"). Notes issued pursuant to Section 2.08 in exchange for interests in the Offshore Global Note following the Offshore Notes Exchange Date shall be in the form of permanent certificated Notes in registered form substantially in the form hereinabove recited (the "Offshore Physical Notes").

The Offshore Physical Notes and U.S. Physical Notes are sometimes collectively herein referred to as the "Physical Notes". The U.S. Global Note and the Offshore Global Note are sometimes referred to herein as the "Global Notes".

The person in whose name any Note is registered at the close of business on any Interest Record Date with respect to any Interest Payment Date shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to the Interest Record Date and prior to such Interest Payment Date, except if and to the extent the Issuer shall default in the payment of the interest due on such

Interest Payment Date, in which case such defaulted interest, plus (to the extent lawful) any interest payable on the defaulted interest, shall be paid to the persons in whose names outstanding Notes are registered at the close of business on a subsequent record date (which shall be not less than five business days prior to the date of such payment) established by notice given by mail by or on behalf of the Issuer to the holders of Notes not less than 15 days preceding such subsequent record date.

SECTION 2.05. Restrictive Legends. (a) The U.S. Global Note, Temporary Offshore Global Note and each U.S. Physical Note shall bear the following legend on the face thereof:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A US PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, (2) AGREES THAT IT WILL NOT, WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS NOTE RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS NOTE (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE) AND IF REQUESTED BY THE ISSUER OR THE TRUSTEE, AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND (3)

AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE NOTE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRUSTEE. IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE ISSUER SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "US PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

(b) Each Global Note shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY OR SUCH OTHER REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 2.08 OF THE INDENTURE.

SECTION 2.06. Registration, Transfer and Exchange. The Notes are issuable only in registered form. The Issuer will keep at each office or agency to be maintained for the purpose as provided in Section 3.02 (the "Registrar") a register or registers (the "Note Register(s)") in which, subject to such reasonable regulations as it may prescribe, it will register, and will register the transfer of, Notes as in this Article provided. Such Note Register shall be in written form in the English language or in any other form capable of being converted into such form within a reasonable time. At all reasonable times such Note Register or Note Registers shall be open for inspection by the Trustee.

Upon due presentation for registration of transfer of any Note at each such office or agency, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee

or transferees a new Note or Notes in each case, in authorized denominations for a like aggregate principal amount.

A holder may transfer a Note only by written application to the Registrar stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a holder only upon, final acceptance and registration of the transfer by the Registrar in the Note Register. Prior to the registration of any transfer by a holder as provided herein, the Issuer, the Trustee, and any agent of the Issuer shall treat the person in whose name the Note is registered as the owner thereof for all purposes whether or not the Note shall be overdue, and neither the Issuer, the Trustee, nor any such agent shall be affected by notice to the contrary. Furthermore, any holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book entry system maintained by the holder of such Global Note (or its agent) and that ownership of a beneficial interest in the Note shall be required to be reflected in a book entry. When Notes are presented to the Registrar or a co- Registrar with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations, the Registrar shall register the transfer or make the exchange as requested if the requirements for such transactions set forth herein are met. To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Notes at the Registrar's request.

The Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of Notes (other than any such transfer taxes or other similar governmental charge payable upon exchanges pursuant to Section 2.11 or 7.05). No service charge to any holder shall be made for any such transaction.

The Issuer shall not be required to exchange or register a transfer of (a) any Notes for a period of 15 days next preceding the first mailing of notice of redemption of Notes to be redeemed, or (b) any Notes selected, called or being called for redemption except, in the case of any Note where public notice has been given that such Note is to be redeemed in part, the portion thereof not so to be redeemed.

All Notes issued upon any transfer or exchange of Notes shall be valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Notes surrendered upon such transfer or exchange.

SECTION 2.07. Book-Entry Provisions for Global Notes. (a) The U.S. Global Note and Offshore Global Note initially shall be registered in the name of the Depositary for such Global Notes or the nominee of such Depositary, be

delivered to the Trustee as custodian for such Depositary and bear legends as set forth in Section 2.05.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary, or the Trustee as its custodian, or under the Global Note, and the Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of such Global

Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in a Global Note may be transferred in accordance with the rules and procedures of the Depositary and the provisions of Section 2.08. In addition, U.S. Physical Notes and Offshore Physical Notes shall be transferred to all beneficial owners in exchange for their beneficial interests in the U.S. Global Note or the Offshore Global Note, respectively, if the Depositary notifies the Issuer that it is unwilling or unable to continue as Depositary for the U.S. Global Note or the Offshore Global Note, as the case may be, and a successor depositary is not appointed by the Issuer within 90 days of such notice or an Event of Default of which the Trustee has actual notice has occurred and is continuing and the Registrar has received a request from the Depositary to issue such Physical Notes.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(d) In connection with any transfer of a portion of the beneficial interests in the U.S. Global Note to beneficial owners pursuant to paragraph (b) of this Section and Section 2.08(a)(ii), the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the beneficial interest in the U.S. Global Note to be transferred, and the Issuer shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of like tenor and amount.

(e) In connection with the transfer of the entire U.S. Global Note or Offshore Global Note to beneficial owners pursuant to Section 2.07(b), the U.S. Global Note or Offshore Global Note, as the case may be, shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in the U.S. Global Note or Offshore Global Note, as the case may be, an equal aggregate principal amount of U.S. Physical Notes or Offshore Physical Notes, as the case may be, of authorized denominations.

(f) Any U.S. Physical Note delivered in exchange for an interest in the U.S. Global Note pursuant to paragraph (b) or (d) of this Section shall, except as otherwise provided by Section 2.08(f), bear the legend regarding transfer restrictions applicable to the U.S. Physical Note set forth in Section 2.05.

(g) Any Offshore Physical Note delivered in exchange for an interest in the Offshore Global Note pursuant to paragraph (b) of

this Section shall, except as otherwise provided by paragraph (f) of Section 2.08, bear the legend regarding transfer restrictions applicable to the Offshore Physical Note set forth in Section 2.05.

(h) The registered holder of a Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Notes.

SECTION 2.08. Special Transfer Provisions.

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any proposed transfer of a Note to any Institutional Accredited Investor which is not a QIB (excluding Non-U.S. Persons):

(i) The Registrar shall register the transfer of any Note, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is at least two years after the Original Issue Date of the Notes or (y) the proposed transferee has delivered to the Registrar a certificate substantially in the form of Exhibit A hereto and if requested by the Issuer or the Trustee, an opinion of counsel acceptable to the Issuer that such transfer is in compliance with the Securities Act.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Note, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the beneficial interest in the U.S. Global Note to be transferred and the Issuer shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Certificates of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a U.S. Physical Note or an interest in the U.S. Global Note to a QIB (excluding Non-U.S. Persons):

(i) If the Note to be transferred consists of (x) U.S. Physical Notes, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Issuer and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Issuer and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is

relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A or (y) an interest in the U.S. Global Note, the transfer of such interest may be effected only through the book entry system maintained by the Depositary.

(ii) If the proposed transferee is an Agent Member, and the Note to be transferred consists of U.S. Physical Notes, upon receipt by the Registrar of the documents referred to in clause (i) and instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the U.S. Physical Notes to be transferred and the Trustee shall cancel the U.S. Physical Note so

transferred.

(c) Transfers of Interests in the Temporary Offshore Global Note. The following provisions shall apply with respect to registration of any proposed transfer of interests in the Temporary Offshore Global Note:

(i) The Registrar shall register the transfer of any Note (x) if the proposed transferee is a Non-U.S. Person and the proposed transferor has delivered to the Registrar a certificate substantially in the form of Exhibit B hereto or (y) if the proposed transferee is a QIB and the proposed transferor has checked the box provided for on the form of Note stating, or has otherwise advised the Issuer and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Issuer and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance of Rule 144A and acknowledges that it has received such information regarding the Issuer as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) If the proposed transferee is an Agent Member, upon receipt by the Registrar of the documents referred to in clause (i)(y) above and instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the U.S. Global Note, in an amount equal to the principal amount of the Temporary Offshore Global Note to be transferred, and the Trustee shall decrease the amount of the Temporary Offshore Global Note in a like amount.

(d) Transfers of Interests in the Permanent Offshore Global Note or Offshore Physical Notes to U.S. Persons. The following provisions shall apply with respect to any transfer of interests in the Permanent Offshore Global Note or Offshore Physical Notes to U.S. Persons: The Registrar shall register the transfer of any such Note without requiring any additional certification.

(e) Transfers to Non-U.S. Persons at Any Time. The following provisions shall apply with respect to any transfer of a Note to a Non-U.S. Person:

(i) Prior to the Offshore Notes Exchange Date, the Registrar shall register any proposed transfer of a Note to a Non-U.S. Person upon receipt of a certificate substantially in the form of Exhibit B hereto from the proposed transferor.

(ii) On and after the Offshore Notes Exchange Date, the Registrar shall register any proposed transfer to any Non-U.S. Person if the Note to be transferred is a U.S. Physical Note or an interest in the U.S. Global Note, upon receipt of a certificate substantially in the form of Exhibit B from the proposed transferor.

(iii) (A) If the proposed transferor is an Agent Member holding a beneficial interest in the U.S. Global Note, upon receipt by the Registrar of (x) the documents, if any, required by paragraph (ii) and (y) instructions in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the U.S. Global Note in an amount equal to the principal amount of the beneficial interest in the U.S. Global Note to be transferred, and (B) if the proposed transferee is an Agent Member, upon receipt by the Registrar of instructions given in accordance with the Depositary's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Offshore Global Note in an amount equal to the principal amount of the U.S. Physical Notes or the U.S. Global Note, as the case may be, to be transferred, and the Trustee shall cancel the Physical Note, if any, so transferred or decrease the amount of the U.S. Global Note, as the case may be.

(f) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless either the circumstances contemplated by the fifth paragraph of Section 2.04 or paragraphs (a)(i)(x) or (e)(ii) of this Section 2.08 exists or there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Issuer and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(g) General. By its acceptance of any Note bearing the Private Placement Legend, each holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private Placement Legend and agrees that it will transfer such Note only as provided in this Indenture. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. In connection with any transfer of Notes, each holder agrees by its acceptance of the Notes to furnish the Registrar or the Issuer such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the

Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Issuer with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.07(a) or this Section 2.08. The Issuer shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

SECTION 2.09. Mutilated, Defaced, Destroyed, Lost and Stolen Notes. In case any temporary or definitive Note shall become mutilated, defaced or be apparently destroyed, lost or stolen, the Issuer in its discretion may execute, and upon the written request of any officer of the Issuer, the Trustee shall authenticate and deliver, a new Note, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated or defaced Note, or in lieu of and substitution for the Note so apparently destroyed, lost or stolen. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as may be required by each of them to indemnify and defend and to save each of them harmless and, in every case of destruction, loss or theft evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof. If, after the delivery of such substitute Note, a bona fide purchaser of the original Note in lieu of which such substitute Note was issued presents for payment or registration such original Note, the Trustee shall be entitled to recover such substitute Note from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Issuer or the Trustee, or any agent of such Persons, in connection therewith.

Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Note which has matured or is about to mature, or has been called for redemption in full, shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Issuer may, instead of issuing a substitute Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated or defaced Note), if the applicant for such payment shall furnish to the Issuer and to the Trustee and any agent of the Issuer or the Trustee such security or indemnity as any of them may require to save each of them harmless from all risks, however remote, and, in every case of apparent destruction,

loss or theft, the applicant shall also furnish to the Issuer and the Trustee and any agent of the Issuer or the Trustee evidence to their satisfaction of the apparent destruction, loss or theft of such Note and of the ownership thereof.

Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is apparently destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the apparently destroyed, lost or stolen Note shall be at any time enforceable by anyone and

shall be entitled to all the benefits of (but shall be subject to all the limitations of rights set forth in) this Indenture equally and proportionately with any and all other Notes duly authenticated and delivered hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, defaced, or apparently destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.10. Cancellation of Notes; Destruction Thereof. All Notes surrendered for payment, redemption, registration of transfer or exchange, if surrendered to the Issuer or any agent of the Issuer or the Trustee, shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it; and no Notes shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall destroy cancelled Notes held by it and deliver a certificate of destruction to the Issuer upon written request. If the Issuer shall acquire any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are delivered to the Trustee for cancellation.

SECTION 2.11. Temporary Notes. Pending the preparation of definitive Notes, the Issuer may execute and the Trustee shall authenticate and deliver temporary Notes (printed, lithographed, typewritten or otherwise reproduced, in each case in form satisfactory to the Trustee). Temporary Notes shall be issuable as registered Notes without coupons, of any authorized denomination, and substantially in the form of the definitive Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Issuer with the concurrence of the Trustee. Temporary Notes may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Note shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Notes. Without unreasonable delay the Issuer shall execute and shall furnish definitive Notes and thereupon temporary Notes may be surrendered in exchange therefor without charge at each office or agency to be maintained by the Issuer for the purpose pursuant to Section 3.02, and the Trustee shall authenticate and deliver in exchange for such temporary Notes a like aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged the temporary Notes shall be entitled to the same benefits under this Indenture as definitive Notes.

SECTION 2.12. Persons Deemed Owners. Prior to and at the time of due presentation for registration of transfer, the Issuer, the Trustee and any agent of such parties may treat the person in whose name any Note is registered in the Note Register as the owner of such Note for the purpose of receiving the payment of principal of, premium, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and neither the Issuer, the Trustee nor any agent of such parties shall be affected by notice to the contrary.

SECTION 2.13. CUSIP and CINS Numbers. The Issuer in issuing the Notes may use "CUSIP" and "CINS" numbers (if then generally in

use), and the Trustee shall use CUSIP numbers or CINS numbers, as the case may be, in notices of redemption or exchange as a convenience to holders; provided that any such notice shall state that no representation is made as the correctness of such numbers either as printed on the Notes or as contained in any notice of redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Notes.

ARTICLE 3 COVENANTS OF THE ISSUER AND THE TRUSTEE.

SECTION 3.01. Payment of Principal and Interest. The Issuer covenants and agrees that it will duly and punctually pay or cause to be paid the principal of, and interest on, each of the Notes at the place or places, at the respective times and in the manner provided in the Notes. Each installment of interest on the Notes may be paid by mailing checks for such interest payable to or upon the written order of the holders of Notes entitled thereto as they shall appear, on the Interest Record Date, on the registry books of the Issuer, or by wire transfer to such holders in immediately available funds, to such bank or other entity in the continental United States as shall be designated by such holders and shall have appropriate facilities for such purpose, or in accordance with the standard operating procedures of the Depositary.

SECTION 3.02. Offices for Payments, etc. So long as any of the Notes remain outstanding, the Issuer will maintain in the City of New York, the following: (a) an office or agency where the Notes may be presented for payment, (b) an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided and (c) an office or agency where notices and demands to or upon the Issuer in respect of the Notes or of this Indenture may be served. The Issuer will give to the Trustee written notice of the location of any such office or agency and of any change of location thereof. The Issuer hereby initially designates the office of the Trustee at 55 Water Street, North Building, Room 234, Windows 20 and 21, New York, New York 10041, as the office or agency for each such purpose. In case the Issuer shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Trust Office.

SECTION 3.03. Appointment to Fill a Vacancy in Office of Trustee. The Issuer, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 5.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 3.04. Paying Agents. Whenever the Issuer shall appoint a paying agent other than the Trustee, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section,

(a) that it will hold all sums received by it as such agent for the payment of the principal of or interest on the Notes (whether such sums have been paid to it by the Issuer or by any other obligor on the Notes) in trust for the benefit of the holders of the Notes or of the Trustee,

(b) that it will give the Trustee notice of any failure by the Issuer (or by any other obligor on the Notes) to make any payment of the principal of or interest on the Notes when the same shall be due and payable, and

(c) pay any such sums so held in trust by it to the Trustee upon the Trustee's written request at any time during the continuance of the failure referred to in clause (b) above.

The Issuer will, prior to each due date of the principal of or interest on the Notes, deposit with the paying agent a sum sufficient to pay such principal or interest, and (unless such paying agent is the Trustee) the Issuer will promptly notify the Trustee of any failure to take such action.

If the Issuer shall act as its own paying agent, it will, on or before each due date of the principal of or interest on the Notes, set aside, segregate and hold in trust for the benefit of the holders of the Notes a sum sufficient to pay such principal or interest so becoming due. The Issuer will promptly notify the Trustee of any failure to take such action.

Anything in this Section to the contrary notwithstanding, the Issuer may at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by the Issuer or any paying agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section are subject to the provisions of Sections 9.04 and 9.05.

SECTION 3.05. Certificates to Trustee. (a) The Issuer will deliver to the Trustee within 180 days after the end of each fiscal year of the Issuer a brief certificate (which need not comply with Section 11.05) from the principal executive, financial or accounting officer of the Issuer as to his or her knowledge of the Issuer's compliance with all conditions and covenants under this Indenture (such compliance to be determined without regard to any period of grace or requirement of notice provided under this Indenture).

(b) The Issuer will deliver to the Trustee, as soon as possible and in any event within 10 days after the Issuer becomes aware or should reasonably become aware of the occurrence of an Event of Default or a Default, an Officers' Certificate setting forth the details of such Event of Default or Default, and the action which the Issuer proposes to take with respect thereto.

(c) The Issuer will deliver to the Trustee within 180 days after the end of each fiscal year of the Issuer a written statement by the Issuer's independent public accountants stating that their audit examination has included a review of the terms of this Indenture and the Notes as they relate to accounting matters, and whether, in connection with their audit examination, any Default has come to their attention and, if such a Default has come to their attention, specifying the nature and period of the existence thereof.

(d) The Issuer will deliver to the Trustee, upon the written request of the Trustee (which shall be delivered by the Trustee

within 30 days after the end of each fiscal quarter of the Issuer), within 45 days after the end of each fiscal quarter of the Issuer a certificate of the principal executive, financial or accounting officer of the Issuer setting forth (i) the Indebtedness to Adjusted EBITDA Ratio on the last day of such fiscal quarter, (ii) Adjusted EBITDA for the period of the most recently completed twelve months and (iii) the amount of Restricted Payments during the then-current fiscal year, in each case along with reasonably detailed calculations thereof.

SECTION 3.06. Noteholders Lists. If and so long as the Trustee shall not be the Registrar, the Issuer will furnish or cause to be furnished to the Trustee a list in such form as the Trustee may reasonably require of the names and addresses of the holders of the Notes pursuant to Section 312(a) of the Trust Indenture Act semi-annually not more than 15 days after each Interest Record Date as of such Interest Record Date, and at such other times as the Trustee may request in writing, within thirty days after receipt by the Issuer of any such request as of a date not more than 15 days prior to the time such information is furnished.

SECTION 3.07. Reports by the Trustee. Any Trustee's report required under Section 313(a) of the Trust Indenture Act of 1939 shall be transmitted within 45 days of each September 1, commencing with September 1, 2002, and shall be dated as of a date convenient to the Trustee no more than 60 nor less than 45 days prior thereto.

SECTION 3.08. Limitation on Indebtedness. The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness unless, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Indebtedness to Adjusted EBITDA Ratio would be greater than zero and less than or equal to 4.25 on the date of such Incurrence.

Notwithstanding the foregoing, the Issuer and any Restricted Subsidiary (except as specified below) may Incur each and all of the following (each, "Permitted Indebtedness"):

(i) Indebtedness to the Issuer or any of its Restricted Subsidiaries as long as such Indebtedness continues to be owed to the Issuer or any of its Restricted Subsidiaries;

(ii) Indebtedness ("Permitted Refinancing Indebtedness") to the extent it Refinances Indebtedness Incurred in accordance with the first paragraph above or any Permitted Indebtedness, other than Indebtedness Incurred under clauses (i), (iii), (iv), (v), (viii) and (x) of this paragraph, in an amount not to exceed the amount so Refinanced (plus premiums, accrued interest, fees and expenses); provided that Indebtedness the proceeds of which are used to Refinance the Notes or Indebtedness that is pari passu with, or subordinated in right of payment to, the Notes shall only be permitted under this clause (ii) if (A) in case the Notes are Refinanced in part or the Indebtedness to be Refinanced is pari passu with the Notes, such new Indebtedness is pari passu with, or, by its terms or the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made subordinate in right of payment to, the remaining Notes, (B) in case the Indebtedness to be Refinanced is subordinated in right of payment to the Notes, such new Indebtedness, by its terms or by the terms of any agreement or

instrument pursuant to which such new Indebtedness is outstanding, is expressly made subordinate in right of payment to the Notes at least to the extent that the Indebtedness to be Refinanced is subordinated to the Notes and (C) in case the Indebtedness to be Refinanced is denominated in a currency other than Mexican pesos or the currency of any country in Central or South America, such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be Refinanced and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be Refinanced; and provided further that in no event may Indebtedness of any Person be Refinanced pursuant to this clause (ii) by means of any Indebtedness of any other Person, except that Indebtedness of a Restricted Subsidiary may be Refinanced by means of Indebtedness of another Restricted Subsidiary;

(iii) Indebtedness of the Issuer or any Restricted Subsidiary incurred for working capital needs in the ordinary course of business or to Refinance interest expense in an aggregate principal amount at any time not to exceed $300 million;

(iv) Indebtedness (A) in respect of performance, surety or appeal bonds provided in the ordinary course of business, (B) under Currency Agreements and Interest Rate Agreements (provided that, in the case of Currency Agreements that relate to other Indebtedness, such Currency Agreements do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder) and (C) arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds, performance bonds or other similar agreements securing any obligations of the Issuer or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), in

a principal amount not to exceed the gross proceeds actually received by the Issuer or any Restricted Subsidiary in connection with such disposition;

(v) Indebtedness under bankers' acceptances, letters of credit and other similar instruments (including reimbursement obligations with respect thereto) issued in the ordinary course of business;

(vi) Indebtedness evidenced by the Notes;

(vii) Indebtedness existing on the Vicap Closing Date;

(viii) any Guarantee of Indebtedness or other obligations so long as the Incurrence of an amount of Indebtedness equal to such Indebtedness or other obligations by the Person Guaranteeing such Indebtedness or other obligations is permitted under the terms of the Indenture;

(ix) Indebtedness to the extent such Indebtedness is secured by Liens which are purchase money or other Liens upon equipment or property acquired or held by the Issuer or any of its Restricted Subsidiaries taken or obtained by (A) the seller or lessor of such equipment or property to secure all or a part of the purchase price or lease payment therefor or (B) the person who makes advances or incurs obligations, thereby giving value to the Issuer or any Restricted Subsidiary to enable it to purchase or acquire rights in such equipment or property to secure the repayment of all or a part of the advances so made or obligations so incurred; provided, however, that (x) such Liens do not extend to or cover any property or assets of the Issuer or any Restricted Subsidiary other than the equipment or property acquired and (y) the aggregate principal amount of such Indebtedness, together with any Permitted Refinancing Indebtedness with respect thereto, outstanding at any time does not exceed $25 million; and

(x) Indebtedness of the Issuer or any of the Issuer's Restricted Subsidiaries not to exceed $25 million at any time outstanding.

For purposes of determining the Dollar Equivalent of any Indebtedness denominated in a currency other than U.S. dollars outstanding at any time as permitted by this covenant, such Dollar Equivalent shall be the Dollar Equivalent of such currency at the date such Indebtedness is incurred.

For purposes of determining compliance with this Section, (A) in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, shall classify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of such clauses and (B) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in conformity with Mexican GAAP.

SECTION 3.09. Limitation on Restricted Payments. Until the consummation of a Public Issuance, if the Indebtedness to Adjusted EBITDA Ratio (calculated at the time of the proposed Restricted Payment and after giving effect thereto and any other transactions in connection therewith) would be greater than 3.1, the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, after the date hereof (i) declare or pay any dividend or make any distribution on its Capital Stock (other than (x) dividends or distributions payable solely in shares of its or such Restricted Subsidiary's Capital Stock (other than Preferred Stock or Redeemable Stock) or in options, warrants or other rights to acquire such shares of Capital Stock and (y) any dividend or distribution by any Restricted Subsidiary on shares of its common stock that is paid pro rata to all holders of such common stock or, if such Restricted Subsidiary has more than one class of Capital Stock, any dividend or distribution by such Restricted Subsidiary on all shares of its Capital Stock that is paid pro rata to all holders of such Capital Stock in proportion to such holders equity interest in such Restricted Subsidiary) held by Persons other than the Issuer or any of its Restricted Subsidiaries or (ii) purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock of the Issuer or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) held by Persons other than the

Issuer or any of its Restricted Subsidiaries

(such payments or any other actions described in clauses (i) and (ii) being collectively "Restricted Payments") unless, after giving effect to such Restricted Payment in any given fiscal quarter, the aggregate amount of Restricted Payments during the then-current fiscal year does not exceed 10% of Adjusted EBITDA for the most recently completed twelve calendar months; it being understood that no Restricted Payment shall be limited if the Indebtedness to Adjusted EBITDA Ratio (calculated at the time of the proposed Restricted Payment and after giving effect thereto and any other transactions in connection therewith) shall be less than 3.1. The Issuer and the Trustee agree to execute and deliver, within 30 days after the consummation of a Public Issuance, a supplemental indenture which incorporates by reference, in lieu of this entire Section 3.09, any covenant applicable to such securities that is substantially similar to this Section 3.09.

The foregoing provision shall not take into account (except in the case of the payment of a dividend proposed by the Board of Directors of the Issuer as described in clause (i) below), and shall not be violated by reason of: (i) the payment of any dividend within 90 days after the date of declaration thereof or the date such dividend is resolved to be proposed by the Board of Directors of the Issuer (as evidenced by a Board Resolution) if, at said date of declaration or resolution, such payment would comply with the foregoing paragraph; (ii) the repurchase, retirement, redemption or other acquisition of Capital Stock of the Issuer (or options, warrants or other rights to acquire such shares of Capital Stock) in exchange for, or out of the proceeds of a substantially concurrent offering of, shares of Capital Stock (other than Redeemable Stock or options, warrants or other rights to acquire such shares of Capital Stock) of the Issuer; and (iii) payments or distributions pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Issuer; provided that, except in the case of clauses (i) and (ii), no Default or Event of Default shall have occurred and be continuing or occur as a consequence of the actions or payments set forth therein.

SECTION 3.10. Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries. The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to (A) pay dividends or make any other distributions permitted by applicable law on any Capital Stock of such Restricted Subsidiary owned by the Issuer or any other Restricted Subsidiary, (ii) pay any Indebtedness or other obligations owed to the Issuer or any other Restricted Subsidiary, (iii) make loans or advances to the Issuer or any other Restricted Subsidiary or (iv) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

The foregoing provisions shall not restrict any encumbrances or restrictions: (i) existing on the Vicap Closing Date and any extensions, refinancings, renewals or replacements of any of the foregoing; provided that the encumbrances and restrictions in any such extensions, refinancings, renewals or replacements are no less favorable in any material respect to the holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced; (ii) arising in connection with the Incurrence of Indebtedness after the Vicap

Closing Date; provided that such encumbrances or restrictions are required in order to effect such financing and are not more restrictive on the ability of the applicable Restricted Subsidiary to make the payments, distributions, loans, advances or transfers referred to above than necessary and customarily accepted; (iii) existing under or by reason of applicable law; (iv) existing with respect to any Person or the property or assets of such Person acquired by the Issuer or any Restricted Subsidiary and existing at the time of such acquisition, which encumbrances or restrictions (A) are not applicable to any

Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired and (B) were not put in place in anticipation of such acquisition, and any Refinancings of any of the foregoing; provided that the encumbrances and restrictions in any such Refinancings are no less favorable in any material respect to the holders than those encumbrances or restrictions that are then in effect and that are being Refinanced; (v) in the case of clause (iv) of the preceding paragraph, arising or agreed to in the ordinary course of business (A) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset, (B) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Issuer or any Restricted Subsidiary not otherwise prohibited by the Indenture or (C) not relating to any Indebtedness and, in each of cases (A), (B) or (C), that do not, individually or in the aggregate, detract from the value of property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer and its Restricted Subsidiaries, taken as a whole; (vi) with respect to a Restricted Subsidiary or certain property or assets of a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary or such property or assets, as the case may be; (vii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; or (viii) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business. Nothing contained in the preceding paragraph shall prevent the Issuer or any Restricted Subsidiary from (1) creating, incurring, assuming or suffering to exist any Liens otherwise permitted by the "Limitation on Liens" covenant in Section 3.13 or (2) restricting the sale or other disposition of property or assets of the Issuer or any of its Restricted Subsidiaries that secure Indebtedness of the Issuer or any of its Restricted Subsidiaries.

SECTION 3.11. Limitation on Issuances of Guarantees by Restricted Subsidiaries. The Issuer will not permit any Restricted Subsidiary, directly or indirectly, to Guarantee any Indebtedness of the Issuer that is pari passu with or subordinate in right of payment to the Notes ("Guaranteed Indebtedness"), unless (i) such Guarantee is otherwise permitted under the terms of the Indenture, (ii) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee (a "Subsidiary Guarantee") of payment of the Notes by such Restricted Subsidiary and (iii) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Issuer or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee; provided that this paragraph shall

not be applicable to (x) any Guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not Incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or (y) one or more Guarantees of Restricted Subsidiaries of Indebtedness of the Issuer in an aggregate principal amount outstanding at any one time not to exceed $100 million. If the Guaranteed Indebtedness is (A) pari passu with the Notes, then the Guarantee of such Guaranteed Indebtedness shall be pari passu with, or subordinated to, the Subsidiary Guarantee or (B) subordinated to the Notes, then the Guarantee of such Guaranteed Indebtedness shall be subordinated to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes.

Notwithstanding the foregoing, any Subsidiary Guarantee by a Restricted Subsidiary shall provide by its terms that it shall be automatically and unconditionally released and discharged upon (i) any sale, exchange or transfer, to any Person not an Affiliate of the Issuer, of all of the Issuer's and each Restricted Subsidiary's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary (which sale, exchange or transfer is not prohibited by the Indenture) or (ii) the release or discharge of the Guarantee that resulted in the creation of such Subsidiary Guarantee, except a discharge or release by or as a result of payment under such Guarantee.

SECTION 3.12. Limitation on Transactions with Shareholders and Affiliates. The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service, or the making of any Investment) with any holder (or any Affiliate of a holder) of 5% or more of any class of Voting Stock of the Issuer or with any Affiliate of the Issuer or any Restricted Subsidiary (each, a "Related Party Transaction"), except upon fair and reasonable terms that when taken as a whole are no less favorable to the Issuer or such Restricted Subsidiary than could be obtained, at the time of such transaction or at the time of the execution of the agreement providing therefor, in a comparable arm's-length transaction with a Person that is not such a holder or an Affiliate.

Without limiting the foregoing, any Related Party Transaction or series of Related Party Transactions with an aggregate value in excess of $10 million must first be approved by a majority of the Board of Directors of the Issuer who are disinterested in the subject matter of the transaction pursuant to a Board Resolution.

The foregoing limitation does not limit, and shall not apply to (i) the payment of reasonable and customary regular fees to directors of the Issuer, (ii) any Restricted Payments not prohibited by the "Limitation on Restricted Payments" covenant in Section 3.09, (iii) transactions solely among or between Restricted Subsidiaries or solely among or between the Issuer and a Restricted Subsidiary or (iv) borrowings from, brokerage transactions with, deposits made with or the purchase of insurance from Grupo Serfin or any of its Subsidiaries in the ordinary course of business.

SECTION 3.13. Limitation on Liens. The Issuer will not, directly or indirectly, create, incur, assume or suffer to exist any Lien that secures any of its Indebtedness, other than a Permitted Lien, on any of its or its Restricted Subsidiaries assets or

properties, or any shares of Capital Stock or Indebtedness of any Restricted Subsidiary, in each case owned on the Vicap Closing Date or thereafter acquired, without making effective provision for all of the Notes and all other amounts due under the Indenture to be directly secured equally and ratably with (or prior to) the obligation or liability secured by such Lien.

SECTION 3.14. Limitation on Sale-Leaseback Transactions. The Issuer will not enter into any sale-leaseback transaction involving any of its assets or properties, unless the aggregate amount of all Attributable Indebtedness with respect to such transactions, plus the aggregate principal amount of all Indebtedness secured by Liens (excluding secured Indebtedness that is excluded as described in the "Limitation on Liens" covenant in Section 3.13) does not exceed $100 million.

The foregoing restriction does not apply to, and any computation of Attributable Indebtedness under such limitation shall exclude, any sale-leaseback transaction if (i) the lease is for a period, including renewal rights, of not in excess of three years; (ii) the sale or transfer of the assets or properties is entered into prior to, at the time of, or within one year after the later of the acquisition of the assets or properties or the completion of construction thereof; (iii) the lease secures or relates to industrial revenue or pollution control bonds; (iv) the transaction is between the Issuer and any Restricted Subsidiary or between Restricted Subsidiaries; or (v) the Issuer, within one year after the sale of any assets or properties is completed, applies an amount not less than the net proceeds received from such sale in accordance with clause (A) or (B) of the first paragraph under "Limitation on Asset Sales" in Section 3.15.

SECTION 3.15. Limitation on Asset Sales. The Issuer will not, and will not permit any Restricted Subsidiary to, effect or permit any Asset Sale unless (i) such Asset Sale is effected at fair market value (as determined in good faith by the Board of Directors of the Issuer), (ii) 80% of the proceeds of such Asset Sale consists of (A) cash or Cash Equivalents, (B) property or assets to be owned by and used in the business of the Issuer or any Restricted Subsidiary of a nature or type or that are used in a business similar or related to the nature or type of the property and assets of, or the business

of, the Issuer and its Restricted Subsidiaries existing on the date of such Asset Sale or (C) Capital Stock in one or more Persons principally engaged in a business similar or related to the business of the Issuer and its Restricted Subsidiaries existing on the date of such Asset Sale which thereby become Restricted Subsidiaries; provided that the amount of (a) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet) of the Issuer or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets and (b) any notes or other obligations received by the Issuer or any such Restricted Subsidiary from a transferee that is assigned an Investment Grade Rating that are converted by the Issuer or such Restricted Subsidiary into cash within 180 days after such Asset Sale (to the extent of the cash received) shall be deemed to be cash for the purposes of this clause (ii), and (iii) in the event and to the extent that the Net Cash Proceeds received by the Issuer or any of its Restricted Subsidiaries exceeds $10 million in any one fiscal year, then the Issuer shall or shall cause the relevant Restricted Subsidiary to (x) within 360 days after the date Net Cash Proceeds so received exceed $10 million in any one fiscal year (A) apply an amount equal

to such excess Net Cash Proceeds to permanently repay Indebtedness of the Issuer or of any Restricted Subsidiary, in each case owing to a Person other than the Issuer or any of its Restricted Subsidiaries or (B) at any time after the Issuer and its Restricted Subsidiaries shall have repaid Indebtedness totaling $100 million pursuant to clause (A) above, invest an equal amount, or the amount not so applied pursuant to clause (A) (or enter into a definitive agreement committing so to invest within 360 days after the date of such agreement), in property or assets of a nature or type or that are used in a business similar or related to the nature or type of the property and assets of, or the business of, the Issuer and its Restricted Subsidiaries existing on the date of such investment (as determined in good faith by the Board of Directors, whose determination shall be conclusive and evidenced by a Board Resolution) and (y) apply such excess Net Cash Proceeds (to the extent not applied pursuant to clause (x) above) as provided in the following four paragraphs. The amount of such excess Net Cash Proceeds required to be applied (or to be committed to be applied) during such 360-day period as set forth in clause (x) of the preceding sentence and not applied as so required shall constitute "Excess Proceeds." Notwithstanding the foregoing, Asset Sales involving Unrestricted Investments need not comply with clause (ii) above and any foreclosures on assets of the Issuer or any Restricted Subsidiary need not comply with clauses (i) or (ii) above.

If, as of the first day of any calendar month, the aggregate amount of Excess Proceeds not theretofore subject to an Excess Proceeds Offer (as defined below) totals at least $10 million, the Issuer must, not later than the fifteenth Business Day of such month, make an offer (an "Excess Proceeds Offer") to purchase from the holders on a pro rata basis an aggregate principal amount of Notes equal to the Excess Proceeds on such date, at a purchase price equal to 100% of the principal amount of the Notes, plus, in each case, accrued interest (if any) to the date of purchase (the "Excess Proceeds Payment").

The Issuer shall commence an Excess Proceeds Offer by mailing a notice to the Trustee and each holder stating:

(i) that the Excess Proceeds Offer is being made pursuant to this Section 3.15 and that all Notes validly tendered will be accepted for payment on a pro rata basis;

(ii) the purchase price and the date of purchase (which shall be the date 20 Business Days from the date such notice is mailed) (the "Excess Proceeds Payment Date");

(iii) that any Note not tendered will continue to accrue interest pursuant to its terms;

(iv) that, unless the Issuer defaults in the payment of the Excess Proceeds Payment, any Note accepted for payment pursuant to the Excess Proceeds Offer shall cease to accrue interest on and after the Excess Proceeds Payment Date;

(v) that holders electing to have a Note purchased pursuant to the Excess Proceeds Offer will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Excess Proceeds Payment Date;

(vi) that holders will be entitled to withdraw his or her election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Excess Proceeds Payment Date or such later date as is required by law, a telegram, facsimile transmission or letter setting forth the name of such holder, the principal amount of Notes delivered for purchase and a statement that such holder is withdrawing his or her election to have such Notes purchased; and

(vii) that holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof.

On the Excess Proceeds Payment Date, the Issuer shall (i) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to the Excess Proceeds Offer; (ii) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (iii) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer. The Paying Agent shall promptly mail to the holders of Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof. The Issuer will publicly announce the results of the Excess Proceeds Offer as soon as practicable after the Excess Proceeds Payment Date. For purposes of this Section 3.15, the Trustee shall act as the Paying Agent.

The Issuer will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that such Excess Proceeds are received by the Issuer under this Section 3.15 and the Issuer is required to repurchase Notes as described above.

SECTION 3.16. Change of Control. Upon the occurrence of a Change of Control, each holder shall have the right to require the repurchase of its Notes by the Issuer in cash pursuant to the offer described below (the "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof, plus accrued interest (if any) to the date of purchase (the "Change of Control Payment"). Prior to the mailing of the notice to holders provided for in the succeeding paragraph, but in any event within 30 days following any Change of Control, the Issuer covenants to (i) repay in full all indebtedness of the Issuer that would prohibit the repurchase of the Notes as provided for in the succeeding paragraph or (ii) obtain any requisite consents under instruments governing any such indebtedness of the Issuer to permit the repurchase of the Notes as provided for in the succeeding paragraph. The Issuer shall first comply with the covenant in the preceding sentence before they shall be required to repurchase Notes pursuant to this Section 3.16.

Within 30 days of the Change of Control, the Issuer shall mail a notice to the Trustee and each holder stating:

(i) that a Change of Control has occurred (and a brief description of the events resulting in such Change of Control), that the Change of

Control Offer is being made pursuant to this Section 3.16 and that all Notes validly tendered will be accepted for payment;

(ii) the purchase price and the date of purchase (which shall be 20 Business Days or such later date as is required by law from the date such notice is mailed) (the "Change of Control Payment Date");

(iii) that any Note not tendered will continue to accrue interest pursuant to its terms;

(iv) that, unless the Issuer defaults in the payment of the Change of Control Payment, any Note accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest on and after the Change of Control Payment Date;

(v) that holders electing to have any Note or portion thereof purchased pursuant to the Change of Control Offer will be required to surrender such Note, together with the form entitled "Option of the holder to Elect Purchase" on the reverse side of such Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Change of Control Payment Date;

(vi) that holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Change of Control Payment Date or such later date as is required by law, a telegram, telex, facsimile transmission or letter setting forth the name of such holder, the principal amount of Notes delivered for purchase and a statement that such holder is withdrawing his election to have such Notes purchased; and

(vii) that holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof.

On the Change of Control Payment Date, the Issuer shall: (i) accept for payment Notes or portions thereof tendered pursuant to the Change of Control Offer; (ii) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (iii) deliver, or cause to be delivered, to the Trustee, all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer. The Paying Agent shall promptly mail, to the holders of Notes so accepted, payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such holders a new Note equal in principal amount to any unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of $1,000 or integral multiples thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date. For purposes of the this Section 3.16, the Trustee shall act as Paying Agent.

The Issuer will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in the event that a Change of Control occurs and the Issuer is required to repurchase the Notes under this Section 3.16.

If the Issuer is unable to repay all of its indebtedness that would prohibit repurchase of the Notes or is unable to obtain the consents of the holders of indebtedness, if any, of the Issuer outstanding at the time of a Change of Control whose consent would be so required to permit the repurchase of Notes, then the Issuer will have breached this Section 3.16. This breach will constitute an Event of Default with respect to the Notes if it continues for a period of 30 consecutive days after written notice is given to the Issuer by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes outstanding. In addition, the failure by the Issuer to repurchase all Notes at the conclusion of the Change of Control Offer will constitute an Event of Default with respect to the Notes without any waiting period or notice requirements.

SECTION 3.17. Provision of Financial Information. The Issuer will (a) file with the Trustee, within 15 days after the Issuer required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Issuer may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Issuer is not required to file information, documents or reports pursuant to either of said Sections, then it will file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security of a "foreign private issuer" (as defined in Rule 3b-4 under the Exchange Act) listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Issuer with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(c) transmit by mail to all Noteholders, as their names and addresses appear in the Note Register, after the filing thereof with the Trustee, such information, documents and reports required to be filed by the Issuer pursuant to paragraphs (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

SECTION 3.18. Payment of Additional Amounts. All payments of principal, premium and interest in respect of each Note shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges or penalties or interest related thereto of whatever nature imposed, levied, collected, withheld or assessed by or within Mexico or any political subdivision or taxing authority thereof or therein ("Mexican Taxes"), unless such withholding or deduction is required by law or

by regulation. In the event that any such withholding or deduction in respect of principal, premium or interest is so required, the Issuer shall pay such additional amounts ("Additional Amounts") as will result in receipt by each holder of any Note of such amounts as would have been received by such holder with respect to such Note had no such withholding or deduction been required, except that no Additional Amounts shall be payable for or on account of:

(1) any tax, duty, assessment or other governmental charge imposed solely by reason of

(A) the existence of any present or former connection between such holder or the beneficial owner of such Note and Mexico (or any political subdivision or taxing authority thereof or therein) other than merely holding such Note or the receipt of, or enforcement of rights under, the Notes, or the receipt of payments in respect thereof, including, without limitation, such holder or the beneficial owner of such Note being or having been a national, domiciliary or resident thereof or being or having been present or engaged in a trade or business therein or having had a permanent establishment or fixed base therein; or

(B) the presentation of such Note (where presentation is required) more than 30 days after the date on which the payment in respect of such Note became due and payable or provided for, whichever is later, except to the extent that such holder would have been entitled to such Additional Amounts if it had presented such Note for payment on the last day of such period of 30 days;

(2) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(3) any Mexican Taxes imposed at any time at a rate in excess of the Withholding Tax Effective Rate at such time solely as a result of the

failure of the holder or beneficial owner of such Note to comply with any certification, identification, information, documentation or other reporting requirement if (i) such compliance is required by law, regulation or administrative practice or binding interpretation as a precondition to exemption from, or reduction in the rate of, deduction or withholding of Mexican Taxes, (ii) at least 60 days prior to the first interest payment date with respect to which the Issuer shall apply this paragraph (3), the Issuer shall have notified the holders of the Notes, in writing, that such holders or beneficial owners of the Notes will be required to comply with such requirement and (iii) the notification described in clause (ii) shall have been furnished to holders of the Notes through DTC (or its custodian, if applicable) or by other comparable means in such a manner as to have reasonably afforded such holders or beneficial owners a reasonable time and opportunity to so comply;

(4) any Mexican Taxes imposed at any time at a rate in excess of the Withholding Tax Effective Rate at such time, but only to the extent that (i) such holder or beneficial owner has failed to provide on a timely basis, at the reasonable

request of the Issuer (subject to the conditions set forth below), information, documentation or other evidence (not described in paragraph (3) above) concerning whether such holder or beneficial owner is eligible for benefits under a treaty for the avoidance of double taxation to which Mexico is a party if necessary to determine the appropriate rate of deduction or withholding of Mexican Taxes under such treaty or under any law, (ii) at least 60 days prior to the first payment date with respect to which the Issuer shall make such reasonable request, the Issuer shall have notified the holders of the Notes, in writing, that such holders or beneficial owners of the Notes will be required to provide such information, documentation or other evidence and (iii) the notification described in clause (ii) shall have been furnished to holders of the Notes through DTC (or its custodian, if applicable) or by other comparable means in such a manner as to have reasonably afforded such holders or beneficial owners a reasonable time and opportunity to provide the information, documentation or other evidence required by this paragraph;

(5) any Mexican Taxes if the beneficial owner of, or Person ultimately entitled to obtain an interest in, such Notes would not be entitled to the payment of Additional Amounts had such beneficial owner or Person been the holder of the Notes;

(6) any Mexican Taxes payable otherwise than by withholding from payments on or in respect of any Note; or

(7) any combination of items (1), (2), (3), (4), (5) or (6).

For purposes of the provisions described in paragraphs (3) and (4), the term "holder" shall mean the direct nominee of such beneficial owner, which holds such beneficial owner's interest in the Notes. Notwithstanding the foregoing, the limitations on the Issuer's obligation to pay Additional Amounts set forth in paragraphs (3) and (4) above shall not apply if (a) the provision of information, documentation or other evidence described in such paragraphs (3) and (4) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a Note (taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice) than comparable information or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8BEN and W-9) or (b) Article 195 of the Mexican Ley del Impuesto Sobre la Renta (the "Income Tax Law") and Rule 3.31.9 issued by the Secretaria de Hacienda y Credito Publico (Ministry of Finance and Public Credit) (the "Ministry of Finance") on March 2, 2001 or a substantially similar successor of such article or rule is in effect, unless the provision of the information, documentation or other evidence described in paragraphs (3) and (4) is expressly required by statute, regulation, rule or administrative practice in order to apply such Article 195 or such Rule 3.31.9 (or a substantially similar successor of such article or

rule), the Issuer cannot obtain such information, documentation or other evidence on its own through reasonable diligence and the Issuer otherwise would meet the requirements for application of Rule 3.31.9 (or such successor of such article or rule). In addition, such paragraphs (3) and (4) shall not be construed to require that a non-Mexican pension or

retirement fund or a non-Mexican financial institution or any other holder register with the Ministry of Finance for the purpose of establishing eligibility for an exemption from or reduction of Mexican withholding tax.

Whenever there is mentioned in any context, the payment of principal, premium or interest in respect of any Note or the net proceeds received on the sale or exchange of any Note, such mention shall be deemed to include the payment of Additional Amounts provided for herein to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to this Indenture.

The Issuer will provide to the Trustee and Paying Agent documentation (which may be certified copies of tax returns) evidencing payment of withholding taxes within 30 days after payment thereof. Copies of such documentation shall be provided to holders requesting them.

The Issuer will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the execution, delivery or registration of the Notes, except for any such taxes, charges or similar levies imposed by any jurisdiction outside of Mexico (other than those resulting from, or required to be paid in connection with, the enforcement of the Notes following the occurrence of any Event of Default with respect to the Notes). Notwithstanding the foregoing, except as provided in this Section 3.18, the Issuer shall not be liable for or otherwise obliged to pay any tax, duty or fee which may arise as a result of the ownership, holding or transfer of any Note (other than any transfer tax payable in connection with the initial transfer of the Notes by the Issuer to Credit Suisse First Boston International, as initial purchaser of the Notes (the "Initial Purchaser")), and no service charge will be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

SECTION 3.19. Waiver of Stay, Extension or Usury Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not (i) at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law that would prohibit or forgive the Issuer from paying all or any portion of the principal of or interest on the Notes as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture and the Issuer will expressly waive all benefit or advantage of any such law and (ii) hinder, delay or impede the execution of any power granted to the Trustee under this Indenture and will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 3.20. Maintenance of Properties and Insurance. The Issuer will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Issuer may be necessary so that the business carried on in connection therewith

may be advantageously conducted at all times; provided that nothing in this Section 3.20 shall prevent the Issuer or any such Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the

judgment of the Issuer, desirable in the conduct of the business of the Issuer or such Subsidiary.

The Issuer will provide or cause to be provided, for itself and its Restricted Subsidiaries, insurance (including appropriate self-insurance) against loss or damage of the kinds customarily insured against by corporations similarly situated and owning like properties, including, but not limited to, public liability insurance, with reputable insurers in such amounts, with such deductibles and by such methods as shall be customary for corporations similarly situated in the industry in which the Issuer or such Restricted Subsidiary, as the case may be, is then conducting business.

SECTION 3.21. Registration. The Issuer will take all steps necessary to complete registration of the Notes with the Special Section of the Mexican National Registry of Securities (Registro Nacional de Valores) ("Special Section") maintained by the Mexican National Banking and Securities Commission (Comision Nacional Bancaria y de Valores).

SECTION 3.22. Pari Passu. The Notes will constitute direct, unconditional and general obligations of the Issuer and will rank in priority of payment and as to security at least pari passu with all other unsecured and unsubordinated Indebtedness of the Issuer.

SECTION 3.23. Guarantees. If any Restricted Subsidiary agrees to Guarantee any notes issued pursuant to the Vicap Indenture ("Vicap Notes") or agrees to Guarantee or be the issuer (with a Guarantee by the Issuer hereunder) of any securities issued in connection with a redemption, refinancing, extension or exchange thereof, such Restricted Subsidiary shall automatically and without further action by the parties hereto Guarantee the Notes substantially on the terms and conditions on which such other securities are Guaranteed. Without limiting the effect of the foregoing, promptly upon the making of any such Guarantee, the Issuer shall cause such Restricted Subsidiary to execute and deliver such confirmatory documentation as the Trustee may reasonably request to evidence the Guarantee of the Notes and compliance with this Section 3.23.

ARTICLE 4
DEFAULT AND REMEDIES

SECTION 4.01. Event of Default Defined. In case one or more of the following Events of Default (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall have occurred and be continuing, that is to say:

(a) default in the payment of principal of or premium, if any, on any Note when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of five days;

(c) the Issuer defaults in the performance of or breaches (i) its obligation pursuant to Section 3.09 to execute and deliver a supplemental indenture within 30 days after the consummation of a Public Issuance or (ii) any covenant or agreement of the Issuer contained herein or under the Notes (other than those covered by clause (a), (b) or (c)(i) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the Notes;

(d) there occurs with respect to any Material Financial Obligation of the Issuer or any of its Significant Subsidiaries, whether such Material Financial Obligation now exists or shall hereafter be created, (i) an event of default that has caused the holder thereof to declare such Material Financial Obligation to be due and payable prior to Stated Maturity and/or (ii) the failure to make a principal payment at the final (but not any interim) fixed maturity;

(e) any final judgment or order for the payment of money in excess of $25 million in the aggregate for all such final judgments or orders against all such Persons shall be rendered against the Issuer or any of its Significant Subsidiaries and shall not be paid or discharged, and there shall be any period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed $25 million during which a stay of enforcement of such final judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(f) a court having jurisdiction enters a decree or order for (A) relief in respect of the Issuer or any of its Significant Subsidiaries in an involuntary case under any applicable bankruptcy, insolvency, suspension of payments or other similar law of Mexico or the United States now or hereafter in effect, (B) appointment of a receiver, liquidator, assignee, custodian, trustee, sindico, conciliador, sequestrator or similar official of the Issuer or any of its Significant Subsidiaries or for all or substantially all of the property and assets of the Issuer or any of its Significant Subsidiaries or (C) the winding up or liquidation of the affairs of the Issuer or any of its Significant Subsidiaries and, in each case, such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(g) the Issuer or any of its Significant Subsidiaries (A) commences a voluntary case under any applicable bankruptcy, insolvency, suspension of payments or other similar law of Mexico or the United States now or hereafter in effect, or (B) consents to the entry of an order for relief in an involuntary case under any such law, consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sindico, conciliador, sequestrator or similar official of the Issuer or any of its Significant Subsidiaries or for all or substantially all of the property and assets of the Issuer or any of its Significant Subsidiaries or (C) effects any general assignment for the benefit of creditors.

SECTION 4.02. Acceleration. If an Event of Default (other than an Event of Default specified in Section 4.01(f) or 4.01(g) that occurs with respect to the Issuer) occurs and is continuing under this Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the holders (the "Acceleration Notice")), may, and the Trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued interest on all such outstanding Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued interest shall be immediately due and payable. In the event of a declaration of acceleration because an Event of Default set forth in Section 4.01(d) has occurred and is continuing, such declaration of acceleration shall be automatically rescinded and annulled if the event of default or payment default triggering an Event of Default pursuant to Section 4.01(d) shall be remedied or cured by the Issuer and/or the relevant Significant Subsidiaries or waived by the holders of the relevant Indebtedness within 60 days after the declaration of acceleration with respect thereto. If an Event of Default specified in Section 4.01(f) or 4.01(g) occurs with respect to the Issuer, the principal of, premium, if any, and accrued interest on the Notes then outstanding shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

The holders of at least a majority in principal amount of the outstanding Notes by written notice to the Issuer and to the Trustee, may waive all past Defaults and rescind and annul a declaration of acceleration and its consequences if (i) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

SECTION 4.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, or interest on the Notes

or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

SECTION 4.04. Waiver of Past Defaults. Subject to Sections 4.02, 4.07 and 7.02, the holders of at least a majority in principal amount of the outstanding Notes by notice to the Trustee, may waive an existing Default or Event of Default and its consequences, except a Default in the payment of principal of, premium, if any, or interest on any such Note as specified in Section 4.01(a) or 4.01(b) or in respect of a covenant or provision of this Indenture which cannot be modified or amended without the consent of the holder of each such outstanding Note affected. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereto.

SECTION 4.05. Control by Majority. The holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to such outstanding Notes. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of holders of such Notes not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from holders of such Notes pursuant to this Section 4.05.

SECTION 4.06. Limitation on Suits. A holder may not institute any proceeding, judicial or otherwise, with respect to this Indenture or the Notes or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) the holder gives the Trustee written notice of a continuing Event of Default with respect to such Notes;

(ii) the holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy in its own name as Trustee hereunder;

(iii) such holder or holders offer the Trustee indemnity reasonably satisfactory to the Trustee against any costs, liabilities or expenses;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and offer of indemnity; and

(v) during such 60-day period, the holders of at least a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with such written request.

A holder may not use this Indenture to prejudice the rights of another holder or to obtain a preference or priority over such other holder.

SECTION 4.07. Rights of Holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any holder of a Note to receive payment of principal of, premium, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the respective due dates expressed on such Note, shall not be impaired or affected without the consent of such holder.

SECTION 4.08. Collection Suit by Trustee. If an Event of Default in payment of principal, premium or interest specified in Section 4.01(a) or 4.01(b) occurs and is continuing, the Trustee, after making demand for payment of such sums on the Issuer which is not complied with within 60 days from the date of such demand, may recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor of the Notes for the whole amount of principal, premium, if any, and accrued interest remaining unpaid, together with interest on overdue principal, premium, if any, and, to

the extent that payment of such interest is lawful,

interest on overdue installments of interest, in each case at the rate specified in the Notes, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 4.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 5.06) and the holders allowed in any judicial proceedings relative to the Issuer (or any other obligor of the Notes), their creditors or their property and shall be entitled and empowered to collect and receive any monies, securities or other property payable or deliverable upon conversion or exchange of the Notes or upon any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel, and any other amounts due the Trustee under Section 5.06. Nothing herein contained shall be deemed to empower the Trustee to authorize or consent to, or accept or adopt on behalf of any holder, any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder in any such proceeding.

SECTION 4.10. Priorities. If the Trustee collects any money pursuant to this Article 4, it shall pay out the money in the following order:

First:	to the Trustee for all amounts due under Section 5.06;
Second:	to holders for amounts then due and unpaid for principal of, premium, if any, and interest on the Notes in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Notes for Principal, premium, if any, and interest, respectively; and
Third:	to the Issuer or any other obligors of the Notes, as their interests may appear, or as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Issuer, may fix a record date and payment date for any payment to holders pursuant to this Section 4.10.

SECTION 4.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court may require any party litigant in such suit (other than the Trustee) to file an undertaking to pay the costs of the suit, and the court may assess reasonable costs, including

reasonable and documented attorneys' fees, against any party litigant (other than the Trustee) in the suit having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 4.11 does

not apply to a suit by a holder pursuant to Section 4.06, or a suit by holders of more than 10% in principal amount of the outstanding Notes.

SECTION 4.12. Restoration of Rights and Remedies. If the Trustee or any holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such holder, then, and in every such case, subject to any determination in such proceeding, the Issuer, the Trustee and the holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Issuer, the Trustee and the holders shall continue as though no such proceeding had been instituted.

SECTION 4.13. Rights and Remedies Cumulative. Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or wrongfully taken Notes in Section 2.09, no right or remedy herein conferred upon or reserved to the Trustee or to the holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 4.14. Delay or Omission Not Waive. No delay or omission of the Trustee or of any holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 4 or by law to the Trustee or to the holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the holders, as the case may be.

ARTICLE 5
CONCERNING THE TRUSTEE

SECTION 5.01. Duties and Responsibilities of the Trustee; During Default; Prior to Default. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct, except that

(a) prior to the occurrence of an Event of Default of which the Trustee has notice or knowledge hereunder and after the curing or waiving of all such Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of negligence or bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any statements, certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such statements, certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(b) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Notes at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the repayment of such funds or adequate indemnity against such liability is not reasonably assured to it.

This Section 5.01 is in furtherance of and subject to Sections 315 and 316 of the Trust Indenture Act of 1939.

SECTION 5.02. Certain Rights of the Trustee. In furtherance of and subject to the Trust Indenture Act of 1939, and subject to Section 5.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, Officers' Certificate or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, note, coupon, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Board of

Directors may be evidenced to the Trustee by a copy thereof certified by the secretary or an assistant secretary of the Issuer;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders pursuant to the provisions of this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, bond, debenture, note, coupon, security, or other paper or document unless requested in writing so to do by the holders of not less than a majority in aggregate principal amount of the Notes then outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such examination shall be paid by the Issuer or, if paid by the

Trustee or any predecessor trustee, shall be repaid by the Issuer upon demand; and

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys not regularly in its employ and the Trustee shall not be responsible for any misconduct or negligence on the part of any such agent or attorney appointed with due care by it hereunder.

(h) the Trustee shall not be charged with knowledge of any event of Default with respect to the Notes, except an Event of Default until Section 4.01(a) or 4.01(b) hereof, unless either (1) a Responsible Officer in the Institutional Trust Services Department of the Trustee shall have actual knowledge of such Event of Default, or (2) written notice of such Event of Default shall have been given to the Trustee by the Issuer or any other obligor on the Notes, or by any Holder of the Notes.

(i) in the event the Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 4.01(f) or 4.01(g) hereof, or from the occurrence of any event which, by virtue of passage of time, would become such Event of Default, the expenses so

incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

(j) the Trustee shall not be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Indenture.

SECTION 5.03. Trustee Not Responsible for Recitals, Disposition of Notes or Application of Proceeds Thereof. The recitals contained herein and in the Notes, except the Trustee's certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representation as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Issuer of any of the Notes or of the proceeds thereof.

SECTION 5.04. Trustee and Agents May Hold Notes; Collections, etc. The Trustee or any agent of the Issuer or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not the Trustee or such agent and subject to Sections 5.09 and 5.12, may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or such agent.

SECTION 5.05. Moneys Held by Trustee. Subject to the provisions of Section 9.05 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Neither the Trustee nor any agent of the Issuer or the Trustee shall be under any liability for interest on any moneys received by it hereunder.

SECTION 5.06. Compensation and Indemnification of Trustee and Its Prior Claim. The Issuer covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and the Issuer covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Issuer also covenants to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this

Indenture or the trusts hereunder and its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability in the premises. The obligations of the Issuer under this Section 5.06 to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be a senior claim to

that of the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Notes, and the Notes are hereby subordinated to such senior claim.

SECTION 5.07. Right of Trustee to Rely on Officers' Certificate, etc. Subject to Sections 5.01 and 5.02, whenever in the administration of the trusts of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture upon the faith thereof.

SECTION 5.08. Persons Eligible for Appointment as Trustee. The Trustee hereunder shall at all times be a corporation having a combined capital and surplus of at least $100,000,000, and which is eligible in accordance with the provisions of Section 310(a) of the Trust Indenture Act of 1939. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or other governmental supervising or examining authority, then for the purposes of this Section 5.08, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

SECTION 5.09. Resignation and Removal; Appointment. (a) The Trustee may at any time resign by giving not less than 90 days' written notice of resignation to the Issuer and by mailing notice thereof by first-class mail to holders of Notes at their last addresses as they shall appear on the Note register. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor trustee by written instrument in duplicate, executed by authority of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor trustee. If no successor trustee shall have been so appointed and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Noteholder who has been a bona fide holder of a Note or Notes for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(b) In case at any time any of the following shall occur:

(i) the Trustee shall fail to comply with the provisions of Section 310(b) of the Trust Indenture Act of 1939, after written request therefor by the Issuer or by any Noteholder who has been a bona fide holder of a Note or Notes for at least six months; or

(ii) the Trustee shall cease to be eligible in accordance with the provisions of Section 5.08; or

(iii) the Trustee shall become incapable of acting, or shall be

adjudged a bankrupt or insolvent, or a receiver or liquidator of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, the Issuer may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors of the Issuer, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor trustee, or, subject to Section 315(e) of the Trust Indenture Act of 1939, any Noteholder who has been a bona fide holder of a Note or Notes for at least six months may on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(c) The holders of a majority in aggregate principal amount of the Notes at the time outstanding may at any time remove the Trustee and appoint a successor trustee by delivering to the Trustee so removed, to the successor trustee so appointed and to the Issuer the evidence provided for in Section 6.01 of the action in that regard taken by the Noteholders.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to any of the provisions of this Section 5.09 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 5.10.

SECTION 5.10. Acceptance of Appointment by Successor Trustee. Any successor trustee appointed as provided in Section 5.09 shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Issuer or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Section 5.06.

Upon acceptance of appointment by a successor trustee as provided in this Section 5.10, the Issuer shall mail notice thereof by first-class mail to the holders of Notes at their last addresses as they shall appear in the Note register. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 5.09. If the Issuer fails to

mail such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of the Issuer.

SECTION 5.11. Merger, Conversion, Consolidation or Succession to Business of Trustee. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or to which the Trustee's assets may be sold, or any corporation resulting from any merger, conversion, consolidation or sale to which the Trustee shall be a party or by which the Trustee's property may be bound, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be eligible under the provisions of Section 5.08, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Notes so authenticated; and, in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have; provided, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Notes in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 5.12. Preferential Collection of Claims. Reference is made to Section 311 of the Trust Indenture Act. For purposes of Section 311(b) (4) and (6) of such Act, the following terms shall mean:

(a) "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand; and

(b) "self-liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Issuer for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Issuer, as the case may be, arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

ARTICLE 6
CONCERNING THE NOTEHOLDERS

SECTION 6.01. Evidence of Action Taken by Noteholders. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Noteholders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Proof of execution of any instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Sections 5.01 and 5.02) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Article.

SECTION 6.02. Proof of Execution of Instruments and of Holding of Notes; Record Date. Subject to Sections 5.01 and 5.02, the execution of any instrument by a Noteholder or his agent or proxy may be proved in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The holding of Notes shall be proved by the Note register or by a certificate of the Registrar thereof. The Issuer may set a record date for purposes of determining the identity of holders of Notes entitled to vote or consent to any action referred to in Section 6.01, which record date may be set at any time or from time to time by notice to the Trustee, for any date or dates (in the case of any adjournment or resolicitation) not more than 60 days nor less than five days prior to the proposed date of such vote or consent, and thereafter, notwithstanding any other provisions hereof, only holders of Notes of record on such record date shall be entitled to so vote or give such consent or to withdraw such vote or consent.

Any request, demand, authorization, direction, notice, consent, waiver or other action by the holder of any Note shall bind the holder of every Note

issued upon transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon whether or not notation of such action is made upon such Note.

SECTION 6.03. Notes Owned by Issuer Deemed Not Outstanding. In determining whether the holders of the requisite aggregate principal amount of Notes have concurred in any direction, consent or waiver under this Indenture, Notes which are owned by the Issuer or any other obligor on the Notes or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Notes shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Notes which the Trustee actually knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Issuer or any other obligor upon the Notes or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any other obligor on the Notes. In case of a dispute as to such right, the

advice of counsel shall be full protection in respect of any decision made by the Trustee in accordance with such advice. Upon request of the Trustee, the Issuer shall furnish to the Trustee promptly an Officers' Certificate listing and identifying all Notes, if any, known by the Issuer to be owned or held by or for the account of any of the above-described persons; and, subject to Sections 5.01 and 5.02, the Trustee shall be entitled to accept such Officers' Certificate as conclusive evidence of the facts therein set forth and of the fact that all Notes not listed therein are outstanding for the purpose of any such determination.

SECTION 6.04. Right of Revocation of Action Taken. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 6.01, of the taking of any action by the holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any holder of a Note the serial number of which is shown by the evidence to be included among the serial numbers of the Notes the holders of which have consented to such action may, by filing written notice at the Corporate Trust Office and upon proof of holding as provided in this Article, revoke such action so far as concerns such Note. Except as aforesaid any such action taken by the holder of any Note shall be conclusive and binding upon such holder and upon all future holders and owners of such Note and of any Notes issued in exchange or substitution therefor, irrespective of whether or not any notation in regard thereto is made upon any such Note. Any action taken by the holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action shall be conclusively binding upon the Issuer, the Trustee and the holders of all the Notes.

ARTICLE 7
SUPPLEMENTAL INDENTURES

SECTION 7.01. Supplemental Indentures Without Consent of Noteholders. The Issuer, when authorized by a resolution of its respective Board of Directors, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(a) to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Notes any property or assets;

(b) to evidence the succession of another corporation to the Issuer, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Issuer pursuant to Article 8;

(c) pursuant to Section 3.09, following any Public Issuance, to incorporate by reference any covenant any covenant applicable to such

securities that is substantially similar to Section 3.09;

(d) to add to the covenants of the Issuer such further covenants, restrictions, conditions or provisions as its respective Board of Directors and the Trustee shall consider to be for the protection of the holders of Notes, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided,

that in respect of any such additional covenant, restriction, condition or provision such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the remedies available to the Trustee upon such an Event of Default or may limit the right of the holders of a majority in aggregate principal amount of the Notes to waive such an Event of Default;

(e) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture; or to make such other provisions in regard to matters or questions arising under this Indenture or under any supplemental indenture as the Board of Directors of the Issuer may deem necessary or desirable and not, based on an Opinion of Counsel, to adversely affect the interests of the holders of the Notes;

(f) to provide for the issuance under this Indenture of Notes in coupon form (including Notes registrable as to principal only) and to provide for exchangeability of such Notes with Notes issued hereunder in fully registered form, and to make all appropriate changes for such purpose and to provide for uncertificated Notes in addition to or in place of certificated Notes;

(g) to secure the Notes or to add guarantees with respect thereto; and

(h) to comply with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

The Trustee is hereby authorized to join in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, assignment, mortgage or pledge of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed without the consent of the holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 7.02.

SECTION 7.02. Supplemental Indentures With Consent of Noteholders. With the consent (evidenced as provided in Article 6) of the holders of not less than a majority in aggregate principal amount of the Notes at the time outstanding, the Issuer, when authorized by a resolution of its Board of Directors, and the Trustee may, from time to time and at any time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Notes; provided, that, without the consent of each holder affected, no such supplemental indenture shall (a) change the Stated Maturity of the principal of, or any installment of interest on, any Note, (b) reduce the principal amount of, or premium, if any, or

interest on, any Note, (c) reduce any amount payable on redemption of the

Notes or upon the occurrence on an Event of Default or reduce the Change of Control Payment or the Excess Proceeds Offer Payment, or change the obligation of the Issuer to pay Additional Amounts, (d) change the place or currency of payment of principal of, or premium, if any, or interest on, any Note, (e) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the Redemption Date) of any Note, (f) reduce the above-stated percentage of outstanding Notes the consent of whose holders is necessary to modify or amend the Indenture, (g) waive a default in the payment of principal of, premium, if any, or interest on the Notes, (h) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults, (i) modify or change any provision of the Indenture affecting the terms, provisions or ranking of the Notes in a manner adverse to the holders of the Notes or (j) release the Issuer from any of its obligations under the Notes or the Indenture other than in accordance with the provisions of this Indenture, or amend or modify any provision relating to such release.

Upon the request of the Issuer, accompanied by a copy of a resolution of the Board of Directors certified by the Secretary or an Assistant Secretary of the Issuer, as applicable, authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders and other documents, if any, required by Section 6.01 the Trustee shall join with the Issuer in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Noteholders under this Section 7.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Issuer shall mail a notice thereof by first-class mail, postage prepaid, to the holders of Notes at their addresses as they shall appear on the registry books of the Issuer, setting forth in general terms the substance of such supplemental indenture. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 7.03. Effect of Supplemental Indenture. Upon the execution of any supplemental indenture pursuant to the provisions hereof, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Issuer and the holders of Notes shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 7.04. Documents to Be Given to Trustee; Compliance with TIA. The Trustee, subject to the provisions of Sections 5.01 and 5.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any such supplemental indenture complies with the applicable provisions of this Indenture. Every such supplemental indenture shall comply with the TIA.

SECTION 7.05. Notation on Notes in Respect of Supplemental Indentures. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation approved by the Trustee as to form (but not as to substance) as to any matter provided for by such supplemental indenture or as to any action taken at any such meeting. If the Issuer or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Issuer, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Issuer, authenticated by the Trustee and delivered in exchange for the Notes then outstanding.

ARTICLE 8
CONSOLIDATION, MERGER, AND SALE OF ASSETS

SECTION 8.01. When Issuer May Merge, Etc. The Issuer shall not consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property and assets (as an entirety or substantially an entirety in one transaction or a series of related transactions) to, any Person or permit any Person to merge with or into the Issuer, unless: (i) the Issuer shall be the continuing Person, or the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or that acquired or leased such property and assets of the Issuer shall be a corporation organized and validly existing under the laws of Mexico or the United States of America or any jurisdiction thereof and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, all of the obligations of the Issuer on all of the Notes and under the Indenture; (ii) immediately prior to and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; (iii) immediately after giving effect to such transaction on a pro forma basis, the Issuer or any Person becoming the successor to the Notes, as the case may be, shall have a Net Worth (on a consolidated basis) equal to or greater than the Net Worth of the Issuer (on a consolidated basis) immediately prior to such transaction; (iv) immediately after giving effect to such transaction on a pro forma basis, the Issuer could Incur at least $1.00 of Indebtedness (other than Permitted Indebtedness); (v) the Issuer delivers to the Trustee an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (iii) and (iv) above) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with; provided, however, that clauses (iii) and (iv) above do not apply if, in the good faith determination of the Board of Directors of the Issuer, whose determination shall be evidenced by a Board Resolution, the principal purpose of such transaction is to change the state of incorporation of the Issuer; and provided further that any such

transaction shall not have as one of its purposes the evasion of the foregoing limitations.

Notwithstanding the foregoing, the Issuer may consolidate with, merge with or into, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its property or assets to, any Wholly Owned Restricted Subsidiary, or permit any Wholly Owned Restricted Subsidiary to consolidate with or merge with or into the Issuer, without complying with the conditions described in clauses (iii) and (iv) or the preceding paragraph.

SECTION 8.02. Successor Corporation Substituted. Upon any consolidation or merger or any conveyance, sale, transfer, lease, exchange or other disposition of the properties and assets of the Issuer substantially as an entirety to any person in accordance with the provisions described above, the successor formed by such consolidation or into which the Issuer is merged or to which such conveyance, sale, transfer, lease, exchange or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such successor had been named as the Issuer in this Indenture; and thereafter, except in the case of a conveyance, sale, transfer, lease, exchange or other disposition of properties to another person, the predecessor person shall be released from all obligations and covenants under this Indenture and the Notes.

SECTION 8.03. Opinion of Counsel to Trustee. The Trustee, subject to the provisions of Sections 5.01 and 5.02, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, conveyance, sale, transfer, lease, exchange or other disposition complies with the applicable provisions of this Indenture.

ARTICLE 9
DISCHARGE OF INDENTURE

SECTION 9.01. Termination of Issuer's Obligations. Except as otherwise provided in this Section 9.01, the Issuer may terminate its obligations under the Notes and this Indenture if:

(i) all such Notes previously authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or such Notes that are paid pursuant to Section 3.01 or such Notes for whose payment money or securities have theretofore been held in trust and thereafter repaid to the Issuer, as provided in Section 9.05) have been delivered to the Trustee for cancellation and the Issuer has paid all sums payable by them hereunder; or

(ii) (A) such Notes mature within one year or all of them are to be called for redemption within one year under arrangements satisfactory to the Trustee for giving the notice of redemption, (B) the Issuer irrevocably deposits in trust with the Trustee during such one-year period, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, as trust funds solely for the benefit of the holders for that purpose, money or U.S. Government Obligations sufficient (in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the

Trustee), without consideration of any reinvestment of any interest thereon, to pay principal, premium, if any, and interest on such Notes to maturity or redemption, as the case may be, and to pay all other sums payable by it hereunder, (C) no Default or Event of Default with respect to such Notes shall have occurred and be continuing on the date of such deposit, (D) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound and (E) the Issuer delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the satisfaction and discharge of this Indenture have been complied with.

With respect to the foregoing clause (i), the Issuer's obligations under Section 5.06 shall survive. With respect to the foregoing clause (ii), the Issuer's obligations in Article 2, Sections 3.01, 3.02, 5.06, 5.09, 9.04, 9.05 and 9.06 shall survive until such Notes are no longer outstanding. Thereafter, only the Issuer's obligations in Sections 5.06, 9.05 and 9.06 shall survive. After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Issuer's obligations under such Notes and this Indenture except for those surviving obligations specified above.

SECTION 9.02. Defeasance and Discharge of Indenture. Except as otherwise provided in this Section 9.02, the Issuer will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 123rd day after the date of the deposit referred to in clause (A) of this Section 9.02, and the provisions of this Indenture will no longer be in effect with respect to such Notes (except obligations referred to in Sections 2.06, 2.09, 3.02 and 5.05), and the Trustee, at the expense of the Issuer, shall execute proper instruments acknowledging the same; provided that the following conditions shall have been satisfied:

(A) with reference to this Section 9.02, the Issuer has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 5.08 of this Indenture) and conveyed all right, title and interest for the benefit of the holders, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee as trust funds in trust, specifically pledged to the Trustee for the benefit of the holders as security for payment of the principal of, premium, if any, and interest, if any, on such Notes, and dedicated solely to, the benefit of the holders, in and to (1) money in an amount, (2) U.S. Government Obligations that, through the payment of interest, premium, if any, and principal in respect thereof in

accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (A), money in an amount or (3) a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect

thereof payable by the Trustee, the principal of, premium, if any, and accrued interest on such outstanding Notes at the Stated Maturity of such principal or interest; provided that the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal, premium, if any, and interest with respect to such Notes;

(B) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(C) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 123rd day after such date of deposit;

(D) the Issuer shall have delivered to the Trustee either (x) an Opinion of Counsel directed to the Trustee to the effect that the holders will not recognize income, gain or loss for United States federal income tax purposes as a result of the Issuer's exercise of its option under this Section 9.02 and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred, which Opinion of Counsel must be based upon (and accompanied by a copy of) a ruling of the Internal Revenue Service to the same effect unless there has been a change in the applicable United States federal income tax law after the date of this Indenture such that a ruling from the Internal Revenue Service is no longer required or (y) a ruling directed to the Trustee received from the Internal Revenue Service to the same effect as the Opinion of Counsel described in clause (x) above and an Opinion of Counsel to the effect that (A) the creation of the defeasance trust does not violate the Investment Company Act of 1940, (B) the holders have a valid first priority security interest in the trust funds subject to Section 5.06 and (C) after the passage of 123 days following the deposit (except, with respect to any trust funds for the account of any holder who may be deemed to be an "insider" for purposes of the United States Bankruptcy Code, after one year following the deposit), the trust funds will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law in a case commenced by or against the Issuer under either such statute, and either (I) the trust funds will no longer remain the property of the Issuer (and therefore will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally) or (II) if a court were to rule under any such law in any case or proceeding that the trust funds remained in the possession of the Trustee prior to such court ruling to the extent not

paid to the holders, the Trustee will hold, for the benefit of the holders, a valid and perfected first priority security interest in

such trust funds that is not avoidable in bankruptcy or otherwise except for the effect of Section 552(b) of the United States Bankruptcy Code on interest on the trust funds accruing after the commencement of a case under such statute and (b) the holders will be entitled to receive adequate protection of their interests in such trust funds if such trust funds are used in such case or proceeding;

(1) if such Notes are then listed on a national securities exchange, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that such deposit, defeasance and discharge will not cause such Notes to be delisted; and

(2) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 9.02 have been complied with.

Notwithstanding the foregoing, prior to the end of the 123-day (or one year) period referred to in clause (D)(y)(C) of this Section 9.02, none of the Issuer's obligations under this Indenture shall be discharged. Subsequent to the end of such 123-day (or one year) period with respect to this Section 9.02, the Issuer's obligations in Article 2 and Sections 3.01, 3.02, 5.06, 5.09, 9.05 and 9.06 shall survive until such Notes are no longer outstanding. Thereafter, only the Issuer's obligations in Sections 5.06, 9.05 and 9.06 shall survive. If and when a ruling from the Internal Revenue Service or an Opinion of Counsel referred to in clause (D)(x) of this Section 9.02 is able to be provided specifically without regard to, and not in reliance upon, the continuance of the Issuer's obligations under Section 3.01, then the Issuer's obligations under such Section 3.01 shall cease upon delivery to the Trustee of such ruling or Opinion of Counsel and compliance with the other conditions precedent provided for herein relating to the defeasance contemplated by this Section 9.02.

After any such irrevocable deposit, the Trustee upon request shall acknowledge in writing the discharge of the Issuer's obligations under such Notes and this Indenture except for those surviving obligations in the immediately preceding paragraph.

SECTION 9.03. Defeasance of Certain Obligations. The Issuer may omit to comply with any term, provision or condition set forth in all of the covenants described under Sections 3.08 through 3.17 and 3.20 and clauses (iii) and (iv) under Section 8.01, Section 4.01(c) with respect to such clauses and covenants, and Sections 4.01(d) and 4.01(e) shall be deemed not to be Events of Default, in each case with respect to the outstanding Notes if:

(i) with reference to this Section 9.03, the Issuer has irrevocably deposited or caused to be irrevocably deposited with the Trustee (or another trustee satisfying the requirements of Section 5.08) and conveyed all right, title and interest to the Trustee for the benefit of the holders, under the terms of an irrevocable trust agreement in form and

substance satisfactory to the Trustee as trust funds in trust, specifically pledged to the Trustee for the benefit of the holders as security for payment of the principal of, premium, if any, and interest, if any (and, if any Additional Amounts should have become due, such Additional Amounts), on such Notes, and dedicated solely to, the benefit of the holders, in and to money in an amount, U.S. Government Obligations that, through the payment of interest and principal in respect thereof in accordance with their terms, will provide, not later than one day before the due date of any payment referred to in this clause (i), money in an amount or a combination thereof in an amount sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, without consideration of the reinvestment of such interest and after payment of all federal, state and local taxes or other charges and assessments in respect thereof payable by the Trustee, the principal of, premium, if any, and interest on such outstanding Notes on the Stated Maturity of such principal or interest; provided that the

Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of such principal, premium, if any, and interest with respect to such Notes;

(ii) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture or any other agreement or instrument to which the Issuer is a party or by which it is bound;

(iii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or during the period ending on the 123rd day after the date of such deposit, and such deposit shall not result in a breach of or violation of, or constitute a default under, any other agreement or instrument to which the Issuer is a party or by which the Issuer is bound;

(iv) the Issuer has delivered to the Trustee an Opinion of Counsel to the effect that the creation of the defeasance trust does not violate the Investment Company Act of 1940, the holders have a valid first-priority security interest in the trust funds, the holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit and defeasance of certain obligations and Events of Default and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred and after the passage of 123 days following the deposit (except, with respect to any trust funds for the account of any holder who may be deemed to be an "insider" for purposes of the United States Bankruptcy Code, after one year following the deposit), the trust funds will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law in a case commenced by or against the Issuer under either such statute, and either (1) the trust funds will no longer remain the property of the Issuer (and therefore will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally) or (2) if a court were

to rule under any such law in any case or proceeding that the trust funds remained property of the Issuer, (x) assuming such trust funds remained in the possession of the Trustee prior to such court ruling to the extent not paid to the holders, the Trustee will hold, for the benefit of the holders, a valid and perfected security interest in such trust funds that is not avoidable in bankruptcy or otherwise (except for the effect of Section 552(b) of the United States Bankruptcy Code on interest on the trust funds accruing after the commencement of a case under such statute), (y) the holders will be entitled to receive adequate protection of their interests in such trust funds if such trust funds are used in such case or proceeding and (z) no property, rights in property or other interests granted to the Trustee or the holders in exchange for, or with respect to, such trust funds will be subject to any prior rights of holders of other Indebtedness of the Issuer or any of its Subsidiaries;

(v) if such Notes are then listed on a national securities exchange, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that such deposit defeasance and discharge will not cause such Notes to be delisted; and

(vi) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that all conditions precedent provided for herein relating to the defeasance contemplated by this Section 9.03 have been complied with.

SECTION 9.04. Application of Trust Money. Subject to Section 9.06, the Trustee or Paying Agent shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 9.01, 9.02 or 9.03, as the case may be, and shall apply the deposited money and the money from U.S. Government Obligations in accordance with the Notes and this Indenture to the payment of principal of, premium, if any, and interest on such Notes; but such money need not be segregated from other funds except to the extent required by law.

SECTION 9.05. Payment to Issuer. Subject to Sections 5.06, 9.01, 9.02 and 9.03, the Trustee and the Paying Agent shall promptly pay to the Issuer upon request set forth in an Officers' Certificate any excess money held by them at any time and thereupon shall be relieved from all liability with respect to such money. The Trustee and the Paying Agent shall pay to the Issuer upon request any money held by them for the payment of principal, premium, if any, or interest that remains unclaimed for two years; provided that the Trustee or such Paying Agent before being required to make any payment may cause to be published at the expense of the Issuer once in a newspaper of general circulation in the City of New York or mail to each holder entitled to such money at such holder's address (as set forth in the Note Register) notice that such money remains unclaimed and that after a date specified therein (which shall be at least 30 days from the date of such publication or mailing) any unclaimed balance of such money then remaining will be repaid to the Issuer. After payment to the Issuer, holders entitled to such money must look to the Issuer for payment as general creditors unless an applicable law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

SECTION 9.06. Reinstatement. If the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 9.01, 9.02 or 9.03, as the case may be, by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 9.01, 9.02 or 9.03, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 9.01, 9.02 or 9.03, as the case may be; provided that, if the Issuer has made any payment of principal of, premium, if any, or interest on any such Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 10
REDEMPTION OF NOTES

SECTION 10.01. Optional Redemption in the Event of Change in Mexican Tax Treatment. (a) Subject to the second sentence of subsection (b) below, if the Issuer has or will, on the next succeeding interest payment date, become obligated to pay Additional Amounts with respect to payments on any Notes at a rate in excess of the Withholding Tax Effective Rate in effect at such time attributable to payments of interest (or amounts deemed interest) on such Notes (any such Notes, the "Affected Notes"), the Issuer may redeem the Affected Notes as provided in subsection (c) below.

(b) Notwithstanding the foregoing, if the Initial Purchaser transfers any Notes to any Person (other than one of its Affiliates) (the date of any such transfer, the "Initial Transfer Date"), and the Notes have not been registered with the Special Section, the Issuer shall use its reasonable best efforts to register the Notes with the Special Section within 60 days of the Initial Transfer Date. The Notes shall not be subject to redemption pursuant to this Section 10.01 during the period from the Initial Transfer Date until the earlier of (x) the date of registration of the Notes with the Special Section and (y) the date that is 60 days after the Initial Transfer Date (such earlier date, the "Effective Date").

(c) If the Issuer elects to redeem any Affected Notes pursuant to subsection (a) above, the Issuer shall redeem all Affected Notes in whole, but not in part, upon giving not less than 30 nor more than 60 days' notice to the holders of the Affected Notes at a price equal to 100% of the principal amount thereof together with interest accrued to the date fixed for redemption; provided, however, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts at a rate in excess of the Withholding Tax Effective Rate if a payment in respect of the Affected Notes were then due. Prior to the giving of any notice of redemption described in this paragraph, the Issuer shall deliver to the Trustee an Officers' Certificate specifying which of the Notes are the Affected Notes and stating that the Issuer is

entitled to effect such redemption in accordance with the terms set forth in this Indenture and setting forth in reasonable detail a statement of the facts relating thereto (together with a copy of a written Opinion of Counsel (i) to the effect that the Issuer has become obligated to pay such Additional Amounts at a rate in excess of the Withholding

Tax Effective Rate and (ii) (x) to the effect that all governmental approvals necessary, if any, for the Issuer to effect such redemption have been obtained and are in full force and effect, (y) specifying that no such approvals are necessary or (z) specifying any such necessary approvals that as of the date of such opinion have not been obtained).

ARTICLE 11
MISCELLANEOUS PROVISIONS

SECTION 11.01. Incorporators, Stockholders, Officers and Directors of Issuer and the Trustee Exempt from Individual Liability. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Note, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such or against any past, present or future stockholder, officer, director, employee or controlling person, as such, of the Issuer or the Trustee or of any successor, either directly or through the Issuer or the Trustee or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Notes by the holders thereof and as part of the consideration for the issue of the Notes.

SECTION 11.02. Provisions of Indenture for the Sole Benefit of Parties and Noteholders. Nothing in this Indenture or in the Notes, expressed or implied, shall give or be construed to give to any person, firm or corporation, other than the parties hereto and their successors and the holders of the Notes, any legal or equitable right, remedy or claim under this Indenture or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto and their successors and of the holders of the Notes.

SECTION 11.03. Successors and Assigns of Issuer Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 11.04. Notices and Demands on Issuer, Trustee and Noteholders. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Notes to or on the Issuer may be given or served by being deposited postage prepaid, first-class mail (except as otherwise specifically provided herein) addressed (until another address of the Issuer is filed by the Issuer with the Trustee) to the Process Agent or to Avenida Ricardo Margain Zozaya 440, Garza Garcia, N.L., Mexico 66265 (phone number: 011-5281-8863-1262; facsimile number: 011-5281-8863-1372); Attention: Francisco Romero. Any notice, direction, request or demand by the Issuer or any Noteholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made at the Corporate Trust Office. Notices to the Trustee shall be effective only upon receipt.

Where this Indenture provides for notice to holders, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each holder entitled thereto, at his last address as it

appears in the Note Register. In any case where notice to holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so

mailed, to any particular holder shall affect the sufficiency of such notice with respect to other holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. The Trustee may waive notice to it of any provision herein, and such waiver shall be deemed to be for its convenience and discretion. Waivers of notice by holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case, by reason of the suspension of or irregularities in regular mail service, it shall be impracticable to mail notice to the Issuer and Noteholders when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

SECTION 11.05. Officers' Certificates and Opinions of Counsel; Statements to Be Contained Therein. Upon any application or demand by the Issuer to the Trustee to take any action under any of the provisions of this Indenture, the Issuer shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (a) a statement that the person making such certificate or opinion has read such covenant or condition, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with and (d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any certificate, statement or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the Issuer, upon the certificate, statement or opinion of or representations by an officer or officers of the Issuer, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his

certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate, statement or opinion of an officer of the Issuer or of counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants in the employ of the Issuer, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous.

Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent.

SECTION 11.06. Payments Due on Saturdays, Sundays and Holidays. If the date of maturity of interest on or principal of the Notes or the date fixed for redemption of any Note shall not be a Business Day, then payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 11.07. Conflict of Any Provision of Indenture with Trust Indenture Act of 1939. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture by operation of Sections 310 to 317, inclusive, of the Trust Indenture Act of 1939 (an "incorporated provision"), such incorporated provision shall control.

SECTION 11.08. New York Law to Govern Waiver of Immunities. (a) This Indenture and each Note shall be deemed to be a contract under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State, except as may otherwise be required by mandatory provisions of law.

(b) Each of the parties hereto hereby irrevocably and unconditionally submits to the jurisdiction of any New York State or United States Federal court sitting in New York City over any suit, action or proceeding arising out of or relating to this Indenture or any Note. Each of such parties irrevocably and unconditionally waives, (i) to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum and (ii) any right to jurisdiction to which it may be entitled on account of place of residence or domicile or for any other reason. To the extent that the Issuer has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, the Issuer irrevocably waives such immunity in respect of its obligations hereunder or under any Note. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Issuer and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of which the Issuer is

subject by a suit upon such judgment or in any manner provided by law, provided that service of process is effected upon the Issuer in the manner specified in the following subsection or as otherwise permitted by law.

(c) As long as any of the Notes remain outstanding, the Issuer will at all times have an authorized agent in the United States, upon whom process may be served in any legal suit, action or proceeding arising out of or relating to this Indenture or any Note. Service of process upon such agent and written notice of such service mailed or delivered to the Issuer shall to the fullest extent permitted by law be deemed in every respect effective service of process upon the Issuer in any such legal suit, action or proceeding. The Issuer hereby irrevocably appoints CT Corporation System (and any successor agent, the "Process Agent") as its agent for such purpose, authorizes and directs the Process Agent to accept such service and covenants and agrees that service of process in any suit, action or proceeding may be made upon it at the office of such agent at 111 Eighth Avenue, New York, New York 10011. The Issuer represents that (i) it has validly granted an irrevocable power of attorney to the Process Agent, duly notarized by a Mexican notary public and (ii) it has notified the Process Agent of such designation and appointment and the Process Agent has accepted the same in writing. Notwithstanding the foregoing, the Issuer may, with prior written notice to the Trustee, terminate the appointment of CT Corporation System and appoint another agent for the above purposes so that the Issuer shall at all times have an agent for the above purposes in the United States.

(d) The Issuer hereby irrevocably waives, to the fullest extent permitted by law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Indenture or any Note,

the posting of any bond or the furnishing, directly or indirectly, of any other security.

SECTION 11.09. Indemnification for Judgment Currency Fluctuations. To the fullest extent permitted by law, the obligations of the Issuer to any Noteholder or the Trustee hereunder or under the Notes shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than U.S. dollars (the "Agreement Currency"), be discharged only to the extent that on the day following receipt by such Noteholder or the Trustee, as the case may be, of any amount in the Judgment Currency, such Noteholder or the Trustee, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the amount originally to be paid to such Noteholder or the Trustee, as the case may be, in the Agreement Currency, the Issuer agrees, as a separate obligation and notwithstanding such judgment, to pay the difference and if the amount of the Agreement Currency so purchased exceeds the amount originally to be paid to such Noteholder or the Trustee, as the case may be, such Noteholder or the Trustee, as the case may be, agrees to pay to or for the account of the Issuer, such excess, provided that such Noteholder or the Trustee, as the case may be, shall not have any obligation to pay any such excess as long as a Payment Default by the Issuer in its obligations hereunder or under the Notes has occurred and is continuing, in which case such excess may be applied by such Noteholder or the Trustee, as the case may be, to such obligations.

SECTION 11.10. English Language. All certificates, opinions, notices, consents, requests or other documents or instruments delivered pursuant hereto shall be in the English language.

SECTION 11.11. Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 11.12. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of April 30, 2002.

VITRO, S.A. de C.V., as Issuer

By:

Name:
Title:

By:

Name:
Title:

JPMORGAN CHASE BANK, as Trustee

By:

Name:
Title:

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ___ day of _____, 2002, before me personally came _____ and _____, to me known, who, being by me duly sworn, did depose and say that they are the attorneys in fact of Vitro, S.A. de C.V., one of the corporations described in and which executed the foregoing instrument; and that they signed their names thereto by like authority.

Notary Public

STATE OF TEXAS)
) ss.:
COUNTY OF HARRIS)

On the ___ day of _____, 2002, before me personally came Mary V.K. Morris, to me known, who, being by me duly sworn, did depose and say that she is a Vice President and Trust Officer of JPMorgan Chase Bank, one of the corporations described in and which executed the foregoing instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that she signed her name thereto by like authority.

Notary Public

EXHIBIT A

Form of Certificate to Be
Delivered in Connection with
Transfers to Non-QIB Accredited Investors

_____, ____

[Trustee]
Attention:

Re: Vitro, S.A. de C.V. (the "Issuer")
11.50% Senior Notes due 2009 (the "Notes")

Dear Sirs:

In connection with our proposed purchase of $_____ aggregate principal amount of the Notes, we confirm that:

1. We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of April 30, 2002, relating to the Notes (the "Indenture") and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "Securities Act").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, (x) that the Notes are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, and (y) that if we should resell, pledge or otherwise transfer any Notes within two years after the original issuance of the Notes, we will do so only (A) to the Issuer or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes to you a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Notes (the form of which letter can be obtained from the Trustee) and, if requested by the Issuer or the Trustee, an opinion of counsel acceptable to the Issuer that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

3. We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Issuer such certifications, legal opinions and other information as you and the Issuer may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risks of our or its investment.

5. We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

You and the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official injury with respect to the matters covered hereby.

Very truly yours,

By:_____
Authorized Signature

EXHIBIT B

Form of Certificate to Be Delivered
in Connection with Transfers
Pursuant to Regulation S

_____, ____

[Trustee]
Attention:

Re: Vitro, S.A. de C.V. (the "Issuer")

11.50% Senior Notes due 2009 (the "Notes")

Dear Sirs:

In connection with our proposed sale of $_____ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the Securities Act of 1933, as amended, and, accordingly, we represent that:

1. the offer of the Notes was not made to a person in the United States;

2. at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States;

3. no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and

4. the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act of 1933.

You and the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By:_____
Authorized Signature

EXHIBIT 4.6

Execution Counterpart

****

COMPANIA VIDRIERA, S.A. DE C.V.,
as Borrower

$235,000,000
LOAN AGREEMENT

Dated as of August 14, 2001

CERTAIN LENDERS

HSBC SECURITIES (USA) INC.

and

SALOMON SMITH BARNEY INC.,
as Joint Lead Arrangers,

HSBC INVESTMENT BANK PLC,
as Administrative Agent

HSBC BANK USA,
as Collateral and Paying Agent

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LOAN AGREEMENT dated as of August 14, 2001, among:

(1) COMPANIA VIDRIERA, S.A. DE C.V. (the "Borrower"), a Mexican corporation;

(2) VITRO, S.A. DE C.V. ("Vitro"), a Mexican corporation, VITRO PACKAGING, INC. ("Vitro Packaging"), a Delaware corporation, and VITRO ENVASES NORTEAMERICA, S.A. DE C.V. ("VENA"), a Mexican corporation;

(3) VIDRIERA GUADALAJARA, S.A. DE C.V., a Mexican corporation, VIDRIERA MEXICALI, S.A. DE C.V, a Mexican corporation, VIDRIERA MEXICO, S.A. DE C.V, a Mexican corporation, VIDRIERA MONTERREY, S.A. DE C.V, a Mexican corporation, VIDRIERA QUERETARO, S.A. DE C.V, a Mexican corporation, VIDRIERA TOLUCA, S.A. DE C.V, a Mexican corporation and VIDRIERA LOS REYES, S.A. DE C.V, a Mexican corporation (together, the "VENA Leasing Companies", and together with Vitro, Vitro Packaging and VENA, the "Guarantors");

(4) each of the entities that is a signatory hereto under the caption "LENDERS" on the signature pages hereto and each entity that becomes a "Lender" after the date hereof pursuant to Section 14.06(b) hereof (individually, a "Lender" and, collectively, the "Lenders");

(5) HSBC INVESTMENT BANK PLC, as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent"); and

(6) HSBC BANK USA, as collateral and paying agent for the Lenders (in such capacity, together with its successors in such capacity, the "Collateral and Paying Agent").

W I T N E S S E T H :

The Borrower has requested that the Lenders make term loans to it in an aggregate principal amount up to but not exceeding $235,000,000, and the Lenders are prepared to make such loans upon and subject to the terms and conditions hereof. Accordingly, the parties hereto agree as follows:

SECTION 1. DEFINITIONS.

1.01 Certain Defined Terms. As used herein, the following terms shall have the following meanings (all terms defined in this Section 1.01 or in other provisions of this Agreement in the singular to have the same meanings when used in the plural and vice versa):

"Accounts" shall mean, collectively, the Collection Account and the Reserve Account.

"Account Control Agreement" shall mean an Account Control Agreement in substantially the form of Exhibit C hereto among the Borrower, the Collateral and Paying Agent and the Intermediary, as from time to time amended.

"Administrative Agent" shall have the meaning set forth in the introduction hereto.

"Administrative Agent's Account" shall mean the account of the Administrative Agent as may be designated by the Administrative Agent to the Borrower in writing.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person shall mean the possession, direct or indirect, of the power to vote 25% or more of the Voting Shares of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of such Voting Shares, by contract or otherwise.

"Affiliated Purchaser" shall have the meaning set forth in Section 3.04(b)(ii) hereof.

"Agents" shall mean, collectively, the Administrative Agent and the Collateral and Paying Agent.

"Applicable Lending Office" shall mean, for each Lender, the "Lending Office" of such Lender (or of an affiliate of such Lender) specified opposite its name on Annex 1 hereto or such other office of such Lender (or of an affiliate of such Lender) as such Lender may from time to time specify in writing to the Administrative Agent and the Borrower as the office by which its Loans are to be made and maintained.

"Applicable Margin" shall mean (a) from the Closing Date to and including the fourth Principal Payment Date, 2.25% per annum and (b) thereafter, the following rates per annum determined at any time on the basis of the VENA Debt to EBITDA Ratio on the last day of the then most recently concluded fiscal quarter of VENA:

	VENA Debt to EBITDA Ratio equal to or less than 3.0 to 1.0	VENA Debt to EBITDA Ratio greater than 3.0 to 1.0 but equal to or less than 3.5 to 1.0	VENA Debt to EBITDA Ratio greater than 3.5 to 1.0
Applicable Margin	1.75%	2.00%	2.25%

For purposes of computing the Applicable Margin, the VENA Debt to EBITDA Ratio shall be determined on the basis of the financial statements of VENA and its Consolidated Subsidiaries most recently delivered to the Administrative Agent pursuant to Section 9.04(a) or

(b) hereof, each change in the Applicable Margin based on a change in the VENA Debt to EBITDA Ratio to take effect on the first day of the Interest Period that next commences after delivery of such financial statements; provided, that for any period during which VENA has failed to provide on a timely basis the financial statements referred to in said Sections, and until they are so furnished, the Applicable Margin shall be 2.25% per annum.

"Borrower" shall have the meaning set forth in the introduction hereto.

"Borrower's Debt Service Coverage Ratio" shall mean, as of the last day of any fiscal quarter of the Borrower, the ratio of (i) the aggregate amount collected in respect of Eligible Receivables and credited to the Collection Account during such fiscal quarter to (ii) the Debt Service Amount for the immediately succeeding fiscal quarter of the Borrower.

"Borrowing" shall mean the borrowing by the Borrower under this Agreement, consisting of the simultaneous making of Loans by the Lenders.

"Borrowing Date" shall mean the date of the Borrowing.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in New York City, London and Mexico City and that is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Lease Obligations" shall mean, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal Property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Change of Control" shall mean:

(i) any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), directly or indirectly, of Voting Shares of Vitro (or other securities convertible into such Voting Shares) representing the majority of the combined voting power of all Voting Shares of Vitro; or

(ii) any Person or two or more Persons acting in concert shall have acquired the power to exercise, directly or indirectly, effective control for any purpose over Voting Shares of Vitro (or other securities convertible into such Voting Shares) representing the majority of the combined voting power of all Voting Shares of Vitro; or

(iii) during any period of 18 consecutive calendar months, a majority of the Board of Directors of Vitro shall no longer be composed of individuals who were members of such Board on the first day of such period; or

(iv) Vitro shall cease to own, directly or indirectly, beneficially and of record, 100% of the Voting Shares of either Vitro Packaging or VENA,

or VENA shall cease to own, beneficially and of record, (x) 100% of the Voting Shares of the Borrower, Industria del Alcali, S.A. de C.V. and Fabricacion de Maquinas, S.A. de C.V or (y) at least 60% of the Voting Shares of Vitro OCF, provided, that Vitro may make a Disposition for cash of up to 9% of the total outstanding Voting Shares of Vitro OCF to a third party (which is not an Affiliate of Vitro) on an arm's-length basis, so long as the Net Proceeds of such Disposition (or, if applicable, the Dollar equivalent thereof) are concurrently with the receipt thereof applied to the prepayment of Loans hereunder to the extent required in accordance with Section 3.04(b) hereof.

"Closing Date" shall mean the date on which the Administrative Agent notifies the Borrower that the conditions precedent set forth in Section 6.01 hereof have been satisfied.

"Collateral" shall have the meaning set forth in each Security Agreement.

"Collateral and Paying Agent" shall have the meaning set forth in the introduction hereto.

"Collection Account" shall mean account no. 10-877325 established and maintained at the principal office in New York, New York of the Intermediary for the account of the Borrower, under the sole dominion and control of the Collateral and Paying Agent and designated "Compania Vidriera, S.A. de C.V. Collection Account", for which the Collateral and Paying Agent is the "entitlement holder" within the meaning of Section 8-102(a)(7) of the UCC.

"Commitment" shall mean, as to each Lender, the obligation of such Lender, on and subject to the terms and conditions of this Agreement, to make a Loan to the Borrower in a principal amount up to but not exceeding the amount specified opposite its name on Annex 1 hereto.

"Commitment Termination Date" shall mean the date five days after the date hereof.

"Confidential Information" means information that the Borrower and/or any Guarantor furnish to the Administrative Agent or the Collateral and Paying Agent or any Lender, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent or the Collateral and Paying Agent or such Lender from a source other than the Borrower or any Guarantor, as the case may be.

"Consolidated EBITDA" shall mean, for any Person and any period, with respect to such Person and its consolidated Subsidiaries on a consolidated basis, the sum (without duplication) of (i) Consolidated Operating Income and (ii) depreciation and amortization.

"Consolidated Interest Expense" shall mean, with respect to any Person for any period, the aggregate amount of interest accruing during such period on Indebtedness of such Person and its consolidated Subsidiaries on a consolidated basis, determined in accordance with

GAAP, including the interest portion of payments under Capital Lease Obligations and any capitalized interest and amortization of debt discount and expense.

"Consolidated Net Worth" shall mean, for any Person at any time, for such Person and its consolidated Subsidiaries, total shareholders' equity, determined in accordance with GAAP.

"Consolidated Operating Income" shall mean, for any Person and any period, operating income of such Person and its consolidated Subsidiaries on a consolidated basis, determined in accordance with GAAP.

"Consolidated Total Debt" shall mean, for any Person at any time, the sum, with respect to such Person and its consolidated Subsidiaries on a consolidated basis, of all Indebtedness of such Person and its Subsidiaries that would appear on a consolidated balance sheet of such Person in accordance with GAAP.

"Coverage Default" shall mean the occurrence of either of the following:

(i) the failure by the Borrower as of the last day of each of two (2) consecutive fiscal quarters of the Borrower to maintain a Borrower's Debt Service Coverage Ratio of at least 1.50 to 1.00, or

(ii) the failure by the Borrower as of the last day of any one (1) fiscal quarter of the Borrower to maintain a Borrower's Debt Service Coverage Ratio of at least 1.25 to 1.00.

"Covered Taxes" shall mean all present and future taxes, duties, levies, imposts, deductions, charges or withholdings whatsoever imposed with respect to any amount payable on or in respect of this Agreement, any of the other Loan Documents or the Loans, and all interest, penalties and similar amounts with respect thereto, now or thereafter imposed, assessed, levied or collected by Mexico or any other jurisdiction from which any amount payable hereunder is made, or any political subdivision or taxing authority thereof or therein, excluding, however, income, real property or franchise taxes imposed on the Administrative Agent or the Collateral and Paying Agent or a Lender by a jurisdiction (including Mexico) solely as a result of the Administrative Agent or the Collateral and Paying Agent or such Lender, as the case may be, being organized under the laws of such jurisdiction or being a resident of such jurisdiction for tax purposes, or by virtue of its having a permanent establishment or fixed base in such jurisdiction to which income under this Agreement is attributable or its Applicable Lending Office being located in such jurisdiction.

"Debt Service Amount" shall mean, for any fiscal quarter of the Borrower, the aggregate amount of principal of and interest on the Loans scheduled to fall due during such fiscal quarter.

"Default" shall mean an Event of Default or an event that with the giving of notice or lapse of time or both would become an Event of Default.

"Deposit Collateral" has the meaning set forth in Section 12(c) hereof.

"Derivatives Liabilities" shall mean, with respect to any Person, all obligations of such Person in respect of any interest rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions. For purposes hereof, the "credit exposure" at any time of any Person in respect of any Derivatives Liabilities shall be the total amount of termination or liquidation payments that would be due at such time if such payments were to become due at such time (excluding penalties and extraordinary amounts).

"Disposition" shall mean any sale, assignment (but excluding the creation of any Lien), transfer or other disposition of any Property (whether now owned or hereafter acquired) by any Person or any of its Subsidiaries.

"Dividend Payment" shall mean the payment of any dividend (in cash, Property or obligations) on, or other payment or distribution on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition of, any shares of any class of stock of the Borrower or any of its Subsidiaries or of any options, warrants or other rights to acquire the same (or to make any payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market or equity value of the Borrower or any of its Subsidiaries), but excluding dividends payable solely in shares of common stock of the Borrower or any of its Subsidiaries.

"Dollars" and "$" shall mean lawful money for the time being of the

United States of America.

"Early Amortization Event" shall mean the failure by the Borrower, as of the last day of any one (1) fiscal quarter of the Borrower, to maintain a Borrower's Debt Service Coverage Ratio of at least 1.50 to 1.00.

"Eligible Assignee" shall mean any of the following:

(a) a commercial bank organized under the laws of the United States of America, or any State thereof, and having total assets in excess of $500,000,000;

(b) a savings and loan association or savings bank organized under the laws of the United States of America, or any State thereof, and having total assets in excess of $500,000,000;

(c) a commercial bank organized under the laws of any other country which is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to

Borrow, or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, provided, that such bank is acting through a branch or agency located in the United States of America;

(d) the central bank of any country which is a member of the OECD;

(e) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, and having total assets in excess of $150,000,000;

(f) a Lender; and

(g) an Affiliate of a Lender which is a financial institution;

provided, that neither the Borrower nor any Affiliate of the Borrower shall qualify as an Eligible Assignee; and provided further, that no entity specified in clauses (a) to (g) above shall qualify as an Eligible Assignee unless such entity (i) is registered with the Ministry of Finance for purposes of Article 154, Section I, of the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta) (or any successor provision) and (ii) is a resident for tax purposes of a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect.

"Eligible Receivables" shall mean accounts receivable denominated in Dollars and arising from the sale of goods exported to Vitro Packaging by the Borrower.

"Environmental Law" shall mean any applicable federal, state or local governmental law, rule, regulation, order or decree relating to pollution or protection of the environment or the treatment, storage, disposal, release, threatened release or handling of hazardous materials, including, without limitation, the Mexican General Law of Ecological Balance and Environmental Protection (Ley General del Equilibrio Ecologico y la Proteccion al Ambiente), technical rules (normas tecnicas) and regulations thereunder, and all applicable local laws and regulations related to environmental matters and any specific agreements entered into with any competent authorities which include commitments related to environmental matters.

"Event of Default" shall have the meaning set forth in Section 11 hereof.

"Excess Amount" shall have the meaning set forth in Section 10.12(b) hereof.

"Existing Restrictions" shall mean the restrictions described in Schedule 1 hereto.

"Final Maturity Date" shall mean the date occurring five (5) years after the date hereof; provided, that if such day is not a Business Day, the Final Maturity Date shall be the immediately preceding Business Day.

"GAAP" shall mean (i) as to the Borrower and each Guarantor other than Vitro Packaging, generally accepted accounting principles in Mexico in effect from time to time and

(ii) as to Vitro Packaging, generally accepted accounting principles in the United States of America in effect from time to time; provided that nothing herein shall require a Guarantor, that is consolidated for accounting purposes with VENA, to maintain independent accounts for purposes hereof. All ratios and computations herein shall be computed in conformity with GAAP applied on a consistent basis.

"Governmental Authority" shall mean any nation, government, state or municipality or other political subdivision thereof and any entity exercising executive, legislative, judicial, monetary, regulatory or administrative functions of or pertaining to government.

"Guaranteed Obligations" shall have the meaning set forth in Section 7.01 hereof.

"Guarantee" by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness of any other Person including, without limitation, an aval and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness (whether arising by virtue of partnership arrangements, or by agreement to purchase assets, goods, securities or services, or to take-or-pay, other than agreements to purchase goods on an arm's length basis in the ordinary course of business) or (ii) entered into for the purpose of assuring in any other manner the holder of such Indebtedness of the payment thereof or to protect such holder against loss in respect thereof (in whole or in part), provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantors" shall have the meaning set forth in the introduction hereto.

"Hedge Agreement" shall mean any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"IMSS" shall mean Instituto Mexicano del Seguro Social.

"Indebtedness" shall mean, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes including intercompany notes, (excluding the Intercompany Notes) or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of Property or services (other than trade accounts payable arising in the ordinary course of business not overdue for more than 60 days); (iv) all Capital Lease Obligations of such Person and (without duplication) obligations under Sale-Leaseback Transactions; (v) all obligations of such Person that are recourse to such Person, as applicable, arising out of transactions described in Section 10.12(a)(B) hereof; (vi) all obligations, contingent or otherwise, of such Person to reimburse any Person in respect of amounts paid under a letter of credit or similar instrument (other than contingent obligations in respect of documentary letters of credit to support trade transactions of such Person in the ordinary course of business and with maturities of 270 days or less); (vii) all Indebtedness of other Persons

secured by a Lien on any Property of such whether or not such Indebtedness is assumed by such Person; (viii) all Indebtedness of other Persons Guaranteed by such Person; and (ix) the credit exposure of such Person in respect of Derivatives Liabilities.

"INFONAVIT" shall mean Instituto del Fondo Nacional de la Vivienda para los Trabajadores.

"Information Memorandum" shall mean the Information Memorandum dated June 2001, relating to the Borrower.

"Intercompany Note" shall have the meaning set forth in Section 9.15 hereof.

"Interest Period" shall mean, with respect to the Loans, the period commencing on the date of the Loans and ending on the immediately succeeding Principal Payment Date, and thereafter each period commencing on the last day of the preceding Interest Period and ending on the next Principal Payment Date, provided, that the term "Interest Period" shall include any period selected by the Administrative Agent from time to time in accordance with the definition of "Post-Default Rate".

"Intermediary" shall mean HSBC Bank USA.

"Investment" shall mean any purchase or other acquisition (whether for cash, Property, services or securities or otherwise) of any shares of capital stock of a Person, any capital contribution to such Person or any other equity investment in such Person.

"Joint Lead Arrangers" shall mean HSBC Securities (USA) Inc. and Salomon Smith Barney Inc. as Joint Lead Arrangers.

"Lenders" shall have the meaning set forth in the introduction hereto.

"LIBO Rate" shall mean, for any Interest Period, the offered rate for deposits in U.S. dollars for a period equal to such Interest Period which appears on Telerate Page 3750, as of approximately 11:00 a.m. London time, on the date two Business Days prior to the first day of such Interest Period, provided, that (i) if such rate does not appear on such Telerate Page 3750, the "LIBO Rate" shall mean, for any Interest Period, the offered rate for deposits in U.S. dollars for a period equal to or nearest the number of days in such Interest Period which appears on the Reuters Screen LIBO Page, and (ii) if such rate or rates do not appear on either Telerate Page 3750 or the Reuters Screen LIBO Page, the "LIBO Rate" shall mean, with respect to each day during such Interest Period, the rate per annum equal to the average (rounded upwards, if necessary, to the nearest 1/16 of 1%) of the respective rates notified to the Administrative Agent by each Reference Bank as the rate at which U.S. dollar deposits are offered to such Reference Bank by prime banks at or about 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for a period approximately equal to the number of days in such Interest Period and in an amount comparable to the principal amount of the Loans.

"Lien" shall mean any mortgage, lien, pledge, charge, encumbrance or other security interest or any preferential arrangement that has the practical effect of creating a security interest.

"Loan" and "Loans" shall have the meanings set forth in Section 2.01(a) hereof.

"Loan Documents" shall mean, collectively, this Agreement, the Notes, the Security Agreements and the Account Control Agreement.

"Majority Lenders" shall mean Lenders holding more than 66-2/3% of the

aggregate outstanding principal amount of the Loans or, if the Loans are not outstanding, Lenders having more than 66-2/3% of the aggregate amount of the Commitments.

"Material Adverse Effect" shall mean a material adverse effect on (i) the business, condition (financial or otherwise), operations, prospects or properties of the Borrower and its Subsidiaries, taken as a whole, or of any Guarantor and its Subsidiaries, taken as a whole, (ii) the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents or (iii) the material rights and remedies of the Lenders, the Administrative Agent or the Collateral and Paying Agent under any of the Loan Documents.

"Material Subsidiary" shall mean, with respect to the Borrower or any Guarantor, any Subsidiary whose total assets or total revenues or EBITDA (all on a consolidated basis taking into account any Subsidiaries of such Subsidiary) as shown by its latest financial statements, represent at least 10% of the consolidated total assets or total revenues or EBITDA of such Person (as shown on the latest consolidated financial statement of such Person).

"Mexican Bank" shall mean a bank chartered under the laws of Mexico and authorized to carry out the business of banking in Mexico under the Law of Credit Institutions (Ley de Instituciones de Credito) by the Ministry of Finance.

"Mexico" shall mean the United Mexican States.

"Ministry of Finance" shall mean the Secretaria de Hacienda y Credito Publico of Mexico.

"Net Proceeds" shall mean with respect to any Disposition pursuant to Section 10.12 hereof, the aggregate amount of all cash payments received by VENA and its Subsidiaries directly or indirectly in connection with such Disposition (or, for purposes of Section 3.04(b)(ii), the fair market value of the aggregate cash payments that are or will be received directly or indirectly in connection with such Disposition); provided that (i) such Net Proceeds shall be net of (x) the amount of any legal, title and recording tax expenses, commissions and other fees and expenses paid by VENA and its Subsidiaries in connection with such Disposition and (y) any Federal, state and local income or other taxes estimated to be payable by VENA and its Subsidiaries as a result of such Disposition and (ii) such Net Proceeds shall be net of any repayments by VENA or any of its Subsidiaries of Indebtedness to the extent that (x) such

Indebtedness is secured a Lien on the Property that is the subject of such Disposition and (y) such Indebtedness is in fact repaid upon the consummation of the purchase of such Property.

"Non-Affiliated Partner" shall have the meaning set forth in Section 10.12(b) hereof.

"Note" shall have the meaning set forth in Section 2.05 hereof.

"Notice of Borrowing" shall have the meaning set forth in Section 2.02 hereof.

"OECD" shall mean the Organization for Economic Cooperation and Development.

"Operating Lease Obligation" shall mean, with respect to any Person, the obligations of such Person under any lease (including, without limitation, leases that may be terminated by the lessee at any time) relating to any property (whether real, personal or mixed) that does not give rise to Capital Lease Obligations other than any such lease under which that Person is the lessor.

"Other Applicable Taxes" shall have the meaning set forth in Section 5.05(e) hereof.

"Permitted Investments" shall mean (a) direct obligations of the United States of America, or of any agency thereof, or obligations guaranteed as

to principal and interest by the United States of America, or by any agency thereof, in either case maturing not more than 90 days from the date of acquisition thereof; (b) certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any state thereof and having capital, surplus and undivided profits of at least $500,000,000 and a rating with respect to its public, short-term, unsecured, unsubordinated debt securities of "A-1" or better by Standard & Poor's, or "P-1" or better by Moody's, or "D-1" or better by Fitch, IBCA, Duff & Phelps, maturing not more than 90 days from the date of acquisition thereof; (c) commercial paper rated "A-1" or better by Standard & Poor's, or "P-1" or better by Moody's, or "D-1" or better by Fitch, IBCA, Duff & Phelps, respectively, maturing not more than 90 days from the date of acquisition thereof; (d) repurchase agreements with respect to securities described in clause (a) above entered into with an office of a bank or trust company meeting the criteria described in clause (b) above; and (e) any fund at least 95% of the assets of which are invested in investments of the type referred to in clauses (a) through (c).

"Permitted Liens" shall mean:

(i) Liens imposed by law arising in the ordinary course of business, including (but not limited to) carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business and which (x) do not in the aggregate materially detract from the value of the Property subject thereto or materially impair the use thereof in the operations of the business of the Borrower and its Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the

effect of preventing the forfeiture or sale of the Property subject to such liens and for which adequate reserves have been made if required in accordance with GAAP;

(ii) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance or other similar social security legislation or in connection with bids relating to the obtaining of a contract for the manufacture and/or sale of products;

(iii) Liens securing taxes, assessments and other governmental charges, the payment of which is not yet due or is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserve or other appropriate provisions, if any, as required by GAAP, shall have been made;

(iv) any Lien which arises pursuant to a final judgment to the extent it does not constitute or give rise to an Event of Default;

(v) any Lien existing on any Property prior to the acquisition thereof by the Borrower or a Subsidiary and not created in contemplation of such acquisition (and not extending to any other Property); and

(vi) any right of setoff arising by operation of law.

"Person" shall mean any individual, corporation, company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization or Governmental Authority or other entity of whatever nature.

"Pesos" shall mean the lawful currency for the time being of Mexico.

"Post-Default Rate" shall mean, in the case of any overdue principal of any Loan, until the end of the then current Interest Period, a rate per annum which is equal to the sum of 2% per annum plus the Applicable Margin plus the LIBO Rate for such Interest Period, and thereafter a rate per annum which is equal to the sum of 2% per annum plus the Applicable Margin plus the LIBO Rate applicable to such Interest Period or Interest Periods as shall be selected by the Administrative Agent for funding of such overdue amounts (which Interest Periods shall not be of durations exceeding one month), and in the case of any other overdue amount, a rate per annum equal to the sum of 2% per annum plus the

Applicable Margin plus the rate reasonably determined by the Administrative Agent, and advised to the Borrower, to be the cost of funding such overdue amount on an overnight basis in the London interbank market from the date of such non-payment until such amount is paid in full (as well after as before judgment).

"Principal Payment Date" shall mean the date falling three months after the date hereof, and the date falling on the 14th day of the third month after each previous Principal Payment Date, to and including the Final Maturity Date; provided that any Principal Payment Date that would otherwise fall on a day that is not a Business Day shall fall on the previous Business Day.

"Process Agent" shall have the meaning set forth in Section 14.11(b) hereof.

"Process Agent Acceptance" shall mean a letter from the Process Agent to the Administrative Agent, in substantially the form of Exhibit J hereto.

"Property" or "Properties" of any Person shall mean any property or assets of such Person.

"Reference Banks" shall mean the principal London offices of HSBC Bank plc, Citibank, N.A. and ABN-AMRO Bank plc.

"Register" shall have the meaning set forth in Section 14.06(c) hereof.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System, as amended.

"Required Reserve Balance" shall mean, at any time, an amount equal to the aggregate amount of principal of and interest on the Loans scheduled to fall due during the period of the next three months succeeding the date of calculation.

"Requirement of Law" shall mean, as to any Person, any statute, law, treaty, rule or regulation or determination, order, injunction or judgment of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Properties or revenues.

"Reserve Account" shall mean account no. 10-877326 established and maintained at the principal office in New York City of the Intermediary for the account of the Borrower, under the sole dominion and control of the Collateral and Paying Agent and entitled "Compania Vidriera, S.A. de C.V. Reserve Account", for which the Collateral and Paying Agent is the "entitlement holder" within the meaning of Section 8-102(a)(7) of the UCC.

"Responsible Officer" shall mean the chief financial officer, chief accounting officer or such other senior executive officer having primary responsibility for the matter at hand.

"Reuters Screen" shall mean the relevant display page as determined by the Administrative Agent of the Reuter Monitor Money Rates Service (or any successor or substitute page) for the purpose of displaying London interbank offered rates for Dollar deposits.

"Sale-Leaseback Transaction" shall mean, with respect to any Person, any transaction in which such Person, directly or indirectly, becomes or remains liable as lessee or as a guarantor or other surety with respect to any lease, whether a Capital Lease Obligation or an Operating Lease Obligation, of any Property, whether then owned or thereafter acquired, (i) which such Person has sold or otherwise transferred or is to sell or transfer to any other Person or (ii) which such Person intends to use for substantially the same purposes as any other Property

which has been or is sold or transferred by such Person to any other Person in connection with such lease.

"SAR" shall mean Sistema de Ahorro para el Retiro or mandatory retirement system of Mexico.

"Security Agreements" shall mean, collectively, the Vidriera Security Agreement and the Vitro Packaging Security Agreement.

"Solvent" shall mean, with respect to any Person at any time, that (a) the fair value of the Property of such Person is greater than the total amount of liabilities (including without limitation contingent liabilities) of such Person, (b) the present fair saleable value of the Property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, (d) such Person is not engaged in a business and is not about to engage in a business for which such Person's property would constitute an unreasonably small capital and (e) such Person is not insolvent pursuant to the Mexican Ley de Concursos Mercantiles.

"Specified Debt" shall mean the Indebtedness of VENA pursuant to the Credit Agreement dated as of April 13, 1998 among VENA, as Borrower, Vitro, as Guarantor, the Banks party thereto and HSBC Investment Bank plc, as Administrative Agent, in an aggregate principal amount outstanding as of the date hereof equal to $75,000,000.

"Specified Shares" shall mean shares of common stock acquired by VENA on December 31, 2000 of Vitro OCF, S.A. de C.V., Industria del Alcali, S.A. de C.V. and Fabricacion de Maquinas, S.A. de C.V., each a Mexican corporation.

"Subsidiary" of any Person shall mean any corporation or other entity more than 50% of the Voting Shares of which are owned or controlled, directly or indirectly, by such Person and/or any Subsidiary of such Person.

"Substitute Basis" shall have the meaning set forth in Section 5.02 hereof.

"UCC' shall mean the Uniform Commercial Code as in effect in the State of New York.

"VENA Debt to EBITDA Ratio" shall mean, at any time, the ratio of (i) Consolidated Total Debt of VENA at such time to (ii) Consolidated EBITDA of VENA for the then most recently concluded period of four consecutive fiscal quarters of VENA (ending on the date as of which the calculation is made). The Consolidated EBITDA of VENA will be pro forma for the inclusion of the Consolidated EBITDA of Vitro OCF, S.A. de C.V., Industria del Alcali, S.A. de C.V. and Fabricacion de Maquinas, S.A. de C.V. during periods when the accounts of such Persons were not consolidated with those of VENA.

"VENA Interest Coverage Ratio" shall mean, at any time, the ratio of (i) Consolidated EBITDA of VENA for the then most recently concluded period of four consecutive fiscal quarters of VENA to (ii) Consolidated Interest Expense of VENA for such period. The Consolidated EBITDA of VENA and the Consolidated Interest Expense of VENA will each be pro forma for the inclusion of the Consolidated EBITDA and Consolidated Interest Expense of Vitro OCF, S.A. de C.V., Industria del Alcali, S.A. de C.V. and Fabricacion de Maquinas, S.A. de C.V. during periods when the accounts of such Persons were not consolidated with those of VENA.

"Vitro OCF" shall mean Vitro OCF, S.A. de C.V., a Mexican corporation.

"Vitro Packaging Debt Service Coverage Ratio" shall mean, as of the

last day of any fiscal quarter of the Borrower, the ratio of (i) the aggregate amount collected by Vitro Packaging in respect of its accounts receivable and remitted to the Vitro Packaging Operating Account during such fiscal quarter to (ii) the Debt Service Amount for the immediately succeeding fiscal quarter of the Borrower.

"Vidriera Mexicali" shall mean Vidriera Mexicali, S.A. de C.V., a Mexican corporation.

"Vidriera Security Agreement" shall mean a Security Agreement between the Borrower and the Collateral and Paying Agent in substantially the form of Exhibit B-1 hereto, as from time to time amended.

"Vitro Packaging Operating Account" shall mean account no. 00102619666 held by Vitro Packaging at The Chase Manhattan Bank in Houston, Texas (ABA: 113000609), or any successor operating account or accounts of Vitro Packaging.

"Vitro Packaging Security Agreement" shall mean a Security Agreement between Vitro Packaging and the Collateral and Paying Agent in substantially the form of Exhibit B-2 hereto, as from time to time amended.

"Voting Shares" shall mean, with respect to any Person, any class or classes of capital stock or other ownership interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect directors, managers or trustees of such Person (irrespective of whether or not, at the time, stock of any other class or classes has, or might have, voting power by reason of the happening of any contingency).

SECTION 2. COMMITMENTS, ETC.

2.01 Loans. (a) Each Lender severally agrees, on and subject to the terms and conditions of this Agreement, to make one term loan to the Borrower (each a "Loan" and, collectively, the "Loans") in Dollars on a Business Day on or before the Commitment Termination Date, in an aggregate principal amount up to but not exceeding such

Lender's Commitment and, as to all Lenders, in an aggregate principal amount of $235,000,000.

(b) The proceeds of the Loans shall be used by the Borrower solely (i) to pay fees and expenses relating to the transactions contemplated hereby, (ii) to fund the Reserve Account in accordance with Section 12.01(b) hereof, (iii) to make inter-company loans to VENA to enable VENA to refinance the Specified Debt, such proceeds, in the case of the Specified Debt, to be remitted by the Administrative Agent directly to the creditor or creditors in respect of such Specified Debt in accordance with the instructions of the Borrower, (iv) to make inter-company loans to Vitro Packaging to enable Vitro Packaging to refinance its Indebtedness, such proceeds to be remitted by the Administrative Agent directly to the creditor or creditors in respect of such Indebtedness in accordance with the instructions of the Borrower, and (v) to make inter-company loans to VENA to enable VENA to refinance the purchase price of the Specified Shares up to an aggregate amount of $126,000,000. Neither any Lender nor either Agent shall have any responsibility as to the use of any of the proceeds of any Loan.

2.02 Borrowing. The Borrower shall give the Administrative Agent written notice of the Borrowing in substantially the form of Exhibit D hereto (a "Notice of Borrowing") as provided in Section 4.04 hereof. Not later than 11:00 a.m. New York time on the date specified for the Borrowing, each Lender shall make available the amount of the Loan to be made by it on such date to the Administrative Agent, at the Administrative Agent's Account, in immediately available funds, for account of the Borrower. The amount so received by the Administrative Agent shall, subject to the terms and conditions of this Agreement, be remitted by the Administrative Agent as agreed between the Borrower and the Administrative Agent in accordance with the terms of this Agreement.

2.03 Fees. The Borrower agrees to pay to the Administrative Agent and the Arrangers fees in such amounts, on such terms and at such times as previously agreed upon between the Borrower and the Administrative Agent and the Joint Lead Arrangers.

2.04 Several Obligations; Certain Remedies Independent. The failure of any Lender to make the Loan to be made by it on the occasion of the Borrowing shall not relieve any other Lender of its obligation to make its Loan on such date, but neither any Lender nor any Agent shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on such date, and no Lender shall have any obligation to any Agent or any other Lender for the failure by such Lender to make any Loan required to be made by such Lender. The amounts payable by the Borrower at any time hereunder and under the Notes to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its individual rights arising out of this Agreement and the Notes independently of any other Lender, except to the extent this Agreement expressly provides that the exercise of any right shall require the consent of the Majority Lenders or of all of the Lenders, and, except as so required, it shall not be necessary for any other Lender or any Agent to consent to, or be joined as an additional party in, any proceedings to recover the payment of any overdue amounts.

2.05 Notes. The Loan by each Lender shall be evidenced by a promissory note (pagare) of the Borrower substantially in the form of Exhibit A hereto (each, a "Note"), dated the date of such Loan, payable to such Lender in an amount equal to the principal amount of such Loan. In the case of any conflict between the provisions of this Agreement and the terms of any Note, the provisions of this Agreement shall be deemed to prevail and the Borrower and each Guarantor shall be entitled to use this Agreement as a defense in connection with any action brought against any of them solely under the Notes.

SECTION 3. PAYMENTS OF PRINCIPAL AND INTEREST.

3.01 Repayment of Loans. The Borrower agrees to pay to the Administrative Agent for the pro rata account of the Lenders the full principal amount of the Loans in 20 equal consecutive quarterly installments, one such installment to be payable on each Principal Payment Date.

3.02 Interest.

(a) The Borrower agrees to pay to the Administrative Agent for account of each Lender interest on the unpaid principal amount of the Loan made by such Lender for the period from and including the date of such Loan to but excluding the date such Loan shall be paid in full, at a rate per annum equal to the LIBO Rate for each Interest Period plus the Applicable Margin.

(b) Notwithstanding the foregoing, the Borrower agrees to pay to the Administrative Agent for account of each Lender interest at the Post-Default Rate on any principal of the Loan of such Lender, and on any other amount whatsoever payable by the Borrower hereunder, that is not paid in full when due (whether at stated maturity, by acceleration, or otherwise), for the period from and including the due date thereof to but excluding the date the same is paid in full.

(c) Accrued interest on each Loan shall be payable on the last day of each Interest Period and upon each payment or prepayment thereof (on the principal amount so paid or prepaid), provided, that interest payable at the Post-Default Rate shall be payable from time to time on demand.

(d) Promptly after the determination of any interest rate provided for herein or any change therein pursuant to this Agreement, the Administrative Agent shall (without limiting the requirements of Section 14.02 that all notices be in writing) give written notice thereof to the Lenders and to the Borrower. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

3.03 Optional Prepayments. The Borrower shall have the right to prepay the Loans in whole or in part at any time or from time to time, which prepayment shall in each case be made together with accrued and unpaid interest thereon and all other amounts payable under

this Agreement (including without limitation Section 5.04 hereof) without premium or penalty (subject to Section 5.04 hereof), provided, that (i) the Borrower shall give the Administrative Agent notice of each prepayment under this Section 3.03 as provided in Section 4.04 hereof (and, upon the date specified in any such notice, the amount to be prepaid shall become due and payable hereunder), (ii) each partial prepayment hereunder shall be in the aggregate amount of not less than $5,000,000 and (iii) each prepayment hereunder shall be applied to the installments of principal of the Loans in inverse order of maturity as among such installments. Amounts prepaid hereunder may not be reborrowed.

3.04 Mandatory Prepayments.

(a) Promptly upon the receipt by the Borrower of any payment or prepayment of principal of any Intercompany Note by VENA or Vitro Packaging in cash, which is raised from external sources during the term of this Agreement, the Borrower will prepay the Loans in an aggregate amount equal to the amount of such payment or prepayment, together with interest accrued on the amount prepaid and all amounts payable under with Section 5.04 hereof. Prepayments under this Section 3.04(a) shall be applied to the installments of principal of the Loans pro rata as among such installments. Amounts prepaid hereunder may not be reborrowed.

(b) (i) Concurrently with the receipt of any Net Proceeds from any Disposition of Voting Shares of Vitro OCF, as provided in clause (iv) of the definition of "Change of Control" in Section 1.01 hereof, or with any Disposition by VENA of any shares of capital stock or Properties of Vidriera Mexicali, to a Person which is not an Affiliate of Vitro, as provided in Section 10.12(b) hereof, Vitro or VENA, as applicable, shall advance the Net Proceeds thereof to the Borrower (directly or indirectly through one or more intermediate Subsidiaries of VENA) as additional equity capital or intercompany debt, and the Borrower shall forthwith prepay the Loans in an amount equal to the aggregate amount of such Net Proceeds received by the Borrower.

(ii) If VENA shall make a Disposition of any shares of capital stock or Properties of Vidriera Mexicali, to an Affiliate of Vitro (an "Affiliated Purchaser"), as provided in Section 10.12(b) hereof, then VENA shall, within 10 days after the date on which the beneficiary of Vidriera Mexicali's capital stock or Properties commences substantial business operations under the ownership of such Affiliated Purchaser, advance one-half of the Net Proceeds thereof to the Borrower (directly or indirectly through one or more intermediate Subsidiaries of VENA) as additional equity capital or intercompany debt, and the Borrower shall forthwith upon receipt thereof prepay the Loans in an amount equal to one-half of such Net Proceeds, with the remaining one-half of such Net Proceeds to be advanced by VENA within twelve months after the initial prepayment of one-half of the Net Proceeds (directly or indirectly through one or more intermediate Subsidiaries of VENA) as additional equity capital or intercompany debt, and the Borrower shall forthwith prepay the Loans in an amount equal to such remaining one-half of such Net Proceeds.

Prepayments under this Section 3.04(b) shall be applied to the installments of principal of the Loans in the inverse order of maturity as among such installments. Amounts prepaid hereunder may not be reborrowed.

SECTION 4. PAYMENTS, ETC.

4.01 Payments

(a) The Borrower shall make each payment of principal of, and interest on, the Loans and of fees and other amounts payable hereunder not later than 12:00 noon (New York time) on the date when due, in Dollars and immediately available funds, at the Collection Account, without deduction, set-off or counterclaim.

(b) The Borrower shall, at the time of making each payment under this Agreement and the Notes for account of any Lender, specify to the Administrative Agent the amounts payable by the Borrower hereunder to which such payment is to be applied (and in the event that the Borrower fails to so specify, or if an Event of Default has occurred and is continuing, the Administrative Agent may distribute such payment to the Lenders for application in such manner as it or the Majority Lenders, subject to Section 4.02 hereof, may determine to be appropriate).

(c) Each payment received by the Administrative Agent under this Agreement for account of any Lender shall be paid by the Administrative Agent promptly to such Lender, in immediately available funds, for account of such Lender's Applicable Lending Office.

(d) If the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such date shall (subject to the definition of "Principal Payment Date") be the next preceding Business Day.

4.02. Pro Rata Payments. Except to the extent otherwise expressly provided herein, (a) the Loans shall be made by the Lenders pro rata according to the amounts of their respective Commitments; (b) each payment or prepayment of principal of the Loans shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; and (c) each payment of interest on the Loans shall be made for account of the Lenders pro rata in accordance with the respective amounts of interest on the Loans then due and payable to them.

4.03 Computations. Interest on the Loans shall be computed on the basis of a year of 360 days and the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which interest shall be payable.

4.04 Certain Notices. Notice of Borrowing shall be effective only if received by the Administrative Agent not later than 11:00 a.m. New York time on the date three Business Days prior to the date of the Borrowing, and each notice of optional prepayment shall be effective only if received by the Administrative Agent not later than 11:00 a.m. New York time on the date ten Business Days prior to the date of such prepayment. The Notice of Borrowing shall specify the amount to be borrowed, the date of the Borrowing (which shall be a Business

Day), the Specified Debt to be refinanced (with appropriate remittance instructions) with the proceeds thereof, the Indebtedness of Vitro Packaging to be refinanced (with appropriate remittance instructions) with the proceeds thereof, and the portion thereof to be used to refinance all or a portion of the purchase price of the Specified Shares. Each notice of optional prepayment shall specify (subject to Section 3.03 hereof) the amount to be prepaid and the date of prepayment (which shall be a Business Day). The Administrative Agent shall promptly notify the Lenders of the contents of each such notice.

4.05 Non-Receipt of Funds by the Administrative Agent. Unless the Administrative Agent shall have been notified in writing by any Lender or the Borrower (each, a "Payor") prior to the date on which the Payor is to make payment to the Administrative Agent (in the case of a Lender) of the proceeds of a Loan to be made by such Lender hereunder or (in the case of the Borrower) of a payment to the Administrative Agent for account of one or more of the Lenders hereunder (any such payment being herein called the "Required Payment") that such Lender or the Borrower, as the case may be, will not make the Required Payment, the Administrative Agent may assume that the Payor is making the Required Payment available to the Administrative Agent and, in reliance upon such assumption, make available to the relevant Lenders or the Borrower, as the

case may be, a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on such date, the Payor shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate (in the case of a Lender) equal to the rate specified by the Administrative Agent as its cost of funding such amount for the period and (in the case of the Borrower) equal to the rate specified in Section 3.02(b) hereof, in each case until such amount is made available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Payor with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

4.06 Sharing of Payments.

(a) If any Lender shall obtain payment of any principal of or interest on a Loan or payment of any other amount under this Agreement or the Notes through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise (other than from the Administrative Agent as provided herein), and, as a result of such payment, such Lender shall have received a percentage of the principal of or interest on such Loan or such other amounts then due hereunder by the Borrower to such Lender in excess of its pro rata share thereof, it shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans or such other amounts, respectively, owing to such other Lenders (or in interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time, as shall be equitable, to the end that all the Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal of and/or interest on the Loans or such other amounts, respectively, owing to each of the Lenders, it being understood that neither the Borrower nor any Guarantor hereunder shall have any liability in respect of any action or inaction by any Lender hereunder. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be

restored; provided, that if any Lender shall commence an action or proceeding in any court to collect the principal of or interest on a Loan held by, or any other amount owed to, such Lender, and as a result thereof shall receive a disproportionate payment (other than any such payment received by such Lender as a result of attachment of, or set-off, exercise of banker's lien or any other proceedings against, deposits or other property held by such Lender), such Lender shall not be required to share any portion of such disproportionate payment with any other Lender which, having received notice from such first-mentioned Lender (through the Administrative Agent) of such action or proceeding, had the legal right to, but did not, join such action or proceeding or commence and diligently prosecute a separate action or proceeding in any appropriate court to collect (as applicable) the principal of or interest on the Loans held by, or other such amount owed to, such other Lender.

(b) Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower or any Guarantor.

SECTION 5. YIELD PROTECTION, ETC.

5.01 Additional Costs.

(a) If, on or after the date hereof, the adoption of any Requirement of Law, or any change in any Requirement of Law, or any change in the interpretation or administration thereof by any court or other Governmental Authority charged with the interpretation or administration thereof, or compliance by any Lender (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such Governmental Authority, shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board

of Governors of the Federal Reserve System), special deposit, contribution, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (or its Applicable Lending Office) or shall impose on any Lender (or its Applicable Lending Office) or the London interbank market any other condition affecting its Loans, its Notes or its Commitment, and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Loan, or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement or under any Note, by an amount reasonably deemed by such Lender to be material (other than Taxes, which shall be treated in accordance with Section 5.05 hereof), then the Borrower shall pay to such Lender on the date five (5) business days after demand, such additional amount or amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender shall have determined that, after the date hereof, the adoption of any Requirement of Law regarding capital adequacy, or any change therein, or any

change in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, has or would have the effect of reducing the rate of return on capital of such Lender (or its parent) as a consequence of such Lender's obligations hereunder or its Loans to a level below that which such Lender (or its parent) could have achieved but for such adoption, change, request or directive by an amount reasonably deemed by it to be material, then from time to time, within 15 days after demand (which refers to the relevant Requirement of Law in reasonable detail) by such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its parent) for such reduction.

(c) Each Lender will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section, such notice to provide reasonable detail of such event. Before giving any such notice pursuant to this subsection (c) such Lender shall designate a different Applicable Lending Office if such designation (x) will, in the reasonable judgment of such Lender, avoid the need for, or reduce the amount of, such compensation and (y) will not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section 5.01, setting forth the additional amount or amounts to be paid to it hereunder and providing reasonable detail as aforesaid, shall be conclusive and binding on the Borrower in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods as long as such methods are consistent with such Lender's treatment of customers similar to Vitro and the Borrower having generally similar provisions in their agreements with such Lender. Notwithstanding anything to the contrary in clauses (a) and (b) above, no Lender shall be entitled to make a claim for compensation with respect to any event occurring more than 180 days prior to the date on which such Lender notifies the Borrower of its claim for compensation.

(d) If any Lender requests compensation under this Section 5.01, the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (subject to the restrictions contained in Section 14.06), all of its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such assignee shall be subject to the prior consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment in full of the outstanding principal of its Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, and (iii) such assignment is reasonably expected to result in a reduction in such compensation or payments. A Lender shall not be required

to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(e) If the Ministry of Finance shall at any time determine that the administrative fees payable pursuant to Section 2.03 hereof constitute "interest" as that term is defined under Article 154, Section I, of the Mexican Income Tax Law (Ley del Impuesto sobre la Renta) and as a result are subject to Mexican withholding tax, the Administrative Agent shall make a reasonable effort to assign its rights and duties hereunder to a registered Affiliate that is an Eligible Assignee if it can do so without material cost, expense or legal detriment to it, in its sole and absolute judgment.

5.02 Substitute Basis. If, on or prior to the first day of any Interest Period (an "Affected Interest Period"):

(a) the Administrative Agent determines that, by reason of circumstances affecting the London interbank eurodollar market, the "LIBO Rate" cannot be determined pursuant to the definition thereof, or

(b) the Majority Lenders determine and notify the Administrative Agent that the relevant rates of interest referred to in the definition of "LIBO Rate" in Section 1.01 hereof upon the basis of which the rate of interest for Loans for such Affected Interest Period is to be determined will not be adequate to cover the cost to such Lenders of making or maintaining their Loans for such Affected Interest Period,

the Administrative Agent shall give notice thereof (a "Rate Determination Notice") to the Borrower and the Lenders as soon as practicable thereafter. If such notice is given, during the thirty-day period following such Rate Determination Notice (the "Negotiation Period") the Administrative Agent and the Borrower shall negotiate in good faith with a view to agreeing upon a substitute interest rate basis (having the written approval of the Majority Lenders) for the Loans which shall reflect the cost to the Lenders of funding their Loans from alternative sources (a "Substitute Basis"), and if such Substitute Basis is so agreed upon during the Negotiation Period, such Substitute Basis shall apply in lieu of the LIBO Rate to all Interest Periods commencing on or after the first day of the Affected Interest Period, until the circumstances giving rise to such notice have ceased to apply. If a Substitute Basis is not agreed upon during the Negotiation Period, the Borrower may elect to prepay the Loans pursuant to Section 3.03 hereof; provided, however, that if the Borrower does not elect so to prepay, each Lender shall determine in good faith (and shall certify from time to time in a certificate delivered by such Lender to the Administrative Agent, which the Administrative Agent shall promptly deliver to the Borrower, setting forth in reasonable detail the basis of the computation of such amount) the rate basis reflecting the cost to such Lender of funding its Loans for any Interest Period commencing on or after the first day of the Affected Interest Period, until the circumstances giving rise to such notice have ceased to apply, and such rate basis shall be binding upon the Borrower and such Lender and shall apply in lieu of the LIBO Rate for the relevant Interest Periods.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in the event that on or after the date hereof the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by any Governmental Authority shall make it unlawful for any Lender or its Applicable Lending Office to make or maintain Loans hereunder

(and, in the opinion of such Lender, the designation of a different Applicable Lending Office would either not avoid such unlawfulness or would be disadvantageous to such Lender), then such Lender shall promptly notify the

Borrower thereof (with a copy to the Administrative Agent) following which (a) such Lender's Commitment shall be suspended until such time as such Lender may again make and maintain Loans hereunder and (b) if such Requirement of Law shall so mandate, such Lender's Loans shall be prepaid by the Borrower, together with accrued and unpaid interest thereon and all other amounts payable by the Borrower under this Agreement, on or before such date as shall be mandated by such Requirement of Law; provided, however, that if it is lawful for such Lender to maintain its Loans through the last day of the current Interest Period, such payment shall be made on such date; provided further, however, that the relevant Lender shall use its reasonable efforts to avoid or minimize the effect of such Requirement of Law, including by transferring the affected Loan or Loans to a different lending office, if it can do so without material cost, expense or legal detriment to it, in its sole and absolute judgment.

5.04 Compensation. The Borrower shall pay to the Administrative Agent for account of each Lender, upon the request of such Lender through the Administrative Agent, such amount or amounts (if any) as shall be sufficient to compensate it for any loss, cost or expense that such Lender determines is attributable to:

(a) any optional or mandatory prepayment of any Loan made by such Lender for any reason on a date other than the last day of an Interest Period; or

(b) any failure by the Borrower for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 6 hereof to be satisfied) to make a Borrowing on the date for such Borrowing specified in the relevant Notice of Borrowing given pursuant to Section 2.02 hereof, or to prepay such Loan in accordance with a notice of prepayment under Section 3.03 hereof.

Each Lender will furnish to the Borrower a certificate setting forth the basis and amount of each request by such Lender for compensation under this Section 5.04, which certificate shall be conclusive and binding on the Borrower in the absence of manifest error.

5.05 Taxes.

(a) All payments on account of the principal of and interest on the Loans and the Notes, fees and all other amounts payable hereunder by the Borrower to or for the account of each Agent or any Lender, including, without limitation, amounts payable under paragraph (b) of this Section 5.05, shall be made free and clear of and without reduction or liability for Covered Taxes, unless otherwise required by applicable law, decree or regulation.

(b) The Borrower shall indemnify each Agent and each Lender against, and reimburse them upon demand for, any Covered Taxes paid at any time by such Agent or such Lender (as the case may be) and any loss, liability, claim or expense, including interest, penalties, surcharges and legal fees, that such Agent or such Lender may incur at

any time arising out of or in connection with any failure of the Borrower to make any payment of Covered Taxes when due. Each Agent and Lender agrees promptly to notify the Borrower of any event known to it that would give rise to a payment under this Section 5.05(b) by the Borrower.

(c) Subject to compliance by the Agent and the relevant Lender with its obligations specified in this Section 5.05, in the event that the Borrower, any Person making a payment hereunder on behalf of the Borrower or any Agent shall be required by applicable law, decree or regulation to deduct or withhold Covered Taxes from any amounts payable on, under or in respect of this Agreement, any other Loan Document or the Loans, the sum payable shall be increased as necessary so that after making all required deductions and withholdings the recipient of such payment receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(d) The Borrower shall furnish to the Administrative Agent copies, certified by the Responsible Officer of the Borrower, of the tax forms, duly completed and evidencing each payment of Covered Taxes required under this Section 5.05, as soon as practicable (and in any event no later than 45 days) after the date such payment is made, and the Borrower shall promptly furnish to the Administrative Agent at its request or at the request of any Lender (through the Administrative Agent) or the other Agent any other information, documents and receipts that the Administrative Agent or such other Agent or such Lender may reasonably require to establish that full and timely payment has been made of all Covered Taxes required to be paid under this Section 5.05.

(e) The Borrower agrees to pay all present and future stamp, court or documentary taxes and any other excise taxes, charges or similar levies and any related interest or penalties incidental thereto imposed by Mexico, or any jurisdiction from which any amount payable hereunder is made, or any municipality or other political subdivision or taxing authority thereof or therein which arises from any payment made by the Borrower hereunder or from the execution, delivery, enforcement or registration (if mandatory under Mexican law) of the Loan Documents (hereinafter referred to as "Other Applicable Taxes").

(f) Each Lender (other than a Mexican Bank) party to this Agreement on the date hereof (A) represents and warrants to the Borrower that, as of the date hereof, such Lender (i) is registered with the Ministry of Finance as a foreign financial institution for purposes of Article 154, Section I, of the Mexican Income Tax Law (Ley del Impuesto sobre la Renta), the regulations thereunder and any administrative rules issued thereunder and intends to be the effective beneficiary of the interest payable under this Agreement and the other Loan Documents and (ii) is a resident of a country (or the main office of which, if lending through a branch or agency, is resident of a country) with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect, and complies with the requirements provided in such treaty to apply a reduced withholding tax rate on interest, and (B) agrees that it will use reasonable efforts to (x) continue to comply with the requirements of such treaty for so long as it provides a

reduced withholding tax rate under the Mexican Income Tax Law or such double taxation treaty, (y) file all documentation necessary to maintain its registration with the Ministry of Finance pursuant to Article 154, Section I, of the Mexican Income Tax Law, so long as such requirement remains applicable, and (z) maintain its status (directly or through its main office, if lending through a branch or agency) as a resident for tax purposes of the country of which it is currently a resident and be the effective beneficiary of any interest paid.

(g) Each Lender (other than a Mexican Bank) and the Administrative Agent will use all reasonable commercial efforts to provide to the Borrower (or as appropriate, complete and file with the appropriate governmental authority), within 60 days of a written request made by the Borrower, such duly completed form, certification or similar documentation, if any, as is then required under applicable law, regulation or published administrative rule or double taxation treaty to which Mexico is a party, which is in effect, in order to obtain an exemption from, or reduced rate of, deduction, payment or withholding in respect of Covered Taxes to which such Lender or the Administrative Agent would be entitled on interest payments made to such Lender or the Administrative Agent pursuant to a tax treaty that is in effect or the law or regulations of the relevant jurisdiction; provided, that neither any Lender nor the Administrative Agent shall have any obligation to provide such form, certification or similar document (unless required under applicable law) if, in the sole and absolute judgment of such Lender or the Administrative Agent, as the case may be, the provision of such form, certification or similar document would be materially disadvantageous to such Lender or the Administrative Agent.

(h) Any Lender (other than a Mexican Bank) claiming any additional amounts payable pursuant to this Section 5.05, which are in excess of the

tax imposed at the lowest rate of withholding that would be otherwise applicable to such Lender and which exceed additional amounts payable on the date hereof (provided, that such Lender is in compliance with the requirements set forth in Section 5.05(f), (g) and (i)), agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if, in the sole and absolute judgment of such Lender, such change (i) would eliminate or reduce any such excess additional amounts and (ii) would not otherwise be materially disadvantageous to such Lender.

(i) The Borrower shall not be required to indemnify any Lender under clauses (a), (b) or (c) of this Section 5.05 for any additional amounts in respect of Covered Taxes to the extent that such Covered Taxes or portion thereof would not have been withheld but for the fact that the representation and warranty in clause (f) above is incorrect with respect to such Lender or the failure of such Lender to comply with the provisions of clauses (f), (g) (unless such Lender is a Mexican Bank) and (h) of this Section 5.05. Each Lender (other than a Mexican Bank) agrees to use its reasonable efforts to file a timely application for renewal of its registration in accordance with the relevant provisions of the Mexican Income Tax Law, and promptly notify the Borrower that it has made such filing.

SECTION 6. CONDITIONS PRECEDENT.

6.01 Conditions to Effectiveness. The effectiveness of Section 2.01(a) hereof shall be subject to the conditions precedent that (i) the Majority Lenders shall not have determined, and notified the Administrative Agent, that an event or circumstance has occurred since December 31, 2000 that has had a Material Adverse Effect, (ii) the Majority Lenders shall not have determined, and notified the Administrative Agent, that a material adverse change has occurred since December 31, 2000 in Mexico or in the market for loan or debt securities of Mexican borrowers, and (iii) the Administrative Agent shall have received the following documents (with certified English translations of documents not in English, except for the estatutos sociales, powers of attorney and the Board of Directors authorization), each of which shall be in form and substance satisfactory to the Administrative Agent (provided that such conditions shall be satisfied not later than August 16, 2001):

(a) Executed Agreement. This Agreement, duly executed and delivered by the Borrower and the Guarantors and each of the other parties hereto.

(b) Security Agreements. (i) The Vidriera Security Agreement, duly executed and delivered by the Borrower and the Collateral and Paying Agent, (ii) the Vitro Packaging Security Agreement, duly executed and delivered by Vitro Packaging and the Collateral and Paying Agent and (iii) the Account Control Agreement, duly executed and delivered by the Borrower, the Collateral and Paying Agent and the Intermediary, together with evidence of the perfection and first priority of the Liens created thereby.

(c) Approvals. Certified copies of all licenses, consents, authorizations and approvals of, and notices to and filings and registrations with, any Governmental Authority (including, without limitation, all foreign exchange approvals), and of all third-party consents and approvals, if any, necessary in connection with the making and performance by the Borrower and the Guarantors of the Loan Documents and, in the case of VENA and Vitro Packaging, the Intercompany Notes, to which they are a party and the transactions contemplated hereby and thereby.

(d) Corporate Documents. Certified copies of (i) the estatutos sociales and other constitutive documents of the Borrower and each Guarantor other than Vitro Packaging, together with powers of attorney of the Borrower and each Guarantor other than Vitro Packaging, notarized by a Mexican notary public (including for actos de dominio) authorizing the relevant officers thereof to execute each Loan Document to which it is a party and (ii) the certificate of incorporation and by-laws of Vitro Packaging and of resolutions of its Board of Directors authorizing the making and performance by it of the Loan Documents to which it is a party.

(e) Incumbency Certificate. A certificate of the Borrower and each Guarantor in substantially the form of Exhibit E hereto as to the authority, incumbency and specimen

signatures of the persons who have executed the Loan Documents and any other documents in connection herewith on behalf of the Borrower and each Guarantor.

(f) Opinions of Counsel.

(1) An opinion, dated the Closing Date, of the General Counsel to the Borrower and each Guarantor, in substantially the form of Exhibit F hereto.

(2) An opinion, dated the Closing Date, of Davis Polk & Wardwell, special New York counsel to the Borrower and each Guarantor, in substantially the form of Exhibit G hereto.

(3) An opinion, dated the Closing Date, of Ritch, Heather y Mueller, S.C., special Mexican counsel to the Administrative Agent and the Collateral and Paying Agent, in substantially the form of Exhibit H hereto.

(4) An opinion, dated the Closing Date, of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent and the Collateral and Paying Agent, in substantially the form of Exhibit I hereto.

(g) Process Agent Acceptance. (i) A Process Agent Acceptance, duly executed and delivered by the Process Agent, in substantially the form of Exhibit J hereto and (ii) a Mexican law notarized power of attorney of the Borrower and each Guarantor other than Vitro Packaging appointing such Process Agent.

(h) Fees. Irrevocable authorization by the Borrower to deduct all fees referred to in Section 2.03 and all reasonable and documented accrued fees and expenses of each Agent and of the expenses then due and payable under Section 14.03 hereof, including, without limitation, the reasonable and documented fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent and the Collateral and Paying Agent, and Ritch, Heather y Mueller, S.C., special Mexican counsel to the Administrative Agent and the Collateral and Paying Agent, in connection with the negotiation, preparation, execution and delivery of the Loan Documents and the making of the Loans hereunder, and also including all stamp taxes or similar taxes in connection with the Loan Documents, from the proceeds of the Loans; provided, that a statement of such fees and expenses shall have been submitted at least two Business Days prior to the date hereof.

(i) Other Documents. Such other documents relating hereto as either Agent or any Lender shall reasonably request.

6.02 Additional Conditions to Borrowing. The obligation of each Lender to make its Loan hereunder is also subject to further conditions precedent that both immediately

prior to the making of such Loan and also after giving effect thereto and to the intended use thereof:

(A) no Default shall have occurred and be continuing;

(B) the representations and warranties made by the Borrower and the Guarantors in Section 8 hereof shall be true on and as of the date of such Loan and immediately after giving effect to the application of the proceeds thereof with the same force and effect as if made on and as of such date (or, in the case of any representation and warranty that expressly relates to a specific date, as of such specific date);

(C) the Administrative Agent shall have received the Notes evidencing the Loans in accordance with Section 2.05 hereof;

(D) the Administrative Agent shall have received the Notice of Borrowing in accordance with Section 2.02 hereof; and

(E) the Administrative Agent shall have received irrevocable instructions signed by the Borrower, in form and substance satisfactory to the Administrative Agent, as to the remittance by the Administrative Agent of the proceeds of the Loans (such instructions to be consistent with the provisions of Section 2.01(b) hereof).

The Notice of Borrowing by the Borrower hereunder shall constitute a certification by the Borrower to the effect that the conditions set forth in clauses (A) and (B) of this Section 6.02 have been fulfilled (both as of the date of such notice and, unless the Borrower otherwise notifies the Administrative Agent prior to the date of the Borrowing, as of the date of the Borrowing).

SECTION 7. GUARANTEE.

7.01 The Guarantee. The Guarantors hereby jointly and severally guarantee to the Lenders, the Collateral and Paying Agent and the Administrative Agent the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans and the Notes and all fees, indemnities and other amounts whatsoever now or hereafter payable or becoming payable by the Borrower under the Loan Documents, in each case strictly in accordance with the terms thereof (the obligations of the Borrower to pay such amounts being herein collectively called the "Guaranteed Obligations"). The Guarantors hereby further jointly and severally agree that if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same upon receipt from the Administrative Agent of written demand for payment thereof, without any other demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. This Agreement is a continuing guaranty and is a guaranty of payment and is not merely a guaranty of collection.

7.02 Acknowledgments, Waivers and Consents. Each Guarantor agrees that the obligations of such Guarantor under Section 7.01 hereof shall, to the fullest extent permitted by applicable law, be absolute, irrevocable and unconditional under any and all circumstances. Without limiting the foregoing, each Guarantor agrees that:

(a) The occurrence of any one or more of the following shall not, to the maximum extent permitted under applicable law, affect the enforceability or effectiveness of this Section 7 in accordance with its terms or affect, limit, reduce, discharge or terminate the liability of such Guarantor, or the rights, remedies, powers and privileges of the Administrative Agent, the Collateral and Paying Agent or any Lender under this Section 7:

(i) any modification or amendment (including without limitation by way of amendment, extension, renewal or waiver), or any acceleration or other change in the time for payment or performance of the terms of all or any part of the Guaranteed Obligations or any Loan Document, or any other agreement or instrument whatsoever relating thereto, or any modification of the Commitments;

(ii) any release, termination, waiver, abandonment, lapse or expiration, subordination or enforcement of the liability of any Guarantor under this Agreement or of any other guarantee of all or any part of the Guaranteed Obligations;

(iii) any application of the proceeds of any other guarantee (including without limitation any letter of credit or the obligations of any other guarantor of all or any part of the Guaranteed Obligations) to all or any part of the Guaranteed Obligations;

(iv) any release of any other Person (including without limitation any other guarantor with respect to all or any part of the Guaranteed Obligations) from any personal liability with respect to all or any part of the Guaranteed Obligations;

(v) any settlement, compromise, release, liquidation or enforcement, upon such terms and in such manner as the Administrative Agent and the Collateral and Paying Agent may determine or as applicable law may dictate, of all or any part of the Guaranteed Obligations or any other guarantee of (including without limitation any letter of credit issued with respect to) all or any part of the Guaranteed Obligations;

(vi) the giving of any consent to the merger or consolidation of, the sale of substantial assets by, or other restructuring or termination of the corporate existence of the Borrower or any other Person or any disposition of any shares of any Guarantor;

(vii) any proceeding against the Borrower or any Guarantor of (including without limitation any issuer of any letter of credit issued with respect to) all or any part of the Guaranteed Obligations or any collateral provided by any other Person or the exercise of any rights, remedies, powers and privileges of the Administrative Agent, the Collateral and Paying Agent and the Lenders under the Loan Documents or otherwise in such order and such manner as the Administrative Agent and the Collateral and Paying Agent may determine, regardless of whether the Administrative Agent, the Collateral and Paying

Agent or the Lenders shall have proceeded against or exhausted any collateral, right, remedy, power or privilege before proceeding to call upon or otherwise enforce this Agreement;

(viii) the entering into such other transactions or business dealings with the Borrower, any Subsidiary or Affiliate of the Borrower or any Guarantor of all or any part of the Guaranteed Obligations as the Administrative Agent, the Collateral and Paying Agent or any Lender may desire; or

(ix) all or any combination of any of the actions set forth in this Section 7.02(a).

(b) The enforceability and effectiveness of this Agreement and the liability of the Guarantors, and the rights, remedies, powers and privileges of the Administrative Agent, the Collateral and Paying Agent and the Lenders under this Agreement shall not be affected, limited, reduced, discharged or terminated, and each Guarantor hereby expressly waives to the fullest extent permitted by law any defense now or in the future arising, by reason of:

(i) the illegality, invalidity or unenforceability of all or any part of the Guaranteed Obligations, any Loan Document or any other agreement or instrument whatsoever relating to all or any part of the Guaranteed Obligations;

(ii) any disability or other defense with respect to all or any part of the Guaranteed Obligations, including the effect of any statute of limitations that may bar the enforcement of all or any part of the Guaranteed Obligations or the obligations of any such other guarantor;

(iii) the illegality, invalidity or unenforceability of any security for or other guarantee (including without limitation any letter of credit)

of all or any part of the Guaranteed Obligations or the lack of perfection or continuing perfection or failure of the priority of any Lien on any collateral for all or any part of the Guaranteed Obligations;

(iv) the cessation, for any cause whatsoever, of the liability of the Borrower or any Guarantor with respect to all or any part of the Guaranteed Obligations (other than, subject to Section 7.03 hereof, by reason of the full payment of all Guaranteed Obligations);

(v) any failure of the Administrative Agent, the Collateral and Paying Agent or any Lender to marshal assets in favor of the Borrower or any other Person (including any other guarantor of all or any part of the Guaranteed Obligations), to exhaust any collateral for all or any part of the Guaranteed Obligations, to pursue or exhaust any right, remedy, power or privilege it may have against the Borrower or any other guarantor of all or any part of the Guaranteed Obligations (including any issuer of any letter of credit) or any other Person or to take any action whatsoever to mitigate or reduce such or any other Person's liability under this Agreement, the Administrative Agent, the Collateral and Paying Agent and the Lenders being under no obligation to take any such action notwithstanding the fact that all or any part of the Guaranteed Obligations may be due

and payable and that the Borrower may be in default of its obligations under any Loan Document;

(vi) any counterclaim, set-off or other claim which the Borrower or any Guarantor of all or any part of the Guaranteed Obligations has or claims with respect to all or any part of the Guaranteed Obligations;

(vii) any failure of the Administrative Agent, the Collateral and Paying Agent or any Lender or any other Person to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person;

(viii) any bankruptcy, insolvency, reorganization, concurso mercantil, winding-up or adjustment of debts, or appointment of a custodian, interventor, conciliador, sindico, liquidator or the like of it, or similar proceedings commenced by or against any Person, including any discharge of, or bar or stay against collecting, all or any part of the Guaranteed Obligations (or any interest on all or any part of the Guaranteed Obligations) in or as a result of any such proceeding;

(ix) any action taken by the Administrative Agent, the Collateral and Paying Agent or any Lender that is authorized by this Section 7.02 or otherwise in this Agreement or by any other provision of any Loan Document or any omission to take any such action; or

(x) to the fullest extent permitted by applicable law, any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

(c) To the fullest extent permitted by law, each Guarantor expressly waives, for the benefit of the Administrative Agent, the Collateral and Paying Agent and the Lenders, all set-offs and counterclaims and all diligence, presentment, demand for payment or performance, notices of nonpayment or nonperformance, protest, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever (other than the written demand for payment pursuant to Section 7.01 hereof), and any requirement that the Administrative Agent, the Collateral and Paying Agent or any Lender exhaust any right, power or remedy or proceed against the Borrower under this Agreement, any Note or any other Loan Document or other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations, and all notices of acceptance of this Agreement or of the existence, creation, incurring or assumption of new or additional Guaranteed Obligations. Each Guarantor further expressly waives the benefit of any and all statutes of limitation, to the fullest extent permitted by applicable law.

(d) Each Guarantor further waives, to the fullest extent permitted by

law, any right to which it may be entitled, including, without limitation:

(i) that the assets of the Borrower first be used, depleted and/or applied in satisfaction of the Borrower's obligations under this Agreement prior to any amounts being claimed from or paid by any Guarantor;

(ii) to require that the Borrower be sued and all claims against the Borrower be completed prior to an action or proceeding being initiated against such Guarantor;

(iii) to have its obligations hereunder be divided among the Guarantors, such that each Guarantor's obligation would be less than the full amount claimed; and

(iv) to the extent applicable, under Articles 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2842, 2845 and 2846 of the Federal Civil Code and the correlative rights of the Civil Codes of the Federal District and the States of Mexico.

7.03 Reinstatement. The obligations of each Guarantor under this Section 7 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Guaranteed Obligations is rescinded or must otherwise be restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantors jointly and severally agree that they will indemnify the Administrative Agent, the Collateral and Paying Agent and the Lenders on demand for all reasonable costs and expenses (including, without limitation, reasonable fees of counsel, but without duplication of the obligations of the Borrower under this Agreement) incurred by them in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or the like under any bankruptcy, insolvency or similar law.

7.04 Subrogation. The Guarantors hereby jointly and severally agree that, until the final payment in full of all Guaranteed Obligations and the expiration or termination of the Commitments under this Agreement, they shall not exercise any right or remedy arising by reason of any performance by any of them of their guarantee in Section 7.01 hereof, whether by subrogation, reimbursement, contribution or otherwise, against the Borrower or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

7.05 Remedies. Each Guarantor agrees that, as between such Guarantor and the Administrative Agent, the Collateral and Paying Agent and the Lenders, the obligations of the Borrower under this Agreement, the Notes or any other Loan Documents may be declared to be forthwith due and payable as provided in Section 11 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 11) for purposes of Section 7.01 hereof, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by such Guarantor for purposes of said Section 7.01.

7.06 Payments. All payments by the Guarantors under this Agreement shall be made in Dollars, without deduction, set-off or counterclaim at the place specified in Section 4 hereof and free and clear of any and all present and future Covered Taxes, without prejudice to what is set forth in Section 5.05

above.

7.07 Rights of Contribution. The Guarantors hereby agree, as between themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any of the Guaranteed Obligations, each other Guarantor shall, on written demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the Properties, debts and liabilities of such Excess Funding Guarantor) of said payment of the Guaranteed Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this Section 7.07 shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the provisions of Section 7.01 and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations.

For purposes of this Section 7.07, (i) "Excess Funding Guarantor" shall mean, in respect of any Guaranteed Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "Excess Payment" shall mean, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "Pro Rata Share" shall mean, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate fair saleable value of all Properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been Guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all Properties of the Guarantors exceeds the amount of all debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Borrower and the Guarantors hereunder) of all of the Guarantors, determined as of the date hereof.

7.08 General Limitation on Guarantee Obligations. To the extent that the obligations of any Guarantor hereunder would, by reason of any applicable domestic or foreign law, rule or regulation (including any domestic or foreign corporate law, or any domestic or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally) be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability hereunder, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors.

SECTION 8. REPRESENTATIONS AND WARRANTIES. Each of the Borrower and each Guarantor represents and warrants to the Administrative Agent, the Collateral and Paying Agent and the Lenders with respect to itself (except as otherwise provided herein) that, as of the date hereof and as of the date of each Borrowing (unless otherwise specified):

8.01 Power and Authority. It (a) is a corporation or a sociedad anonima de capital variable duly organized and validly existing under the laws of its jurisdiction of incorporation, (b) has all requisite corporate power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being conducted, (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, (d) has the power and authority to make and perform each of the Loan Documents to which it is a party and, in the case of VENA and Vitro Packaging, the Intercompany Notes, and to borrow the Loans hereunder, (e) is in compliance with all applicable material laws and regulations, and (f) has good title to all its assets, free and clear of any Liens except as expressly permitted by this Agreement.

8.02 Due Authorization, Etc. The making and performance by it of the Loan Documents to which it is a party and, in the case of VENA and Vitro Packaging, the Intercompany Notes, and all other documents and instruments to be executed and delivered by it hereunder have been duly authorized by all necessary corporate action, and do not contravene (a) its estatutos sociales or, if applicable, other constitutive documents, or (b) any Requirement of Law, or (c) any agreement or instrument or material contractual restriction binding on or affecting it or any of its Property, and do not and will not result in the imposition of any Lien on any of its Property, except Liens created or arising under the Loan Documents. No part of the proceeds of the Loans will be used to buy or carry any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (and no Indebtedness refinanced with the proceeds of the Loans will have been used to buy or carry any such "margin stock").

8.03 Governmental and Other Approvals. No license, consent, authorization or approval or other action by, or notice to or filing or registration with, any Governmental Authority (including without limitation any foreign exchange approval), and no other third-party consent or approval, is necessary for the due execution, delivery and performance by it of the Loan Documents or for the legality, validity or enforceability thereof against it. No filing, registration or other action is required to be accomplished under Mexican law in order to cause the security interest created by each Security Agreement in the Collateral referred to therein to be a valid first and prior perfected security interest therein.

8.04 Legal Effect. This Agreement has been duly executed and delivered by the Borrower and the Guarantors, the Vidriera Security Agreement has been duly executed and delivered by the Borrower, the Vitro Packaging Security Agreement has been duly executed and delivered by Vitro Packaging and each thereof is, and each Note when duly executed and

delivered by the Borrower for value received, and endorsed "por aval" by each Guarantor, will be the legal, valid and binding obligation of the Borrower and the Guarantors, as the case may be, enforceable against them in accordance with its terms.

8.05 Financial Statements. The respective consolidated balance sheets of the Borrower and its consolidated Subsidiaries as of December 31, 2000 and of each of VENA, Vitro and Vitro Packaging and their respective consolidated Subsidiaries as of December 31, 2000, and the related consolidated statements of income and cash flows for the fiscal year ending on that date, each of which has heretofore been furnished to the Lenders, are complete and correct and fairly present the consolidated financial condition of the Borrower and its consolidated Subsidiaries and VENA, Vitro and Vitro Packaging and their respective consolidated Subsidiaries as at said respective dates and the consolidated results of their respective operations for the fiscal year ending on said date, all in accordance with GAAP, and neither the Borrower and its Subsidiaries nor VENA, Vitro and Vitro Packaging and their respective Subsidiaries have material contingent liabilities or unusual forward or long-term commitments not disclosed therein. Since December 31, 2000, no event or circumstance has occurred that has had a Material Adverse Effect.

8.06 Ranking. The payment obligations of the Borrower and each Guarantor hereunder are and will at all times be unconditional and unsubordinated general obligations of the Borrower and each Guarantor, and rank and will at all times rank at least pari passu with all other present and future unsecured Indebtedness of the Borrower and each Guarantor, except that in any bankruptcy proceeding initiated in Mexico, pursuant to the laws of Mexico, labor claims, claims of tax authorities for unpaid taxes, IMSS quotas, INFONAVIT quotas and SAR Fund quotas will have priority over claims of the Administrative Agent, the Collateral and Paying Agent and the Lenders.

8.07 No Actions or Proceedings. There is no litigation, investigation or proceeding pending or, to the best of its knowledge, threatened against it or any of its Subsidiaries by or before any Governmental Authority that (either individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. Its operations and those of its Subsidiaries comply

with all applicable Environmental Laws, except to the extent the failure to so comply (either individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect.

8.08 Commercial Activity; Absence of Immunity. It is subject to civil and commercial law with respect to its obligations under the Loan Documents, and the making and performance by it of the Loan Documents constitute private and commercial acts rather than public or governmental acts. It is not entitled to any immunity on the ground of sovereignty or the like from the jurisdiction of any court or from any action, suit, set-off or proceeding, or the service of process in connection therewith, arising under the Loan Documents.

8.09 Taxes. There is no income, stamp or other similar tax, levy, assessment, impost, deduction, charge or withholding imposed by Mexico (or any municipality or other political subdivision or taxing authority thereof or therein that exercises power to impose such tax, levy, assessment, impost, deduction, charge or withholding) either (a) on or by virtue of the

execution or delivery of the Loan Documents or (b) on any payment to be made by the Borrower or any Guarantor pursuant to the Loan Documents, other than any such tax, levy, assessment, impost, deduction, charge or withholding imposed on any Person as a result of such Person being organized under the laws of Mexico or by virtue of its having a permanent establishment or fixed base in Mexico to which income under this Agreement and the Notes is attributable or its Applicable Lending Office being located in Mexico, except for withholding tax on payments of interest and fees deemed to be interest to Lenders that are not Mexican Banks. It has filed all material tax returns required to be filed and paid all taxes shown to be due thereon except such as are being contested in good faith by appropriate proceedings and for which adequate reserves have been made if required in accordance with GAAP.

8.10 Legal Form. This Agreement and the other Loan Documents to which it is a party and, in the case of VENA and Vitro Packaging, the Intercompany Notes are in proper legal form under the laws of Mexico for the enforcement thereof against it under such law. All formalities required in Mexico for the validity and enforceability of each of the Loan Documents and the Intercompany Notes have been satisfied, and no Covered Taxes are required to be paid and no notarization is required, for the validity and enforceability thereof; provided, that in the event any legal proceedings are brought in the courts of Mexico, a Spanish translation of the documents required in such proceedings needs to be prepared by a court-approved translator and would have to be approved by such court after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

8.11 Full Disclosure. The information, reports, financial statements, exhibits and schedules contained in the Information Memorandum, taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading on the date as of which such information is stated or certified; and if any of such information, reports, financial statements, exhibits and schedules shall become materially untrue or misleading on or before the Borrowing Date, it shall promptly inform the Administrative Agent thereof, provided, that no such representation and warranty is made as to any projections or forward looking information contained therein except that such projections or forward looking information have been prepared in good faith on assumptions believed to be reasonable at the time of preparation thereof. All other written information furnished after the date hereof by the Borrower or any Guarantor to the Administrative Agent and the Lenders in connection with this Agreement and the transactions contemplated hereby will be true, complete and accurate in every material respect, or (in the case of projections, if applicable) based on reasonable estimates, on the date as of which such information is stated or certified.

8.12 Liens. Schedule 4 hereto is a complete and correct list of each security interest granted by the Borrower in connection with any Indebtedness as of the date hereof.

8.13 Solvency. It is, and after giving effect to the making of the Loans and the use of proceeds thereof (including without limitation the incurrence of the Guaranteed Obligations) will be, Solvent.

8.14 Restrictions on Upstreaming. Other than the Existing Restrictions, no Subsidiary of the Borrower or any Guarantor is subject on the date hereof to any contractual restriction on its ability to make any Dividend Payment.

8.15 Not an Investment Company. It is not required to register as an "investment company" under the Investment Company Act of 1940, as amended.

8.16 Collateral. The security interest created by each Security Agreement constitutes a valid first priority Lien on and prior perfected security interest in the Collateral referred to therein, subject to no equal or prior Lien.

SECTION 9. COVENANTS OF THE BORROWER. The Borrower covenants and agrees with the Lenders and each Agent that, so long as any Commitment or Loan is outstanding and until payment in full of all amounts payable by the Borrower hereunder and under the other Loan Documents:

9.01 Corporate Existence, Etc. The Borrower will, and will cause each of its Subsidiaries to, (a) preserve and maintain its corporate existence and all of its material rights and licenses, (b) maintain appropriate accounting and corporate books and records, and (c) permit representatives of any Lender, the Collateral and Paying Agent or the Administrative Agent, during normal business hours, at their own cost and expense (provided, that if an Event of Default has occurred and is continuing the Borrower shall indemnify each Lender, the Collateral and Paying Agent and the Administrative Agent for such costs and expenses, if reasonable and documented) and following notice given within a reasonable number of days, to examine, copy and make extracts from its accounting and corporate books and records, to inspect any of its Property, and to discuss its business and affairs with its officers, to the extent reasonably requested by such Lender (through the Administrative Agent), the Collateral and Paying Agent or the Administrative Agent (as the case may be).

9.02 Compliance with Law. The Borrower will, and will cause each of its Subsidiaries to, (a) comply with the requirements of all material applicable laws, rules, regulations and orders (including without limitation all Environmental Laws) of Governmental Authorities (including without limitation IMSS, INFONAVIT and SAR), (b) timely file all required material tax returns and pay and discharge at or before maturity all of its material obligations (including without limitation tax liabilities, except where the same are contested in good faith and by appropriate proceedings and against which adequate reserves are being maintained if and to the extent required by GAAP and where the failure to pay or discharge such obligations or liabilities would not result in a Material Adverse Effect), (c) maintain all of its material Property used or useful in its business in good working order and condition, ordinary wear and tear excepted, and (d) maintain insurance in respect of its and its Subsidiaries' Property and businesses against loss and damage of the kinds and in the amounts customary in the industry in which the Borrower and its Subsidiaries operate.

9.03 Governmental Authorizations. The Borrower will promptly from time to time obtain and maintain in full force and effect all licenses, consents, authorizations and

approvals of, and make all filings and registrations with, any Governmental Authority necessary under the laws of Mexico for the making and performance by it of the Loan Documents.

9.04 Financial Statements, Etc. The Borrower will provide to the Administrative Agent for distribution to the Lenders:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, enough copies for each Lender of the consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of income and cash flows of the Borrower and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in conformity with GAAP, with the unqualified opinion thereon of the Mexican office of Deloitte & Touche or other independent public accountants of recognized international standing;

(b) as soon as available and in any event within 60 days after the end of each quarter of each fiscal year of the Borrower, enough copies for each Lender of an unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of each such fiscal quarter and the related consolidated statements of income and cash flow of the Borrower and its consolidated Subsidiaries for such quarter and for the period from the beginning of the then current fiscal year to the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter in the previous fiscal year, all certified as to fairness of presentation and conformity with GAAP by the Responsible Officer of the Borrower;

(c) within fifteen Business Days after the last day of each fiscal quarter of the Borrower, a certificate of the Responsible Officer of the Borrower, in the form of Exhibit L, (y) setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Section 9.11 hereof, and certifying the Borrower's Debt Service Coverage Ratio, in each case on and as of the date of such financial statements and (z) stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(d) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements as to whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements;

(e) promptly upon an officer of the Borrower obtaining knowledge of the occurrence of any Default, a certificate of the Responsible Officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(f) promptly upon the commencement of, or any material adverse development in, any litigation or proceeding against the Borrower or any of its Subsidiaries that could

reasonably be expected to have a Material Adverse Effect, notice thereof with a description thereof in reasonable detail;

(g) promptly upon receipt by the Borrower of any payment or prepayment of any Intercompany Note, notice thereof specifying the amount and date of such payment or prepayment; and

(h) from time to time such additional information regarding the financial position or business of the Borrower and its Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request.

9.05 Ranking. The Borrower will promptly take all actions as may be necessary to ensure that the payment obligations of the Borrower under this Agreement and the Notes will at all times constitute unconditional and unsubordinated general obligations of the Borrower ranking at least pari passu with all other present and future unsecured and unsubordinated Indebtedness of

the Borrower, except that in any bankruptcy proceeding initiated in Mexico, pursuant to the laws of Mexico, labor claims, claims of tax authorities for unpaid taxes, IMSS quotas, INFONAVIT quotas and SAR Fund quotas will have priority over claims of the Administrative Agent, the Collateral and Paying Agent and the Lenders (and other than as otherwise provided in Section 9.13 hereof).

9.06 Maintenance of Collection Account and Reserve Account. The Borrower shall at all times maintain ownership, free and clear of any Lien, of the Collection Account and the Reserve Account, except for the Liens created hereby or by the Vidriera Security Agreement.

9.07 Transactions With Affiliates. Without prejudice to anything expressly permitted under this Agreement, the Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly enter into any transaction with an Affiliate thereof, except in the ordinary course of and pursuant to the reasonable requirements of its business and upon commercially reasonable terms that are no less favorable to it than those which would be obtainable in a comparable arm's-length transaction at the time from a Person which is not such an Affiliate.

9.08 Line of Business. The Borrower will not make any material change in the line of business of the Borrower and its Subsidiaries as conducted on the date hereof, and it will not change the legal nature of its organization.

9.09 Upstreaming. The Borrower will not after the date hereof permit any of its Subsidiaries to enter into, create or assume any contractual restriction on the ability of such Subsidiary to make any Dividend Payment.

9.10 Hedge Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Hedge Agreement, other than Hedge Agreements entered into (i) in the ordinary course of business to hedge or mitigate risks to which the Borrower or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities and (ii) not for speculative purposes.

9.11 Collections of Eligible Receivables. The Borrower will assure that the aggregate amount collected in respect of Eligible Receivables during each period of four consecutive fiscal quarters of the Borrower is not less than $115,000,000 and will assure that, at all times, the accounts receivable arising from the sale of goods exported to Vitro Packaging by the Borrower will be denominated in Dollars.

9.12 Collateral. The Borrower will take all reasonable steps requested by the Administrative Agent to cause the security interest created by the Vidriera Security Agreement to be at all times a valid first Lien on and prior perfected security interest in the Collateral referred to therein, subject to no equal or prior Lien.

9.13 Negative Pledge. The Borrower will not, and will not permit any of its Subsidiaries to, create, assume or suffer to exist any Lien on its Property, whether now owned or hereafter acquired by it, except:

(i) Permitted Liens;

(ii) Liens (not covering any of the Collateral) existing on the date hereof and described in Schedule 4 hereto;

(iii) Liens on any Property of the Borrower or any of its Subsidiaries securing Indebtedness of the Borrower or any of its Subsidiaries incurred or assumed for the purpose of financing (1) all or any part of the cost of acquiring such Property or (2) all or part of the cost of constructing such Property or improvements on or of any such Property, provided, that such Lien attaches to such Property concurrently with or within 60 days after the acquisition thereof;

(iv) Liens (not covering any shares of capital stock of such Person) not otherwise permitted by the foregoing clauses, securing Indebtedness

outstanding at any time in an aggregate principal amount not exceeding $10,000,000; and

(v) Liens created hereunder or under the Vidriera Security Agreement.

9.14 Fiscal Year. The Borrower will not, and will not permit any of its Subsidiaries to, change its fiscal year from a calendar year ending December 31.

9.15 Intercompany Notes. As a condition precedent to or simultaneously with the making by the Borrower of each intercompany loan to VENA and Vitro Packaging referred to in Section 2.01(b) hereof, the Borrower will obtain a valid promissory note of Vitro Packaging or of VENA (a pagare) in a principal amount equal to the amount of such intercompany loan and

in form and substance to the Administrative Agent (each, an "Intercompany Note"), and will forthwith deliver the same to the Administrative Agent, duly endorsed.

SECTION 10. COVENANTS OF THE GUARANTORS. Each Guarantor covenants and agrees with the Lenders, the Collateral and Paying Agent and the Administrative Agent that, so long as any Commitment or Loan is outstanding and until payment in full of all amounts payable by the Borrower hereunder and under the other Loan Documents:

10.01 Corporate Existence, Etc. Each Guarantor other than Vitro will, and will cause each of its Subsidiaries to, and Vitro will, and will cause each of its Material Subsidiaries (other than for Section 10.01(c) hereof, those Subsidiaries of Vitro which are joint ventures) to, (a) preserve and maintain its corporate existence and all of its material rights and licenses, (b) maintain appropriate accounting and corporate books and records, and (c) permit representatives of any Lender, the Collateral and Paying Agent or the Administrative Agent, during normal business hours, at their own cost and expense (provided, that if a Default has occurred and is continuing such Guarantor shall indemnify each Lender, the Collateral and Paying Agent and the Administrative Agent for such costs and expenses if reasonable and documented) and following notice given within a reasonable number of days, to examine, copy and make extracts from its accounting and corporate books and records, to inspect any of its Property, and to discuss its business and related affairs with its officers, to the extent reasonably requested by such Lender (through the Administrative Agent), the Collateral and Paying Agent or the Administrative Agent (as the case may be).

10.02 Compliance with Law. Each Guarantor other than Vitro will, and will cause each of its Subsidiaries to, and Vitro will, and will cause each of its Material Subsidiaries to, (a) comply with the requirements of all material applicable laws, rules, regulations and orders (including without limitation all Environmental Laws) of Governmental Authorities (including without limitation IMSS, INFONAVIT and SAR and all laws relating to Social Security), (b) timely file all required material tax returns and pay and discharge at or before maturity all of its material obligations (including without limitation tax liabilities, except where the same are contested in good faith and by appropriate proceedings and against which adequate reserves are being maintained if and to the extent required by GAAP and where the failure to pay or discharge such obligations or liabilities would not result in a Material Adverse Effect), (c) maintain all of its material Property used or useful in its business in good working order and condition, ordinary wear and tear excepted, and (d) maintain insurance in respect of its and its Subsidiaries' Property and businesses against loss and damage of the kinds and in the amounts customary in the industry in which such Guarantor and its Subsidiaries operate.

10.03 Governmental Authorizations. It will promptly from time to time obtain and maintain in full force and effect all licenses, consents, authorizations and approvals of, and make all filings and registrations with, any Governmental Authority necessary under the laws of Mexico for the making and performance by it of the Loan Documents to which it is a party and, in the case of VENA and Vitro Packaging, the Intercompany Notes.

10.04 Financial Statements, Etc. Vitro, Vitro Packaging, VENA and the VENA Leasing Companies will each provide to the Administrative Agent for distribution to the Lenders:

(a) as soon as available and in any event within 120 days after the end of each fiscal year, enough copies for each Lender of the consolidated balance sheets of it and its consolidated Subsidiaries as at the end of such fiscal year and the related consolidated statements of income and cash flows of it and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in conformity with GAAP, with the unqualified opinion thereon of independent public accountants of recognized international standing acceptable to the Majority Lenders;

(b) as soon as available and in any event within 60 days after the end of each quarter of each fiscal year, enough copies for each Lender of an unaudited consolidated balance sheet of it and its consolidated Subsidiaries as at the end of each such fiscal quarter and the related consolidated statements of income and cash flow of it and its consolidated Subsidiaries for such quarter and for the period from the beginning of the then current fiscal year to the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter in the previous fiscal year, all certified as to fairness of presentation and conformity with GAAP by the Responsible Officer of such entity;

(c) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, and at any other time reasonably requested by the Administrative Agent, a certificate of the Responsible Officer of (x) VENA, in the form of Exhibit N, setting forth in reasonable detail the calculations required to establish whether VENA was in compliance with the requirements of Sections 10.08, 10.09 and 10.10 hereof and (y) Vitro, in the form of Exhibit O, setting forth in reasonable detail the calculations required to establish whether Vitro was in compliance with the requirements of Section 10.13 hereof on the date of such financial statements; in each case stating whether any Default exists on the date of such certificate and, if any Default then exists, setting forth the details thereof and the action which such Guarantor is taking or proposes to take with respect thereto;

(d) within fifteen Business Days after the last day of each fiscal quarter of Vitro Packaging, a certificate of the Responsible Officer of Vitro Packaging, in the form of Exhibit M, setting forth in reasonable detail the calculations required to establish whether Vitro Packaging was in compliance with the requirements of Section 10.11 hereof as of the last day of such fiscal quarter;

(e) simultaneously with the delivery of each set of financial statements referred to in clause (a) above, a statement of the firm of independent public accountants which reported on such statements as to whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements;

(f) promptly upon an officer of such Guarantor obtaining knowledge of the occurrence of any Default, a certificate of the Responsible Officer of such Guarantor setting forth the details thereof and the action which such Guarantor is taking or proposes to take with respect thereto;

(g) promptly upon the commencement of, or any material adverse development in, any litigation or proceeding against any Guarantor or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect, notice thereof with a description thereof in reasonable

detail;

(h) at any time when securities of any Guarantor or any of its Subsidiaries are held by the public, promptly upon the delivery or filing thereof, copies of all reports and registration statements that such Guarantor or such Subsidiary files with the Securities and Exchange Commission of the United States of America or the Comision Nacional Bancaria y de Valores or any Mexican or other securities authority or exchange; and

(i) from time to time such additional information regarding the financial position or business of the Guarantors as the Administrative Agent, at the request of any Lender, may reasonably request.

10.05 Ranking. It will promptly take all actions as may be necessary to ensure that the payment obligations of such Guarantor under this Agreement will at all times constitute unconditional and unsubordinated general obligations of such Guarantor ranking at least pari passu in priority of payment with all other present and future unsecured and unsubordinated Indebtedness of such Guarantor, except that in any bankruptcy proceeding initiated in Mexico, pursuant to the laws of Mexico, labor claims, claims of tax authorities for unpaid taxes, IMSS quotas, INFONAVIT quotas and SAR Fund quotas will have priority over claims of the Administrative Agent, the Collateral and Paying Agent and the Lenders, and other than as provided in Section 10.15 hereof.

10.06 Dividend Payments. VENA will not make any Dividend Payment if, at the time of such Dividend Payment and immediately after giving effect thereto, (i) the VENA Debt to EBITDA Ratio is greater than 2.0 to 1.0 or (ii) the making of such Dividend Payment would result in an Event of Default; provided, that this restriction shall not be deemed to prohibit any Subsidiary of VENA that is a joint venture from making Dividend Payments that it is contractually obligated to make pursuant to agreements in effect on the date hereof and heretofore disclosed to the Banks in writing.

10.07 Use of Dividend Payments. VENA will not apply any Dividend Payments received by it directly or indirectly from the Borrower to make any loan or any extension of credit to, or any Investment in, any of its Subsidiaries, except that the provisions of this Section 10.07 shall not apply to loans or extensions of credit to or Investments in the Borrower or such of VENA's Subsidiaries as are also Guarantors.

10.08 Consolidated Net Worth. VENA will not permit its Consolidated Net Worth to be less than the following respective amounts on each of the dates set forth below:

Period	Amount
December 31, 2001	$90,000,000
December 31, 2002	$90,000,000
December 31, 2003	$100,000,000
December 31, 2004	$110,000,000
December 31, 2005	$125,000,000.

10.09 VENA Interest Coverage Ratio. VENA will not permit the VENA Interest Coverage Ratio to be less than the ratio set forth below for the respective fiscal years set forth below:

Period	Ratio
From the Closing Date through December 31, 2001	1.50 to 1.00
From January 1, 2002	

through December 31, 2002	1.60 to 1.00
From January 1, 2003 through December 31, 2003	2.00 to 1.00
From January 1, 2004 through December 31, 2004	2.15 to 1.00
From January 1, 2005 through the Final Maturity Date	2.35 to 1.00.

10.10 VENA Debt to EBITDA Ratio. VENA will not permit the VENA Debt to EBITDA Ratio to be greater than the ratio set forth below for the respective fiscal years set forth below:

Period	Ratio
From the Closing Date through December 31, 2001	4.25 to 1.00
From January 1, 2002 through December 31, 2002	3.75 to 1.00
From January 1, 2003 through December 31, 2003	3.50 to 1.00
From January 1, 2004 through December 31, 2004	3.00 to 1.00
From January 1, 2005 through the Final Maturity Date	2.75 to 1.00.

10.11 Vitro Packaging Debt Service Coverage Ratio. Vitro Packaging will at all times assure that the Vitro Packaging Debt Service Coverage Ratio is maintained at not less than 2.00 to 1.00.

10.12 Dispositions. (a) Neither the Borrower nor VENA will, nor will it permit any of its Subsidiaries to, directly or indirectly, make any Disposition of Property of the Borrower, VENA and their respective Subsidiaries if the market value of the Property subject to such Disposition, when added to the aggregate market value of all other Dispositions of Property of the Borrower, VENA and their respective Subsidiaries occurring after the date hereof and prior to the Final Maturity Date (which shall not include the excepted Dispositions set forth below and as set forth in subsection (b) of this Section 10.12), would exceed an amount equal to 10% of the aggregate fair market value of the Property of VENA and its consolidated Subsidiaries on a consolidated basis as of the end of the then most recently concluded fiscal quarter of the Borrower; provided, however, that the net amounts received by the Borrower or VENA or such Subsidiary in respect of such Dispositions allowed under this Section 10.12(a) shall be used to repay Indebtedness of the Borrower, VENA or such Subsidiary, and provided further, that the limitation set forth above shall not apply to:

(A) Dispositions of inventory for fair value in the ordinary course of business,

(B) sales of accounts receivable in factoring arrangements existing on the date hereof (including renewals and replacements thereof to the extent the amount thereof is not increased beyond a total aggregate principal amount of $55,000,000),

(C) Dispositions of Property no longer used or, in the reasonable opinion of the Borrower, useful in the business of the Borrower or its Subsidiaries, provided that the net proceeds of any such Disposition shall be reinvested in the business of the Borrower or the relevant Subsidiary or used to repay Indebtedness thereof within 30 days of said Disposition, and

(D) Dispositions of up to 9% of the total outstanding Voting Shares of Vitro OCF as set forth in clause (iv) of the definition of "Change of Control".

(b) VENA will not make, directly or indirectly, any Disposition of any of the shares of capital stock of any of the VENA Leasing Companies directly or indirectly owned by VENA on the date hereof; provided, that VENA may make a Disposition for cash (except to the extent contemplated under subsection (ii) below) of all, but not less than all, of the shares of Vidriera Mexicali, to

(i) a Person (other than an Affiliated Person) on an arm's-length basis for fair market value (as determined by an independent appraiser mutually acceptable to the Borrower and the Lenders) and, upon such sale, Vidriera Mexicali, shall be simultaneously released from its obligations hereunder, so long as the Net Proceeds of any such Disposition (or, if applicable, the Dollar equivalent thereof) are applied when received to the prepayment of Loans hereunder in accordance with Section 3.04(b)(i) hereof or

(ii) an Affiliated Person on an arm's-length basis for fair market value (as determined by an independent appraiser mutually acceptable to the Borrower and the Lenders) and, upon such sale, Vidriera Mexicali, shall be simultaneously released from its obligations hereunder, so long as the Net Proceeds of any such Disposition (or, if applicable, the Dollar equivalent thereof) are applied when received to the prepayment of Loans hereunder in accordance with Section 3.04(b)(ii) hereof.

10.13 Indebtedness. Vitro will not and will not permit any of its Consolidated Subsidiaries to incur any Indebtedness unless, immediately after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the ratio of (1) the aggregate outstanding principal amount of Indebtedness of Vitro and its Consolidated Subsidiaries on a consolidated basis to (2) the Consolidated EBITDA of Vitro for the most recently concluded period of four consecutive fiscal quarters of Vitro would be greater than zero and less than or equal to 4.25 to 1.00 on the date of such incurrence, provided that this covenant shall not apply to:

(i) Indebtedness of Vitro or such Consolidated Subsidiaries to the extent it refinances Indebtedness otherwise permitted hereunder, other than Indebtedness incurred under clause (ii) of this Section 10.13;

(ii) Indebtedness of Vitro or such Consolidated Subsidiaries incurred for working capital needs in the ordinary course of business or to refinance interest expense, in an aggregate principal amount at any time outstanding not to exceed $300,000,000;

(iii) Indebtedness incurred under any Loan Document;

(iv) Indebtedness (A) in respect of performance, surety or appeal bonds provided in the ordinary course of business, (B) under currency agreements and interest rate agreements (provided that, in the case of currency agreements that relate to other Indebtedness, such currency agreements do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder) and (C) arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from Guarantees or letters of credit, surety bonds, performance bonds or other similar instruments securing any obligations of Vitro or any of its Consolidated Subsidiaries pursuant to such agreements, in any case incurred in connection with the disposition of any business, assets or Consolidated Subsidiary (other than a Guarantee incurred by any Person acquiring all or

any portion of such business, assets or Consolidated Subsidiary for the purpose of financing such acquisition), in a principal amount not to exceed the gross proceeds actually received by Vitro or any Consolidated Subsidiary in connection with such disposition;

(v) Indebtedness to the extent such Indebtedness is secured by Liens which are purchase money or other Liens upon equipment or Property acquired or held by Vitro or any of its Consolidated Subsidiaries taken or obtained by (A) the seller or lessor of such equipment or property to secure all or a part of the purchase price or lease payment therefore or (B) the Person who makes advances or incurs obligations, thereby giving value to Vitro or any of its Consolidated Subsidiaries to enable it to purchase or acquire rights in such equipment or Property to secure the repayment of all or a part of the advances so made or obligations so incurred, provided, however, that (x) such Liens do not extend to or cover any Property of Vitro or any of its Consolidated Subsidiaries other than the equipment or Property acquired, and (y) the aggregate principal amount of such Indebtedness, together with any Indebtedness permitted under clause (iv) of this paragraph (b) with respect thereto, outstanding at any time does not exceed $25,000,000;

(vi) Indebtedness of the Borrower arising under a transaction described in Section 3.04(b)(i), so long as such Indebtedness is subordinated to the obligations of the Borrower hereunder upon terms and conditions satisfactory to the Administrative Agent;

(vii) Indebtedness to VENA (including any Indebtedness arising under a transaction described in Section 3.04(b)(ii)), so long as such Indebtedness is subordinated to the obligations of the Borrower hereunder upon terms and conditions satisfactory to the Administrative Agent; and

(viii) Indebtedness arising from the Guarantee of up to $70,000,000 by Vitro in favor of Pension Benefit Guaranty Corporation in relation to Anchor Glass Container Corp.'s underfunding liability for pension obligations in the United States nor the Guarantee Obligation of up to US$23,500,000 from Vitro to Consumers Packaging Inc. in relation to environmental clean-up costs.

10.14 Guaranteed Indebtedness. Neither the Borrower nor VENA will, nor will it permit any of its Subsidiaries to, create, incur or suffer to exist any Guarantee in respect of any Indebtedness of Vitro or any Subsidiary of VENA, other than:

(a) Guarantees of Indebtedness to the Lenders hereunder;

(b) Guarantees by VENA of other Indebtedness of the Borrower or of any of the VENA Leasing Companies;

(c) Guarantees by any of the VENA Leasing Companies of other Indebtedness of the Borrower;

(d) Guarantees by the Borrower of Indebtedness of any of the VENA Leasing Companies; and

(e) Guarantees by the Borrower or by any of the VENA Leasing Companies of Indebtedness of VENA.

10.15 Negative Pledge. (a) VENA will not, and will not permit any of its Subsidiaries to, create, assume or suffer to exist any Lien on its interests in the shares of Vitro OCF, S.A. de C.V., Industria del Alcali, S.A. de C.V., Fabricacion de Maquinas, S.A. de C.V., each a Mexican corporation, and Vidrio Lux, S.A., a Bolivian corporation, whether now owned or hereafter acquired by it.

(b) VENA will not permit Vitro OCF, S.A. de C.V., Industria del Alcali, S.A. de C.V., Fabricacion de Maquinas, S.A. de C.V., and Vidrio Lux, S.A. to create, assume or suffer to exist any Lien on their respective Properties (other than shares of stock of such listed entities) except Liens

securing Indebtedness outstanding at any time in an aggregate principal amount not exceeding $30,000,000.

(c) VENA and the VENA Leasing Companies will not create, assume or suffer to exist any Lien on their respective Properties except Liens securing Indebtedness that is subordinated in right of payment to the prior payment in full of the Loans and the Notes on terms and conditions and pursuant to documentation satisfactory to the Majority Lenders and Liens permitted under clause (a) above.

10.16 Transactions With Affiliates. Without prejudice to anything expressly permitted under this Agreement, the Guarantors will not, and will not permit any of their respective Subsidiaries to, directly or indirectly enter into any transaction with an Affiliate thereof, except in the ordinary course of and pursuant to the reasonable requirements of its business and upon commercially reasonable terms that are no less favorable to it than those which would be obtainable in a comparable arm's-length transaction at the time from a Person which is not such an Affiliate.

10.17 Line of Business. It will not make any material change in the nature or conduct of the business of itself and its Subsidiaries (other than such of Vitro's Subsidiaries which are not Guarantors) as conducted on the date hereof, and it will not change the legal nature of its organization.

10.18 Vitro Packaging Operating Account. Vitro Packaging will not, without the prior consent of the Lenders, transfer the location of the Vitro Packaging Operating Account.

SECTION 11. EVENTS OF DEFAULT. If one or more of the following events (herein called "Events of Default") shall occur and be continuing:

(a) The Borrower shall fail to pay when due any principal of any Loan or to prepay any Loan when required hereunder, or shall fail to pay within three Business Days after the due date thereof any interest on any Loan, any commitment fees or any other amount payable hereunder or under any Note or any other amount payable under any Loan Document; or

(b) Any representation, warranty or certification made or deemed made by the Borrower or any Guarantor herein or in either Security Agreement (or in any modification or supplement hereto or thereto) or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(c) The Borrower or any Guarantor (other than Vitro) or any of their respective Subsidiaries shall default in the payment of any principal of or interest on any other Indebtedness (whether at stated maturity or at mandatory or optional prepayment or otherwise) if such Indebtedness has an aggregate outstanding principal amount of $10,000,000 (or its equivalent in other currencies) or more ("Material Debt"), or any default or event of default shall occur under any agreement or instrument evidencing or relating to such Material Debt if the effect thereof is to accelerate the maturity thereof, or to permit or enable the holder or holders of such Material Debt, or an agent or trustee acting on its or their behalf, to accelerate the maturity thereof, or to require the mandatory prepayment or redemption thereof; or

(d) Vitro or any of its Material Subsidiaries (other than the Guarantors) shall fail to make any payment in respect of any other Indebtedness in an aggregate principal amount exceeding $25,000,000 (or its equivalent in other currencies) when due or within any applicable grace period, or any event or condition shall occur which results in the acceleration of the maturity of any other Indebtedness of Vitro or any of its Material Subsidiaries (other than the Guarantors) in an aggregate principal amount exceeding $25,000,000 (or its equivalent in other currencies);

(e) A Coverage Default shall occur; or

(f) The Borrower or any Guarantor shall (i) default in the observance or performance of any of its other obligations under Sections 9 or 10 hereof, as the case may be, or in either Security Agreement or (ii) fail to perform or observe any of its other obligations under this Agreement (other than as referred to in clause (a) above) if such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower or any Guarantor by the Administrative Agent or any Lender; or

(g) The Borrower or any Guarantor or any of their respective Material Subsidiaries shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due; or

(h) The Borrower or any Guarantor or any of their respective Material Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, liquidador, conciliador, sindico, trustee, examiner or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) file a petition seeking to take advantage of any other law relating to bankruptcy, concurso mercantil, insolvency, reorganization, suspension of payments, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts or (iv) take any corporate action for the purpose of effecting any of the foregoing; or

(i) A proceeding or case shall be commenced against the Borrower or any Guarantor or any of their respective Material Subsidiaries, without its application or consent, seeking (i) its reorganization, liquidation, dissolution, arrangement or winding up, (ii) the appointment of a receiver, custodian, liquidador, conciliador, sindico, trustee, examiner, liquidator or the like of it or of all or any substantial part of its Property or (iii) similar relief in respect of it under any law relating to bankruptcy, concurso mercantil, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days, or a declaration of bankruptcy, concurso mercantil or suspension of payments shall be entered against the Borrower or such Guarantor or Material Subsidiary under the Mexican federal bankruptcy laws as now or hereafter in effect; or

(j) A judgment for the payment of money is or judgments for the payment of money are rendered against the Borrower or any Guarantor or any of their respective Subsidiaries in an amount exceeding in the aggregate $5,000,000 (or its equivalent in other currencies) in the case of any such Person other than Vitro, or in an amount exceeding in the aggregate $25,000,000 (or its equivalent in other currencies) in the case of Vitro, and shall remain unsatisfied, undischarged and in effect for a period of 45 consecutive days without a stay of execution, unless the same is adequately bonded or is being contested by appropriate proceedings properly instituted and diligently conducted and, in either case, such process is not being executed against assets thereof; or the Borrower or any Guarantor or any of their respective Material Subsidiaries shall fail to pay when due to Social Security, INFONAVIT, IMSS or SAR any amount or amounts

aggregating $5,000,000 or more (or its equivalent in Pesos) except to the extent the amount or amounts due are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the Property of the Borrower or such Guarantor or

Subsidiary; or

(k) (i) Any Mexican Governmental Authority shall impose exchange controls prohibiting or materially restricting the making of payments in Dollars in respect of Indebtedness payable in a currency other than Pesos; or (ii) any Mexican Governmental Authority shall take any action to condemn, seize, nationalize or appropriate any substantial portion of the Property of the Borrower or any Guarantor (with or without the payment of compensation); or (iii) any action is taken by a Mexican Governmental Authority, including without limitation the declaration of a moratorium on payment of any Indebtedness, that has a Material Adverse Effect on (x) the repayment of the Loans or (y) the schedule of payments of the Borrower hereunder or under the Notes; or (iv) the Borrower or any Guarantor shall participate or take any action to participate in any facility or exercise involving the rescheduling of its debts or the alteration of the currency in which it may pay its obligations; or

(l) The Borrower or any Guarantor (other than Vitro) or any of their respective Subsidiaries or Vitro or any of its Material Subsidiaries shall enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or sell all or substantially all of its Property, except that it shall not be an Event of Default hereunder if (x) any Subsidiary of the Borrower merges or consolidates with any other Subsidiary of the Borrower or any Guarantor or with the Borrower or any Guarantor, (y) the Borrower or any Guarantor merges with any other Person, or (z) any Guarantor merges or consolidates with any other Guarantor, provided, that, in the case of either clause (x) or (y), (i) after giving effect to such transaction no Default has occurred and is continuing and (ii) in the case of clause (y), the Borrower or a Guarantor, as the case may be, is the surviving entity; or

(m) Any of the Loan Documents becomes unenforceable or the performance of the obligations of the Borrower or any Guarantor thereunder becomes illegal, or the security interest created by either Security Agreement shall not constitute a valid first priority lien on and perfected security interest in the Collateral covered thereby, subject to no equal or senior Lien (except as provided in Section 9.13 hereof); or

(n) A Change of Control shall occur;

THEREUPON: in any such event, (1) the Administrative Agent shall, upon request of the Majority Lenders, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall forthwith terminate, and/or (2) the Administrative Agent shall, upon request of the Majority Lenders, by notice to the Borrower declare the principal then outstanding of, and the accrued interest on, the Loans and the Notes and all other amounts payable by the Borrower hereunder (including, without limitation, any amounts payable under Section 5.04 hereof) to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all

of which are hereby expressly waived by the Borrower; provided, that in the case of an Event of Default of the kinds referred to in clauses (h) or (i) above with respect to the Borrower or any Guarantor, the Commitments shall automatically terminate and such amounts shall automatically become due and payable, without any further action by any party, and/or (3) the Administrative Agent shall, upon and pursuant to the instructions of the Majority Lenders, proceed to enforce its remedies under the Security Agreements and under Section 12 hereof (and, without limiting the foregoing, the Administrative Agent may instruct the Collateral and Paying Agent to apply the balance of the Accounts to payment of amounts owing under this Agreement).

SECTION 12. THE ACCOUNTS.

12.01 The Collection Account and the Reserve Account. The Borrower and Vitro Packaging hereby agree as follows:

(a) The Collection Account.

(i) The Borrower has established, and will maintain until the payment in full of all amounts payable under the Loan Documents, the Collection Account.

(ii) The Borrower hereby irrevocably directs Vitro Packaging, and Vitro Packaging agrees, to remit to the Collection Account all payments by it in respect of Eligible Receivables.

(iii) Vitro Packaging shall from time to time cause to be remitted from the Vitro Packaging Operating Account (up to the collected credit balance thereof) to the Collection Account such amounts as may be required to assure that no Early Amortization Event may occur.

(iv) Without limiting the obligations of the Borrower hereunder and under the Notes, (x) the Administrative Agent shall advise the Collateral and Paying Agent of the aggregate amount of principal of and interest on the Loans falling due on each Principal Payment Date prior to or on each Principal Payment Date, and (y) the Collateral and Paying Agent shall on such Principal Payment Date (and is hereby irrevocably authorized by the Borrower to) debit the Collection Account up to the collected credit balance thereof (and only to the extent necessary to generate sufficient funds, the Collateral and Paying Agent is irrevocably authorized to liquidate Permitted Investments in the Collection Account) and apply the same, in the following order of priority:

First, to the payment in full of all fees and out-of-pocket costs, charges, fees and expenses of the Agents to the extent not theretofore paid or reimbursed (including amounts referred to in Section 12.01(i) hereof);

Second, to the payment of accrued and unpaid interest payable under Section 3.02(b) hereof and under Section 3.02(a) hereof;

Third, to the payment of the principal of the Loans due on such Principal Payment Date;

Fourth, to the Reserve Account until the collected credit balance thereof equals the Required Reserve Balance;

Fifth, to the payment of any other amounts then due and payable hereunder or under the other Loan Documents; and

Thereafter, subject to Section 12.01(a)(v), to the Borrower or its order or as a court of competent jurisdiction may otherwise direct.

Without limiting the obligations of the Borrower hereunder and under the Notes, if on any Principal Payment Date the collected credit balance of the Collection Account (after giving effect to such amounts as are transferred from the Reserve Account pursuant to Section 12.01(b)(iv) hereof) is insufficient to cover the Debt Service Amount due on such Principal Payment Date, the Borrower shall forthwith deposit, or cause to be deposited, to the Collection Account an aggregate amount which is sufficient to cover such Debt Service Amount.

(v) On any date, during any one month period occurring within any Interest Period, on which the collected credit balance of the Collection Account exceeds the Applicable Percentage of the Debt Service Amount in respect of the then next Principal Payment Date, the Collateral and Paying Agent will (i) if the balance in the Reserve Account is less than the Required Reserve Balance, direct such excess to the Reserve Account to the extent necessary to cause such balance to equal the Required Reserve Balance, and (ii) thereafter, remit an amount equal to such excess to the Borrower or its order by the close of business on such date; provided, that if an Early Amortization Event or an Event of Default has occurred and is continuing, or (without limiting the foregoing) the Borrower is not in compliance with Section 12.01(b)(iii) hereof (relating to the Reserve

Account), the Collateral and Paying Agent shall retain all amounts then on deposit in the Collection Account or thereafter deposited therein as part of the Deposit Collateral until such time as the amounts then on deposit in the Collection Account equal the next succeeding Debt Service Amount and the Borrower is in compliance with said Section 12.01(b)(iii). Notwithstanding the foregoing, the Collateral and Paying Agent shall not release any amount from the Collection Account as aforesaid unless and until the Administrative Agent has advised the Collateral and Paying Agent that the Administrative Agent has received a certificate pursuant to Section 9.04(c) confirming the Borrower's compliance with Section 9.11 for the most recently concluded period of four consecutive fiscal quarters of the Borrower and certifying that the Borrower's Debt Service Coverage Ratio for the fiscal quarter then ended is at least 1.50 to 1.00. For purposes hereof, the "Applicable Percentage" shall mean (i) during the first month

of any Interest Period, 33 1/3%, (ii) during the second month of any Interest Period, 66 2/3%, and (iii) during the final month of any Interest Period, 100%.

(b) The Reserve Account.

(i) The Borrower has established, and will maintain until the payment in full of all amounts payable under the Loan Documents, the Reserve Account.

(ii) The Administrative Agent is hereby irrevocably authorized to fund the Reserve Account, out of the proceeds of the Loans, up to an amount equal to the Required Reserve Balance.

(iii) The Borrower will at all times after the Borrowing cause the collected credit balance of the Reserve Account to be an amount equal to not less than the Required Reserve Balance.

(iv) If on any Principal Payment Date there are insufficient funds in the Collection Account to pay in full the Debt Service Amount scheduled to fall due on such Principal Payment Date (prior to giving effect to any transfers pursuant to the last paragraph of Section 12.01(a)(iv)), the Collateral and Paying Agent will (and is hereby irrevocably authorized by the Borrower to) debit the Reserve Account (up to the collected credit balance thereof) in an amount equal to the shortfall and transfer the same to the Collection Account for application to payments then due.

(v) Without limiting the provisions of this Section 12, and provided that no Default has occurred and is continuing, on any Principal Payment Date on which, after giving effect to the payments required to be made on such date, the collected credit balance of the Reserve Account exceeds the Required Reserve Balance, the Collateral and Paying Agent shall (and is hereby irrevocably authorized by the Borrower to) remit such excess to the Borrower or its order by the close of business on such Principal Payment Date; provided, that if an Early Amortization Event or an Event of Default has occurred and is continuing, such excess shall be remitted to the Collection Account.

(c) Pledge. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans and all of the other obligations, whether now existing or hereafter from time to time arising, of the Borrower under the Loan Documents, the Borrower hereby pledges to the Collateral and Paying Agent for the benefit of the Lenders and the Agents and their respective successors and assigns, and grants to the Collateral and Paying Agent for the benefit of the Lenders and the Agents and their respective successors and assigns a first priority security interest in all of the Borrower's right, title and interest in, to and under the Collection Account and the Reserve Account, any and all cash and Permitted Investments and other financial assets (within the meaning of Section 8-102(a)(9) of the UCC) whatsoever at any time or from time to time credited to the Collection Account or the Reserve Account, and any and all security

entitlements (within the meaning of Section 8-102(a)(17) of the UCC) of the Borrower with respect to such financial assets, and any and all proceeds of any of the foregoing (collectively, the "Deposit Collateral").

(d) Sole Dominion. Without prejudice to the provisions of the Account Control Agreement, the Borrower irrevocably confers upon the Collateral and Paying Agent sole dominion and control over each Account and the sole and exclusive power and right to withdraw and remit funds standing to the credit of each Account, agrees that the Borrower shall not have any right or power of withdrawal over either Account, and agrees that each of the authorizations provided for in this Section 12.01 is irrevocable and coupled with an interest. The Borrower further irrevocably agrees that the Administrative Agent may give instructions regarding such transactions directly to the Collateral and Paying Agent, and the Borrower hereby irrevocably authorizes and instructs the Collateral and Paying Agent to act upon such instructions from the Administrative Agent with respect to the Accounts without any further consent of, or instruction from, the Borrower. The Collateral and Paying Agent shall, within 10 days after receiving an authenticated demand from the Borrower following payment of all amounts owing hereunder and under any other Loan Document, send to the Intermediary an authenticated statement that releases the Intermediary from any further obligation to comply with instructions originated by the Collateral and Paying Agent.

(e) Instructions. The Collateral and Paying Agent hereby agrees to accept and follow instructions from the Administrative Agent with respect to the Accounts and any amounts standing to the credit thereof. The Collateral and Paying Agent shall be entitled to assume that no Default has occurred and is continuing unless it receives notice in writing from the Administrative Agent to the contrary.

(f) Advice. The Collateral and Paying Agent may at any time request the Administrative Agent to advise it of the Debt Service Amount for the current fiscal quarter of the Borrower and of the aggregate amount of fees, expenses and other amounts falling due hereunder, and the Collateral and Paying Agent may rely conclusively upon the information so provided.

(g) Full Recourse. No receipt, holding, application or disposition of all or any part of the collected credit balance of either Account (or any other collateral) shall relieve the Borrower of its liability for any deficiency in payment of its obligations under the Loan Documents.

(h) Information. The Collateral and Paying Agent will promptly inform the Administrative Agent (which, in turn, will promptly inform the Lenders) of (i) the making and amount of each deposit or transfer effected pursuant to the last sentence of Section 12.01(a)(iv) or Section 12.01(b)(iv) and (ii) within ten Business Days after each Principal Payment Date, the aggregate amount deposited in the Collection Account during the preceding fiscal quarter.

(i) Charges, etc. All fees, service charges, costs, adjustments for any deposit errors, returned or dishonored items, uncollected funds or any other deficiency for other charges and claims for any liability, loss, damage cost or expense of the Collateral and Paying Agent

relating to the Accounts (except to the extent any such amount is attributed to the Collateral and Paying Agent's bad faith, willful misconduct or gross negligence) will be charged to the Collection Account. In the event that the Collateral and Paying Agent is unable to recover all such amounts, the Collateral and Paying Agent may, until such amounts are paid in full, (i) debit any other account of the Borrower or any Guarantor, (ii) debit any other account in the name of the Borrower or any Guarantor for the benefit of the Collateral and Paying Agent and/or (iii) make demand therefor on the Borrower and the Borrower shall remit payment in good and collected funds to the Collateral and

Paying Agent within two Business Days of such demand.

12.02 Permitted Investments. The collected credit balance of each of the Collection Account and the Reserve Account will be invested by the Collateral and Paying Agent from time to time, for the benefit of the Borrower, in one or more Permitted Investments, so long as no Event of Default has occurred and is continuing. The Collateral and Paying Agent shall, from time to time upon the reasonable request of the Borrower, provide information in respect of the Permitted Investments in which such balances may have been invested. The Collateral and Paying Agent shall have no liability or responsibility whatsoever as to the creditworthiness or collectibility of any Permitted Investment.

12.03 Certain Provisions Relating to Agents.

(a) Without prejudice to the provisions of either Security Agreement, the Collateral and Paying Agent shall take steps as are instructed in writing by the Administrative Agent from time to time with respect to the Collateral, subject to the rights of the Borrower under the Loan Documents. The Collateral and Paying Agent shall not be required to take any action which it considers to be contrary to law or this Agreement or either Security Agreement or the Account Control Agreement, or which would subject it to personal liability, provided that if the Collateral and Paying Agent shall decline to take action for any such reason, it shall immediately notify the Administrative Agent and the Borrower.

(b) Neither Agent shall be liable for any action taken or omitted by it with respect to the Collateral on the instructions of the other Agent. Each Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any certificate, statement, request, agreement or other instrument it reasonably believes to be genuine and to have been signed or presented by or on behalf of the other Agent. In maintaining the Accounts and otherwise acting hereunder or under either Security Agreement, the Collateral and Paying Agent may consult with counsel and shall be fully protected with respect to any action taken or omitted by it in good faith on advice of counsel and shall have no liability hereunder except for its bad faith, willful misconduct or gross negligence with respect to its obligations hereunder. Without limiting any other provision of this Agreement, the Collateral and Paying Agent shall have no responsibility or liability with respect to the perfection or priority of any security interest created by either Security Agreement.

(c) Without limiting any rights or powers granted by this Agreement to either Agent while no Event of Default has occurred and is continuing, upon the occurrence and

during the continuance of any Event of Default, the Administrative Agent is hereby appointed the attorney-in-fact of the Borrower for the purpose of carrying out the provisions of this Section 12 and taking any action and executing any instruments that the Collateral and Paying Agent or the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest.

SECTION 13. THE AGENTS.

13.01 Appointment, Powers and Immunities.

(i) Each Lender hereby appoints and authorizes each Agent to act as its agent hereunder and under each Security Agreement with such powers as are specifically delegated to such Agent by the terms hereof and thereof, together with such other powers as are reasonably incidental thereto. Each Agent (which term as used in this sentence and in Section 13.05 hereof and the first sentence of Section 13.06 hereof shall include reference to its affiliates and its own and its affiliates' officers, directors, employees and agents):

(a) shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and shall not by

reason of this Agreement or the other Loan Documents be a trustee or fiduciary for any party hereto;

(b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or the other Loan Documents, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or the other Loan Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Loan Document or any other document referred to or provided for herein or therein or for any failure by the Borrower or any Guarantor or any other Person to perform any of its obligations hereunder or thereunder;

(c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (and shall not commence an action or proceeding on behalf of any Lender without obtaining the consent of such Lender thereto); and

(d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under either Security Agreement or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct.

Each Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of or for the supervision of any such agents or attorneys-in-fact selected by it in good faith.

(ii) Before the Collateral and Paying Agent acts or refrains from acting hereunder or under either Security Agreement, it may require an officer's certificate of the Borrower and/or an opinion of counsel satisfactory to the Collateral and Paying Agent with respect to such action or inaction. The Collateral and Paying Agent shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion. Whenever in the administration of either Security Agreement the Collateral and Paying Agent shall deem it necessary or desirable that a matter be provided or established prior to taking or suffering or omitting to take any act under such Security Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or bad faith on the part of the Collateral and Paying Agent, be deemed to be conclusively proved and established by an officers' certificate delivered to the Collateral and Paying Agent, and such certificate, in the absence of gross negligence or bad faith on the part of the Collateral and Paying Agent, shall be full warrant to the Collateral and Paying Agent for any action taken, suffered or omitted to be taken by it under the provisions of such Security Agreement upon the faith thereof.

(iii) The Administrative Agent and the Collateral and Paying Agent are hereby irrevocably authorized to execute and deliver each Security Agreement.

13.02 Reliance by Agents. Each Agent shall be entitled to conclusively rely upon any certification, notice or other communication (including, without limitation, any thereof by telephone, telecopy, telex, telegram or cable) reasonably believed by it to be genuine and correct and to have been signed, made or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel and other experts selected by such Agent, as the case may be. As to any matters not expressly provided for by this Agreement, each Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or under each Security Agreement in accordance with instructions given by the Majority Lenders, and such instructions of the Majority Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

13.03 Defaults. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of a Default (other than a failure to make a payment of principal of or interest on the Loans) unless the Administrative Agent has received notice from a Lender or the Borrower specifying such Default and stating that such notice is a "Notice of Default". In the event that the

Administrative Agent receives a Notice of a Default, the Administrative Agent shall give prompt notice thereof to the Lenders and neither the Borrower nor any Guarantor shall be deemed liable if the Administrative Agent fails to provide such notice to the Lenders. The Administrative Agent shall (subject to Section 13.07 hereof) take such action with respect to any such Default as shall be directed by the Majority Lenders, provided, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders or all of the Lenders.

13.04 Rights as a Lender. With respect to its Commitment and the Loans made by it, the Administrative Agent in its individual capacity as a Lender hereunder (if applicable) shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent in their individual capacities. HSBC Investment Bank plc (and any successor acting as Administrative Agent) and its affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Borrower and the Guarantors as if it were not acting as the Administrative Agent, and HSBC Investment Bank plc (and any such successor) and its affiliates may accept fees and other consideration from the Borrower and the Guarantors for services in connection with this Agreement or otherwise without having to account for the same to the Lenders. The provisions of this Section 13.04 shall apply mutatis mutandis to the Collateral and Paying Agent.

13.05 Indemnification. The Lenders agree to indemnify each Agent (to the extent not reimbursed under Section 14.03 hereof, but without limiting the obligations of the Borrower under said Section 14.03 hereof) ratably in accordance with the aggregate principal amount of the Loans held by the Lenders (or, if no Loans are at the time outstanding, ratably in accordance with their respective Commitments), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever (including without limitation legal fees and expenses) that may be imposed on, incurred by or asserted against such Agent arising out of or by reason of any investigation in any way relating to or arising out of this Agreement or the Security Agreements or the Account Control Agreement or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including, without limitation, the costs and expenses that the Borrower is obligated to pay under Section 14.03 hereof, but excluding, unless an Event of Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, provided, that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified. The obligations of the Lenders under this Section 13.05 shall survive the termination of this Agreement, the repayment of the Loans and the resignation or removal of either Agent.

13.06 Non-Reliance on Agents and Other Lenders. Each Lender agrees that it has, independently and without reliance on either Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower and the Guarantors and decision to enter into this Agreement and that it will, independently and without reliance upon either Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement, the Notes, the Account Control Agreement and the Security Agreements. The Agents shall not be required to keep themselves informed as to the performance or observance by the Borrower and the Guarantors of this Agreement, the Notes, the Security Agreements or the Account Control Agreement or any other document referred to or provided for herein or therein or to inspect the properties or books of the Borrower or any Guarantor. Except for notices, reports and other

documents and information expressly required to be furnished to the Lenders by an Agent hereunder, such Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrower or any Guarantor that may come into the possession of such Agent or any of its affiliates.

13.07 Failure to Act. Except for action expressly required of an Agent hereunder or under the Security Agreements or the Account Control Agreement, such Agent shall in all cases be fully justified in failing or refusing to act hereunder or thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 13.05 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

13.08 Resignation or Removal of Agents. Either Agent may resign at any time by giving notice thereof to the Lenders, the other Agent and the Borrower, and either Agent may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent, which shall (in the case of the Administrative Agent) be a bank approved by the Borrower (such approval not to be unreasonably withheld) that (i) has an office in New York, New York or London, England, (ii) is registered as a "foreign financial institution" with the Ministry of Finance for purposes of Article 154 of the Mexican Income Tax Law, and (iii) is a resident for tax purposes of a country with which Mexico shall have entered into a treaty for the avoidance of double taxation which is in effect. If no successor Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Agent, then the retiring Agent's resignation shall nonetheless become effective and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and (2) the Majority Lenders shall perform the duties of the Agent (and all payments and communications provided to be made by, to or through such Agent shall instead be made by or to each Lender directly) until such time as the Majority Lenders appoint a successor agent as provided for above in this paragraph, provided that the Collateral and Paying Agent shall continue to maintain control of any Collateral for the benefit of the Lenders until a successor is appointed. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the Security Agreements and the Account Control Agreement except to the extent of liability arising from prior action. Notwithstanding the foregoing, no removal of either Agent shall be effective until all amounts then due and owing to the removed Agent shall be paid in full. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section 13 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Agent.

13.09 The Joint Lead Arrangers. The Joint Lead Arrangers, in their capacities as such, shall not have any obligations or liabilities hereunder.

SECTION 14. MISCELLANEOUS.

14.01 Waiver. No failure on the part of any Agent or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided

herein are cumulative and not exclusive of any remedies provided by law.

14.02 Notices. All notices, requests, instructions, directions and other communications provided for herein (including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered, if to the Borrower, any Guarantor or any Agent, to its address specified on the signature pages hereto, and if to any Lender, to its "Address for Notices" specified opposite its name on Annex 1 hereto; or, as to any party, at such other address as shall be designated by such party in a notice to the Administrative Agent and the Borrower. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given upon receipt of a legible copy thereof, in each case given or addressed as aforesaid.

14.03 Expenses, Etc. (a) The Borrower agrees to pay or reimburse (i) each Agent and each Joint Lead Arranger for all of its reasonable and documented out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent and the Collateral and Paying Agent, and Ritch, Heather y Mueller, S.C., special Mexican counsel to the Administrative Agent and the Collateral and Paying Agent, and printing, reproduction, document delivery, communication and travel costs) in connection with (y) the syndication, negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the making of the Loans hereunder and (z) the negotiation or preparation of any modification, supplement or waiver of any of the terms of this Agreement or any of the other Loan Documents (whether or not consummated) and (ii) the Borrower and each Guarantor agree to reimburse each Agent, each Joint Lead Arranger and each of the Lenders for all of their documented out-of-pocket costs and expenses (including, without limitation, the fees and expenses of legal counsel) in connection with any enforcement or collection proceedings resulting from the occurrence of an Event of Default.

(b) The Borrower hereby agrees to indemnify each Agent, each Joint Lead Arranger and each Lender and their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them arising out of or by reason of any litigation or other proceedings (including any threatened litigation or other proceedings) relating to the Loans or the use or proposed use by the Borrower of the proceeds of any of the Loans, including, without limitation, the fees and disbursements of counsel incurred in connection with any such litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified, as determined by a final, nonappealable judgment by a court of competent

jurisdiction). The right to be indemnified hereunder shall be deemed to expire to the extent not claimed or asserted in an instrument in writing within the period of five (5) years after the Final Maturity Date.

14.04 Amendments, Etc. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Borrower and the Majority Lenders, or by the Borrower and the Agents acting with the consent of the Majority Lenders, and any provision of this Agreement may be waived by the Majority Lenders or by the Agents acting with the consent of the Majority Lenders; provided, that (a) no modification, supplement or waiver shall, unless by an instrument signed by all of the Lenders or by the Administrative Agent acting with the consent of all of the Lenders (i) increase or extend the term of the Commitments, (ii) extend the date fixed for the payment of principal of or interest on any Loan or any fee hereunder, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon or any fee is payable hereunder, (v) release the Collateral (except in accordance with the express terms of the Security Agreements) or alter the provisions of Section 9.12 hereof, (vi) release any Guarantor from its obligations hereunder, (vii) alter the terms of this Section 14.04, or (viii) modify the definition of the term "Majority Lenders" or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof; and (b) any modification or supplement of Section

13 hereof, or of any of the rights or duties of the Administrative Agent or the Collateral and Paying Agent hereunder or under either Security Agreement or the Account Control Agreement, shall require the consent of the Administrative Agent or the Collateral and Paying Agent, as the case may be. Any such amendment or waiver shall be binding upon the Lender, each holder of any of the Guaranteed Obligations and each Guarantor.

14.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

14.06 Assignments and Participations.

(a) Neither the Borrower nor any Guarantor may assign any of its rights or obligations hereunder or under any of the other Loan Documents without the prior written consent of all of the Lenders and the Agents.

(b) Each Lender may, with the prior consent of the Administrative Agent (not to be unreasonably withheld), assign its Loans and its Commitment or any portion thereof; provided, that

(i) any such partial assignment (other than to another Lender) shall be in an amount at least equal to $5,000,000;

(ii) upon each such assignment, the assignor and assignee shall deliver to the Borrower and the Administrative Agent a Notice of Assignment in the form of Exhibit K hereto;

(iii) each such assignee (other than a Mexican Bank) must be registered as a "foreign financial institution" with the Ministry of Finance for purposes of Article 154 of the Mexican Income Tax Law and be resident for tax purposes of (or the main office of such financial institution, if acting through a branch or an agency, must be a resident for tax purposes of) a jurisdiction that is party to a treaty for the avoidance of double taxation with Mexico which is in effect; and

(iv) each such assignee shall be an Eligible Assignee; and

provided, further, that upon execution and delivery by the assignor and the assignee to the Borrower and the Administrative Agent of such Notice of Assignment, and upon consent thereto to the extent required above, the assignee shall have, to the extent of such assignment, the obligations, rights and benefits of a Lender hereunder holding the Commitment and Loans (or portion thereof) assigned to it and specified in such Notice of Assignment (in addition to the Commitment and Loans, if any, theretofore held by such assignee) and the assigning Lender shall, to the extent of such assignment, be released from the Commitment (or portion thereof) so assigned (and if so requested by the assignor and the assignee the Borrower will issue and deliver to the assignor and the assignee new Notes reflecting such assignment). Upon its receipt of a Notice of Assignment executed by an assigning Lender and an assignee together with (except in the case of an assignment by a Lender to an Affiliate of such Lender) payment by the assignee to the Administrative Agent of an assignment fee of $3,500, the Administrative Agent shall (i) promptly accept such Notice of Assignment and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register (as hereinafter defined) and give notice of such acceptance and recordation to the Lenders and the Borrower. Notwithstanding anything to the contrary contained herein, the Borrower shall not be obligated to pay to any Lender (or any assignee of any Lender) any amount under any of Sections 5.01, 5.03, 5.04 or 5.05 hereof greater than the amount the Borrower would have been obligated to pay to such Lender if such Lender had not made any assignment of its rights under this Agreement, unless such assignment is made at a time when the circumstances giving rise to such greater payments did not exist.

(c) The Administrative Agent shall maintain at the address of the

Administrative Agent referred to in Section 14.02 hereof a copy of each Notice of Assignment delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the principal amounts of the Loans owing to each Lender from time to time. The Borrower, each Guarantor, the Administrative Agent, the Collateral and Paying Agent and the Lenders shall treat, and shall be entitled to treat, each Person whose name is recorded in the Register as the owner of a Loan or other obligations hereunder as the owner thereof for all purposes of this Agreement, notwithstanding any notice to the contrary. Any assignment of any Loan or other obligation hereunder shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower, Vitro, the Administrative Agent, the Collateral and Paying Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) A Lender may, in accordance with applicable law, sell or agree to sell to one or more other Persons (each a "Participant") a participation in all or any part of the Loans held by it, or in its Commitment, provided, that such Participant shall not have any rights or obligations under this Agreement (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreements executed by such Lender in favor of the Participant) and, provided, further, that such Participant be registered as a "foreign financial institution" with the Ministry of Finance for purposes of Article 154 of the Mexican Income Tax Law and be domiciled at a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect. All amounts payable by the Borrower to any Lender under Section 5 hereof in respect of any Loan held by it, and its Commitment, shall be determined as if such Lender had not sold or agreed to sell any participations in such Loan and Commitment, and as if such Lender were funding such Loan and Commitment in the same way that it is funding the portion of such Loan and Commitment in which no participations have been sold. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action hereunder except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term of such Lender's Commitment, (ii) extend the date fixed for the payment of principal of or interest on the related Loan or any portion of any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon to a level below the rate at which the Participant is entitled to receive such interest or (v) release the Collateral (except in accordance with the terms of the Security Agreements).

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Section 14.06, any Lender may (without notice to or consent of the Borrower, the Administrative Agent or any other Lender and without payment of any fee) assign and pledge all or any portion of its Loans and Notes to any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that such Lender shall simultaneously advise the Borrower of such assignment or pledge. No such assignment shall release the assigning Lender from its obligations hereunder.

(f) A Lender may furnish any information concerning the Borrower and each Guarantor obtained by such Lender hereunder from time to time to assignees and participants (including prospective assignees and participants).

14.07 Survival. The obligations of the Borrower under Sections 5.01, 5.04, 5.05 and 14.03 hereof, and the obligations of the Lenders under Section 13.05 hereof, shall survive the repayment of the Loans and the termination of the Commitments and, in the case of any Lender that may assign any interest in its Commitment or Loans hereunder, shall survive, in the case of any event or circumstance that occurred prior to the effective date of such assignment, the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder. In addition, each representation and warranty made,

or deemed to be made

by a notice of any Loan, herein or pursuant hereto shall the making of such representation and warranty.

14.08 Captions. The table of contents and captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

14.09 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. A set of the copies of this Agreement signed by all the parties hereto shall be lodged with the Borrower and each Agent.

14.10 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the law of the State of New York.

14.11 Jurisdiction, Service of Process and Venue.

(a) Each of the parties hereto agrees that any suit, action or proceeding with respect to this Agreement or the Notes or the Security Agreements or the Account Control Agreement or any judgment entered by any court in respect thereof may be brought in the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, County of New York, and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant, and irrevocably submits to the jurisdiction of each such court for the purpose of any such suit, action, proceeding or judgment.

(b) The Borrower and each Guarantor hereby irrevocably appoints CT Corporation System (the "Process Agent"), with an office on the date hereof at 111 8th Avenue, New York, New York 10011, as its agent and true and lawful attorney-in-fact in its name, place and stead to accept on behalf of the Borrower, each Guarantor and their respective Property and revenues service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in the State of New York, and each of the Borrower and each Guarantor agrees that the failure of the Process Agent to give any notice of any such service of process to the Borrower or such Guarantor shall not impair or affect the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon.

(c) Nothing herein shall in any way be deemed to limit the ability of the Administrative Agent or any Lender to serve any such process or summonses in any other manner permitted by applicable law.

(d) Each of the Borrower and each Guarantor hereby irrevocably waives to the fullest extent permitted by law any objection that it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this

Agreement or the Notes brought in the United States District Court for the Southern District of New York or the Supreme Court of the State of New York and hereby further irrevocably waives to the fullest extent permitted by law any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum and any right to which it may be entitled on account of place of residence or domicile. A final judgment (in respect of which time for all appeals has elapsed) in any such suit, action or proceeding shall be conclusive and may be enforced in any

court to the jurisdiction of which the Borrower or any Guarantor is or may be subject, by suit upon judgment.

14.12 Waiver of Jury Trial. EACH OF THE BORROWER, EACH GUARANTOR, THE ADMINISTRATIVE AGENT, THE COLLATERAL AND PAYING AGENT AND THE LENDERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTES, THE SECURITY AGREEMENTS OR THE ACCOUNT CONTROL AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14.13 Waiver of Immunity. To the extent that the Borrower or any Guarantor may be or become entitled to claim for itself or its Property or revenues any immunity on the ground of sovereignty or the like from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment or execution of a judgment, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), each of the Borrower and each Guarantor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity with respect to its obligations under this Agreement, the Notes, the Security Agreements and the Account Control Agreement.

14.14 Judgment Currency. This is an international loan transaction in which the specification of Dollars and payment in New York City is of the essence, and the obligations of the Borrower and the Guarantors under this Agreement and the Notes to each Lender or Agent (in this Section 14.14 called an "Entitled Person") to make payment in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency such Entitled Person may in accordance with normal banking procedures purchase, and transfer to New York City, Dollars in the amount originally due to such Entitled Person with the judgment currency. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (in this Section 14.14 called the "judgment currency"), the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Entitled Person could purchase such Dollars at New York, New York with the judgment currency on the Business Day next succeeding the day on which such judgment is rendered. The Borrower and each Guarantor hereby, as a separate obligation and notwithstanding any such judgment, agree to indemnify such Entitled Person against, and to pay each Entitled Person on demand, in Dollars, the amount (if any) by which the sum originally due to such Entitled Person in Dollars hereunder exceeds the amount of the Dollars purchased and

transferred as aforesaid. Each Entitled Person, as a separate obligation and notwithstanding any such judgment, agrees to pay to the Borrower and any Guarantor hereby on demand, in Dollars, the amount (if any) by which the amount of the Dollars purchased and transferred as aforesaid exceeds the sum originally due to the Borrower or such Guarantor in Dollars hereunder.

14.15 Use of English Language. This Agreement has been negotiated and executed in the English language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement (including, without limitation, any modifications or supplements hereto) shall be in the English language, or accompanied by a certified English translation thereof. In the case of any document originally issued in a language other than English, the English language version of such document shall for purposes of this Agreement, and absent manifest error, control the meaning of the matters set forth therein, except for the estatutos sociales and other corporate documents of the Borrower, VENA and the VENA Leasing Companies, in which the controlling language shall be Spanish.

14.16 Entire Agreement. This Agreement and the other Loan Documents and the agreement referred to in Section 2.03 hereof constitute the entire agreement among the parties with respect to the subject matter hereof and thereof.

14.17 Severability. If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by applicable law the parties agree that such invalidity or unenforceability shall not impair the validity or enforceability of any other provision hereof.

14.18 Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of the Borrower or any Guarantor against any and all of the obligations of the Borrower or any Guarantor now or hereafter existing under this Agreement and the Note held by such Lender, whether or not such Lender shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application, provided, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

14.19 Confidentiality. Each Lender agrees to hold all Confidential Information obtained pursuant to the provisions of this Agreement or any other Loan Document in accordance with its customary procedure for handling such information of this nature and in accordance with safe and sound banking practices, provided that nothing herein shall prevent any Lender from disclosing such information (i) to any other Lender or to the Administrative Agent or to the Collateral and Paying Agent, (ii) upon the order of any court or administrative agency or otherwise to the extent required by statute, rule, regulation or judicial process, (iii) to bank examiners or upon the request or demand of any other regulatory agency or authority, (iv) which

had been publicly disclosed other than as a result of a disclosure by the Administrative Agent or the Collateral and Paying Agent or any Lender prohibited by this Agreement, (v) in connection with any litigation to which any one or more of the Lenders or the Administrative Agent or the Collateral and Paying Agent is a party, or in connection with the exercise of any remedy hereunder or under the Loan Documents, (vi) to such Lender's or Administrative Agent's or Collateral and Paying Agent's legal counsel and independent auditors and accountants, and (vii) subject to provisions substantially similar to those contained in this Section 14.19, to any actual or proposed participant or assignee.

14.20 No Fiduciary Relationship. The Borrower acknowledges that the Lenders have no fiduciary relationship with, or fiduciary duty to, the Borrower or any Guarantor or any Affiliate or Subsidiary thereof arising out of or in connection with this Agreement or the Notes, and the relationship between each Lender and the Borrower and the Guarantors is solely that of creditor and debtor. This Agreement does not create a joint venture among the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER

COMPANIA VIDRIERA, S.A. DE C.V.

By: _____

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

GUARANTORS

VITRO, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Federico Sada Gonzalez
Chief Executive Officer

VITRO PACKAGING, INC.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

VITRO ENVASES NORTEAMERICA,
S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

VIDRIERA GUADALAJARA, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

VIDRIERA MEXICALI, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

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VIDRIERA MEXICO, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

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VIDRIERA MONTERREY, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

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VIDRIERA QUERETARO, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440

Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

VIDRIERA TOLUCA, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

VIDRIERA LOS REYES, S.A. DE C.V.

By:

Name:
Title:

Address for Notices:

Ave. Ricardo Margain Zozaya #440
Col. Valles del Campestre
Garza Garcia N.L.
Mexico
C.P. 66265

Attn: Roberto Rubio Barnes
President, Containers

ADMINISTRATIVE AGENT

HSBC INVESTMENT BANK PLC,
as Administrative Agent

By:

Name:
Title:

Address for Notices:

HSBC Investment Bank plc
City Place House
55 Basinghall Street
London EC2V 5DU
United Kingdom

Att: Syndication Finance Agency
Tel: 020 7779 1288
Fax: 020 7779 1715

COLLATERAL AND PAYING AGENT

HSBC BANK USA,
as Collateral and Paying Agent

By:

Name:
Title:

Address for Notices:

HSBC Bank USA
Issuer Services
10 East 40th Street, 14th Floor
New York, New York 10016-0020

Tel: 212-525-1316
Fax: 212-525-1300
Attention: Frank Godino, Vice President

LENDERS

HSBC BANK USA

By:

Name:
Title:

CITIBANK, N.A., NASSAU BAHAMAS BRANCH

By:

Name:

Title:

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ABN AMRO BANK, N.V.

By:

Name:
Title:

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BANCO NACIONAL DE COMERCIO EXTERIOR,
S.N.C., GRAND CAYMAN BRANCH

By:

Name:
Title:

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BANCO NACIONAL DE MEXICO, S.A.

By:

Name:
Title:

By:

Name:
Title:

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BANK OF MONTREAL

By:

Name:
Title:

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BANCA NAZIONALE DEL LAVORO, S.P.A.,
NEW YORK, IBF, BRANCH

By:

Name:
Title:

By:

Name:
Title:

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THE CHASE MANHATTAN BANK

By:

Name:
Title:

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CREDIT SUISSE FIRST BOSTON

By:

Name:
Title:

EXHIBIT 4.7

EXECUTION COPY

****

VITRO PLAN, S.A. DE C.V.,

VVP HOLDINGS CORP.

and

VVP SYNDICATION, INC.,
as Borrowers

$144,244,230.63
LOAN AGREEMENT

Dated as of February 26, 2003

CERTAIN LENDERS

SALOMON SMITH BARNEY INC.

and

COMERICA BANK,
as Joint Lead Arrangers

CITIBANK, N.A.,
as Administrative Agent

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Collateral Agent

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LOAN AGREEMENT dated as of February 26, 2003, among:

(1) VITRO PLAN, S.A. DE C.V. ("Vitro Plan"), a Mexican corporation (sociedad anonima de capital variable);

(2) VVP HOLDINGS CORP. ("VVP Holdings"), a corporation organized under the law of the State of Delaware;

(3) VVP SYNDICATION, INC. ("VVP Syndication"), a corporation organized under the law of the State of Delaware and, together with Vitro Plan and VVP Holdings, the "Borrowers");

(4) AUTOCRISTALES DE ORIENTE, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), VVP AUTO GLASS, INC., a Delaware corporation, VITROCAR, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), CRISTALES CENTROAMERICANOS, S.A., a Guatemalan corporation (sociedad anonima), CRISTALES INASTILLABLES DE MEXICO, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), DISTRIBUIDOR VIDRIERO LAN, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), DISTRIBUIDORA NACIONAL DE VIDRIO, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), DISTRIBUIDORA DE VIDRIO Y CRISTAL, S.A. DE C.V., a Mexican corporation, (sociedad anonima de capital variable), DISTRIBUIDORA DE VIDRIO DE MEXICO, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), TECNOLOGIA VITRO VIDRIO Y CRISTAL LTD. ("Tecnologia Vitro"), a Swiss Corporation (limited liability company), VIDRIO PLANO, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), VIDRIO PLANO DE MEXICO, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), VIDRIOS TEMPLADOS COLOMBIANOS, S.A. ("Vidrios Templados"), a Colombian corporation, VITRO AUTOMOTRIZ, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), VITRO FLOTADO CUBIERTAS, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), VITRO VIDRIO Y CRISTAL, S.A. DE C.V., a Mexican corporation (sociedad anonima de capital variable), VITRO AMERICA, INC. ("Vitro America"), a Delaware corporation, SUPER SKY INTERNATIONAL, INC. ("Super Sky International"), a Wisconsin corporation, SUPER SKY PRODUCTS, INC. ("Super Sky Products"), a Wisconsin corporation, SUPER SKY CONSTRUCTORS, INC. ("Super Sky Constructors"), a Delaware corporation, IP VITRO VIDRIO Y CRISTAL LTD. ("IP Vitro"), a Swiss corporation, and each Subsidiary of Vitro Plan that becomes a "Guarantor" after the date hereof pursuant to Section 10.01(d) hereof (the "Guarantors");

(5) each of the entities that is a signatory hereto under the caption "LENDERS" on the signature pages hereto and each entity that becomes a "Lender" after the date hereof pursuant to Section 14.06(b) hereof (individually, a "Lender" and, collectively, the "Lenders");

(6) CITIBANK, N.A., as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent"); and

(7) WACHOVIA BANK, NATIONAL ASSOCIATION, as collateral agent for the Lenders (in such capacity, together with its successors in such capacity, the "Collateral Agent").

W I T N E S S E T H :

The Borrowers have requested that the Lenders make term loans to them in an aggregate principal amount up to but not exceeding $144,244,230.63, and the Lenders are prepared to make such loans upon and subject to the terms and conditions hereof. Accordingly, the parties hereto agree as follows:

SECTION 1. DEFINITIONS.

1.01 Certain Defined Terms. As used herein, the following terms

shall have the following meanings (and all terms defined in this Section 1.01 or in other provisions of this Agreement in the singular shall have the same meanings when used in the plural and vice versa):

"Account Control Agreement" shall mean an Account Control Agreement in substantially the form of Exhibit C hereto among VVP Syndication, the Collateral Agent and the Intermediary, as from time to time amended.

"Administrative Agent" shall have the meaning set forth in the introduction hereto.

"Administrative Agent's Account" shall mean the account of the Administrative Agent maintained by the Administrative Agent at Citibank, N.A. at 2 Penn's Way, Suite 200, New Castle, Delaware 19720, ABA #021000089, Account No. 36852248, Account name: Medium Term Finance, Reference: Vitro Plan, Attention: Cristian O. Garcia, or such other account of the Administrative Agent as may be designated by the Administrative Agent to the Borrowers in writing.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling", "controlled by" and "under common control with") of a Person shall mean the possession, direct or indirect, of the power to vote 10% or more of the Voting Shares of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of such Voting Shares, by contract or otherwise.

"Agents" shall mean, collectively, the Administrative Agent and the Collateral Agent.

"Applicable Lending Office" shall mean, for each Lender, the "Lending Office" of such Lender (or of an affiliate of such Lender) specified opposite its name on Annex 1 hereto or such other office of such Lender (or of an affiliate of such Lender) as such Lender may from time to time specify in writing to the Administrative Agent and the Borrowers as the office by which its Loans are to be made and maintained.

"Asset Sale" by any Person shall mean any sale, lease, or other transfer of Property, not including Dividend Payments, the making of payments in respect of Indebtedness of such Person or the placing of funds in deposit accounts or the investment of funds pursuant to cash management transactions in the ordinary course of business or the granting of Liens permitted hereunder.

"Base Rate" shall mean a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(a) the rate of interest announced publicly by Citibank in New York, New York, from time to time, as Citibank's "base rate"; and

(b) 1/2 of 1% per annum above the Federal Funds Effective Rate.

Each change in any interest rate provided for herein based upon the Base Rate resulting from a change in the Base Rate shall take effect at the time of such change in the Base Rate.

"Borrowers" shall have the meaning set forth in the introduction hereto.

"Borrowing" shall mean the borrowing by the Borrowers under this Agreement, consisting of the simultaneous making of Loans by the Lenders.

"Borrowing Date" shall mean the date of the Borrowing.

"Business Day" shall mean any day on which commercial banks are not authorized or required to close in New York City, London and Mexico City and that is also a day on which dealings in Dollar deposits are carried out in the

London interbank market.

"Capital Lease Obligations" shall mean, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal Property, which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Cash Reserve Account" shall mean account no. 25105321 established and maintained at the principal office in New York City of the Intermediary for the account of VVP Syndication, under the sole dominion and control of the Collateral Agent and entitled "VVP Syndication Cash Reserve Account", for which the Collateral Agent is the "entitlement holder" within the meaning of Section 8-102(a)(7) of the UCC.

"Change of Control Notice" shall have the meaning set forth in Section 3.04 hereof.

"Change of Control" shall mean that either (i) Vitro shall cease to own, beneficially and of record, directly or through one or more wholly-owned Subsidiaries, at least

51% of the outstanding Voting Shares of Vitro Plan or (ii) Pilkington shall cease to own, beneficially and of record, directly or through one or more wholly-owned Subsidiaries, at least 35% of the outstanding Voting Shares of Vitro Plan.

"Citibank" means Citibank, N.A., a national banking association.

"Closing Date" shall mean the date on which the Administrative Agent notifies the Borrowers that the conditions precedent set forth in Section 6.01 hereof have been satisfied.

"Collateral Agent" shall have the meaning set forth in the introduction hereto.

"Colombian Guarantor" shall mean Vidrios Templados.

"Commitments" shall mean, collectively, the Tranche A Commitments and the Tranche B Commitments.

"Commitment Termination Date" shall mean the date ten Business Days after the date hereof.

"Communications Agreement" shall mean an agreement among the Borrowers and the Administrative Agent in substantially the form of Exhibit M hereto, as from time to time amended.

"Confidential Information" means information that any Obligor furnishes to any Loan Party, but does not include any such information that is or becomes generally available to the public or that is or becomes available to any Loan Party from a source other than a Loan Party or an Obligor, unless, to the actual knowledge of the recipient of such information, such source breached an obligation of confidentiality in providing such information to such recipient.

"Consolidated EBITDA" shall mean, for any Person and for any period, with respect to such Person and its consolidated Subsidiaries on a consolidated basis, the sum (without duplication) of (i) Consolidated Operating Income, (ii) depreciation and amortization and (iii) other non-cash charges to the extent deducted in arriving at Consolidated Operating Income; provided, that Vitro AFG shall be excluded from any determination of Consolidated EBITDA so long as, pursuant to clause (ii) of the proviso to the definition of Indebtedness, the consolidated Indebtedness of the Obligors is reduced by $30,000,000 of consolidated Indebtedness of Vitro AFG.

"Consolidated Interest Expense" shall mean, with respect to any

Person for any period, the aggregate gross amount of interest accruing during such period on Indebtedness of such Person and its consolidated Subsidiaries on a consolidated basis, determined in accordance with GAAP, including, without duplication, the interest portion of payments under Capital Lease Obligations and any capitalized interest and amortization of debt discount and expense.

"Consolidated Net Worth" shall mean, for any Person at any time, for such Person and its consolidated Subsidiaries, total shareholders' equity, determined on a consolidated basis in accordance with GAAP.

"Consolidated Operating Income" shall mean, for any Person and for any period, operating income of such Person and its consolidated Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Consolidated Total Debt" shall mean, for any Person at any time, the sum, with respect to such Person and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, of all Indebtedness of such Person and its Subsidiaries.

"Covered Taxes" shall mean all present and future taxes, duties, levies, imposts, deductions, charges or withholdings whatsoever imposed with respect to any amount payable on or in respect of this Agreement, any of the other Loan Documents or the Loans, now or thereafter imposed, assessed, levied or collected by Mexico or the United States of America or any other jurisdiction from which any amount payable hereunder is made, or any political subdivision or taxing authority thereof or therein, excluding, however, (i) income, real property or franchise taxes imposed on a Loan Party by a jurisdiction (including Mexico) as a result of such Loan Party being organized under the laws of such jurisdiction or being a resident of such jurisdiction for tax purposes, or by virtue of its having a permanent establishment or fixed base in such jurisdiction to which income under this Agreement is attributable or its Applicable Lending Office being located in such jurisdiction, (ii) any United States withholding tax with respect to any amounts payable on or in respect of this Agreement, any of the Loan Documents or the Loans that is imposed on a Loan Party as of the time such Loan Party becomes a party to this Agreement (or designates a new lending office) or is attributable to such Loan Party's failure to comply with Section 5.05(h), except to the extent such Loan Party (or its assignor, if any) was entitled at the time of its designation of a new lending office (or assignment) to receive additional amounts with respect to such United States withholding tax pursuant to Section 5.05 and (iii) in the case of an assignment or designation of a new lending office, any Mexican withholding tax with respect to any amounts payable on or in respect of this Agreement, any of the Loan Documents or the Loans that is imposed on the applicable assignee or designee as of the time of such assignment or designation, except to the extent the applicable assignor or designor was entitled at such time to receive additional amounts with respect to such Mexican withholding tax pursuant to Section 5.05.

"Creditors" shall mean, collectively, the Tranche A Lenders, the Tranche B Lenders and the Tranche C Lenders.

"Debt to EBITDA Ratio" shall mean, as of the last day of any fiscal quarter of Vitro Plan, the ratio of (i) Consolidated Total Debt of Vitro Plan at such time to (ii) Consolidated EBITDA of Vitro Plan for the period of four consecutive fiscal quarters of Vitro Plan ending on such date).

"Default" shall mean an Event of Default or an event that with the giving of notice or lapse of time or both would become an Event of Default.

"Deposit Collateral" shall have the meaning set forth in Section 12.01(b) hereof.

"Derivatives Liabilities" shall mean, with respect to any Person,

all obligations of such Person in respect of any Hedge Agreement. For purposes hereof, the "credit exposure" at any time of any Person in respect of any Derivatives Liabilities shall be the total amount of net termination or liquidation payments due and payable from such Person at such time (excluding penalties and extraordinary amounts).

"Dividend Payment" by any Person shall mean the payment of any dividend (in cash or in kind) on, or other payment or distribution on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition of, any shares of any class of stock of such Person or of any options, warrants or other rights to acquire the same (or to make any payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market or equity value of such Person), but excluding dividends payable solely in shares of common stock of such Person.

"Dollars" and "$" shall mean lawful money for the time being of the United States of America.

"Eligible Assignee" shall mean any of the following:

(a) a commercial bank organized under the laws of the United States of America, or any State thereof, and having total assets in excess of $500,000,000;

(b) a savings and loan association or savings bank organized under the laws of the United States of America, or any State thereof, and having total assets in excess of $500,000,000;

(c) a commercial bank organized under the laws of any other country which is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow, or a political subdivision of any such country, and having total assets in excess of $1,000,000,000, provided, that such bank is acting through a branch or agency located in the United States of America;

(d) the central bank of any country which is a member of the OECD;

(e) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) which is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, and having total assets in excess of $150,000,000;

(f) a Lender; and

(g) an Affiliate of a Lender which is a financial institution;

provided, that neither an Obligor nor any Affiliate thereof shall qualify as an Eligible Assignee; and provided further, that no entity specified in clauses (a) through (c) or (e) through (g) above shall qualify as an Eligible Assignee unless such entity (i) is registered with the Ministry of Finance for purposes of Article 195, Section I, of the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta) (or any successor provision) and (ii) is a resident for tax purposes of a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect.

"Environmental Law" shall mean any applicable federal, state or local governmental law, rule, regulation, order or decree relating to pollution or protection of the environment or the treatment, storage, disposal, release, threatened release or handling of hazardous materials, including, without limitation, the Mexican General Law of Ecological Balance and Environmental Protection (Ley General del Equilibrio Ecologico y la Proteccion al Ambiente), technical rules (normas tecnicas) and regulations thereunder, and all applicable local laws and regulations related to environmental matters and any specific agreements entered into with any competent authorities which include commitments related to environmental matters.

"Event of Default" shall have the meaning set forth in Section 11 hereof.

"Existing Restrictions" shall mean the restrictions described in Schedule 1 hereto.

"Federal Funds Effective Rate" shall mean, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"GAAP" shall mean (i) as to each Mexican Obligor and as to the consolidated financial statements of Vitro Plan, generally accepted accounting principles in Mexico in effect from time to time, (ii) as to each U.S. Obligor, generally accepted accounting principles in the United States of America in effect from time to time and (iii) as to any other Obligor, generally accepted accounting principles in the jurisdiction of organization of such Obligor in effect from time to time.

"Governmental Authority" shall mean any nation, government, state or municipality or other political subdivision thereof and any entity exercising executive, legislative, judicial, monetary, regulatory or administrative functions of or pertaining to government.

"Guaranteed Obligations" shall have the meaning set forth in Section 7.01 hereof.

"Guarantee" by any Person shall mean any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Indebtedness of any other Person including, without limitation, an aval and any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness (whether arising by virtue of partnership arrangements, or by agreement to purchase assets, goods, securities or services, or to take-or-pay, other than agreements to purchase goods from suppliers on an arm's length basis in the ordinary course of business) or (ii) entered into for the purpose of assuring in any other manner the holder of such Indebtedness of the payment thereof or to protect such holder against loss in respect thereof (in whole or in part), provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantors" shall have the meaning set forth in the introduction hereto.

"Hedge Agreement" shall mean any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"IMSS" shall mean Instituto Mexicano del Seguro Social.

"Indebtedness" shall mean, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes (including, for the avoidance of doubt, any note payable to an Affiliate of any Borrower which Affiliate is not a Subsidiary of Vitro Plan) or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of Property or services (other than trade accounts payable arising in the ordinary course of business not overdue for more than 60 days); (iv) all Capital Lease Obligations of such Person and (without duplication) obligations under Sale-Leaseback Transactions; (v) all obligations, contingent or otherwise, of such Person to reimburse any Person in respect of amounts

paid under a letter of credit or similar instrument (other than contingent obligations in respect of documentary letters of credit to support trade transactions of such Person in the ordinary course of business and with maturities of 270 days or less); (vi) all Indebtedness of other Persons secured by a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person; (vii) all Indebtedness of other Persons Guaranteed by such Person; and (viii) the credit exposure of such Person in respect of Derivatives Liabilities; provided, that for purposes solely of computing the outstanding principal amount of Indebtedness of the Obligors or any of them in connection with Sections 10.01(a), 10.01(b) and 10.01(c) hereof, (i) the aggregate outstanding principal amount of Indebtedness hereunder shall be deemed reduced by the amount then credited to the Cash Reserve Account and (ii) the outstanding principal amount of consolidated Indebtedness of the Obligors shall be reduced by $30,000,000 of consolidated Indebtedness of Vitro AFG, provided, that there shall be no recourse of any kind to Vitro Plan or to any of its Subsidiaries in respect of such Indebtedness.

"INFONAVIT" shall mean Instituto del Fondo Nacional de la Vivienda para los Trabajadores.

"Information Memorandum" shall mean the Information Memorandum dated December 12, 2002, relating to the Borrowers.

"Intercreditor Agreement" shall mean an Intercreditor Agreement substantially in the form of Exhibit B hereto among the Borrowers, the Administrative Agent, the Collateral Agent, the Creditors and the Tranche C Agent, as amended from time to time.

"Interest Coverage Ratio" shall mean, at any time, the ratio of (i) Consolidated EBITDA of Vitro Plan for the then most recently concluded period of four consecutive fiscal quarters of Vitro Plan to (ii) Consolidated Interest Expense of Vitro Plan for such period.

"Interest Period" shall mean the period commencing on the Borrowing Date and ending on the first Principal Payment Date thereafter, and thereafter each period commencing on the last day of the preceding Interest Period and ending on the next Principal Payment Date, provided, that the term "Interest Period" shall include any period selected by the Administrative Agent from time to time in accordance with the definition of "Post-Default Rate".

"Intermediary" shall mean Wachovia Securities, Inc.

"Investment" in any Person shall mean: (i) the acquisition (whether for cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of, or the making of a capital contribution to, such Person, (ii) the making of any advance, loan or other extension of credit to, such Person (including the purchase of Property from such Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 days arising in connection with the sale of inventory or supplies to such Person in the ordinary course of business, and (iii) the entering into of any Guarantee of Indebtedness or other liability of such Person.

"Joint Lead Arrangers" shall mean Salomon Smith Barney Inc. and Comerica Bank as Joint Lead Arrangers.

"Joint Venture Subsidiary" shall mean any Subsidiary of Vitro Plan of which one or more Persons, in the aggregate, that are not Affiliates of any Obligor owns, directly or indirectly, beneficially or of record, 35% or more of the Voting Stock.

"Lenders" shall have the meaning set forth in the introduction hereto.

"LIBO Rate" shall mean, for any Interest Period, the offered rate for deposits in Dollars for a period equal to such Interest Period which

appears on Telerate Page 3750, as of approximately 11:00 a.m. London time, on the date two Business Days prior to the first day of such Interest Period, provided, that (i) if such rate does not appear on such Telerate Page 3750, the "LIBO Rate" shall mean, for any Interest Period, the offered rate for deposits in Dollars for a period equal to or nearest the number of days in such Interest Period which appears on the

Reuters Screen LIBO Page, and (ii) if such rate or rates do not appear on either Telerate Page 3750 or the Reuters Screen LIBO Page, the "LIBO Rate" shall mean, with respect to each day during such Interest Period, the rate per annum equal to the average (rounded upwards, if necessary, to the nearest 1/16 of 1%) of the respective rates notified to the Administrative Agent by each Reference Bank as the rate at which Dollar deposits are offered to such Reference Bank by prime banks at or about 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for a period approximately equal to the number of days in such Interest Period and in an amount comparable to the principal amount of the Loans.

"Lien" shall mean any mortgage, lien, pledge, charge or other security interest or any preferential arrangement that has the practical effect of creating a security interest.

"Loan Documents" shall mean, collectively, this Agreement, the Notes, the Account Control Agreement, the Intercreditor Agreement and the Communications Agreement.

"Loan Parties" shall mean, collectively, the Lenders and the Agents.

"Loans" shall mean, collectively, the Tranche A Loans and the Tranche B Loans.

"Majority Lenders" shall mean, at any time, Lenders holding more than 50% of the aggregate outstanding principal amount of the Loans or, if the Loans are not outstanding, Lenders having more than 50% of the aggregate amount of the Commitments.

"Majority Tranche A Lenders" shall mean, at any time, Tranche A Lenders holding more than 50% of the aggregate outstanding principal amount of the Tranche A Loans or, if the Tranche A Loans are not outstanding, Lenders having more than 50% of the Tranche A Commitments.

"Majority Tranche B Lenders" shall mean, at any time, Tranche B Lenders holding more than 50% of the aggregate outstanding principal amount of the Tranche B Loans or, if the Tranche B Loans are not outstanding, Lenders having more than 50% of the Tranche B Commitments.

"Material Adverse Effect" shall mean a material adverse effect on (i) the business, condition (financial or otherwise), operations, Properties or prospects of any Borrower (other than VVP Syndication) and its Subsidiaries taken as a whole, (ii) the ability of the Obligors to perform their obligations under any of the Loan Documents or (iii) the rights and remedies of the Loan Parties under any of the Loan Documents.

"Material Debt" shall have the meaning specified in Section 11(c) hereof.

"Material Subsidiary" shall mean, at any time, any Subsidiary of a Borrower (i) accounting, during the then most recently completed fiscal quarter of such Borrower, for more than 5% of the total sales or more than 5% of the Consolidated EBITDA of Vitro Plan and its consolidated Subsidiaries on a consolidated basis, or (ii) having, as at the last day of such fiscal

quarter, more than 5% of the total assets of Vitro Plan and its consolidated

Subsidiaries on a consolidated basis, all determined in accordance with GAAP.

"Mexican Bank" shall mean a bank chartered under the laws of Mexico and authorized to carry out the business of banking in Mexico under the Law of Credit Institutions (Ley de Instituciones de Credito) by the Ministry of Finance.

"Mexican Obligor" shall mean each Obligor that is organized under the laws of Mexico.

"Mexico" shall mean the United Mexican States.

"Ministry of Finance" shall mean the Secretaria de Hacienda y Credito Publico of Mexico.

"Non-Guaranteeing Subsidiary" shall mean (i) any Joint Venture Subsidiary and (ii) any Subsidiary acquired by an Obligor after the date of this Agreement that is contractually prohibited (pursuant to a contract not entered into in anticipation of such acquisition) from guaranteeing the obligations of the Borrowers under this Agreement.

"Notes" shall mean, collectively, the Tranche A Notes and the Tranche B Notes.

"Notice of Assignment" shall have the meaning set forth in Section 14.06(b) hereof.

"Notice of Borrowing" shall have the meaning set forth in Section 2.02 hereof.

"Obligors" shall mean, collectively, the Borrowers and the Guarantors.

"OECD" shall mean the Organization for Economic Cooperation and Development.

"Operating Lease Obligation" shall mean, with respect to any Person, the obligation of such Person under any lease (including, without limitation, a lease that may be terminated by the lessee at any time) relating to any Property (whether real, personal or mixed) that does not give rise to Capital Lease Obligations, not including any such lease under which that Person is the lessor.

"Other Applicable Taxes" shall have the meaning set forth in Section 5.05(e) hereof.

"Permitted Investments" shall mean (a) direct obligations of the United States of America, or of any agency thereof, or obligations guaranteed as to principal and interest by the United States of America, or by any agency thereof, in either case maturing not more than 90 days from the date of acquisition thereof; (b) certificates of deposit issued by any bank or trust company organized under the laws of the United States of America or any state thereof and

having capital, surplus and undivided profits of at least $500,000,000 and a rating with respect to its public, short-term, unsecured, unsubordinated debt securities of "A-1" or better by Standard & Poor's, or "P-1" or better by Moody's, or "D-1" or better by Fitch, IBCA, Duff & Phelps, maturing not more than 90 days from the date of acquisition thereof; (c) commercial paper rated "A-1" or better by Standard & Poor's, or "P-1" or better by Moody's, or "D-1" or better by Fitch, IBCA, Duff & Phelps, respectively, maturing not more than 90 days from the date of acquisition thereof; (d) repurchase agreements with respect to securities described in clause (a) above entered into with an office of a bank or trust company meeting the criteria described in clause (b) above; and (e) any fund at least 95% of the assets of which are invested in investments of the type referred to in clauses (a) through (c).

"Permitted Liens" shall mean:

(i) Liens imposed by law arising in the ordinary course of business, including (but not limited to) carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business and which (x) do not in the aggregate materially detract from the value of the Property subject thereto or materially impair the use thereof in the operations of the business of any of the Obligors or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the Property subject to such Liens and for which adequate reserves have been made if required in accordance with GAAP;

(ii) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance or other similar social security legislation or in connection with bids relating to the obtaining of a contract for the manufacture and/or sale of products;

(iii) Liens securing taxes, assessments and other governmental charges, the payment of which is not yet due or is being contested in good faith by appropriate proceedings reasonably promptly initiated and diligently conducted and for which such reserve or other appropriate provisions, if any, as required by GAAP, shall have been made;

(iv) any Lien which arises pursuant to a final judgment to the extent it does not constitute or give rise to an Event of Default;

(v) any Lien existing on any Property prior to the acquisition thereof by an Obligor or a Subsidiary and not created in contemplation of such acquisition (and not extending to any other Property); and

(vi) any right of setoff arising by operation of law.

"Person" shall mean any individual, corporation, company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization or Governmental Authority or other entity of whatever nature.

"Pesos" shall mean the lawful currency of Mexico.

"Pilkington" shall mean Pilkington PLC, an English company.

"Post-Default Rate" shall mean, in the case of any overdue principal of any Loan, until the end of the then current Interest Period, a rate per annum which is equal to the sum of 2% per annum plus the Tranche A Applicable Margin or the Tranche B Applicable Margin, as applicable plus the LIBO Rate for such Interest Period, and thereafter a rate per annum which is equal to the sum of 2% per annum plus the Tranche A Applicable Margin or the Tranche B Applicable Margin, as applicable plus the LIBO Rate applicable to such Interest Period or Interest Periods as shall be selected by the Administrative Agent for funding of such overdue amounts (which Interest Periods shall not be of durations exceeding one month), and in the case of any other overdue amount, a rate per annum equal to the sum of 2% per annum plus the Tranche A Applicable Margin or the Tranche B Applicable Margin, as applicable plus the rate reasonably determined by the Administrative Agent and certified to the Borrowers, to be the cost of funding such overdue amount on an overnight basis in the London interbank market from the date of such non-payment until such amount is paid in full (after as well as before judgment).

"Principal Payment Date" shall mean any Tranche A Principal Payment Date and any Tranche B Principal Payment Date.

"Process Agent" shall have the meaning set forth in Section 14.11(b) hereof.

"Process Agent Acceptance" shall mean a letter from the Process Agent to the Administrative Agent, in substantially the form of Exhibit J hereto.

"Property" or "Properties" of any Person shall mean any property or assets of such Person.

"Reference Banks" shall mean the principal London office of Citibank, N.A. and the Grand Cayman office of Comerica Bank.

"Register" shall have the meaning set forth in Section 14.06(c) hereof.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System, as amended.

"Required Cash Reserve Balance" shall mean the fixed amount calculated as of the Closing Date such that (i) the total Consolidated EBITDA of the Guarantors on a combined basis for the then most recently completed period of four consecutive fiscal quarters plus the collected credit balance of the Cash Reserve Account (including all Permitted Investments therein) divided by (ii) Consolidated EBITDA of Vitro Plan for such period, expressed as a percentage, is not less than 75%, plus, unless and until released pursuant to Section 12.01(c) hereof, an additional amount equal to $2,500,000 (said additional amount being referred to, for purposes of Section 12.01(c) hereof, as the "Interim Supplement").

"Requirement of Law" shall mean, as to any Person, any statute, law, treaty, rule or regulation or determination, order, injunction or judgment of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Properties or revenues.

"Responsible Officer" shall mean the chief financial officer, chief accounting officer or such other senior executive officer having primary responsibility for the matter at hand.

"Reuters Screen" shall mean the relevant display page as determined by the Administrative Agent of the Reuter Monitor Money Rates Service (or any successor or substitute page) for the purpose of displaying London interbank offered rates for Dollar deposits.

"Sale-Leaseback Transaction" shall mean, with respect to any Person, any transaction in which such Person, directly or indirectly, becomes liable as lessee or as a guarantor or other surety with respect to any lease, whether a Capital Lease Obligation or an Operating Lease Obligation, of any Property, whether then owned or thereafter acquired, (i) which such Person has sold or otherwise transferred or is to sell or transfer to any other Person or (ii) which such Person intends to use for substantially the same purposes as any other Property which has been or is sold or transferred by such Person to any other Person in connection with such lease.

"SAR" shall mean Sistema de Ahorro para el Retiro or mandatory retirement system of Mexico.

"Secured Obligations" shall have the meaning specified in Section 12.01(b) hereof.

"Solvent" shall mean, with respect to any Person at any time, that (a) the fair value of the Property of such Person is greater than the total amount of liabilities (including without limitation contingent liabilities) of such Person, (b) the present fair saleable value of the Property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, (d) such Person is not engaged in a business and is not about to engage in a business for which such Person's property would constitute an unreasonably small capital and (e) such Person is not, or is not deemed to be, generally in default with respect to its payment obligations pursuant to the Mexican Ley de Concursos Mercantiles.

"Subsidiary" of any Person shall mean any corporation or other entity more than 50% of the Voting Shares of which are owned or controlled, directly or indirectly, by such Person and/or any Subsidiary of such Person.

"Substitute Basis" shall have the meaning set forth in Section 5.02 hereof.

"Swiss Guarantor" shall mean each of Tecnologia Vitro and IP Vitro.

"Tranche A Applicable Margin" shall mean (i) during the period from and including the Closing Date to but not including the date one year after the Closing Date, 1.875% per annum; (ii) during the period from and including the date one year after the Closing Date to but not including the date two years after the Closing Date, 2.000% per annum; and (iii) thereafter, 2.125% per annum.

"Tranche A Commitment" shall mean, as to each Tranche A Lender, the obligation of such Lender, on and subject to the terms and conditions of this Agreement, to make a Tranche A Loan in a principal amount up to but not exceeding the amount set opposite the name of such Tranche A Lender on Annex I hereto under the caption "Tranche A Commitment" or, in the case of a Person that becomes a Tranche A Lender pursuant to an assignment permitted under Section 14.06(b), as specified in the respective instrument of assignment pursuant to which such assignment is effected. The original aggregate principal amount of the Tranche A Commitments is $80,000,000; provided that the aggregate principal amount of Tranche A Loans that may be disbursed for the account of VVP Holdings shall not exceed $15,000,000.

"Tranche A Final Maturity Date" shall mean the date three years after the Closing Date, provided that if such date is not a Business Day, the Tranche A Final Maturity Date shall be the immediately preceding Business Day.

"Tranche A Lenders" means (a) on the date hereof, the Lenders having Tranche A Commitments specified on Annex I hereto and (b) thereafter, the Lenders from time to time holding Tranche A Loans and Tranche A Commitments after giving effect to any assignments thereof permitted by Section 14.06(b).

"Tranche A Loan" shall have the meaning set forth in Section 2.01(a) hereof.

"Tranche A Note" shall have the meaning set forth in Section 2.05 hereof.

"Tranche A Principal Payment Date" shall mean the date falling six months after the Closing Date and each date falling six months after the previous Tranche A Principal Payment Date, to and including the Tranche A Final Maturity Date; provided that any Tranche A Principal Payment Date that would otherwise fall on a day that is not a Business Day shall fall on the immediately preceding Business Day.

"Tranche B Applicable Margin" shall mean (i) during the period from and including the Closing Date to but not including the date one year after the Closing Date, 2.250% per annum; (ii) during the period from and including the date one year after the Closing Date to but not including the date two years after the Closing Date, 2.375% per annum; (iii) during the period from and including the date two years after the Closing Date to but not including the date three years after the Closing Date, 2.500% per annum; (iv) during the period from and including the date three years after the Closing Date to but not including the date four years after the Closing Date, 2.625% per annum; and (iii) thereafter, 2.750% per annum

"Tranche B Commitment" shall mean, as to each Tranche B Lender, the obligation of such Tranche B Lender, on and subject to the terms and conditions of this Agreement, to make a Tranche B Loan in a principal amount up to but not exceeding the amount set opposite the name of such Tranche B Lender on Annex I hereto under the caption "Tranche B Commitment" or, in the

case of a Person that becomes a Tranche B Lender pursuant to an assignment permitted under Section 14.06(b), as specified in the respective instrument of assignment pursuant to which such assignment is effected. The original aggregate principal amount of the Tranche B Commitments is $64,244,230.63; provided that the aggregate principal amount of Tranche B Loans that may be disbursed for the account of VVP Holdings shall not exceed $15,000,000.

"Tranche B Final Maturity Date" shall mean the date five years after the Closing Date, provided that if such date is not a Business Day, the Tranche B Final Maturity Date shall be the immediately preceding Business Day.

"Tranche B Lenders" shall mean (a) on the date hereof, the Lenders having Tranche B Commitments specified on Annex I hereto and (b) thereafter, the Lenders from time to time holding Tranche B Loans and Tranche B Commitments after giving effect to any assignments thereof permitted by Section 14.06(b).

"Tranche B Loan" shall have the meaning set forth in Section 2.01(b) hereof.

"Tranche B Note" shall have the meaning set forth in Section 2.05 hereof.

"Tranche B Principal Payment Date" shall mean the date falling 18 months after the Closing Date and each date falling six months after the previous Tranche B Principal Payment Date, to and including the Tranche B Final Maturity Date; provided that any Tranche B Principal Payment Date that would otherwise fall on a day that is not a Business Day shall fall on the immediately preceding Business Day.

"Tranche C Agent" shall mean the Administrative Agent as defined in the Tranche C Loan Agreement.

"Tranche C Lenders" shall mean the Lenders as defined in the Tranche C Loan Agreement.

"Tranche C Loan Agreement" shall mean the loan agreement dated the date hereof among Vitro Plan, the Tranche C Agent and the lenders signatory thereto providing for a credit facility denominated in Pesos.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York.

"U.S. Guarantor" shall mean each of Vitro America, Super Sky International, Super Sky Products and Super Sky Constructors.

"U.S. Obligor" shall mean VVP Holdings, VVP Syndication and each U.S. Guarantor.

"Vitro" shall mean Vitro, S.A. de C.V., a Mexican corporation (sociedad anonima de capital variable).

"Vitro AFG" shall mean Vitro AFG, S.A. de C.V., a Mexican corporation (sociedad anonima de capital variable).

"Voting Shares" shall mean, with respect to any Person, any class or classes of capital stock or other ownership interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect directors, managers or trustees of such Person (irrespective of whether or not, at the time, stock of any other class or classes has, or might have, voting power by reason of the happening of any contingency).

1.02 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent with the most recent audited financial statements of the Obligors delivered to the Lenders hereunder.

SECTION 2. COMMITMENTS, ETC.

2.01 Loans.

(a) Each Tranche A Lender severally agrees, on and subject to the terms and conditions of this Agreement, to make one term loan to the Borrowers (each a "Tranche A Loan" and, collectively, the "Tranche A Loans") in Dollars on a single Business Day on or before the Commitment Termination Date, in a principal amount up to but not exceeding such Tranche A Lender's Tranche A Commitment and, as to all Tranche A Lenders, in an aggregate principal amount up to but not exceeding $80,000,000.

(b) Each Tranche B Lender severally agrees, on and subject to the terms and conditions of this Agreement, to make one term loan to the Borrowers (each a "Tranche B Loan" and, collectively, the "Tranche B Loans") in Dollars on a single Business Day on or before the Commitment Termination Date, in a principal amount up to but not exceeding such Tranche B Lender's Tranche B Commitment and, as to all Tranche B Lenders, in an aggregate principal amount up to but not exceeding $64,244,230.63.

(c) The proceeds of the Loans shall be used by the Borrowers solely (i) to refinance Indebtedness of any Obligor (and to that end the proceeds of the Loans may, to the extent required, be remitted (through a loan transaction) or dividended by a Borrower to such Obligor), (ii) to fund the Cash Reserve Account in accordance with Section 12.01(a) hereof and (iii) to pay fees and expenses relating to the transactions

contemplated hereby. No Loan Party shall have any responsibility as to the use of any of the proceeds of any Loan.

2.02 Borrowing. The Borrowers shall give the Administrative Agent written notice of the Borrowing in substantially the form of Exhibit D hereto (a "Notice of Borrowing") as provided in Section 4.04 hereof. Not later than 11:00 a.m. New York time on the date specified for the Borrowing, each Lender shall make available the amount of the Loan or Loans to be made by it on such date to the Administrative Agent, at the Administrative Agent's Account, in immediately available funds, for account of the Borrowers. The amount so received by the Administrative Agent shall, subject to the terms and conditions of this Agreement, be applied to the payment of the fees and expenses referred to in Section 6.01(j) hereof and otherwise remitted by the Administrative Agent as agreed among the Borrowers and the Administrative Agent in accordance with the terms of this Agreement, provided that, the Administrative Agent shall make a portion of the Loans available to VVP Syndication by remitting such amounts directly into the Cash Reserve Account as provided in Section 12 hereof.

2.03 Fees. The Borrowers agree to pay to the Administrative Agent for the account of the Agents and the Joint Lead Arrangers fees in such amounts, on such terms and at such times as previously agreed upon among the Borrowers and the Administrative Agent and the Joint Lead Arrangers.

2.04 Several Obligations; Certain Remedies Independent. The failure of any Lender to make the Loan or Loans to be made by it on the occasion of the Borrowing shall not relieve any other Lender of its obligation to make its Loan or Loans on such date, but neither any Lender nor any Agent shall be responsible for the failure of any other Lender to make the Loan or Loans to be made by such other Lender on such date, and no Lender shall have any obligation to either Agent or any other Lender for the failure by such Lender to make any Loan or Loans required to be made by such Lender. The amounts payable by the Borrowers at any time hereunder and under the Notes to each Lender shall be a separate and independent debt, and each Lender shall, subject to the terms of the Intercreditor Agreement, be entitled to protect and enforce its individual rights arising out of this Agreement and the Notes independently of any other Lender, except to the extent this Agreement provides that the exercise of any right shall require the consent of the Majority Lenders or of all of the Lenders, and, except as so required, it shall not be necessary for any other Lender or either Agent to consent to, or

be joined as an additional party in, any proceedings to recover the payment of any overdue amounts.

2.05 Notes. The Tranche A Loan by each Tranche A Lender shall be evidenced by a promissory note (pagare) signed by the Borrowers and the Guarantors substantially in the form of Exhibit A-1 hereto (each, a "Tranche A Note"), dated the date of such Tranche A Loan, payable to such Tranche A Lender in an amount equal to the principal amount of such Tranche A Loan. The Tranche B Loan by each Tranche B Lender shall be evidenced by a promissory note (pagare) signed by the Borrowers and the Guarantors substantially in the form of Exhibit A-2 hereto (each, a "Tranche B Note" and, together with the Tranche A Notes, the "Notes"), dated the date of such Tranche B Loan, payable to such Tranche B Lender in an amount equal to the principal amount of such Tranche B Loan. In the case of any conflict between the provisions of this Agreement and the terms of any Note, the provisions of this Agreement shall prevail.

SECTION 3. PAYMENTS OF PRINCIPAL AND INTEREST.

3.01 Repayment of Loans. (a) The Borrowers agree to repay the full principal amount of the Tranche A Loans in six consecutive semi-annual installments, one such installment to be payable on each Tranche A Principal Payment Date, the amount of each such installment to be equal to the percentage of the original aggregate amount of the Tranche A Loans set forth below opposite the reference to the relevant Tranche A Principal Payment Date:

Tranche A Principal Payment Date	Percentage
1	5%
2	10%
3	15%
4	20%
5	25%
6	25%

(b) The Borrowers agree to repay the full principal amount of the Tranche B Loans in eight consecutive semi-annual installments, one such installment to be payable on each Tranche B Principal Payment Date, the amount of each such installment to be equal to the percentage of the original aggregate amount of the Tranche B Loans set forth below opposite the reference to the relevant Tranche B Principal Payment Date:

Tranche B Principal Payment Date	Percentage
1	5%
2	5%
3	10%
4	10%
5	15%
6	15%
7	20%
8	20%

3.02 Interest.

(a) The Borrowers agree to pay interest on the unpaid principal amount of the Tranche A Loan made by each Tranche A Lender for the

period from and including the date of such Tranche A Loan to but excluding the date such Tranche A Loan shall be paid in full, at a rate per annum equal to the LIBO Rate for each Interest Period plus the Tranche A Applicable Margin.

(b) The Borrowers agree to pay interest on the unpaid principal amount of the Tranche B Loan made by each Tranche B Lender for the period from and including the date of such Tranche B Loan to but excluding the date such Tranche B Loan shall be paid in full, at a rate per annum equal to the LIBO Rate for each Interest Period plus the Tranche B Applicable Margin.

(c) Notwithstanding the foregoing, the Borrowers agree to pay interest at the applicable Post-Default Rate on any principal of the Tranche A Loan or Tranche B Loan, respectively, of any Tranche A Lender or Tranche B Lender, and on any other amount whatsoever payable by the Borrowers to such Lender or either Agent hereunder, that is not paid in full when due (whether at stated maturity, by acceleration, or otherwise), for the period from and including the due date thereof to but excluding the date the same is paid in full.

(d) Accrued interest on each Loan shall be payable on the last day of each Interest Period and upon each payment or prepayment thereof (on the principal amount so paid or prepaid), provided, that interest payable at the Post-Default Rate shall be payable from time to time on demand.

(e) Promptly after the determination of any interest rate provided for herein or any change therein pursuant to this Agreement, the Administrative Agent shall (without limiting the requirements of Section 14.02 that all notices be in writing) give written notice thereof to the Lenders and to the Borrowers. Each determination by the Administrative Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

3.03 Optional Prepayments. The Borrowers shall have the right to prepay the Tranche A Loans and the Tranche B Loans in whole or in part at any time or from time to time, which prepayment shall in each case be made together with accrued and unpaid interest thereon and all other amounts payable under this Agreement (including without limitation Section 5.04 hereof) without premium or penalty (subject to Section 5.04 hereof), provided, that (i) the Borrowers shall give the Administrative Agent notice of each prepayment under this Section 3.03 as provided in Section 4.04 hereof (and, upon the date specified in any such notice, the amount to be prepaid shall become due and payable hereunder), (ii) each partial prepayment hereunder shall be in the aggregate amount of not less than $5,000,000 or an integral multiple of $1,000,000 in excess thereof, (iii) each prepayment hereunder shall be applied to the installments of principal thereof in inverse order of maturity, and (iv) all prepayments under this Section 3.03

shall be applied on a pro rata basis among the Tranche A Loans, the Tranche B Loans and loans under the Tranche C Loan Agreement on the basis of the respective aggregate outstanding principal amounts thereof, in accordance with the Intercreditor Agreement. Amounts prepaid hereunder may not be reborrowed.

3.04 Mandatory Prepayments. The Borrowers shall provide the Lenders with written notice (a "Change of Control Notice") within five Business Days of the occurrence of any Change of Control and the Borrowers shall, within thirty Business Days after delivery of such Change of Control Notice, prepay the outstanding principal amount of all Loans and all accrued and unpaid interest thereon, together with all other amounts payable by the Borrowers under this Agreement. Amounts prepaid hereunder may not be reborrowed.

SECTION 4. PAYMENTS, ETC.

4.01 Payments

(a) The Borrowers shall make each payment of principal of, and interest on, the Loans and of all fees and other amounts payable hereunder not later than 12:00 noon (New York time) on the date when due, in Dollars and immediately available funds, without deduction, set-off or counterclaim, to the Administrative Agent's Account for the account of the relevant Loan Parties.

(b) Each Borrower shall, at the time of making each payment under this Agreement and the Notes for account of any Lender, specify to the Administrative Agent the amounts payable by such Borrower hereunder to which such payment is to be applied (and in the event that such Borrower fails to so specify, or if an Event of Default has occurred and is continuing, the Administrative Agent may distribute such payment to the Lenders for application in such manner as it or the Majority Lenders, subject to Section 4.02 hereof, may determine to be appropriate).

(c) Each payment received by the Administrative Agent under this Agreement for account of any Lender shall be paid by the Administrative Agent promptly to such Lender, in immediately available funds, for account of such Lender's Applicable Lending Office.

(d) If the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such date shall be the immediately preceding Business Day.

4.02. Pro Rata Payments. Except to the extent otherwise expressly provided herein, (a) the Loans of a particular Tranche shall be made by the relevant Lenders pro rata according to the amounts of their respective Commitments of such Tranche; (b) each payment or prepayment of principal of the Tranche A Loans and Tranche B Loans shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans of such Tranche held by them; and (c) each payment of interest on the Tranche A Loans and

Tranche B Loans shall be made for account of the
Lenders pro rata in accordance with the respective amounts of interest on the Loans of such Tranche then due and payable to them.

4.03 Computations. Interest on the Loans shall be computed on the basis of a year of 360 days and the actual number of days elapsed occurring in the period for which interest shall be payable, except that interest determined pursuant to Section 5.02 hereof on the basis of the Base Rate shall be determined on the basis of a year of 365 or 366 days and the actual number of days elapsed (including in each case the first day but excluding the last day).

4.04 Certain Notices. The Notice of Borrowing and each notice of optional prepayment shall be effective only if received by the Administrative Agent not later than 11:00 a.m. New York time on the date three Business Days prior to the date of the Borrowing or optional prepayment. The Notice of Borrowing shall specify the amount to be borrowed and the date of the Borrowing (which shall be a Business Day). Each notice of optional prepayment shall specify (subject to Section 3.03 hereof) the amount to be prepaid and the date of prepayment (which shall be a Business Day). The Administrative Agent shall promptly notify the Lenders of the contents of each such notice.

4.05 Non-Receipt of Funds by the Administrative Agent. Unless the Administrative Agent shall have been notified in writing by any Lender or the Borrowers (each, a "Payor") prior to the date on which the Payor is to make payment to the Administrative Agent (in the case of a Lender) of the proceeds of a Loan to be made by such Lender hereunder or (in the case of the Borrowers) of a payment to the Administrative Agent for account of the Lenders hereunder (any such payment being herein called the "Required Payment") that such Payor will not make the Required Payment, the Administrative Agent may (but shall not be obligated to) assume that the Payor is making the Required Payment available to the Administrative Agent and, in reliance upon such assumption, make available to the relevant Lenders or the Borrowers, as the

case may be, a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on such date, the Payor shall pay to the Administrative Agent, on demand, such amount with interest thereon at (in the case of a Lender) the Federal Funds Effective Rate and (in the case of the Borrowers) equal to the rate specified in Section 3.02(c) hereof, in each case until such amount is made available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Payor with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

4.06 Sharing of Payments.

(a) If any Lender shall obtain payment of any principal of or interest on any Loan of any Tranche or payment of any other amount under this Agreement through the exercise of any right of set-off, banker's lien or counterclaim or similar right or otherwise (other than from the Administrative Agent as provided herein), and, as a result of such payment, such Lender shall have received a percentage of the principal of or interest on such Loan or such other amounts then due hereunder by any Borrower to such Lender in excess of its pro rata share thereof, it shall promptly purchase from such other Lenders participations in (or, if and to the extent specified by such Lender, direct interests in) the Loans of such Tranche or such other amounts, respectively, owing to such other Lenders

(or in interest due thereon, as the case may be) in such amounts, and make such other adjustments from time to time, as shall be equitable, to the end that all the Lenders shall share the benefit of such excess payment (net of any expenses that may be incurred by such Lender in obtaining or preserving such excess payment) pro rata in accordance with the unpaid principal of and/or interest on the Loans of such Tranche or such other amounts, respectively, owing to each of the Lenders. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored; provided, that if any Lender shall commence an action or proceeding in any court to collect the principal of or interest on a Loan held by, or any other amount owed to, such Lender, and as a result thereof shall receive a disproportionate payment (other than any such payment received by such Lender as a result of attachment of, or set-off, exercise of banker's lien or any other proceedings against, deposits or other property held by such Lender), such Lender shall not be required to share any portion of such disproportionate payment with any other Lender which, having received notice from such first-mentioned Lender (through the Administrative Agent) of such action or proceeding, had the legal right to, but did not, join such action or proceeding or commence and diligently prosecute a separate action or proceeding in any appropriate court to collect (as applicable) the principal of or interest on the Loans held by, or other such amount owed to, such other Lender.

(b) Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of any Obligor.

4.07 Joint and Several Obligations. All of the obligations of the Borrowers under this Agreement and under the other Loan Documents are joint and several. Without limitation and for the avoidance of doubt, each of the waivers described in Section 7.02 and the limitation set forth in Section 7.08 hereof shall be deemed to apply to the obligations of each Borrower hereunder as if such Borrower were a Guarantor.

SECTION 5. YIELD PROTECTION, ETC.

5.01 Additional Costs.

(a) If, on or after the date hereof, the adoption of any Requirement

of Law, or any change in any Requirement of Law, or any change in the interpretation or administration thereof by any court or other Governmental Authority charged with the interpretation or administration thereof, or compliance by any Lender (or its Applicable Lending Office) with any request or directive (whether or not having the force of law) of any such Governmental Authority, shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System), special deposit, contribution, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit

extended by, any Lender (or its Applicable Lending Office) or shall impose on any Lender (or its Applicable Lending Office) or the London interbank market any other condition affecting any Loan, Note or Commitment of such Lender, and the result of any of the foregoing is to increase the cost to such Lender (or its Applicable Lending Office) of making or maintaining any Loan, or to reduce the amount of any sum received or receivable by such Lender (or its Applicable Lending Office) under this Agreement or under any Note, by an amount reasonably deemed by such Lender to be material (other than Taxes, which shall be treated in accordance with Section 5.05 hereof), then the Borrowers shall pay to such Lender on the date five (5) business days after demand, such additional amount or amounts as will compensate such Lender for such increased cost or reduction; provided, that this clause (a) shall not be deemed to apply to any increase in cost to, or reduction in an amount received or receivable by, such Lender described above in this clause (a) to the extent attributable to regulatory action taken by reason of the occurrence of a material adverse change in the financial condition or capitalization of such Lender.

(b) If any Lender shall have determined that, after the date hereof, the adoption of any Requirement of Law regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, has or would have the effect of reducing the rate of return on capital of such Lender (or its parent) as a consequence of such Lender's obligations hereunder or its Loan or Loans to a level below that which such Lender (or its parent) could have achieved but for such adoption, change, request or directive by an amount reasonably deemed by it to be material, then from time to time, within 15 days after demand (which refers to the relevant Requirement of Law in reasonable detail) by such Lender, the Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its parent) for such reduction; provided, that this clause (b) shall not be deemed to apply to any such reduction incurred by a Lender to the extent attributable to regulatory action taken by reason of the occurrence of a material adverse change in the financial condition or capitalization of such Lender.

(c) Each Lender will promptly notify the Borrowers of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section, such notice to provide reasonable detail of such event. Before giving any such notice pursuant to this subsection (c) such Lender shall designate a different Applicable Lending Office if such designation (i) will, in the reasonable judgment of such Lender, avoid the need for, or reduce the amount of, such compensation and (ii) will not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section 5.01, setting forth the additional amount or amounts to be paid to it hereunder and providing reasonable detail as aforesaid, shall be conclusive and binding on the Borrowers in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods as long as such methods are consistent with such Lender's treatment of customers similar to the

Borrowers having generally similar provisions in their agreements with such Lender. Notwithstanding anything to the contrary in clauses (a) and (b) above, no Lender shall be entitled to make a claim for compensation with respect to any event occurring more than 180 days prior to the date on which such Lender notifies the Borrowers of its claim for compensation.

(d) If any Lender requests compensation under this Section 5.01, the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (subject to the restrictions contained in Section 14.06), all of its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that (i) such assignee shall be subject to the prior approval of the Administrative Agent, (ii) such Lender shall have received payment in full of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, and (iii) such assignment is reasonably expected to result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

5.02 Substitute Basis. If, on or prior to the first day of any Interest Period (an "Affected Interest Period"):

(a) the Administrative Agent determines that, by reason of circumstances affecting the London interbank eurodollar market, the "LIBO Rate" cannot be determined pursuant to the definition thereof, or

(b) the Majority Lenders determine and notify the Administrative Agent that the relevant rates of interest referred to in the definition of "LIBO Rate" in Section 1.01 hereof upon the basis of which the rate of interest for Loans for such Affected Interest Period is to be determined will not be adequate to cover the cost to such Lenders of making or maintaining their Loans for such Affected Interest Period,

then the Administrative Agent shall give notice thereof (a "Rate Determination Notice") to the Borrowers and the Lenders as soon as practicable thereafter. If such notice is given, during the ninety-day period following such Rate Determination Notice (the "Negotiation Period") the Administrative Agent and the Borrowers shall negotiate in good faith with a view to agreeing upon a substitute interest rate basis (having the written approval of the Majority Lenders) for the Loans which shall reflect the cost to the Lenders of funding their Loans from alternative sources (a "Substitute Basis"), and if such Substitute Basis is so agreed upon during the Negotiation Period, such Substitute Basis shall apply in lieu of the LIBO Rate to all Interest Periods commencing on or after the first day of the Affected Interest Period, until the circumstances giving rise to such notice have ceased to apply. If a Substitute Basis is not agreed upon during the Negotiation Period, the Base Rate as in effect from time to time shall apply in lieu of the LIBO Rate for the relevant Interest Periods.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in the event that on or after the date hereof the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by any Governmental Authority shall make it unlawful for any Lender or its Applicable Lending Office to make or maintain Loans hereunder (and, in the opinion of such Lender, the designation of a different Applicable Lending Office would either not avoid such unlawfulness or would be disadvantageous to such Lender), then such Lender shall promptly notify the Borrowers thereof (with a copy to the Administrative Agent) following which (a) such Lender's Commitment shall be suspended until such time as such Lender may again make and maintain Loans hereunder and (b) if such Requirement of Law shall so

mandate, such Lender's Loans shall be prepaid by the Borrowers, together with accrued and unpaid interest thereon and all other amounts payable by the Borrowers under this Agreement, on or before such date as shall be mandated by such Requirement of Law; provided, however, that if it is lawful for such Lender to maintain its Loans through the last day of the current Interest Period, such payment shall be made on such date; provided further, however, that the relevant Lender shall use its reasonable efforts to avoid or minimize the effect of such Requirement of Law, including by transferring the affected Loan or Loans to a different lending office, if it can do so without material cost, expense or legal detriment to it, in its sole and absolute judgment. In the event that the effects of the Requirement of Law cannot be avoided or minimized by such Lender as provided in this Section 5.03, the Borrowers may, if no Default has occurred and is continuing, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (subject to the restrictions contained in Section 14.06), all of its interest, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if such other Lender accepts such assignment); provided, that (i) such assignee shall be subject to the prior approval of the Administrative Agent, (ii) such Lender shall have received payment in full of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, and (iii) such assignment is reasonably expected to result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

5.04 Compensation. The Borrowers shall pay to the Administrative Agent for account of each Lender, upon the request of such Lender through the Administrative Agent, such amount or amounts (if any) as shall be sufficient to compensate it for any loss, cost or expense that such Lender determines is attributable to:

(a) any optional or mandatory prepayment of any Loan made by such Lender for any reason on a date other than the last day of an Interest Period; and

(b) any failure by the Borrowers for any reason (including, without limitation, the failure of any of the conditions precedent specified in Section 6 hereof to be satisfied) to make a Borrowing on the date for such Borrowing specified in the Notice of Borrowing given pursuant to Section 2.02 hereof, or to prepay such Loan in accordance with a notice of prepayment under Section 3.03 hereof or a Change of Control Notice under

Section 3.04 hereof or any assignment by such Lender pursuant to Section 5.01(d) or Section 5.03 hereof on a date other than the last day of an Interest Period.

Each Lender will furnish to the Borrowers a certificate setting forth the basis and amount of each request by such Lender for compensation under this Section 5.04, which certificate shall be conclusive and binding on the Borrowers in the absence of manifest error.

5.05 Taxes.

(a) All payments on account of the principal of and interest on the Loans and the Notes, fees and all other amounts payable hereunder by the Borrowers to or for the account of each Agent or any Lender, including, without limitation, amounts payable under paragraph (b) of this Section 5.05, shall be made free and clear of and without reduction or liability for Covered Taxes, unless otherwise required by applicable law, decree or regulation.

(b) The Borrowers shall indemnify each Agent and each Lender against, and reimburse them upon demand for, any Covered Taxes paid at any time by such Agent or such Lender (as the case may be) and any loss, liability, claim or expense, including interest, penalties, surcharges and legal fees, that such Agent or such Lender may incur at any time

arising out of or in connection with any failure of the Borrowers to make any payment of Covered Taxes when due. Each Agent and Lender agrees promptly to notify the Borrowers of any event known to it that would give rise to a payment under this Section 5.05(b) by the Borrowers.

(c) Subject to compliance by the Agent and the relevant Lender with its obligations specified in this Section 5.05, in the event that any Borrower, any Person making a payment hereunder on behalf of such Borrower or any Agent shall be required by applicable law, decree or regulation to deduct or withhold Covered Taxes from any amounts payable on, under or in respect of this Agreement, any other Loan Document or the Loans, the sum payable shall be increased as necessary so that after making all required deductions and withholdings the recipient of such payment receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(d) Each Borrower shall furnish to the Administrative Agent copies, certified by the Responsible Officer of such Borrower, of the tax forms, duly completed and evidencing each payment of Covered Taxes required under this Section 5.05, as soon as practicable (and in any event no later than 45 days) after the date such payment is made, and such Borrower shall promptly furnish to the Administrative Agent at its request or at the request of any Lender (through the Administrative Agent) or the other Agent any other information, documents and receipts that the Administrative Agent or such other Agent or such Lender may reasonably require to establish that full and timely payment has been made of all Covered Taxes required to be paid under this Section 5.05.

(e) Each Borrower agrees to pay all present and future stamp, court or documentary taxes and any other excise taxes, charges or similar levies and any related interest or penalties incidental thereto imposed by Mexico, or any jurisdiction from which any amount payable hereunder is made, or any municipality or other political subdivision or taxing authority thereof or therein which arises from any payment made by such Borrower hereunder or from the execution, delivery, enforcement or registration (if mandatory under Mexican law) of any of the Loan Documents (hereinafter referred to as "Other Applicable Taxes").

(f) Each Lender (other than a Mexican Bank) party to this Agreement on the date hereof (A) represents and warrants to the Borrowers that, as of the date hereof, (i) such Lender is registered with the Ministry of Finance as a foreign financial institution in the registry referred to in Article 197 (or any successor provision) of the Mexican Income Tax Law (Ley del Impuesto sobre la Renta), and intends to be the effective beneficiary of the interest payable under this Agreement and the other Loan Documents, (ii) such Lender is a resident of a country (or the main office of which, if lending through a branch or agency, is resident of a country) with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect, and complies with the requirements provided in such treaty to apply a reduced withholding tax rate on interest and (iii) such treaty provides that the rate of withholding tax on interest payments received by a foreign financial institution on a loan is 4.9% or less, and (B) agrees that it will use best efforts to (x) continue to comply with the requirements of such treaty for so long as it provides a reduced withholding tax rate under the Mexican Income Tax Law or such double taxation treaty, (y) file all documentation necessary to maintain its registration with the Ministry of Finance in the registry referred to in Article 197 (or any successor provision) of the Mexican Income Tax Law, so long as such requirement remains applicable, and (z) maintain its status (directly or through its main office, if lending through a branch or agency) as a resident for tax purposes of the country of which it is currently a resident and be the effective beneficiary of any interest paid.

(g) Each Lender (other than a Mexican Bank) and the Administrative Agent will use all reasonable commercial efforts to provide to the Borrowers (or as appropriate, complete and file with

the appropriate governmental authority), within 60 days of a written request made by the Borrowers, such duly completed form, certification or similar documentation, if any, as is then required under applicable law, regulation or published administrative rule or double taxation treaty to which Mexico is a party, which is in effect, in order to obtain an exemption from, or reduced rate of, deduction, payment or withholding in respect of Covered Taxes to which such Lender or the Administrative Agent would be entitled on interest payments made to such Lender or the Administrative Agent pursuant to a tax treaty that is in effect or the law or regulations of the relevant jurisdiction; provided, that neither any Lender nor the Administrative Agent shall have any obligation to provide such form, certification or similar document (unless required under applicable law) if, in the sole and absolute judgment of such Lender or the Administrative Agent, as the case may be, it would be required to disclose confidential information and such disclosure would be materially disadvantageous to such Lender or the Administrative Agent.

(h) Any Lender that is entitled to an exemption from or reduction of United States withholding tax with respect to payments under this Agreement shall deliver to the applicable Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by such Borrower as will permit such payments to be made without withholding or at a reduced rate.

(i) Any Lender (other than a Mexican Bank) claiming any additional amounts payable pursuant to this Section 5.05, which are in excess of the tax imposed at the lowest rate of withholding that would be otherwise applicable to such Lender and which exceed additional amounts payable on the date hereof (provided, that such Lender is in compliance with the requirements set forth in Section 5.05(f), (g) and (i)), agrees to use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) to change the jurisdiction of its Applicable Lending Office if, in the sole and absolute judgment of such Lender, such change (i) would eliminate or reduce any such excess additional amounts and (ii) would not otherwise be materially disadvantageous to such Lender.

(j) No Borrower shall be required to indemnify any Lender under clauses (a), (b) or (c) of this Section 5.05 for any additional amounts in respect of Covered Taxes to the extent that such Covered Taxes or portion thereof would not have been withheld but for the fact that the representation and warranty in clause (f)(A) above is incorrect with respect to such Lender or the failure of such Lender to comply with the provisions of clauses (f)(B), (g) (unless such Lender is a Mexican Bank) and (h) of this Section 5.05.

(k) If a Loan Party determines, in its sole discretion, that it has received a refund of any Covered Taxes as to which it has been indemnified by one of the Borrowers or with respect to which one of the Borrowers has paid additional amounts pursuant to this Section 5.05, it may, in its sole discretion, pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the applicable Borrower under this Section 5.05 with respect to the Covered Taxes giving rise to such refund), net of all out-of-pocket expenses of the Loan Party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the applicable Borrower, upon request of the Loan Party, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Loan Party in the event the Loan Party is required to repay such refund to such Governmental Authority. This Section 5.05 (k) shall not be construed to require the Loan Party to make available its tax returns (or any other information which it deems confidential) to the Borrowers or any other Person.

SECTION 6. CONDITIONS PRECEDENT.

6.01 Conditions to Effectiveness. The effectiveness of Sections 2.01(a) and 2.01(b) hereof shall be subject to the conditions precedent that (i) the Majority Lenders shall not have determined, and notified the Administrative Agent, that an event or circumstance has occurred since December 31, 2001, that has had a Material Adverse Effect, (ii) the Majority Lenders shall not have determined, and notified the Administrative Agent, that a material adverse change has occurred since December 31, 2001, in the political, economic or financial condition of Mexico or the United States or in the market for loan or debt securities of Mexican borrowers, and (iii) the Administrative Agent shall have received the following documents (with certified English translations of documents not in English, except for the estatutos sociales, powers of attorney and the corporate authorizations), each of which shall be in form and substance satisfactory to the Administrative Agent (provided, that such conditions shall be satisfied not later than March 5, 2003):

(a) Executed Agreement. This Agreement, duly executed and delivered by the Obligors and each of the other parties hereto.

(b) Cash Reserve Account and Account Control Agreement. The Account Control Agreement, duly executed and delivered by VVP Syndication, the Collateral Agent and the Intermediary, together with (i) a certification by the Borrowers as of the Closing Date as to the Consolidated EBITDA of the Guarantors on a combined basis for the then most recently completed period of four consecutive fiscal quarters of the Guarantors and the Consolidated EBITDA of Vitro Plan for such period, and (ii) irrevocable written instructions signed by Vitro Plan and addressed to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, directing that a portion of the proceeds of the Loans equal to the Required Cash Reserve Balance shall be remitted directly to the Cash Reserve Account.

(c) Intercreditor Agreement. The Intercreditor Agreement, duly executed and delivered by the Borrowers, the Creditors, the Administrative Agent, the Collateral Agent and the Tranche C Agent.

(d) Communications Agreement. The Communications Agreement, duly executed and delivered by the Borrowers and the Administrative Agent.

(e) Approvals. Certified copies of all licenses, consents, authorizations and approvals of, and notices to and filings and registrations with, any Governmental Authority (including, without limitation, all foreign exchange approvals), and of all third-party consents and approvals, if any, necessary in connection with the making and performance by each Obligor of the Loan Documents to which it is a party and the transactions contemplated hereby and thereby.

(f) Corporate Documents. (i) The estatutos sociales, certificate of incorporation or other constitutive documents of each Obligor, certified by a Mexican notary public in the case of each Mexican Obligor and certified by an appropriate officer of such Obligor as true and correct and in full force and effect;

(ii) in the case of each Mexican Obligor, the powers of attorney, certified by a Mexican notary public, authorizing the relevant officers of each Obligor to execute and deliver the

Loan Documents to which such Obligor is a party (including authority to execute titulos de credito and for actos de dominio); and

(iii) corporate resolutions, in form and substance reasonably satisfactory to the Administrative Agent, authorizing the making and performance by each Obligor of the Loan Documents to which such Obligor is a party if required by such Obligor's corporate documents.

(g) Incumbency Certificate. A certificate of each Obligor in substantially the form of Exhibit E hereto as to the authority, incumbency and specimen signatures of the persons who have executed the Loan Documents and any other documents in connection herewith on behalf of such Obligor.

(h) Opinions of Counsel.

(i) An opinion, dated the Closing Date, of Cantu y Estrada Abogados, S.C., special Mexican counsel to the Mexican Obligors, in substantially the form of Exhibit F hereto.

(ii) An opinion, dated the Closing Date, of Cravath, Swaine & Moore, special New York counsel to the Obligors, in substantially the form of Exhibit G hereto.

(iii) An opinion, dated the Closing Date, of Ritch, Heather y Mueller, S.C., special Mexican counsel to the Agents, in substantially the form of Exhibit H hereto.

(iv) An opinion, dated the Closing Date, of special Colombian counsel to the Colombian Guarantor, as to such matters relating to its obligations hereunder as the Administrative Agent may reasonably require.

(v) An opinion, dated the Closing Date, of special Guatemalan counsel to each Obligor that is organized under the laws of Guatemala, as to such matters relating to its obligations hereunder as the Administrative Agent may reasonably require.

(vi) An opinion, dated the Closing Date, of special Swiss counsel to each Swiss Guarantor, as to such matters relating to its obligations hereunder as the Administrative Agent may reasonably require.

(vii) An opinion, dated the Closing Date, of special Wisconsin counsel to each Guarantor organized under the law of the State of Wisconsin, as to such matters relating to its obligations hereunder as the Administrative Agent may reasonably require.

(viii) An opinion, dated the Closing Date, of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent, in substantially the form of Exhibit I hereto.

(i) Process Agent Acceptance. (i) A Process Agent Acceptance, duly executed and delivered by the Process Agent, and (ii) a Mexican law notarized power of attorney of each Mexican Obligor appointing such Process Agent.

(j) Fees. Irrevocable authorization by the Borrowers to deduct all fees referred to in Section 2.03 hereof and all reasonable and documented accrued fees and expenses of each Agent and of the expenses then due and payable under Section 14.03 hereof, including, without limitation, the reasonable and documented fees and expenses of Milbank, Tweed, Hadley & McCloy

LLP, special New York counsel to the Administrative Agent, counsel to the Collateral Agent, Ritch, Heather y Mueller, S.C., special Mexican counsel to the Agents, Bodman, Longley & Dahling LLP, special counsel to Comerica Bank, in connection with the negotiation, preparation, execution and delivery of the Loan Documents and the making of the Loans hereunder, and also including all stamp taxes or similar taxes in connection with the Loan Documents, from the proceeds of the Loans; provided, that a statement of such fees and expenses shall have been submitted at least two Business Days prior to the Borrowing Date.

(k) Licensing Agreement. Certified copies of (i) the Licensing Agreement ("Contrato de Licencia de Tecnologia y Asistencia Tecnica") dated as of December 19, 2001 among IP Vitro, Vitrocar, S.A. de C.V., as Licensor and Distribuidora Nacional de Vidrio, S.A. de C.V., Vitro Vidrio y Cristal, S.A. de C.V. and Vitro Automotriz, S.A. de C.V., as Licensees and (ii) an Amendment to such Licensing Agreement in form and substance satisfactory to the Administrative Agent, providing for the subordination of the rights of IP Vitro to receive royalty payments under such Licensing Agreement.

(l) Pro Forma Certificate. A certificate of Vitro Plan setting forth in reasonable detail the calculations required to establish whether Vitro Plan would have been in compliance with the requirements of Sections 10.01(a), (b) and (c) hereof on and as of December 31, 2002 if the Loans under this Agreement were reflected on a pro forma basis in the financial statements of Vitro Plan for the fiscal year ending on such date.

(m) Other Documents. Such other documents relating hereto as either Agent or any Lender shall reasonably request.

6.02 Additional Conditions to Borrowing. The obligation of each Lender to make its Loan or Loans hereunder on the Borrowing Date is also subject to further conditions precedent that both immediately prior to the making of such Loan or Loans and also after giving effect thereto and to the intended use thereof:

(A) no Default shall have occurred and be continuing;

(B) the representations and warranties made by the Obligors in this Agreement shall be true on and as of the Borrowing Date and immediately after giving effect to the application of the proceeds of the Loans with the same force and effect as if made on and as of such date (or, in the case of any representation and warranty that expressly relates to a specific date, as of such specific date);

(C) the Administrative Agent shall have received the Notes evidencing the Loans in accordance with Section 2.05 hereof;

(D) the Administrative Agent shall have received the Notice of Borrowing in accordance with Section 2.02 hereof; and

(E) the Administrative Agent shall have received irrevocable instructions signed by the Borrowers, in form and substance satisfactory to the Administrative Agent, as to the remittance by the Administrative Agent of the proceeds of the Loans (such instructions to be consistent with the provisions of Sections 2.01(c) and 6.01(j) hereof).

The Notice of Borrowing shall constitute a certification by the Borrowers that the conditions set forth in clauses (A) and (B) of this Section 6.02 have been fulfilled (both as of the date of such notice and, unless the Borrowers otherwise notify the Administrative Agent prior to the Borrowing Date, as of the Borrowing Date).

SECTION 7. GUARANTEE.

7.01 The Guarantee. The Guarantors hereby jointly and severally guarantee to the Loan Parties the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans and the Notes and all fees, indemnities and other amounts whatsoever now or hereafter payable or becoming payable by the Borrowers hereunder and under the other Loan Documents, in each case strictly in accordance with the terms thereof (the obligations of the Borrowers to pay such amounts being herein collectively called the "Guaranteed Obligations"). The Guarantors hereby further jointly and severally agree that if the Borrowers shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same upon receipt from the Administrative Agent of written demand for payment thereof, without any other demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. This Agreement is a continuing guaranty and is a guaranty of payment and is not merely a guaranty of collection.

7.02 Acknowledgments, Waivers and Consents. Each Guarantor agrees that the obligations of such Guarantor under Section 7.01 hereof shall, to the fullest extent permitted by applicable law, be absolute, irrevocable and unconditional under any and all circumstances. Without limiting the foregoing, each Guarantor agrees that:

(a) The occurrence of any one or more of the following shall, to the fullest extent permitted by applicable law, not affect the enforceability or effectiveness of this Section 7 in accordance with its terms or affect, limit, reduce, discharge or terminate the liability of such Guarantor, or the rights, remedies, powers and privileges of the Administrative Agent, the Collateral Agent or any Lender under this Section 7:

(i) any modification or amendment (including without limitation by way of amendment, extension, renewal or waiver), or any acceleration or other change in the time for payment or performance of the terms of all or any part of the Guaranteed Obligations or any Loan Document, or any other agreement or instrument whatsoever relating thereto, or any modification of the Commitments;

(ii) any release, termination, waiver, abandonment, lapse or expiration, subordination or enforcement of the liability of any other Guarantor under this Agreement or of any other guarantee of all or any part of the Guaranteed Obligations;

(iii) any application of the proceeds of any other guarantee (including without limitation any letter of credit or the obligations of any other guarantor of all or any part of the Guaranteed Obligations) to all or any part of the Guaranteed Obligations;

(iv) any release of any other Person (including without limitation any other guarantor with respect to all or any part of the Guaranteed Obligations) from any personal liability with respect to all or any part of the Guaranteed Obligations;

(v) any settlement, compromise, release, liquidation or enforcement, upon such terms and in such manner as the Administrative Agent may determine or as applicable law may dictate, of all or any part of the Guaranteed Obligations or any other guarantee of (including without limitation any letter of credit issued with respect to) all or any part of the Guaranteed Obligations;

(vi) the giving of any consent to the merger or consolidation of, the sale of a substantial portion of the

assets by, or other restructuring or termination of the corporate existence of any Borrower or any other Person or any disposition of any shares of any Guarantor;

(vii) any proceeding against any Obligor with respect to all or any part of the Guaranteed Obligations or any collateral provided by any other Person or the exercise of any rights, remedies, powers and privileges of the Loan Parties under the Loan Documents or otherwise in such order and such manner as the Agents may determine, regardless of whether the Loan Parties shall have proceeded against or exhausted any collateral, right, remedy, power or privilege before proceeding to call upon or otherwise enforce this Agreement;

(viii) the entering into such other transactions or business dealings with any Obligor or any Subsidiary or Affiliate of any Obligor as any Loan Party may determine; or

(ix) all or any combination of any of the actions set forth in this Section 7.02(a).

(b) The enforceability and effectiveness of this Agreement and the liability of the Guarantors, and the rights, remedies, powers and privileges of the Loan Parties, under this Agreement shall not be affected, limited, reduced, discharged or terminated, and each Guarantor hereby expressly waives, to the fullest extent permitted by applicable law, any defense now or in the future arising, by reason of:

(i) any illegality, invalidity or unenforceability of all or any part of the Guaranteed Obligations, any Loan Document or any other agreement or instrument whatsoever relating to all or any part of the Guaranteed Obligations;

(ii) any disability or other defense with respect to all or any part of the Guaranteed Obligations, including the effect of any statute of limitations that may bar the enforcement of all or any part of the Guaranteed Obligations or the obligations of any such other guarantor;

(iii) the illegality, invalidity or unenforceability of any security for or other guarantee (including without limitation any letter of credit) of all or any part of the Guaranteed Obligations or the lack of perfection or continuing perfection or failure of the priority of any Lien on any collateral for all or any part of the Guaranteed Obligations;

(iv) the cessation, for any cause whatsoever, of the liability of any Obligor with respect to all or any part of the Guaranteed Obligations (other than, subject to Section 7.03 hereof, by reason of the full payment of all Guaranteed Obligations);

(v) any failure of any Loan Party to marshal assets in favor of the Borrowers or any other Person (including any other guarantor of all or any part of the Guaranteed Obligations), to exhaust any collateral for all or any part of the Guaranteed Obligations, to pursue or exhaust any right, remedy, power or privilege it may have against the Borrowers or any other guarantor of all or any part of the Guaranteed Obligations (including any issuer of any letter of credit) or any other Person or to take any action whatsoever to mitigate or reduce such or any other Person's liability under this Agreement, the Loan Parties being under no obligation to take any such action notwithstanding the fact that all or any part of the Guaranteed Obligations may be due and payable and that the Borrowers may be in default of its obligations under any Loan Document;

(vi) any counterclaim, set-off or other claim which any Obligor of all or any part of the Guaranteed Obligations has or claims with respect to all or any part of the Guaranteed Obligations;

(vii) any failure of any Loan Party or any other Person to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person;

(viii) any bankruptcy, insolvency, reorganization, concurso mercantil, winding-up or adjustment of debts, or appointment of a custodian, interventor, conciliador, sindico, liquidator or the like of it, or similar proceedings commenced by or against any Obligor, including any discharge of, or bar or stay against collecting, all or any part of the Guaranteed Obligations (or any interest on all or any part of the Guaranteed Obligations) in or as a result of any such proceeding;

(ix) any action taken by any Loan Party that is authorized by this Section 7.02 or otherwise in this Agreement or by any other provision of any Loan Document or any omission to take any such action; or

(x) to the fullest extent permitted by applicable law, any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor.

(c) To the fullest extent permitted by law, each Guarantor expressly waives, for the benefit of the Loan Parties, all set-offs and counterclaims and all diligence, presentment, demand for payment or performance, notices of nonpayment or nonperformance, protest, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever (other than the written demand for payment pursuant to Section 7.01 hereof), and any requirement that any Loan Party exhaust any right, power or remedy or proceed against the Borrowers under this Agreement, any Note or any other Loan Document or other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations, and all notices of acceptance of this Agreement or of the existence, creation, incurring or assumption of new or additional Guaranteed Obligations. Each Guarantor further expressly waives the benefit of any and all statutes of limitation, to the fullest extent permitted by applicable law.

(d) Each Guarantor further waives, to the fullest extent permitted by applicable law, any right to which it may be entitled, including, without limitation:

(i) that the assets of the Borrowers first be used, depleted and/or applied in satisfaction of the Borrowers' obligations under this Agreement prior to any amounts being claimed from or paid by any Guarantor;

(ii) to require that the Borrowers be sued and all claims against the Borrowers be completed prior to an action or proceeding being initiated against such Guarantor;

(iii) to have its obligations hereunder be divided among the Guarantors, such that each Guarantor's obligation would be less than the full amount claimed; and

(iv) to the extent applicable, under Articles 2814, 2815,

2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2842, 2845 and 2846 of the Mexican Federal Civil Code and the correlative rights of the Civil Codes of the Federal District and the States of Mexico.

7.03 Reinstatement. The obligations of each Guarantor under this Section 7 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrowers in respect of the Guaranteed Obligations is rescinded or must otherwise be restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantors jointly and severally agree that they will indemnify the Loan Parties on demand for all reasonable costs and expenses (including, without limitation, reasonable fees of counsel, but without duplication of the obligations of the Borrowers under this Agreement) incurred by them in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or the like under any bankruptcy, insolvency or similar law.

7.04 Subrogation. The Guarantors hereby jointly and severally agree that, until the final payment in full of the Guaranteed Obligations and the expiration or termination of the Commitments under this Agreement, they shall not exercise any right or remedy arising by reason of any performance by any of them of their guarantee in Section 7.01 hereof, whether by subrogation, reimbursement, contribution or otherwise, against the Borrowers or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

7.05 Remedies. Each Guarantor agrees that, as between such Guarantor and the Loan Parties, the obligations of the Borrowers under this Agreement, the Notes or any other Loan Documents may be declared to be forthwith due and payable as provided in Section 11 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 11) for purposes of Section 7.01 hereof, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrowers) shall forthwith become due and payable by such Guarantor for purposes of said Section 7.01.

7.06 Payments. Except to the extent otherwise expressly provided in Section 7.10 hereof, all payments by the Guarantors under this Agreement shall be made in Dollars,

without deduction, set-off or counterclaim at the place specified in Section 4 hereof and free and clear of any and all present and future Covered Taxes, without prejudice to the provisions of Section 5.05 hereof.

7.07 Rights of Contribution. The Guarantors hereby agree, as among themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any of the Guaranteed Obligations, each other Guarantor shall, on written demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the Properties, debts and liabilities of such Excess Funding Guarantor) of said payment of the Guaranteed Obligations.

For purposes of this Section 7.07, (i) "Excess Funding Guarantor" shall mean, in respect of any Guaranteed Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "Excess Payment" shall mean, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "Pro Rata Share" shall mean, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate fair saleable value of all Properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of

all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been Guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all Properties of the Guarantors exceeds the amount of all debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Borrowers and the Guarantors hereunder) of all of the Guarantors, determined as of the date hereof.

7.08 General Limitation on Guarantee Obligations. To the extent that the obligations of any Guarantor hereunder would, by reason of any applicable domestic or foreign law, rule or regulation (including any domestic or foreign corporate law, or any domestic or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally) be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability hereunder, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Lender, either Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors.

7.09 Limitation on Guarantee Obligations of Swiss Guarantors. Anything herein to the contrary notwithstanding, the aggregate amount payable by each Swiss Guarantor hereunder at any time (including, but not limited to, payments pursuant to Section 7.01 and Section 7.07 hereof) shall be limited for each such Swiss Guarantor to an amount equal to the maximum amount of the freely distributable retained earnings of such Swiss Guarantor under the law of Switzerland as of such time.

7.10 Colombian Guarantor. Anything herein to the contrary notwithstanding, the Colombian Guarantor may make payment of any amount demanded from it hereunder in the lawful currency of the Republic of Colombia; provided, that the Colombian Guarantor shall use its best efforts to obtain any and all such licenses, consents and approvals of any Colombian Governmental Authority as may be required to enable it to make payment of all such amounts in Dollars, and, if successful in such efforts, will promptly furnish evidence thereof to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, and thereafter shall make all such payments in Dollars in accordance with Section 7.06 hereof.

SECTION 8. REPRESENTATIONS AND WARRANTIES. Except as otherwise specified herein, each Obligor represents and warrants to the Loan Parties with respect to itself (except as otherwise provided herein) that, as of the date hereof and as of the date of the Borrowing (unless otherwise specified):

8.01 Power and Authority. It (a) is a corporation, a sociedad anonima de capital variable or a sociedad anonima, as applicable, duly organized and validly existing under the laws of its jurisdiction of incorporation, (b) has all requisite corporate power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being conducted, (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, (d) has the power and authority to make and perform each of the Loan Documents to which it is a party and to borrow the Loans hereunder and (e) is in compliance with all applicable laws and regulations except where failure to be in compliance could not reasonably be expected to have a Material Adverse Effect.

8.02 Due Authorization, Etc. The making and performance by such Obligor of the Loan Documents to which it is a party and of all other documents and instruments to be executed and delivered by it hereunder have been duly authorized by all necessary corporate action, and do not contravene (a) its estatutos sociales or, if applicable, other constitutive documents, (b) any Requirement of Law, or (c) any agreement or instrument or material

contractual restriction binding on or affecting it or any of its Property, and do not and will not result in the imposition of any Lien on any of its Property, except Liens created or arising under the Loan Documents. No part of the proceeds of the Loans will be used for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (and no Indebtedness refinanced with the proceeds of the Loans will have been used for such purpose).

8.03 Governmental and Other Approvals. Subject to Section 7.10 hereof, no license, consent, authorization or approval or other action by, or notice to or filing or registration with, any Governmental Authority (including without limitation any foreign exchange approval), and no other third-party consent or approval, is necessary for the due execution, delivery and performance by such Obligor of the Loan Documents or for the legality, validity, binding effect or enforceability thereof against it. In the case of VVP Syndication, no filing, registration or

other action is required to be accomplished in Mexico, under the laws of Mexico, in order to cause the security interest created under Section 12 hereof in the Deposit Collateral to be a valid first and prior perfected security interest therein.

8.04 Legal Effect. Each of this Agreement and each other Loan Document to which it is a party has been duly executed and delivered by such Obligor, this Agreement and each other Loan Document (other than the Notes) constitutes and each Note when duly executed and delivered by such Obligor for value received, and, in the case of a Guarantor, endorsed "por aval" by such Guarantor, will constitute the legal, valid and binding obligation of such Obligor, enforceable against it in accordance with its terms.

8.05 Financial Statements. The audited (or, in the case of each U.S. Guarantor, unaudited) consolidated balance sheet of such Obligor and its consolidated Subsidiaries as of December 31, 2001 (or, in the case of each Swiss Guarantor, December 31, 2002) and the related audited (or, in the case of each U.S. Guarantor, unaudited) consolidated statements of income and cash flows for the fiscal year ending on that date, with the opinion thereon (i) in the case of the Mexican Obligors, the Mexican office of Deloitte & Touche or other independent public accountants of recognized international standing and (ii) in the case of each other Obligor (other than the U.S. Guarantors), independent public accountants of recognized international standing, and the unaudited consolidated balance sheet of such Obligor and its consolidated Subsidiaries as of September 30, 2002 and the related unaudited consolidated statements of income and cash flows for the nine-month period then ended, certified by the chief financial officer of Vitro Plan, each of which has heretofore been furnished to the Lenders, are complete and correct and fairly present the consolidated financial condition of such Obligor and its consolidated Subsidiaries as at said respective dates and the consolidated results of their respective operations for the fiscal year and nine-month period ending on said dates, all in accordance with GAAP, and such Obligor and its Subsidiaries do not have material contingent liabilities or unusual forward or long-term commitments not disclosed therein. Since December 31, 2001, no event or circumstance has occurred that has had a Material Adverse Effect.

8.06 Ranking. The payment obligations of such Obligor hereunder are and will at all times be unconditional and unsubordinated general obligations of such Obligor and rank and will at all times rank at least pari passu with all other present and future unsecured Indebtedness of each Borrower and each Guarantor.

8.07 No Actions or Proceedings. There is no litigation, investigation or proceeding pending or, to the best of its knowledge, threatened against such Obligor or any of its Subsidiaries by or before any Governmental Authority that (either individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. The operations of such Obligor and those of its Subsidiaries comply with all applicable laws, rules, regulations and orders (including without limitation all Environmental Laws) of Governmental Authorities, except to the extent the failure to so

comply (either individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect.

8.08 Commercial Activity; Absence of Immunity. It is subject to civil and commercial law with respect to its obligations under the Loan Documents, and the making and

performance by it of the Loan Documents constitute private and commercial acts rather than public or governmental acts. It is not entitled to any immunity on the ground of sovereignty or the like from the jurisdiction of any court or from any action, suit, set-off or proceeding, or the service of process in connection therewith, arising under the Loan Documents.

8.09 Taxes. There is no income, stamp or other similar tax, levy, assessment, impost, deduction, charge or withholding imposed by Mexico (or any municipality or other political subdivision or taxing authority thereof or therein that exercises power to impose such tax, levy, assessment, impost, deduction, charge or withholding) either (a) on or by virtue of the execution or delivery by any Mexican Obligor of the Loan Documents or (b) on any payment to be made by any Mexican Obligor pursuant to the Loan Documents, other than any such tax, levy, assessment, impost, deduction, charge or withholding imposed on any Person as a result of such Person being organized under the laws of Mexico or by virtue of its having a permanent establishment in Mexico to which income under the Loan Documents is attributable or its Applicable Lending Office being located in Mexico, except for withholding tax on payments of interest and fees deemed to be interest to Lenders that are not Mexican Banks. It has filed all material tax returns required to be filed and paid all taxes shown to be due thereon except such as are being contested in good faith by appropriate proceedings and for which adequate reserves have been made if required in accordance with GAAP.

8.10 Legal Form. This Agreement and the other Loan Documents to which it is a party are in proper legal form under the laws of its jurisdiction of incorporation for the enforcement thereof against it under such law. All formalities required in its jurisdiction of incorporation for the validity and enforceability of each of the Loan Documents have been satisfied, and no Covered Taxes are required to be paid and no notarization is required, for the validity and enforceability thereof; provided, that in the event any legal proceedings are brought in the courts of Mexico, a Spanish translation of the documents required in such proceedings needs to be prepared by a court-approved translator and would have to be approved by such court after the defendant had been given an opportunity to be heard with respect to the accuracy of the translation, and proceedings would thereafter be based upon the translated documents.

8.11 Full Disclosure. The information, reports, financial statements, exhibits and schedules contained in the Information Memorandum, taken as a whole, do not contain any untrue statement of material fact, provided, that no such representation and warranty is made as to any projections or forward-looking information contained therein except that such projections or forward-looking information have been prepared in good faith on assumptions believed to be reasonable at the time of preparation thereof. All other written information furnished after the date hereof by such Obligor to the Administrative Agent and the Lenders in connection with this Agreement and the transactions contemplated hereby will be true, complete and accurate in every material respect, or (in the case of projections, if applicable) based on reasonable estimates, on the date as of which such information is stated or certified.

8.12 Liens. Schedule 4 hereto is a complete and correct list of each Lien granted by it in connection with any Indebtedness as of the date hereof.

8.13 Solvency. It is, and after giving effect to the making of the

Loans and the use of proceeds thereof (including without limitation the incurrence of the Guaranteed Obligations) will be, Solvent.

8.14 Restrictions on Upstreaming. Other than the Existing Restrictions, none of its Subsidiaries is subject on the date hereof to any contractual restriction on its ability to make any Dividend Payment.

8.15 Not an Investment Company. It is not required to register as an "investment company" under the Investment Company Act of 1940, as amended.

8.16 Material Agreements. Schedule 5 hereto is a complete and correct list of (a) each credit agreement, loan agreement or indenture and (b) each purchase agreement, guarantee, letter of credit or other arrangement providing for or otherwise relating to any Indebtedness or any extension of credit to, or Guarantee by, such Obligor outstanding on the date hereof (and, in the case of sub-section (b), with an outstanding amount in excess of $10,000,000), the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement is correctly described in said Schedule 5.

8.17 Properties. (a) It has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for (i) easements, zoning restrictions, rights-of-way and similar encumbrances imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of its business and (ii) minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) It owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property material to its business, and its use thereof does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 9. COVENANTS OF THE BORROWERS. Except as otherwise specified herein, each Borrower covenants and agrees with the Loan Parties that, so long as any Commitment or Loan is outstanding and until payment in full of all amounts payable by such Borrower hereunder and under the other Loan Documents:

9.01 Corporate Existence, Etc. It will, and will cause each of its Subsidiaries to, (a) preserve and maintain its corporate existence and all of its material rights and licenses, (b) maintain in all material respects appropriate accounting and corporate books and records, and (c) permit representatives of any Loan Party, during normal business hours, at its own cost and expense (provided, that if an Event of Default has occurred and is continuing such Borrower shall indemnify each Loan Party for such reasonable and documented costs and expenses), and following reasonable prior notice, to examine, copy and make extracts from its corporate books and records, to inspect any of its Property, and to discuss its business and affairs with its

officers, to the extent reasonably requested by any Loan Party subject to any legally binding confidentiality requirements applicable to it; provided, that nothing in this Section 9.01 shall prohibit any merger, consolidation, liquidation, winding up or dissolution permitted under Section 9.08 or any Asset Sale permitted under Section 9.13.

9.02 Compliance with Law. It will, and will cause each of its Subsidiaries to, (a) comply with the requirements of all applicable laws, rules, regulations and orders (including without limitation all Environmental Laws) of Governmental Authorities (including without limitation IMSS, INFONAVIT and SAR) except to the extent non-compliance would not result in a Material Adverse Effect, (b) timely file all required material tax returns and pay and discharge at or before maturity all of its material obligations (including without limitation tax liabilities, except where the same are contested in good faith and by appropriate proceedings and against which adequate reserves are being maintained if and to the extent required by GAAP

and where the failure to pay or discharge such obligations or liabilities would not result in a Material Adverse Effect), (c) maintain all of its material Property used or useful in its business in good working order and condition, ordinary wear and tear excepted, and (d) maintain insurance in respect of the Property and businesses of such Borrower and its Subsidiaries against loss and damage of the kinds and in the amounts customary in the industry in which such Borrower or such Subsidiary operates.

9.03 Governmental Authorizations. It will, and will cause each of its Subsidiaries, as applicable, to promptly from time to time obtain and maintain in full force and effect all licenses, consents, authorizations and approvals of, and make all filings and registrations with, any Governmental Authority necessary under the laws of Mexico (or, if not Mexico, its jurisdiction of incorporation) for the making and performance by it of the Loan Documents.

9.04 Financial Statements, Etc. It will provide or cause to be provided to the Administrative Agent for distribution to the Lenders:

(a) as soon as available and in any event within 120 days after the end of each fiscal year, enough copies for each Lender of the audited consolidated balance sheet of Obligor and its consolidated Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income and cash flows of such Obligor and its consolidated Subsidiaries for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on in conformity with GAAP, with the unqualified opinion thereon of (i) in the case of the Mexican Obligors, the Mexican office of Deloitte & Touche or other independent public accountants of recognized international standing and (ii) in the case of each other Obligor, independent public accountants of recognized international standing;

(b) as soon as available and in any event within 60 days after the end of each quarter of each fiscal year, enough copies for each Lender of the unaudited consolidated balance sheet of each Obligor and its consolidated Subsidiaries as at the end of each such fiscal quarter and the related unaudited consolidated statements of income and cash flow of such Obligor and its consolidated Subsidiaries for such quarter and for the period from

the beginning of the then current fiscal year to the end of such quarter, setting forth in each case in comparative form the figures for the corresponding quarter in the previous fiscal year, all certified as to fairness of presentation and conformity with GAAP by the Responsible Officer of such Borrower;

(c) simultaneously with the delivery of each set of financial statements referred to in clause (b) above, and at any other time reasonably requested by the Administrative Agent, a certificate of a Responsible Officer, in the form of Exhibit L, (i) stating whether any Default exists on the date of such certificate and, if a Default then exists, setting forth the details thereof and the action which such Borrower is taking or proposes to take with respect thereto and (ii) in the case of Vitro Plan, setting forth in reasonable detail the calculations required to establish whether Vitro Plan was in compliance with the requirements of Sections 10.01(a), (b) and (c) hereof on and as of the date of such financial statements;

(d) promptly upon an officer of such Borrower obtaining knowledge of the occurrence of any Default, a certificate of the Responsible Officer of such Borrower setting forth the details thereof and the action which such Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the commencement of, or any material adverse development in, any litigation or proceeding against such Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect, notice thereof with a description thereof in reasonable detail; and

(f) from time to time such additional information regarding the financial position or business of such Borrower and its Subsidiaries as the Administrative Agent, at the request of any Lender, may reasonably request or as has been provided to the Tranche C Agent.

9.05 Ranking. It will, and will cause each of its Subsidiaries that is an Obligor, to, promptly take all such actions as may be necessary to ensure that its payment obligations under this Agreement and the Notes will at all times constitute unconditional and unsubordinated general obligations of it ranking at least pari passu with all other present and future unsecured and unsubordinated Indebtedness of it.

9.06 Transactions With Affiliates. Without prejudice to anything expressly permitted under this Agreement, it will not, nor will it permit any of its Subsidiaries to, directly or indirectly enter into any transaction with an Affiliate thereof, except (a) in the ordinary course of and pursuant to the reasonable requirements of its business and upon commercially reasonable terms that are no less favorable to it than those which would be obtainable in a comparable arm's-length transaction at the time from a Person which is not such an Affiliate, (b) transactions between or among the Obligors and (c) Dividend Payments permitted by Section 9.16 hereof.

9.07 Line of Business. It will not make any material change in the line of business of such Borrower and its Subsidiaries as conducted on the date hereof, and it will not change the legal nature of its organization.

9.08 Merger, Etc It will not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or sell, transfer or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its Property (except for sales of inventory in the ordinary course of business for fair market value), provided, that (a) any Borrower may merge or consolidate with or into any other Person if, immediately after giving effect thereto, (i) it is the surviving Person and (ii) no Default has occurred and is continuing, (b) any Guarantor may merge or consolidate with or into any other Guarantor, (c) any Subsidiary of a Borrower that is not an Obligor may merge or consolidate with or into any other Person if, immediately after giving effect thereto, no Default has occurred and is continuing, (d) any Subsidiary that is not an Obligor may liquidate or dissolve if the Borrowers determine in good faith that such liquidation or dissolution is in the best interest of the Borrowers and is not materially disadvantageous to the Lenders and (e) any Guarantor or Subsidiary may be spun off to any Obligor.

9.09 Upstreaming. It will not permit any of its Subsidiaries to enter into, create or assume any contractual restriction on the ability of such Subsidiary to make any Dividend Payment, provided, that this Section 9.09 shall not be deemed to prohibit (a) customary restrictions contained in the joint venture agreements with respect to any Joint Venture Subsidiary or (b) the extension, continuation or replacement on substantially similar terms of any such contractual restrictions existing on the date hereof.

9.10 Hedge Agreements. It will not, nor will it permit any of its Subsidiaries to, enter into any Hedge Agreement, other than Hedge Agreements entered into (i) in the ordinary course of business to hedge or mitigate risks to which it or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities and (ii) not for speculative purposes.

9.11 Negative Pledge. It will not, nor will it permit any of its Subsidiaries to, create, assume or suffer to exist any Lien on its Property, whether now owned or hereafter acquired by it, except (in the case of VVP Syndication) the Lien created under Section 12 hereof and:

(a) Permitted Liens;

(b) Liens (not covering any of the Deposit Collateral) existing on the date hereof and described in Schedule 4 hereto;

(c) Liens on any Property of such Borrower or any of its Subsidiaries securing Indebtedness of such Borrower or any of its Subsidiaries incurred or assumed for the purpose of financing (i) all or any part of the acquisition of raw materials, utilities and other Property (including working capital loans ("creditos de habilitacion" or "avio")) or (ii) all or part of the acquisition, construction or improvement of fixed assets and other

Property (including capital expenditure loans ("creditos refaccionarios")), provided, that such Lien attaches to such Property concurrently with or within 90 days after the acquisition, construction or improvement thereof;

(d) Any Lien on any Property existing at the time of acquisition thereof and which is not created as a result of or in connection with or in anticipation of such acquisition;

(e) Any Lien existing on any Property of a corporation which is merged with or into an Obligor which is not created as a result of or in connection with or in anticipation of such merger;

(f) Any Lien on a cash reserve account (however denominated) securing Indebtedness for borrowed money otherwise permitted hereby, provided, that the funds in such account are derived solely from the proceeds of such borrowing;

(g) Liens on accounts receivable arising from factoring arrangements with respect to such accounts receivable as permitted by Section 9.13 hereof; and

(h) Liens (not covering any shares of capital stock of such Person) not otherwise permitted by the foregoing clauses, securing Indebtedness outstanding at any time in an aggregate principal amount not exceeding $35,000,000.

9.12 Fiscal Year. It will not, nor will it permit any of its Subsidiaries to, change its fiscal year from a calendar year ending December 31.

9.13 Asset Sales; Investments in Non-Guaranteeing Subsidiaries. (a) Without prejudice to the limitation in clause (b) below, it will not, and will not permit any of its Subsidiaries to, directly or indirectly, make Asset Sales after the date hereof of Property having an aggregate fair market value in excess of $150,000,000 (as to all Borrowers and their Subsidiaries), provided, that the net cash proceeds of Asset Sales permitted under this clause shall be applied to reduce Indebtedness of the Obligors; and provided further, that this clause shall not apply to:

(i) Asset Sales of inventory for fair value in the ordinary course of business;

(ii) any Asset Sale by an Obligor to another Obligor;

(iii) the factoring of accounts receivable pursuant to existing or future programs limited in aggregate principal amount at any time to not more than $75,000,000 or the equivalent in other currencies;

(iv) dispositions of Property no longer used or, in its reasonable opinion, useful in the business of such Borrower or its Subsidiaries, provided that the net proceeds of any such disposition shall be reinvested in the business of such

Borrower or the relevant Subsidiary or used to repay Indebtedness

thereof within 30 days of said disposition; or

(v) any Sale-Leaseback Transactions to the extent that a Lien securing the amount of the obligations under such Sale-Leaseback Transactions could be incurred under Section 9.11(h).

(b) It will not, and will not permit its Subsidiaries to, make Investments after the date hereof in Non-Guaranteeing Subsidiaries in an aggregate amount exceeding $50,000,000 (as to all Borrowers and their Subsidiaries).

9.14 Use of Proceeds. It will use the proceeds of the Loans solely (i) to refinance Indebtedness of the Obligors (for such purpose, Vitro Plan will lend a portion of the proceeds to several of the Obligors), (ii) in the case of VVP Syndication, to fund the Cash Reserve Account in accordance with Section 12.01(a) hereof and (iii) to pay fees and expenses relating to the transactions contemplated hereby, provided that no Loan Party shall be responsible as to the use of any of such proceeds.

9.15 Communications Agreement. It will comply and cause the Guarantors to comply with the terms of the Communications Agreement.

9.16 Dividend Payments. It will not declare or make any Dividend Payment if, at the time thereof and after giving effect thereto, a Default has occurred and is continuing.

9.17 Financial Statements of U.S. Guarantors. VVP Holdings will provide to the Administrative Agent within (i) 60 days after the Closing Date in the case of Vitro America and (ii) within 90 days after the Closing Date in the case of each other U.S. Guarantor, enough copies of the audited balance sheets of Vitro America or such other U.S. Guarantor as at December 31, 2002 and December 31, 2001 and the related audited statements of income and cash flows of Vitro America or such other U.S. Guarantor for each of the fiscal years ending on such dates, all reported in conformity with GAAP, with the unqualified opinion thereon of independent accountants of recognized international standing.

SECTION 10. FINANCIAL COVENANTS OF VITRO PLAN; SPECIAL COVENANTS OF VVP SYNDICATION.

10.01 Covenants of Vitro Plan. Vitro Plan covenants and agrees with the Loan Parties that, so long as any Commitment or Loan is outstanding and until payment in full of all amounts payable by any Borrower hereunder and under the other Loan Documents:

(a) Consolidated Net Worth. It will not permit its Consolidated Net Worth at any time to be less than 80% of its Consolidated Net Worth as at December 31, 2001 (calculated in constant Pesos).

(b) Interest Coverage Ratio. It will not permit the Interest Coverage Ratio to be at any time less than 3.00 to 1.00.

(c) Debt to EBITDA Ratio. It will not permit the Debt to EBITDA Ratio to be at any time greater than 2.75 to 1.00.

(d) Certain Obligations Respecting Subsidiaries. In the event that it shall form or acquire any new Subsidiary, it will promptly cause such new Subsidiary to become a "Guarantor" hereunder, and to deliver such proof of corporate action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by each "Guarantor" pursuant to Section 6.01 hereof upon the Closing Date or as the Administrative Agent shall have requested; provided, that the obligation in this clause (d) shall not apply with respect to any Non-Guaranteeing Subsidiary.

(e) Ownership. It will continue to own, beneficially and of record,

directly or indirectly, 100% of the Voting Shares of each Guarantor (other than directors' qualifying shares or the equivalent).

10.02 Covenants of VVP Syndication. VVP Syndication covenants and agrees with the Loan Parties that, so long as any Commitment or Loan is outstanding and until payment in full of all amounts payable by any Borrower hereunder and under the other Loan Documents:

(a) Deposit Collateral. It will execute, deliver, file and/or record any financing statement, notice, instrument, document or agreement that may be necessary or desirable and that either Agent may reasonably request, to create, preserve, perfect or validate the security interest granted pursuant to Section 12 hereof or to enable the Collateral Agent to exercise and enforce its rights hereunder with respect to such pledge and security interest.

(b) Maintenance of Cash Reserve Account. It will at all times maintain ownership, free and clear of any Lien, of the Cash Reserve Account, except for the Liens created hereby.

(c) Certain Additional Activities. Without limiting the other provisions of this Agreement, it will comply with the special-purpose covenants set forth in Schedule 6 hereto.

(d) Further Assurances. It will, from time to time upon the written request of the Collateral Agent, execute and deliver such further documents and do such other acts and things as the Collateral Agent may reasonably request in order fully to effect the purposes of Section 12 hereof.

(e) Visitation. It shall permit representatives of the Collateral Agent, following notice given within a reasonable number of days prior to such inspection, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Deposit Collateral, and permit representatives of the Collateral Agent to be present at its place of business to receive copies of all communications and

remittances relating to the Deposit Collateral, and forward copies of any notices or communications received by it with respect to the Deposit Collateral, all in such manner as the Collateral Agent may reasonably request, at the expense of the Collateral Agent (unless and until a Default has occurred or is continuing), provided, that such inspection and other actions shall not interfere with or otherwise interrupt its operations.

(f) Other Financing Statements and Liens. It shall not create or permit to exist any Lien on any of the Deposit Collateral except hereunder, or file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Deposit Collateral in which the Collateral Agent is not named as the sole secured party.

SECTION 11. EVENTS OF DEFAULT. If one or more of the following events (herein called "Events of Default") shall occur and be continuing:

(a) The Borrowers shall fail to pay when due any principal of any Loan or to prepay any Loan when required hereunder, or shall fail to pay within three Business Days after the due date thereof any interest on any Loan, any commitment fees or any other amount payable hereunder or under any Note or any other amount payable under any Loan Document; or

(b) Any representation, warranty or certification made or deemed made by any Obligor herein or in any other Loan Document (or in any modification or supplement hereto or thereto), or any certificate furnished to any Loan Party pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished; or

(c) Any Obligor or any of its Subsidiaries shall default in the payment of any principal of or interest on any other Indebtedness (whether at stated maturity or at mandatory or optional prepayment or otherwise) if such Indebtedness has an aggregate outstanding principal amount of $10,000,000 (or its equivalent in other currencies) or more ("Material Debt"), or any default or event of default shall occur under any agreement or instrument evidencing or relating to such Material Debt if the effect thereof is to accelerate the maturity thereof, or to permit or enable the holder or holders of such Material Debt, or an agent or trustee acting on its or their behalf, to accelerate the maturity thereof, or to require the mandatory prepayment or redemption thereof; or

(d) Any Obligor shall (i) default in the observance or performance of any of its obligations under Sections 9.01(a) (with respect to the preservation and maintenance of the corporate existence of such Obligor), 9.03, 9.04, 9.05, 9.07, 9.08, 9.11, 9.13, 9.14, 9.16 or 9.17 or Section 10 hereof; or (ii) any Obligor shall fail to perform or observe any of its other obligations under this Agreement (other than as referred to in clause (a) above or in sub-clause (i) of this clause (d)) and such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrowers by the Administrative Agent or any Lender; or

(e) Any Obligor or any of its Material Subsidiaries shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due; or

(f) Any Obligor or any of its Material Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, liquidador, conciliador, sindico, trustee, examiner or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) file a petition seeking to take advantage of any other law relating to bankruptcy, concurso mercantil, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts or (iv) take any corporate action for the purpose of effecting any of the foregoing; or

(g) A proceeding or case shall be commenced against any Obligor or any of its Material Subsidiaries, without its application or consent, seeking (i) its reorganization, liquidation, dissolution, arrangement or winding up, (ii) the appointment of a receiver, custodian, liquidador, conciliador, sindico, trustee, examiner, liquidator or the like of it or of all or any substantial part of its Property or (iii) similar relief in respect of it under any law relating to bankruptcy, concurso mercantil, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed for a period of 90 or more days, or a declaration of bankruptcy or concurso mercantil shall be entered against such Obligor or Material Subsidiary under the Mexican federal bankruptcy laws as now or hereafter in effect; or

(h) A judgment for the payment of money is or judgments for the payment of money are rendered against any Obligor or any of its Subsidiaries in an amount exceeding in the aggregate $10,000,000 (or its equivalent in other currencies) and shall remain unsatisfied, undischarged and in effect for a period of 45 consecutive days without a stay of execution, unless the same is adequately bonded or is being contested by appropriate proceedings properly instituted and diligently conducted and, in either case, such process is not being executed against assets thereof; or any Obligor or any of its Subsidiaries shall fail to pay when due to Social Security, INFONAVIT, IMSS or SAR any amount or amounts aggregating $10,000,000 or more (or its equivalent in Pesos) except to the extent the amount or amounts due are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the Property of such Obligor or Subsidiary; or

(i) (w) Any Mexican Governmental Authority shall impose exchange controls prohibiting or in any manner materially restricting the making of payments in respect of Indebtedness in a currency other than Pesos; or (x) any Mexican Governmental Authority shall take any action to condemn, seize, nationalize or appropriate any substantial portion of the Property of any Obligor (with or without the payment of compensation); or (y) any action is taken by a Mexican Governmental Authority, including without limitation the declaration of a moratorium on payment of any Indebtedness, that has an adverse effect on (i) the repayment of the Loans or (ii) the schedule of payments of any Borrower hereunder or under the Notes; or (z) any Obligor shall participate or take any action to

participate in any facility or exercise involving the rescheduling of its Material Debt or the alteration of the currency in which it may pay its obligations; or

(j) Any Obligor or any of its Subsidiaries shall enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or sell, transfer or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its Property, except as expressly permitted under Sections 9.08 and 9.13 hereof; or

(k) Any of the Loan Documents becomes unenforceable or the performance of the obligations of any Obligor thereunder becomes illegal, or the security interest created under Section 12 hereof shall not constitute a valid first priority lien on and perfected security interest in the Deposit Collateral, subject to no equal or prior Lien.

THEREUPON: in any such event, (1) the Administrative Agent shall, upon request of the Majority Lenders, by notice to the Borrowers declare the Commitments to be terminated forthwith, whereupon the Commitments shall forthwith terminate, and/or (2) the Administrative Agent shall, upon request of the Majority Lenders, by notice to the Borrowers declare the principal then outstanding of, and the accrued interest on, the Loans and the Notes and all other amounts payable by the Borrowers hereunder (including, without limitation, any amounts payable under Section 5.04 hereof) to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrowers; provided, that in the case of an Event of Default of the kinds referred to in clauses (f) or (g) above, the Commitments shall automatically terminate and such amounts shall automatically become due and payable, without any further action by any party, and/or (3) the Collateral Agent shall, upon and pursuant to the instructions of the Administrative Agent and the Tranche C Agent, proceed to enforce its remedies under Section 12 hereof (and, without limiting the foregoing, the Administrative Agent and Tranche C Agent may instruct the Collateral Agent to apply the balance of the Cash Reserve Account to payment of amounts owing under this Agreement) and the Tranche C Loan Agreement, all in accordance with, and subject to, the terms of the Intercreditor Agreement.

SECTION 12. THE CASH RESERVE ACCOUNT.

12.01 The Cash Reserve Account. (a) VVP Syndication hereby agrees as follows:

(i) It has established, and will maintain until the termination of the Commitments and the payment in full of all amounts payable under the Loan Documents, the Cash Reserve Account.

(ii) The Administrative Agent is hereby irrevocably authorized to and shall fund the Cash Reserve Account, on the date of the Borrowing, out of the proceeds of the I Borrowing in an amount equal to the Required Cash Reserve Balance as of the Borrowing Date.

(iii) It will at all times on and after the Borrowing Date cause the collected credit balance of the Cash Reserve Account to be an amount equal to not less than the Required Cash Reserve Balance.

(b) Pledge. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans and all of the other obligations, whether now existing or hereafter from time to time arising, of the Obligors under the Loan Documents and the Tranche C Loan Agreement (the "Secured Obligations"), VVP Syndication hereby pledges to the Collateral Agent for the benefit of the Creditors, the Agents, the Tranche C Agent and their respective successors and assigns, and grants to the Collateral Agent for the benefit of the Creditors, the Agents, the Tranche C Agent and their respective successors and assigns a first priority security interest in, all of VVP Syndication' right, title and interest in, to and under (i) the Cash Reserve Account, (ii) any and all cash and Permitted Investments and other financial assets (within the meaning of Section 8-102(a)(9) of the UCC) whatsoever at any time or from time to time credited to the Cash Reserve Account, and any and all security entitlements (within the meaning of Section 8-102(a)(17) of the UCC) of VVP Syndication with respect to such financial assets, and (iii) any and all proceeds of any of the foregoing (collectively, the "Deposit Collateral").

(c) Sole Dominion. Without prejudice to the provisions of the Account Control Agreement, VVP Syndication irrevocably confers upon the Collateral Agent sole dominion and control over the Cash Reserve Account and the sole and exclusive power and right to withdraw and remit funds standing to the credit of the Cash Reserve Account, agrees that it shall not have any right or power of withdrawal over the Cash Reserve Account, and agrees that each of the authorizations provided for in this Section 12.01 is irrevocable and coupled with an interest. VVP Syndication further irrevocably agrees that the Administrative Agent and Tranche C Agent may give instructions regarding such transactions directly to the Collateral Agent, and, subject to the terms of the Intercreditor Agreement, VVP Syndication hereby irrevocably authorizes and instructs the Collateral Agent to act upon such instructions from the Administrative Agent and Tranche C Agent with respect to the Cash Reserve Amount without any further consent of, or instruction from it. The Collateral Agent shall, within 10 days after receiving an authenticated demand from VVP Syndication following payment of all amounts owing hereunder and under any other Loan Document, send to the Intermediary an authenticated statement that releases the Intermediary from any further obligation to comply with instructions originated by the Collateral Agent.

(d) Instructions. Subject to the terms of the Intercreditor Agreement, the Collateral Agent hereby agrees to accept and follow instructions from the Administrative Agent and Tranche C Agent with respect to the Cash Reserve Account and the Deposit Collateral. The Collateral Agent shall be entitled to assume that no Default has occurred and is continuing unless it receives notice in writing from the Administrative Agent or the Tranche C Agent to the contrary.

(e) Advice. The Collateral Agent may at any time request the Administrative Agent or the Tranche C Agent to advise it of the aggregate amount of fees, expenses and other amounts falling due hereunder, and the Collateral Agent may rely conclusively upon the information so provided.

(f) Full Recourse. No receipt, holding, application or disposition of all or any part of the Deposit Collateral shall relieve any Borrower of its liability for any deficiency in payment of its obligations under the Loan Documents.

(g) Charges, etc. All fees, service charges, costs, adjustments for any deposit errors, returned or dishonored items, uncollected funds or

any other deficiency for other charges and claims for any liability, loss, damage cost or expense of the Collateral Agent relating to the Cash Reserve Account (except to the extent any such amount is primarily attributed to the Collateral Agent's bad faith, willful misconduct or gross negligence) will be charged to the Cash Reserve Account. In the event that the Collateral Agent is unable to recover all such amounts, the Collateral Agent may, until such amounts are paid in full, (i) debit any other account of VVP Syndication, (ii) debit any other account in the name of VVP Syndication for the benefit of the Collateral Agent and/or (iii) make demand therefor on VVP Syndication and VVP Syndication shall remit payment in good and collected funds to the Collateral Agent within two Business Days of such demand.

(h) VVP Syndication Representation. VVP Syndication represents and warrants to the Collateral Agent for the benefit of the Creditors that (a) it is the sole beneficial owner of the Deposit Collateral, (b) no Lien exists upon the Deposit Collateral at any time, except for Liens hereunder, and (c) the pledge and security interest in favor of the Collateral Agent created or provided for herein constitute a valid first Lien on and prior perfected security interest in the Deposit Collateral, subject to no other Lien, except for Liens hereunder.

(i) Release. The Administrative Agent shall, promptly upon receiving the evidence referred to in the proviso to Section 7.10 hereof, if no Event of Default has occurred and is continuing, instruct the Collateral Agent to release from the Cash Reserve Account an amount equal to the Interim Supplement referred to in the definition of "Required Cash Reserve Balance", and the Collateral Agent shall forthwith release the same.

12.02 Permitted Investments. The collected credit balance of the Cash Reserve Account will be invested by the Collateral Agent from time to time, for the benefit of VVP Syndication, in one or more Permitted Investments, so long as no Event of Default has occurred and is continuing. The Collateral Agent shall, from time to time upon the reasonable request of VVP Syndication, provide information in respect of the Permitted Investments in which such balances may have been invested. The Collateral Agent shall have no liability or responsibility whatsoever and makes no representation or warranty as to the enforceability, validity, value, the creditworthiness or collectibility of any Permitted Investment or the Cash Reserve Account.

12.03 Certain Provisions Relating to Agents.

(a) The Collateral Agent shall take steps as are instructed in writing by the Administrative Agent or Tranche C Agent from time to time with respect to the Deposit Collateral, subject to the terms of the Intercreditor Agreement and the rights of the Borrowers under the Loan Documents. The Collateral Agent shall not be required to take any action which it considers to be contrary to law or this Agreement or the Account Control Agreement, or which would subject it to personal liability, provided that if the Collateral Agent shall decline to take action for any such reason, it shall immediately notify the Administrative Agent, the Tranche C Agent and the Borrowers.

(b) Neither Agent nor the Tranche C Agent shall be liable for any action taken or omitted by it with respect to the Deposit Collateral on the instructions of the other Agent or the Tranche C Agent. Each Agent and the Tranche C Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any certificate, statement, request, agreement or other instrument it reasonably believes to be genuine and to have been signed or presented by or on behalf of the other Agent or the Tranche C Agent. In maintaining the Cash Reserve Account and otherwise acting hereunder, the Collateral Agent may consult with counsel and shall be fully protected with respect to any action taken or omitted by it in good faith on advice of counsel and shall have no liability hereunder except for its bad faith, willful misconduct or gross negligence with respect to its obligations hereunder.

12.04 Intercreditor Agreement. The parties acknowledge that the

Deposit Collateral shall be subject to the terms of the Intercreditor Agreement.

12.05 Events of Default, Etc. While an Event of Default has occurred and is continuing, subject in each case to the terms of the Intercreditor Agreement:

(a) the Collateral Agent shall have all of the rights and remedies with respect to the Deposit Collateral of a secured party under the Uniform Commercial Code as in effect from time to time in the State of New York (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted) and such I additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all powers of ownership pertaining to the Deposit Collateral as if the Collateral Agent were the sole and absolute owner thereof (and VVP Syndication agrees to take all such action as may be appropriate to give effect to such right);

(b) the Collateral Agent may apply or direct the application of any balances then on deposit in the Cash Reserve Account to the Administrative Agent and the Tranche C Agent for the payment of any of the Secured Obligations then due and unpaid;

(c) the Collateral Agent may liquidate any Permitted Investments and apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations then due and unpaid in the order specified in the Intercreditor Agreement; and

The Collateral Agent agrees to provide VVP Syndication, in a commercially reasonably manner, with prompt notice of actions taken under this Section 12.05.

12.06 Deficiency. If the proceeds of collection or other realization of or upon the Deposit Collateral pursuant to Section 12.05 hereof are insufficient to cover the reasonably incurred costs and expenses of such realization and the payment in full of the Secured Obligations, the Borrowers shall remain liable for any deficiency.

12.07 Removals, Etc. Without at least 30 days' prior written notice to the Collateral Agent, VVP Syndication shall not (a) maintain any of its books and records with respect to the Collateral at any office or maintain its principal place of business at any place other than at the address for notices indicated in Section 14.02 hereof or (b) change its name, or the name under which it does business, from the name shown on the signature pages hereto.

12.08 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Collateral Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default the Collateral Agent is hereby appointed the attorney-in-fact of VVP Syndication for the purpose of carrying out the provisions of this Section 12 and taking any action and executing any instruments that the Collateral Agent may deem necessary or advisable, acting in a commercially reasonable manner, to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Collateral Agent shall be entitled under this Section 12 to make collections in respect of the Deposit Collateral, and the Collateral Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of VVP Syndication representing any payment or other distribution in respect of the Deposit Collateral or any part thereof and to give full discharge for the same.

12.09 Termination. When all Secured Obligations shall have been paid in full, this Agreement shall terminate, and the Collateral Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Deposit Collateral and money received in respect thereof, to or on the order

of VVP Syndication.

12.10 No Waiver. No failure on the part of the Collateral Agent to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Collateral Agent of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

SECTION 13. THE AGENTS.

13.01 Appointment, Powers and Immunities.

(i) Each Lender hereby appoints and authorizes each Agent to act as its agent hereunder and under the Intercreditor Agreement and the Account Control Agreement with such powers as are specifically delegated to such Agent by the terms hereof and thereof, together with such other powers as are reasonably incidental thereto. Each Agent (which term as used in this sentence and in Section 13.05 hereof and the first sentence of Section 13.06 hereof shall include reference to their respective affiliates and its own and their respective affiliates' officers, directors, employees and agents):

(a) shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents, and shall not by reason of this Agreement or the other Loan Documents be a trustee or fiduciary for any party hereto;

(b) shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or the other Loan Documents, or in any certificate or other document referred to or provided for in, or received by any of them under, this Agreement or the other Loan Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Loan Document or any other document referred to or provided for herein or therein or for any failure by any Obligor or any other Person to perform any of its obligations hereunder or thereunder;

(c) shall not be required to initiate or conduct any litigation or collection proceedings hereunder (and shall not commence an action or proceeding on behalf of any Lender without obtaining the consent of such Lender thereto); and

(d) shall not be responsible for any action taken or omitted to be taken by it hereunder or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith, except for its own gross negligence or willful misconduct.

Each Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of or for the supervision of any such agents or attorneys-in-fact selected by it in good faith.

(ii) Each Lender and the Administrative Agent irrevocably authorize and direct the Administrative Agent and the Collateral Agent to enter into the Intercreditor Agreement and to comply with the terms thereof.

(iii) Before the Collateral Agent acts or refrains from acting hereunder, it may require an officer's certificate of the Borrowers and/or an opinion of counsel satisfactory to the Collateral Agent with respect to such action or inaction. The Collateral Agent shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion. Whenever in the administration of this Agreement the Collateral Agent shall deem it necessary

or desirable that a matter be provided or established prior to taking or suffering or omitting to take any act under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of gross negligence or bad faith on the part of the Collateral Agent, be deemed to be conclusively proved and established by an officers' certificate delivered to the Collateral Agent, and such certificate, in the absence of gross negligence or bad faith on the part of the Collateral Agent, shall be full warrant to the Collateral Agent for any action taken, suffered or omitted to be taken by it under the provisions of Section 12 upon the faith thereof.

13.02 Reliance by Agents. Each Agent shall be entitled to conclusively rely upon any certification, notice or other communication (including, without limitation, any thereof by telephone, telecopy, telex, telegram or cable) reasonably believed by it to be genuine and correct and to have been signed, made or sent by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel and other experts selected by such Agent, as the case may be. As to any matters not expressly provided for by this Agreement and the other Loan Documents, each Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions given by the Majority Lenders, and such instructions of the Majority Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

13.03 Defaults. Neither Agent shall be deemed to have knowledge or notice of the occurrence of a Default (other than, in the case of the Administrative Agent, a failure to make a payment of principal of or interest on the Loans) unless such Agent has received notice from a Lender or a Borrower specifying such Default and stating that such notice is a "Notice of Default". In the event that the Administrative Agent receives a Notice of a Default, the Administrative Agent shall give prompt notice thereof to the Lenders and the Collateral Agent. The Administrative Agent shall (subject to Section 13.07 hereof) take such action with respect to any such Default as shall be directed by the Majority Lenders or, if provided herein, in accordance with the instructions given by the Majority Tranche A Lenders, the Majority Tranche B Lenders or all of the Lenders as is required in such circumstance, provided, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders, the Majority Tranche A Lenders, the Majority Tranche B Lenders or all of the Lenders.

13.04 Rights as a Lender. With respect to its Commitment and the Loans made by it, each of Citibank, N.A. and Wachovia Bank, National Association (and any successor acting as Administrative Agent or Collateral Agent, respectively) in its individual capacity as a Lender hereunder (if applicable) shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Administrative Agent or the Collateral Agent, as applicable, and the term "Lender" or "Lenders" shall, unless the context otherwise indicates, include the Administrative Agent and the Collateral Agent in their individual capacities. Each of Citibank, N.A. and Wachovia Bank, National Association (and any successor acting as Administrative Agent or Collateral Agent, respectively) and its affiliates

may (without having to account therefor to any Lender) accept deposits from, lend money to, make investments in and generally engage in any kind of banking, trust or other business with the Obligors as if it were not acting as the Administrative Agent or Collateral Agent, as applicable, and Citibank, N.A. and Wachovia Bank, National Association (and any such successor) and its affiliates may accept fees and other consideration from the Obligors for

services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

13.05 Indemnification. The Lenders agree to indemnify each Agent (to the extent not reimbursed under Section 14.03 hereof, but without limiting the obligations of the Borrowers under said Section 14.03 hereof) ratably in accordance with the aggregate principal amount of the Loans held by the Lenders (or, if no Loans are at the time outstanding, ratably in accordance with their respective Commitments), for any and all liabilities, claims, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever (including without limitation the fees and disbursements of counsel) that may be imposed on, incurred by or asserted against such Agent arising out of or by reason of any investigation in any way relating to or arising out of this Agreement or any of the other Loan Documents or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (including, without limitation, the costs and expenses that the Borrowers are obligated to pay under Section 14.03 hereof, but excluding, unless an Event of Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or thereof or of any such other documents, provided, that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified as determined by a final, nonappealable judgment by a court of competent jurisdiction. In no event shall any Loan Party be liable for any punitive or consequential damages in connection with any of the Loan Documents. The obligations of the Lenders under this Section 13.05 shall survive the termination of this Agreement, the repayment of the Loans and the resignation or removal of either Agent.

13.06 Non-Reliance on Agents and Other Lenders. Each Lender agrees that it has, independently and without reliance on either Agent or the Joint Lead Arrangers or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Obligors and decision to enter into this Agreement and that it will, independently and without reliance upon either Agent or the Joint Lead Arrangers or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement or the other Loan Documents. The Agents shall not be required to keep themselves informed as to the performance or observance by the Obligors of this Agreement or any other Loan Document or any other document referred to or provided for herein or therein or to inspect the Properties or books of any Obligor. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by an Agent hereunder, such Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of any Obligor that may come into the possession of such Agent or any of its affiliates.

13.07 Failure to Act. Except for action expressly required of an Agent hereunder or under any other Loan Document, such Agent shall in all cases be fully justified in failing or refusing to act hereunder or thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 13.05 hereof against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. No provision of this Agreement shall require either Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

13.08 Resignation or Removal of Agents. Either Agent may resign at any time by giving notice thereof to the Lenders, the other Agent and the Borrowers, and either Agent may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent, which shall, unless an Event of Default has occurred and is continuing, (in the case of the

Administrative Agent) be a bank approved by the Borrowers (such approval not to be unreasonably withheld) that (i) has an office in New York, New York, (ii) is registered as a "foreign financial institution" with the Ministry of Finance for purposes of Article 154 of the Mexican Income Tax Law, and (iii) is a resident for tax purposes of a country with which Mexico shall have entered into a treaty for the avoidance of double taxation which is in effect. If no successor Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Agent, then the retiring Agent's resignation shall nonetheless become effective and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and (2) the Majority Lenders shall perform the duties of the Agent (and all payments and communications provided to be made by, to or through such Agent shall instead be made by or to each Lender directly) until such time as the Majority Lenders appoint a successor agent as provided for above in this paragraph, provided that the Collateral Agent shall continue to maintain control of any Deposit Collateral for the benefit of the Lenders until a successor is appointed. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the Account Control Agreement and Intercreditor Agreement except to the extent of liability arising from prior action. Notwithstanding the foregoing, no removal of either Agent shall be effective until all amounts then due and owing to the removed Agent shall be paid in full. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section 13 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Agent.

13.09 The Joint Lead Arrangers. The Joint Lead Arrangers, in their capacities as such, shall not have any obligations or liabilities hereunder or under any other Loan Document.

SECTION 14. MISCELLANEOUS.

14.01 Waiver. No failure on the part of any Loan Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

14.02 Notices. (a) All notices, requests, instructions, directions and other communications provided for herein (including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including, without limitation, by telecopy) delivered, if to any Obligor or any Agent, to its address specified on the signature pages hereto, and if to any Lender, to its "Address for Notices" specified opposite its name on Annex 1 hereto; or, as to any party, at such other address as shall be designated by such party in a notice to the Administrative Agent and the Borrowers.

(b) Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given upon receipt of a legible copy thereof, in each case given or addressed as aforesaid, provided that each Lender acknowledges and accepts the terms of the Communications Agreement and agrees that Communications (as defined in the Communications Agreement) may be made available to such Lender as provided in the Communications Agreement, agrees to provide to the Administrative Agent, promptly after the date of this Agreement, an e-mail address for receipt of each notice to such Lender that Communications have been posted on the Platform referred to in the Communications Agreement, and agrees that such notice to such Lender of such posting shall constitute effective delivery of such Communications to such Lender hereunder.

(c) All notices required by this Agreement to be given to the Borrowers may be so given by being delivered, in accordance herewith, to Vitro Plan at the address specified beneath its signature hereto.

14.03 Expenses, Etc. (a) (i) The Borrowers agree to pay or reimburse each Agent and each Joint Lead Arranger for all of its reasonable and documented out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of Milbank, Tweed, Hadley & McCloy LLP, special New York counsel to the Administrative Agent, counsel to the Collateral Agent, and Ritch, Heather y Mueller, S.C., special Mexican counsel to the Agents, and Bodman, Longley & Dahling LLP, special counsel to Comerica Bank, and printing, reproduction, document delivery, communication and travel costs) in connection with (y) the syndication, negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the making of the Loans hereunder and (z) in the case of the Administrative Agent only, the administration of and the negotiation or preparation of any modification, supplement or waiver of any of the terms of this Agreement or any of the other Loan Documents (whether or not consummated) and (ii) each Obligor agrees to reimburse each

Loan Party for all of its documented out-of-pocket costs and expenses (including, without limitation, the fees and expenses of legal counsel) in connection with (A) any Default and any enforcement or collection proceeding resulting therefrom, including, without limitation, all manner or participation in or other involvement with (1) performance, if any, by the Collateral Agent of any obligations of VVP Syndication in respect of the Deposit Collateral that VVP Syndication has failed or refused to perform, (2) bankruptcy, insolvency, receivership, foreclosure, winding up or liquidation proceedings, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Deposit Collateral and for the care of the Deposit Collateral and defending or asserting rights and claims of the Collateral Agent and in respect thereof, by litigation or otherwise, including expenses of insurance, (3) judicial or regulatory proceedings and (4) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated) and (B) the enforcement of this Section 14.03, and all such costs and expenses shall be Secured Obligations entitled to the benefits of the Deposit Collateral provided pursuant to Section 12 hereof.

(b) Each Borrower hereby agrees to indemnify each Loan Party and each Joint Lead Arranger and their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages (including indirect, punitive and consequential damages) or expenses incurred by any of them arising out of or by reason of any litigation or other proceedings (including any threatened litigation or other proceedings) relating to the Loans or the use or proposed use by the Borrowers of the proceeds of any of the Loans, including, without limitation, the fees and disbursements of counsel incurred in connection with any such litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified, as determined by a final, nonappealable judgment by a court of competent jurisdiction). In no event shall any Loan Party be liable for any punitive or consequential damages in connection with any of the Loan Documents. Nothing herein shall be deemed to limit the provisions of the Communications Agreement.

14.04 Amendments, Etc. Except as otherwise expressly provided in this Agreement and subject to the terms of the Intercreditor Agreement, any provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Borrowers and the Majority Lenders, or by the Borrowers and the Agents acting with the consent of the Majority Lenders, and any provision of this Agreement may be waived by the Majority Lenders or by the Agents acting with the consent of the Majority Lenders; provided, that no modification, supplement or waiver shall, unless by an instrument signed by all of the Lenders or by the Administrative Agent acting with the consent of all of the Lenders (i) increase or extend the term of the Commitments, (ii) extend the date fixed for the payment of principal of or interest on any Loan

or any fee hereunder, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon or any fee is payable hereunder, (v) release the Deposit Collateral (except in accordance with the express terms of Section 12 hereof) or alter the provisions of Section 10.02(a) hereof or Section 12, (vi) release any Guarantor from its obligations hereunder, (vii) alter the provisions of Section 6.01 hereof or waive any condition precedent set forth therein (viii) alter the terms of this Section 14.04, or (ix) modify the definition of the term "Majority Lenders", "Majority Tranche A Loan Lenders"

or "Majority Tranche B Loan Lenders", or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof, or amend those provisions of the Intercreditor Agreement that relate to the sharing or disposition of collateral or to the exercise by the Creditors of voting or decision-making rights; and in addition to the foregoing, any modification or supplement of Section 13 hereof, or of any of the rights or duties of the Administrative Agent or the Collateral Agent hereunder or under the Intercreditor Agreement or the Account Control Agreement, shall require the consent of the Administrative Agent or the Collateral Agent, as the case may be. Any such amendment or waiver shall be binding upon the Lenders, each holder of any of the Guaranteed Obligations and each Guarantor.

14.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

14.06 Assignments and Participations.

(a) No Obligor may assign any of its rights or obligations hereunder or under any of the other Loan Documents without the prior written consent of all of the Loan Parties (and any assignment in violation of this clause (a) shall be void).

(b) Each Lender may, with the prior consent of the Administrative Agent (not to be unreasonably withheld), assign its Loan or Loans and its Commitment or Commitments or any portion thereof; provided, that

(i) any such partial assignment (other than to another Lender) shall be in an amount at least equal to $2,000,000 and increments of $1,000,000 in excess thereof;

(ii) upon each such assignment, the assignor and assignee shall deliver to the Borrowers and the Administrative Agent a Notice of Assignment in substantially the form of Exhibit K hereto (a "Notice of Assignment");

(iii) each such assignee (other than a Mexican Bank) must be registered as a "foreign financial institution" with the Ministry of Finance in the registry referred to in Article 195 (or any successor provision) of the Mexican Income Tax Law and be resident for tax purposes of (or the main office of such financial institution, if acting through a branch or an agency, must be a resident for tax purposes of) a jurisdiction that is party to a treaty for the avoidance of double taxation with Mexico which is in effect; and

(iv) each such assignee shall be an Eligible Assignee; and

provided, further, that upon execution and delivery by the assignor and the assignee to the Borrowers and the Administrative Agent of such Notice of Assignment, and upon consent thereto to the extent required above, the assignee shall have, to the extent of such assignment, the obligations, rights and benefits of a Lender hereunder holding the

Commitment or Commitments and Loan or Loans (or portion thereof) assigned to it and specified in such Notice of Assignment (in addition to the Commitment and Loan, if any, theretofore held by such assignee) and the assigning Lender shall, to the extent of such assignment, be released from the Commitment or Commitments (or portion thereof) so assigned (and if so requested by the assignor and the assignee the Borrowers will issue and deliver to the assignor and the assignee new Notes reflecting such assignment). Upon its receipt of a Notice of Assignment executed by an assigning Lender and an assignee together with (except in the case of an assignment by a Lender to an Affiliate of such Lender) payment by the assignee to the Administrative Agent of an assignment fee of $3,500, the Administrative Agent shall (i) promptly accept such Notice of Assignment and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register (as hereinafter defined) and give notice of such acceptance and recordation to the Lenders and the Borrowers. Notwithstanding anything to the contrary contained herein, the Borrowers shall not be obligated to pay to any Lender (or any assignee of any Lender) any amount under any of Sections 5.01, 5.03, 5.04 or 5.05 hereof greater than the amount the Borrowers would have been obligated to pay to such Lender if such Lender had not made any assignment of its rights under this Agreement, unless such assignment is made at a time when the circumstances giving rise to such greater payments did not exist.

(c) The Administrative Agent shall maintain at the address of the Administrative Agent referred to in Section 14.02 hereof a copy of each Notice of Assignment delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the principal amounts of the Loans owing to each Lender from time to time. Each Obligor and the Loan Parties shall treat, and shall be entitled to treat, each Person whose name is recorded in the Register as the owner of a Loan or other obligations hereunder as the owner thereof for all purposes of this Agreement, notwithstanding any notice to the contrary. Any assignment of any Loan or other obligation hereunder shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrowers or any Loan Party at any reasonable time and from time to time upon reasonable prior notice.

(d) A Lender may, in accordance with applicable law, sell or agree to sell to one or more other Persons (each a "Participant") a participation in all or any part of the Loan or Loans held by it, or in its Commitment or Commitments, provided, that such Participant shall not have any rights or obligations under this Agreement (the Participant's rights against such Lender in respect of such participation to be those set forth in the agreements executed by such Lender in favor of the Participant) and, provided, further, that such Participant be registered as a "foreign financial institution" with the Ministry of Finance for purposes of Article 197 (or any successor provision) of the Mexican Income Tax Law and be domiciled at a country with which Mexico has entered into a treaty for the avoidance of double taxation which is in effect. All amounts payable by the Borrowers to any Lender under Section 5 hereof in respect of any Loan held by it, and its Commitment, shall be determined as if such Lender had not sold or agreed to sell any participations in such Loan and Commitment, and as if such Lender were funding such Loan and Commitment in the same way that it is funding the portion

of such Loan and Commitment in which no participations have been sold. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action hereunder except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term of such Lender's Commitment, (ii) extend the date fixed for the payment of principal of or interest on the related Loan or any portion of any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, (iv) reduce the rate at which interest is payable thereon to a level below the rate at which the Participant is entitled to

receive such interest or (v) release the Deposit Collateral (except in accordance with Section 12 hereof).

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Section 14.06, any Lender may (without notice to or consent of the Borrowers, the Administrative Agent or any other Lender and without payment of any fee) assign and pledge all or any portion of its Loans and Notes to (i) any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank and (ii) to any of its Affiliates or other Lenders, provided that such Lender shall simultaneously advise the Borrowers and the Administrative Agent of such assignment or pledge. No such assignment shall release the assigning Lender from its obligations hereunder.

(f) A Lender may furnish any information concerning the Obligors obtained by such Lender hereunder from time to time to prospective assignees and participants (including prospective assignees and participants), provided, that such Lender shall advise such prospective assignee or participant that such information is being provided on the understanding that it is subject to the provisions set forth in Section 14.19 hereof.

14.07 Survival. The obligations of the Borrowers under Sections 5.01, 5.04, 5.05 and 14.03 (subject to the limitations under Section 14.03(b)) hereof, the obligations of the Lenders under Section 13.05 hereof and the provisions of Section 12 hereof, shall survive the repayment of the Loans and the termination of the Commitments (in the case of the provisions of Section 12 hereof, until payment of all amounts under the Tranche C Loan Agreement) and, in the case of any Lender that may assign any interest in its Commitments or Loans hereunder, shall survive, in the case of any event or circumstance that occurred prior to the effective date of such assignment, the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder. In addition, each representation and warranty made, or deemed to be made by a notice of any Loan, herein or pursuant hereto shall survive the making of such representation and warranty.

14.08 Captions. The table of contents and captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

14.09 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of

the parties hereto may execute this Agreement by signing any such counterpart. A set of the copies of this Agreement signed by all the parties hereto shall be lodged with each Borrower and each Agent.

14.10 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the law of the State of New York.

14.11 Jurisdiction, Service of Process and Venue.

(a) Each of the parties hereto agrees that any suit, action or proceeding with respect to this Agreement or any of the other Loan Documents or any judgment entered by any court in respect thereof may be brought in the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, County of New York, and in the courts of its own corporate domicile, in respect of actions brought against it as a defendant, and irrevocably submits to the jurisdiction of each such court for the purpose of any such suit, action, proceeding or judgment.

(b) Each Obligor hereby irrevocably appoints CT Corporation System (the "Process Agent"), with an office on the date hereof at 111 8th Avenue, New York, New York 10011, as its agent and true and lawful attorney-in-fact in its name, place and stead to accept on behalf of such

Obligor and its Property and revenues service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in the State of New York, and each Obligor agrees that the failure of the Process Agent to give any notice of any such service of process to such Obligor shall not impair or affect the validity of such service or, to the extent permitted by applicable law, the enforcement of any judgment based thereon. For the avoidance of doubt, the appointment described in this Section 14.11(b) shall be governed by, and construed in accordance with, the law of the State of New York.

(c) Nothing herein shall in any way be deemed to limit the ability of any Loan Party to serve any such process or summonses in any other manner permitted by applicable law.

(d) Each Obligor hereby irrevocably waives to the fullest extent permitted by law any objection that it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement or any of the other Loan Documents brought in the United States District Court for the Southern District of New York or the Supreme Court of the State of New York and hereby further irrevocably waives to the fullest extent permitted by law any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum and any right to which it may be entitled on account of place of residence or domicile. A final judgment (in respect of which time for all appeals has elapsed) in any such suit, action or proceeding shall be conclusive and may be enforced in any court to the jurisdiction of which any Obligor is or may be subject, by suit upon judgment.

14.12 Waiver of Jury Trial. EACH OBLIGOR AND EACH OF THE LOAN PARTIES HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14.13 Waiver of Immunity. To the extent that any Obligor may be or become entitled to claim for itself or its Property or revenues any immunity on the ground of sovereignty or the like from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment or execution of a judgment, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), each Obligor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity with respect to its obligations under this Agreement and the other Loan Documents.

14.14 Judgment Currency. This is an international loan transaction in which the specification of Dollars and payment in New York City is of the essence, and the obligations of the Obligors under this Agreement and the other Loan Documents to each Loan Party (in this Section 14.14 called an "Entitled Person") to make payment in Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency such Entitled Person may in accordance with normal banking procedures purchase, and transfer to New York City, Dollars in the amount originally due to such Entitled Person with the judgment currency. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (in this Section 14.14 called the "judgment currency"), the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Entitled Person could purchase such Dollars at New York, New York with the judgment currency on the Business Day next succeeding the day on which such judgment is rendered. Each Obligor hereby, as a separate obligation and notwithstanding any such judgment, agree to indemnify such Entitled Person against, and to pay each Entitled Person on demand, in Dollars, the amount (if any) by which the sum originally due to such Entitled Person in Dollars hereunder exceeds the amount of the Dollars purchased and transferred as aforesaid. Each Entitled Person, as a separate obligation and notwithstanding

any such judgment, agrees to pay to any Obligor hereby on demand, in Dollars, the amount (if any) by which the amount of the Dollars purchased and transferred as aforesaid exceeds the sum originally due to such Obligor in Dollars hereunder.

14.15 Use of English Language. This Agreement has been negotiated and executed in the English language. All certificates, reports, notices and other documents and communications given or delivered pursuant to this Agreement (including, without limitation, any modifications or supplements hereto) shall be in the English language, or accompanied by a certified English translation thereof, other than any document originally issued in a language other than English.

14.16 Entire Agreement. This Agreement and the other Loan Documents and the agreement referred to in Section 2.03 hereof constitute the entire agreement among the parties with respect to the subject matter hereof and thereof.

14.17 Severability. If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by applicable law the parties agree that such invalidity or unenforceability shall not impair the validity or enforceability of any other provision hereof.

14.18 Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other indebtedness at any time owing by such Lender or such Affiliate to or for the credit or the account of any Obligor against any and all of the obligations of such Obligor now or hereafter existing under this Agreement and the other Loan Documents held by such Lender, whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrowers after any such set-off and application, provided, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender and its Affiliates may have.

14.19 Confidentiality. Each Lender agrees to hold all Confidential Information obtained pursuant to the provisions of this Agreement or any other Loan Document in accordance with its customary procedure for handling such information of this nature and in accordance with safe and sound banking practices, provided, that nothing herein shall prevent any Lender from disclosing such information (i) to any other Loan Party, (ii) upon the order of any court or administrative agency or otherwise to the extent required by statute, rule, regulation or judicial process, (iii) to bank examiners or upon the request or demand of any other regulatory agency or authority, (iv) which had been publicly disclosed other than as a result of a disclosure by any Loan Party prohibited by this Agreement, (v) in connection with any litigation to which any one or more of the Loan Parties is a party, or in connection with the exercise of any remedy hereunder or under the Loan Documents, (vi) to such Loan Party's legal counsel and independent auditors and accountants, and (vii) subject to provisions substantially similar to those contained in this Section 14.19, to any actual or proposed participant or assignee; provided, that the Obligors and the Loan Parties hereby agree that the Obligors and the Loan Parties (and each of their respective employees, representatives, or agents) are permitted to disclose to any and all persons, without limitation of any kind, the structure and tax aspects of the transactions contemplated herein, and all materials of any kind (including opinions or other tax analyses) that relate to such structure and tax aspects. In this regard, the parties acknowledge and agree that any disclosure of the structure or tax aspects of the transactions contemplated by this Agreement is not limited in any way by an express or implied understanding or agreement, oral or written (whether or not such understanding or agreement is legally binding). The foregoing is intended solely to comply with the presumption set forth in Treasury Regulation 1.6011-4T(b)(3)(iv) and is not intended to permit the disclosure of any information to the extent such disclosure is not

required in order to avoid the transactions contemplated by this Agreement being treated as a "reportable transaction" within the meaning of Treasury Regulation 1.6011-4T(b).

14.20 No Fiduciary Relationship. The Obligors acknowledge that the Lenders have no fiduciary relationship with, or fiduciary duty to, any Obligor or any Affiliate or Subsidiary thereof arising out of or in connection with this Agreement or the Notes or the other Loan Documents, and the relationship between each Lender and the Obligors is solely that of creditor and debtor. This Agreement does not create a joint venture among the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWERS

VITRO PLAN, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

VVP HOLDINGS CORP.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

VVP SYNDICATION, INC.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

GUARANTORS

AUTOCRISTALES DE ORIENTE, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

VVP AUTO GLASS, INC.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

VITROCAR, S.A. DE C.V.

By

Name:

Title:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

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CRISTALES CENTROAMERICANOS, S.A.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

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CRISTALES INASTILLABLES DE MEXICO, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

77

DISTRIBUIDOR VIDRIERO LAN, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

DISTRIBUIDORA NACIONAL DE VIDRIO, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

DISTRIBUIDORA DE VIDRIO Y CRISTAL, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

DISTRIBUIDORA DE VIDRIO DE MEXICO, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

VIDRIO PLANO, S.A. DE C.V.

By

Name:

Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

TECNOLOGIA VITRO VIDRIO Y CRISTAL LTD.

By

Name:
Title:

Address for Notices:

Vitro Europa S.A.
Route du Mont Carmel 1
1762 Givisiez Switzerland

Attn: Jaime Rico Garza

With a copy to:

Meyer Lustenberger
Forchstrasse 452
P.O. Box 832
8029 Zurich
Switzerland
Attn: Patricia Guerra

VIDRIO PLANO DE MEXICO, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

VIDRIOS TEMPLADOS COLOMBIANOS, S.A.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

85

VITRO AUTOMOTRIZ, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

86

VITRO FLOTADO CUBIERTAS, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

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VITRO VIDRIO Y CRISTAL, S.A. DE C.V.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director

General Juridico

88

VITRO AMERICA, INC.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

89

SUPER SKY INTERNATIONAL, INC.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

90

SUPER SKY PRODUCTS, INC.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

91

SUPER SKY CONSTRUCTORS, INC.

By

Name:
Title:

Address for Notices:

Av. Ricardo Margain
Zozaya No. 444 Col. Valle
del Campestre Garza
Garcia, Nuevo Leon Mexico
CP 66265 Attn. Director
General Juridico

IP VITRO VIDRIO Y CRISTAL LTD.

By

Name:
Title:

Address for Notices:

Vitro Europa S.A.
Route du Mont Carmel 1
1762 Givisiez
Switzerland

Attn: Jaime Rico Garza

With a copy to:

Meyer Lustenberger
Forchstrasse 452
P.O. Box 832
8029 Zurich
Switzerland
Attn: Patricia Guerra

ADMINISTRATIVE AGENT

CITIBANK, N.A.
as Administrative Agent

By

Name:
Title:

Address for Notices:

2 Penn's Way, Suite 200
New Castle, Delaware 19720

Attn: Cristian O. Garcia
Tel: (302) 894-6054
Fax: (212) 994-0961

COLLATERAL AGENT

WACHOVIA BANK, NATIONAL ASSOCIATION,

as Collateral Agent

By

Name:
Title:

Address for Notices:

191Peachtree Street, NE
Atlanta GA 30303

Attn: Peter Lovett
Tel. (404) 332-5675
Fax. (404) 332-5905

LENDERS

CITIBANK, N.A., NASSAU BAHAMAS BRANCH

By

Name:
Title:

COMERICA BANK

By

Name:
Title:

WACHOVIA BANK, NATIONAL ASSOCIATION

By

Name:
Title:

BANCO NACIONAL DE COMERCIO
EXTERIOR, S.N.C., ACTING THROUGH ITS
GRAND CAYMAN BRANCH

By

Name:
Title:

CAIXA DE AFORROS DE VIGO, OURENSE E
PONTEVEDRA, CAIXANOVA MIAMI
AGENCY

By

Name:
Title:

By

Name:
Title:

BANK OF MONTREAL

By

Name:
Title:

EXHIBIT 4.8
VERSION DE FIRMA

CONTRATO DE APERTURA DE CREDITO SIMPLE (el "Contrato") de fecha 26 de febrero de 2003, celebrado entre:

(1) VITRO PLAN, S.A. de C.V. ("Vitro Plan" o el "Acreditado"), una sociedad constituida de conformidad con las leyes de los Estados Unidos Mexicanos ("Mexico"); en su calidad de Acreditado;

(2) AUTOCRISTALES DE ORIENTE, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

CRISTALES INASTILLABLES DE MEXICO, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

DISTRIBUIDOR VIDRIERO LAN, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

DISTRIBUIDORA DE VIDRIO DE MEXICO, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

DISTRIBUIDORA DE VIDRIO Y CRISTAL, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

DISTRIBUIDORA NACIONAL DE VIDRIO, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VITRO AUTOMOTRIZ, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VITROCAR, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VIDRIO PLANO DE MEXICO, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VIDRIO PLANO, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VITRO FLOTADO CUBIERTAS, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VITRO VIDRIO Y CRISTAL, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico,

VITRO AMERICA, INC., una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

VVP AUTO GLASS, INC, una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

VVP HOLDING CORP., una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

CRISTALES CENTROAMERICANOS, S.A., una sociedad constituida de conformidad con las leyes de Guatemala,

VIDRIOS TEMPLADOS COLOMBIANOS, S.A., una sociedad constituida de conformidad con las leyes de Colombia,

VVP SYNDICATION, INC., una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

SUPER SKY INTERNATIONAL, INC., una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

SUPER SKY PRODUCTS, INC., una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

SUPER SKY CONSTRUCTORS, INC., una sociedad constituida de conformidad con las leyes de Estados Unidos de America,

cada una, una Subsidiaria de Vitro Plan, y cualquier Subsidiaria de Vitro Plan que se convierta en "Obligada Solidaria" posteriormente a la fecha del presente Contrato, de conformidad con la Clausula Septima del presente (conjuntamente, las "Obligadas Solidarias");

(3) IP VITRO VIDRIO Y CRISTAL, LTD., una sociedad constituida de conformidad con las leyes de Suiza y TECNOLOGIA VITRO VIDRIO Y CRISTAL, LTD, una sociedad constituida de conformidad con las leyes de Suiza (conjuntamente, las "Fiadoras");

(4) los Bancos participantes senalados en el Anexo A del presente Contrato y cada uno de los Bancos que se convierta en "Acreditante", posteriormente a la fecha del presente Contrato, de conformidad con la Clausula 12.06 del presente Contrato (cada una, un "Acreditante" y conjuntamente, las "Acreditantes"); y

(5) Banco Nacional de Mexico, S.A., Integrante del Grupo Financiero Banamex, en su caracter de agente (conjuntamente con sus sucesores, el "Agente").

de conformidad con los siguientes Antecedentes, Declaraciones y Clausulas:

ANTECEDENTES

1. Con fecha 26 de febrero de 2003, Vitro Plan, VVP Holding Corp. y VVP Syndication, Inc., como acreditados, celebraron un contrato de credito (el "Contrato de Credito en Dolares") con Citibank en su caracter de Agente Administrativo, y los acreedores nombrados en el mismo, Salomon Smith Barney Inc. y Comerica Bank, en su caracter de Estructuradores Lideres Conjuntos (Joint Lead Arrangers) (los "Estructuradores Lideres Conjuntos"), por medio del cual dichos acreedores convinieron en otorgar un credito a dichos acreditados por un monto de hasta EUA$144,244,230.63 (ciento cuarenta y cuatro millones doscientos cuarenta y cuatro mil doscientos treinta Dolares 63/100); dicho contrato establece que dicha cantidad sera dispuesta en dos tramos; un primer tramo, denominado "Tramo A" (Tranche A), hasta por un monto de EUA$80,000,000 (ochenta millones de Dolares) (el "Credito del Tramo A") y un segundo tramo, denominado Tramo B (Tranche B), hasta por un monto de EUA$64,244,230.63 (sesenta y cuatro millones doscientos cuarenta y cuatro mil doscientos treinta Dolares 63/100) (el "Credito del Tramo B").

2. Con fecha 26 de febrero de 2003, los acreedores conforme al Contrato de Credito en Dolares y las Acreditantes que firman este Contrato celebraron un contrato entre acreedores (Intercreditor Agreement) (el "Contrato entre Acreedores").

3. De conformidad con la Seccion 12 del Contrato de Credito en Dolares, VVP Syndication, Inc. constituyo un gravamen a favor del Agente de Garantias (segun se define mas adelante) sobre el efectivo depositado en la Cuenta de Reserva de Efectivo (segun se define mas adelante) con el fin de garantizar el pago de las cantidades pagaderas conforme a este Contrato y al Contrato de Credito en Dolares.

DECLARACIONES

I. El Acreditado y cada una de las Obligadas Solidarias y de las Fiadoras declaran, respecto de si mismas, a la fecha de firma del presente y a la Fecha de Disposicion, lo siguiente:

(a) Constitucion y Capacidad. (i) Es una sociedad anonima de capital variable o sociedad anonima, segun sea aplicable, legalmente constituida conforme a las leyes que rigen su constitucion, (ii) cuenta con todas las licencias, autorizaciones y aprobaciones necesarias para ser propietaria de sus activos y realizar sus actividades tal y como actualmente las realiza, (iii) esta plenamente facultada conforme a su objeto social para celebrar el presente Contrato, para suscribir los Pagares y para asumir las obligaciones que se establecen en el presente Contrato y en los Pagares y (iv) cumple con las Normas Legales que le son aplicables, salvo por incumplimientos que no se pudiera esperar de manera razonable que tuvieran un Efecto Significativo Adverso (segun se define mas adelante). Copias certificadas de las escrituras publicas o documentos similares que contienen sus estatutos sociales se adjuntan al presente como Anexo B .

(b) Autorizaciones y Otros. La celebracion del presente Contrato y la suscripcion de los Pagares ha sido debidamente autorizada por sus organos corporativos y no requiere autorizacion adicional (corporativa o de otra naturaleza) alguna de conformidad con sus estatutos sociales o documentos constitutivos similares para tales efectos. La celebracion del presente Contrato, la suscripcion de los Pagares y el cumplimiento de sus obligaciones conforme a los mismos (i) no contraviene sus estatutos sociales o documentos constitutivos similares, ninguna Norma Legal o sentencia u orden judicial o administrativa que le es aplicable ni disposicion contractual alguna que le sea aplicable y (ii) no resultara en la creacion de ningun Gravamen, salvo por los Gravamenes que se crearan respecto de la Cuenta de Reserva de Efectivo. El Acreditado ha solicitado de las Acreditantes el otorgamiento de un credito hasta por la cantidad de $627,628,000.00 (seiscientos veintisiete millones seiscientos veintiocho mil Pesos), que usara en la forma que se establece en el presente, en el entendido que dichos fondos no se utilizaran, directa o indirectamente, para adquirir "Margin Stock" (segun se define en las leyes de los Estados Unidos de America).

(c) Aprobaciones Gubernamentales o de Terceros. Excepto por lo previsto en la Clausula 7.01(b), no requiere autorizacion o registro gubernamental o de tercero alguno para la celebracion del presente Contrato o para la suscripcion de los Pagares, la validez o exigibilidad de los mismos o el cumplimiento de sus obligaciones conforme a los mismos. Para el caso de VVP Syndication, Inc. no se requiere presentar, registrar o llevar a cabo ninguna accion en Mexico, al amparo de las leyes mexicanas, para efectos de que la garantia otorgada conforme a la Seccion 12 del

Contrato de Credito en Dolares sea valida y constituya una garantia en primer lugar y grado.

(d) Obligatoriedad. Este Contrato y los Pagares han sido legalmente firmados por sus apoderados y constituyen obligaciones validas, exigibles en su contra de conformidad con sus terminos. Sus apoderados cuentan con facultades suficientes para obligarlo en los terminos del presente Contrato y de los Pagares, y tales facultades no les han sido revocadas o limitadas a la fecha de firma del presente Contrato. Copia certificada de las escrituras publicas y documentos similares que contienen los poderes otorgados a las personas que firman en su nombre y representacion, se adjuntan al presente como Anexo C .

(e) Estados Financieros. Sus estados financieros consolidados (auditados, en el caso del Acreditado, las Fiadoras y las Obligadas Solidarias distintas a Obligadas Solidarias de nacionalidad Norteamericana, e internos, en el caso de Obligadas Solidarias de nacionalidad Norteamericana) al 31 de diciembre de 2001 en el caso del Acreditado y las Obligadas Solidarias, y al 31 de diciembre de 2002, en el caso de las Fiadoras y sus estados financieros internos al 30 de septiembre de 2002, los cuales han sido entregados a las Acreditantes, reflejan en forma veraz, suficiente y razonable su situacion financiera consolidada en dichas fechas, y los mismos han sido preparados de conformidad con los PCGA aplicados en forma constante y ni el Acreditado ni las Obligadas Solidarias, ni las Fiadoras tienen pasivos contingentes e importantes que no esten reflejados en los mismos. Desde el 31 de diciembre de 2001, no ha habido ningun evento o circunstancia que hubiese causado un Efecto Significativo Adverso.

(f) Preferencia de Pago. Sus obligaciones de pago conforme a este

Contrato y los Pagares representan obligaciones incondicionales y no subordinadas y tendran en todo momento la misma preferencia de pago que su demas Deuda quirografaria presente o futura.

(g) Litigios. No existen a la fecha de este Contrato demandas, acciones o procedimientos pendientes, incluyendo conflictos de caracter ambiental, fiscal, laboral o litigios de cualquier naturaleza, ante cualquier tribunal, Autoridad Gubernamental o arbitro, que razonablemente se espere pudieren tener un Efecto Significativo Adverso. Sus operaciones y las de sus Subsidiarias cumplen con todas las Normas Legales aplicables (incluyendo Leyes Ambientales) y ordenes de cualquier Autoridad Gubernamental, salvo por aquellos incumplimientos que no se pudiera esperar de manera razonable que tuvieran un Efecto Significativo Adverso.

(h) Inmunidad. No esta sujeto a inmunidad de ninguna especie, ni sus activos estan sujetos a inmunidad de cualquier especie.

(i) Impuestos. Ningun impuesto, carga o contribucion son pagaderos con motivo de la celebracion de este Contrato y los Pagares. Ha presentado sus declaraciones fiscales y ha pagado los impuestos que se declaran en las mismas, salvo por aquellos que se estan impugnando mediante procedimientos de buena fe y respecto de los cuales se han creado reservas de conformidad con los PCGA.

(j) Formalidades. Se han cumplido con todas las formalidades necesarias para la validez de este Contrato y los Pagares.

(k) Informacion. La informacion, reportes, estados financieros y anexos contenidos en el Memorandum Informativo, considerados como un todo, no contienen ninguna declaracion falsa sobre cualquier hecho importante, en el entendido que esta declaracion no se refiere a proyecciones contenidas en dicho documento, las cuales fueron realizadas de buena fe y sobre estimaciones consideradas razonables en el momento en que fueron hechas. Toda la informacion adicional escrita que se entregue a las Acreditantes o al Agente en relacion con este Contrato y los Pagares sera completa y precisa en todos sus aspectos importantes, (o, en el caso de proyecciones, de ser aplicable, estara basada en estimaciones razonables) a la fecha en que dicha informacion se presente.

(l) Gravamenes. En la Fecha de Disposicion, VVP Syndication, Inc. otorgara un Gravamen en primer lugar y grado en los terminos de la Clausula 12 del Contrato de Credito en Dolares. El Anexo D de este Contrato contiene una relacion de los Gravamenes que ha otorgado en relacion con cualquier Deuda a la fecha del presente.

(m) Solvencia. A la fecha del presente es Solvente y seguira siendo Solvente despues de realizar la Disposicion y utilizar los fondos derivados de la misma.

(n) Restricciones. Salvo por las Restricciones Existentes, ninguna de sus Subsidiarias esta limitada, contractual o legalmente, para realizar Pagos de Dividendos.

(o) Contratos Importantes. El Anexo E de este Contrato contiene una lista completa y correcta de (i) los contratos de credito, actas de emision o instrumentos similares y (ii) los contratos de compra, garantias, cartas de credito o cualquier otro instrumento relacionado con cualquier Deuda o el otorgamiento de cualquier credito (en el caso de este inciso (ii), por un monto insoluto superior a los EUA$10,000,000 (diez

millones de Dolares) de los cuales es parte y que se encuentran vigentes a la fecha del presente Contrato.

(p) Activos y Propiedad Industrial. Es el propietario legitimo de sus activos y tiene el legitimo derecho de uso conforme a los arrendamientos de los cuales es parte como arrendatario, salvo por servidumbres legales o

limitaciones de dominio similares que resultan por ministerio de ley, que no afectan de manera importante el valor de dichos activos o no interfieren con el desarrollo de sus actividades en el curso normal de sus negocios. Es el legitimo propietario o licenciatario de todas las marcas, invenciones, patentes, nombres comerciales y otros derechos de propiedad industrial que son importantes para el desarrollo de sus actividades y el uso de los mismos no viola derechos de terceros, salvo por violaciones que, individualmente o en conjunto, no se pudiere esperar de manera razonable que tuvieren un Efecto Significativo Adverso.

(q) Obligadas Solidarias. En virtud de las relaciones de negocios, corporativas, financieras, administrativas y juridicas que las Obligadas Solidarias tienen con el Acreditado, es de su interes celebrar el presente Contrato con el objeto de obligarse conjunta y solidariamente con el Acreditado frente a las Acreditantes en el cumplimiento de todas las obligaciones de pago a cargo del Acreditado conforme al presente Contrato. Por lo tanto, es su intencion constituirse en obligada solidaria respecto de dichas obligaciones de pago, asi como suscribir con caracter de avalista los Pagares que se suscriban conforme al presente Contrato.

(r) Fiadoras. En virtud de las relaciones de negocios, corporativas, financieras, administrativas y juridicas que las Fiadoras tienen con el Acreditado, es de su interes celebrar el presente Contrato con el objeto de garantizar el cumplimiento de todas las obligaciones de pago a cargo del Acreditado conforme al presente Contrato. Por lo tanto, es su intencion constituirse en fiadoras respecto de dichas obligaciones de pago, asi como suscribir con caracter de avalista los Pagares que se suscriban conforme al presente Contrato.

II. Cada una de las Acreditantes declara que:

(a) Es una institucion de banca multiple legalmente constituida conforme a las leyes de Mexico, plenamente facultada conforme a su objeto social para celebrar el presente Contrato.

(b) La celebracion del presente Contrato ha sido debidamente autorizada por dicha Acreditante y no requiere autorizacion adicional (corporativa o de otra naturaleza) alguna de conformidad con sus estatutos sociales.

(c) Sus apoderados cuentan con facultades suficientes para obligarla en los terminos del presente Contrato, y tales facultades no les han sido revocadas o modificadas a la fecha de firma del presente Contrato, segun consta en la copia de la escritura publica que contiene dichas facultades, la cual se adjunta al presente como Anexo F de este Contrato.

(d) Esta en posibilidades de otorgar credito al Acreditado por la cantidad indicada frente a su denominacion en el Anexo A del presente Contrato.

(e) Con base en las declaraciones del Acreditado, de las Obligadas Solidarias y de las Fiadoras esta dispuesta a otorgar el credito solicitado por el Acreditado y respecto del cual se obligan solidariamente las Obligadas Solidarias y que garantizan las Fiadoras, de acuerdo con los terminos y sujeto a las condiciones contenidas en el presente Contrato.

(f) Reconocen que el Agente firmara el Contrato entre Acreedores, el cual contendra diversas disposiciones respecto a diversos asuntos relacionados con los Creditos, cuyas disposiciones pudieren afectar el ejercicio de sus derechos conforme a este Contrato y los Pagares. Asimismo, reconocen que han revisado el Contrato entre Acreedores y manifiestan su consentimiento respecto de sus terminos y condiciones.

(g) Reconocen que el Agente firmara el Contrato de Prenda, el cual contendra diversas disposiciones respecto a diversos asuntos relacionados con los Creditos, cuyas disposiciones pudieren afectar el ejercicio de sus derechos conforme a este Contrato y los Pagares. Asimismo, reconocen que han revisado el Contrato de Prenda y manifiestan su consentimiento respecto de sus terminos y condiciones.

En virtud de los Antecedentes y Declaraciones anteriores, las partes convienen en las siguientes:

CLAUSULAS

CLAUSULA PRIMERA. DEFINICIONES.

1.01 Terminos Definidos. Los terminos definidos a continuacion tendran los siguientes significados (todos los terminos definidos en esta Clausula o en cualquier otra Clausula del presente Contrato en forma singular deberan tener el mismo significado que al usarse en plural y viceversa):

"Acciones con Derecho a Voto" significa, con respecto a cualquier Persona, cualquier clase o clases de titulos que representen acciones u otras participaciones sociales que otorguen a sus tenedores derechos de voto en circunstancias normales para elegir consejeros, gerentes o funcionarios de dicha Persona (sin importar si, en dicho momento, acciones de otra clase o clases tienen o podrian tener derechos de voto en virtud de alguna contingencia).

"Acreditado" tendra el significado que se le atribuye en el proemio del presente Contrato.

"Acreditantes" tendra el significado que se le atribuye en el proemio del presente, asi como cualquiera de sus sucesores o cesionarios.

"Afiliada" significa, con respecto a cualquier Persona, cualquier otra Persona que, directa o indirectamente, controle a, sea controlada por, o este bajo el control comun de, dicha Persona, o sea un consejero o funcionario de dicha Persona. Para efectos de esta definicion, "control" (incluyendo los terminos "controlada", "sea controlada por" y "bajo el control comun de") de una Persona, significa la posesion, directa o indirectamente, de los derechos de voto del 10% o mas de las Acciones con Derecho a Voto de dicha Persona o que dirija o pueda causar la direccion de la administracion y politicas de dicha Persona, ya sea a traves de la propiedad de dichas Acciones con Derecho a Voto, por contrato o de cualquier otra forma.

"Agente" tiene el significado que se le atribuye en el proemio del presente Contrato.

"Agente de Garantias" significa Wachovia Bank, N.A.

"Autoridad Gubernamental" significa cualquier nacion, gobierno, estado o municipio o cualquier subdivision politica de los mismos y cualquier entidad que ejerza funciones de gobierno, ejecutivas, legislativas, judiciales, monetarias, regulatorias o administrativas.

"Cambio de Control" significa que (i) Vitro deje de ser titular, directamente o a traves de una o mas de sus Subsidiarias en las que participe, directa o indirectamente, en el 100% de su capital, del 51% de las Acciones con Derecho a Voto de Vitro Plan o (ii) Pilkington deje de ser titular, directamente o a traves de una o mas de sus Subsidiarias en las que participe, directa o indirectamente, en el 100% de su capital, del 35% de las Acciones con Derecho a Voto de Vitro Plan.

"Capital Contable Consolidado" significa, con respecto a cualquier Persona, en cualquier momento, para dicha Persona y sus Subsidiarias consolidadas, la totalidad del capital social determinado en forma consolidada conforme a los PCGA.

"Causa de Vencimiento Anticipado" tendra el significado que se le atribuye en la Clausula 10.01 del presente Contrato.

"Citibank" significa Citibank, N.A., un banco constituido conforme a las

leyes de los EUA.

"Contrato de Comunicaciones" (Communications Agreement) tendra el significado que se le atribuye en el Contrato de Credito en Dolares.

"Contrato de Cobertura" significa cualquier contrato de intercambio de tasas de interes, contrato de intercambio de divisas, contrato de proteccion de precio o cualquier otro convenio de cobertura respecto de precios, de tasas de interes o de divisas.

"Contrato de Control de Cuenta" (Account Control Agreement) tendra el significado que se le atribuye en los Antecedentes de este Contrato.

"Contrato de Credito en Dolares" (Loan Agreement) tendra el significado que se le atribuye en los Antecedentes de este Contrato.

"Contrato entre Acreedores" (Intercreditor Agreement)" tiene el significado que se le atribuye en los Antecedentes de este Contrato.

"Credito" tendra el significado que se le atribuye en la Clausula 2.01(a) del presente Contrato.

"Creditos" tendra el significado que se le atribuye en la Clausula 2.01(a) del presente Contrato.

"Cuenta del Contrato" tiene el significado que se le atribuye en la Clausula 2.02(c) de este Contrato.

"Cuenta de Reserva de Efectivo" (Cash Reserve Account) tendra el significado que se le atribuye en el Contrato de Credito en Dolares.

"Deuda" significa, con respecto a cualquier Persona en cualquier fecha, sin duplicar, (i) todas las obligaciones de dicha Persona derivadas de dinero tomado en prestamo; (ii) todas las obligaciones de dicha Persona documentadas en bonos, obligaciones, pagares (incluyendo, para evitar cualquier duda, cualesquier pagares a favor de una Afiliada del Acreditado que no sea su Subsidiaria) o instrumentos similares; (iii) todas las obligaciones de dicha Persona de pagar el precio de compra diferido de bienes o servicios (distintas a cuentas por pagar que surjan del curso normal del negocio y que no esten vencidas por un plazo mayor a 60 dias naturales); (iv) todas las Obligaciones por Arrendamientos Financieros de dicha Persona y (sin duplicacion) las obligaciones de una Operacion de Venta y Arrendamiento; (v) todas las obligaciones, contingentes o no, de dicha Persona de reembolsar a cualquier Persona respecto a cantidades pagadas conforme a cartas de credito o instrumentos similares (distintas a obligaciones contingentes respecto de cartas de credito documentadas para dar soporte a operaciones comerciales en el curso normal del negocio y con plazos de vencimiento de 270 dias o menos); (vi) toda la Deuda de terceros que este garantizada mediante un Gravamen creado sobre cualquier activo de dicha Persona, independientemente de si dicha Persona ha asumido dicha Deuda o no; (vii) toda la Deuda de otras personas que este garantizada por dicha Persona; y (viii) el "riesgo de credito" de dicha Persona en relacion con Obligaciones por Operaciones Derivadas, en el entendido que para efectos unicamente de contabilizar la cantidad insoluta de principal de la Deuda del Acreditado, las Obligadas Solidarias y las Fiadoras, o de cualquiera de ellos, en relacion con las Clausulas 9.01(a), 9.01(b) y 9.01(c) del presente Contrato (i) la cantidad total de principal de la Deuda, se considerara reducida por la cantidad abonada en la Cuenta de Reserva de Efectivo, (ii) la cantidad insoluta de principal de Deuda consolidada del Acreditado, las Obligadas Solidarias y las Fiadoras, se reducira en EUA$30,000,000 (treinta millones de Dolares) de la Deuda Consolidada de Vitro AFG, siempre y cuando los acreedores correspondientes no tengan recurso alguno frente al Acreditado o cualquiera de sus Subsidiarias con respecto a dicha Deuda.

"Deuda Relevante" tendra el significado que se le atribuye en la Clausula 10.01(c) del presente Contrato.

"Deuda Total Consolidada" significa, con respecto a cualquier Persona en cualquier momento, la suma, respecto de dicha Persona y sus Subsidiarias consolidadas, en una base consolidada, de conformidad con los PCGA, de toda la

Deuda de dicha Persona y sus Subsidiarias.

"Dia Habil" significa cualquier dia en el que las instituciones de credito en la Ciudad de Mexico, Distrito Federal, lleven a cabo sus operaciones y no esten autorizadas para cerrar.

"Disposicion" tendra el significado que se le atribuye en la Clausula 2.02(a) de este Contrato.

"Dolares" significa la moneda en curso legal de los Estados Unidos de America.

"Efecto Significativo Adverso" significa un efecto que fuere adverso e importante en (i) los negocios, situacion (financiera o de otra naturaleza), operaciones, activos o proyecciones del Acreditado y sus Subsidiarias (excepto por VVP Syndication, Inc.) en conjunto, (ii) la capacidad del Acreditado, las Obligadas Solidarias y las Fiadoras para cumplir con sus obligaciones conforme a este Contrato y los Pagares, o (iii) los derechos y recursos de las Acreditantes conforme a este Contrato o los Pagares.

"Estructuradores Lideres Conjuntos" significa Salomon Smith Barney Inc. y Comerica Bank, como estructuradores lideres conjuntos.

"EUA" significa los Estados Unidos de America.

"Fecha de Disposicion" tendra el significado que se le atribuye en la Clausula 2.02(a) del presente Contrato.

"Fecha de Pago de Principal" tendra el significado que se le atribuye en la Clausula 3.01 del presente Contrato.

"Fiadoras" tendra el significado que se le atribuye en el proemio del presente Contrato.

"Funcionario Responsable" significa el Director de Finanzas, el Director de Contabilidad o cualquier otro director ejecutivo responsable de los asuntos relacionados con el presente Contrato.

"Gastos por Intereses Consolidados" significa, con respecto a cualquier Persona, para cualquier periodo, el total de los gastos brutos por intereses devengados durante dicho periodo sobre la Deuda de dicha Persona y sus Subsidiarias consolidadas, de acuerdo a bases consolidadas, determinado de conformidad con los PCGA, incluyendo (sin duplicar) los intereses pagados conforme a Obligaciones por Arrendamientos Financieros y cualquier interes capitalizado y la amortizacion sobre el descuento de deuda y gasto, pero excluyendo, para efectos del Acreditado, los intereses devengados

sobre EUA$30,000,000 de la Deuda consolidada de Vitro AFG, siempre y cuando no se contabilicen como Deuda conforme a lo establecido en la definicion de Deuda.

"Gravamen" significa cualquier hipoteca, prenda, carga u otra limitacion de dominio, asi como cualquier acuerdo que tenga el efecto practico de crear un gravamen o limitacion de dominio.

"Gravamenes Permitidos" significa:

(i) Gravamenes impuestos por ministerio de ley derivados del curso normal de las actividades, incluyendo, sin limitacion, gravamenes del transportista, de almacenistas y de mecanicos y otros gravamenes similares que se impongan por ministerio de ley y que deriven del curso normal de las actividades y que (x) no disminuyan de manera significativa el valor de los activos sujetos al gravamen o materialmente impidan el uso de dichos bienes en las operaciones del negocio de cualquier Obligado o (y) se encuentren sujetos a impugnacion de buena fe, por medio de los

procedimientos apropiados, y los cuales tengan como resultado la confiscacion o venta de los activos sujetos a dichos Gravamenes y cuyas reservas han sido creadas, en caso de requerirlas, de conformidad con los PCGA;

(ii) prendas o depositos derivados del curso ordinario del negocio en relacion con compensaciones a trabajadores, seguros de desempleo o cualquier legislacion de seguridad social similar o en relacion con licitaciones relacionadas con las adjudicacion de contratos de manufactura o fabricacion y/o venta de productos;

(iii) Gravamenes constituidos sobre impuestos, contribuciones o cualquier otra carga gubernamental, de las cuales el pago no ha vencido o se encuentra en proceso de impugnacion de buena fe a traves de los procedimientos correspondientes y en tiempo y que sea conducido de manera diligente, para lo cual dicha reserva o previsiones apropiadas, en caso de haberlas, sean hechas de conformidad con los PCGA.

(iv) cualquier Gravamen que se derive de una sentencia firme mientras que este no constituya u origine una Causa de Vencimiento Anticipado;

(v) cualquier Gravamen existente sobre cualquier bien, previo a la adquisicion de este, por el Acreditado o cualquier Obligado o alguna de sus Subsidiarias y que no surja como resultado de dicha adquisicion (y que no se extienda a cualquier otro bien); y

(vi) cualquier derecho de compensacion que opere por ministerio de ley.

"IMSS" significa Instituto Mexicano del Seguro Social.

"Incumplimiento" significa una Causa de Vencimiento Anticipado o un evento que pudiera convertirse en una Causa de Vencimiento Anticipado mediante el transcurso del tiempo, por notificacion o de otra manera.

"INFONAVIT" significa el Instituto del Fondo Nacional de la Vivienda para los Trabajadores.

"Inversion" en cualquier Persona, significa (i) la adquisicion (mediante efectivo, bienes, servicios, valores u otra contraprestacion) de acciones, bonos, pagares, obligaciones o cualquier otra participacion en el capital social de dicha Persona o la realizacion de una contribucion de capital en dicha Persona, (ii) la entrega de cualquier anticipo o el otorgamiento de cualquier prestamo o credito a dicha Persona (incluyendo la compra de bienes de dicha Persona sujeta a un acuerdo, contingente o de otra naturaleza, de revender dichos bienes a dicha Persona), pero excluyendo cualquier anticipo, prestamo o credito que tenga un plazo no mayor a 90 dias naturales otorgado en relacion con la venta de inventario o materias primas a dicha Persona en el curso normal de las actividades, y (iii) el otorgamiento de cualquier garantia respecto de la Deuda u otros pasivos de dicha Persona.

"Ley Ambiental" significa, cualquier ley, regla, reglamento, ordenamiento o decreto gubernamental federal, estatal o municipal aplicable, relacionado con la contaminacion o proteccion del ambiente o el tratamiento, almacenamiento, disposicion, liberacion, amenaza de liberacion o el manejo de materiales peligrosos, incluyendo, sin limitacion, la Ley General del Equilibrio Ecologico y la Proteccion al Ambiente, normas tecnicas y regulaciones emitidas conforme a la misma, asi como todas las leyes y reglamentos locales aplicables en relacion con asuntos ambientales y cualquier convenio especifico, celebrado con cualquier autoridad competente, el cual incluya compromisos relacionados con asuntos ambientales.

"Margen Aplicable"

"Mayoria de las Acreditantes" significa, en cualquier momento, las Acreditantes que mantengan una cantidad mayor al 50% (cincuenta por ciento) de la cantidad principal insoluta de los Creditos.

"Memorandum Informativo" significa el Memorandum Informativo (Information Memorandum) de fecha 12 de diciembre de 2002, respecto del Acreditado.

"Mexico" significa los Estados Unidos Mexicanos.

"Norma Legal" significa, respecto de cualquier Persona, cualquier ley, reglamento, circular, tratado, decreto, o cualquier orden o sentencia emitida por cualquier tribunal, panel arbitral u otra Autoridad Gubernamental, en cada caso aplicable a dicha Persona o a cualquiera de sus bienes o ingresos.

"Notificacion de Cambio de Control" tendra el significado que se le atribuye en la Clausula 3.04 del presente Contrato.

"Notificacion de Disposicion" tendra el significado que se le atribuye en la Clausula 2.02(a) del presente Contrato.

"Obligacion por Arrendamientos" significa, respecto de cualquier Persona, la obligacion de dicha Persona de conformidad con cualquier arrendamiento (incluyendo, sin limitacion, un arrendamiento que pueda ser terminado por el arrendatario en cualquier momento) relacionado con cualquier activo (ya sea un bien inmueble, un bien mueble o una combinacion de dichos bienes) que no origine Obligaciones por Arrendamientos Financieros, sin incluir arrendamientos conforme a los cuales dicha Persona sea el arrendador.

"Obligaciones por Arrendamientos Financieros" significa, con respecto a cualquier Persona, las obligaciones de dicha Persona de pagar renta u otras cantidades conforme a cualquier arrendamiento (o cualquier otro convenio que otorgue el derecho de uso) de bienes muebles y/o inmuebles, cuyas obligaciones se deban clasificar y contabilizar como arrendamientos de capital en el balance de dicha Persona conforme a los PCGA y que, para efectos de este Contrato, la cantidad de dichas obligaciones sera la cantidad capitalizada de las mismas determinada conforme a los PCGA.

"Obligaciones por Operaciones Derivadas" significa, con respecto a cualquier Persona, todas las obligaciones de dicha Persona respecto de cualquier Contrato de Cobertura. Para los propositos del presente, el "riesgo de credito" en cualquier momento, de cualquier Persona respecto de cualquier las Obligacion por Operaciones Derivadas sera la suma total de las cantidades netas pagaderas por vencimiento o liquidacion en dicho momento, si dichas cantidades fueren pagaderas en dicho momento (excluyendo multas y cantidades extraordinarias).

"Obligadas Solidarias" tendra el significado que se le atribuye en el proemio del presente Contrato.

"Obligados" significa el Acreditado, las Obligadas Solidarias y las Fiadoras.

"Operacion de Venta y Arrendamiento" significa, respecto de cualquier Persona, cualquier operacion en la cual dicha Persona, directa o indirectamente, este obligada como arrendatario o como garante o fiador respecto de cualquier arrendamiento, ya sea mediante una Obligacion por Arrendamientos de Capital o una Obligacion por Arrendamientos, sobre cualquier activo (i) que dicha Persona hubiere vendido o enajenado, o que estuviere en el proceso de vender o enajenar, a cualquier otra Persona o (ii) que dicha Persona pretende utilizar para los mismos propositos que cualquier otro activo que hubiere sido vendido o enajenado por dicha Persona a cualquier otra Persona en relacion con dicho arrendamiento.

"Pagares" tendra el significado que se le atribuye en la Clausula 2.05 del presente.

"Pago de Dividendos" realizado por cualquier Persona, significa el pago de cualquier dividendo (en efectivo o en especie), u otro pago o distribucion a cuenta de, o la separacion de dinero para un fondo de reserva u otro fondo analogo, o la compra, amortizacion, retiro u otra adquisicion de, cualquier

accion de cualquier clase de acciones del capital social de dicha Persona o de cualesquier derechos de adquisicion de la misma (o la realizacion de cualquier pago a cualquier Persona, tales como pagos de "acciones fantasma" ("phantom stock"), en donde la cantidad del pago es calculada en relacion con el valor justo de mercado o el valor del capital de dicha Persona), pero excluyendo los dividendos pagaderos unicamente en acciones comunes del capital social de dicha Persona.

"PCGA" significa (i) respecto de cada Obligada Solidaria de nacionalidad mexicana y de los estados financieros consolidados de Vitro Plan, los principios de contabilidad generalmente aceptados en Mexico que se encuentren en vigor, (ii) respecto de cada Obligada Solidaria de nacionalidad norteamericana, los principios de contabilidad generalmente aceptados en los Estados Unidos de America que se encuentren en vigor, y (iii) respecto de cualquier otra Obligada Solidaria o Fiadora, los principios de contabilidad generalmente aceptados en la jurisdiccion de la constitucion de dicha Obligada Solidaria o Fiadora que se encuentren en vigor.

"Periodo de Intereses" significa cada periodo de veintiocho (28) dias calendario, con base en el cual se calcularan los intereses que devengue la suma principal insoluta de los Creditos, en el entendido que (i) el primer Periodo de Intereses iniciara en la

Fecha de Disposicion y terminara el ultimo dia del mes calendario en que se haga la Disposicion; y (ii) cada uno de los Periodos de Intereses siguientes comenzara el ultimo dia del Periodo de Intereses inmediato anterior y terminara el ultimo dia del mes calendario correspondiente a dicho Periodo de Intereses.

"Persona" significa, una persona fisica, persona moral, sociedad, corporacion, fideicomiso, sociedad en participacion, sociedad de responsabilidad limitada, sociedad irregular, asociacion (joint venture), o cualquier otra entidad o Autoridad Gubernamental, o cualquier otra entidad con personalidad juridica propia.

"Pesos" y "$" significa Pesos, la moneda en curso legal de Mexico.

"Pilkington" significa Pilkington PLC, una sociedad de nacionalidad inglesa.

"Razon de Cobertura de Intereses" significa, en cualquier momento, la razon de (i) el UAFIRDA Consolidado del Acreditado para el periodo de cuatro trimestres fiscales consecutivos del Acreditado que hubiere terminado mas recientemente a (ii) los Gastos por Intereses Consolidados del Acreditado para el mismo periodo.

"Razon de Deuda a UAFIRDA" significa, al ultimo dia de cualquier trimestre fiscal del Acreditado, la razon de (i) la Deuda Total Consolidada del Acreditado en dicha fecha a (ii) el UAFIRDA Consolidado del Acreditado para el periodo de cuatro trimestres consecutivos del Acreditado terminado en dicha fecha.

"Restricciones Existentes" tendra el significado que se la atribuye a las restricciones descritas en el Anexo G del presente.

"SAR" significa el Sistema de Ahorro para el Retiro.

"SHCP" significa la Secretaria de Hacienda y Credito Publico.

"Solvente" significa, respecto de cualquier Persona en cualquier momento, que (a) el valor justo de los bienes propiedad de dicha Persona sea mayor a la cantidad total de sus pasivos (incluyendo sin limitacion alguna, pasivos contingentes) de dicha Persona, (b) el valor justo de mercado presente de los bienes propiedad de dicha Persona no sea menor que la cantidad que sera requerida para el pago de los posibles pasivos de dicha Persona de sus deudas en cuanto estas se conviertan en pagaderas y exigibles, (c) dicha Persona no tiene la intencion y no cree, incurrir en deudas u obligaciones mas alla de sus posibilidades de pago, cuando dichas deudas y obligaciones sean pagaderas, (d) dicha Persona no sea parte de un negocio y que no vaya a ser parte de un negocio para el cual los bienes de dicha Persona puedan

constituir un capital sumamente pequeno y (e) dicha Persona no este, o se presuma que esta, en incumplimiento generalizado de sus obligaciones de pago conforme a la Ley General de Concursos Mercantiles.

"Subsidiaria" de cualquier Persona, significa cualquier sociedad u otra entidad de la cual dicha Persona y/o cualquier Subsidiaria de dicha Persona, directa o indirectamente, sea propietaria de, o controle, mas del 50% (cincuenta por ciento) de las Acciones con Derecho a Voto.

"Subsidiaria de Co-Inversion" significa cualquier Subsidiaria de Vitro Plan en la cual una o mas Personas, en conjunto, que no sean Afiliadas del Acreditado o de cualquier Obligada Solidaria o Fiadora sean titulares, directa o indirectamente, el 35% de las Acciones con Derecho a Voto.

"Subsidiaria No Obligada" significa (i) cualquier Subsidiaria de Co-Inversion y (ii) cualquier Subsidiaria que haya sido adquirida por cualquier Obligado despues de la fecha del presente Contrato, que este limitada por cualquier contrato (distinto a un contrato celebrado en anticipacion a dicha adquisicion) para garantizar las obligaciones del Acreditado conforme al presente Contrato.

"Subsidiaria Relevante" significa, en cualquier momento, cualquier Subsidiaria del Acreditado que (i) contabilice durante los cuatro trimestres fiscales terminados mas recientes del Acreditado, mas del 5% (cinco por ciento) de las ventas netas o del 5% (cinco por ciento) del UAFIRDA Consolidado del Acreditado y sus Subsidiarias consolidadas, sobre una base consolidada, o (ii) detente, el ultimo dia de dicho trimestre fiscal, mas del 5% (cinco por ciento) de los activos totales de Vitro Plan y sus Subsidiarias consolidadas, sobre una base consolidada, cuyos calculos seran determinados de conformidad con los PCGA.

"Tasa de Interes" tendra el significado que se le atribuye en la Clausula 3.02 (a) de este Contrato.

"Tasa de Interes Moratoria" tendra el significado que se le atribuye en la Clausula 3.02 (c) del presente Contrato.

"Tasa TIIE" significara, para cada Periodo de Intereses, la Tasa de Interes Interbancaria de Equilibrio a plazo de cuatro (4) semanas publicada por el Banco de Mexico en el Diario Oficial de la Federacion el primer dia del Periodo de Intereses correspondiente, en el entendido que, en caso que el primer dia del Periodo de Intereses no sea un Dia Habil, la tasa sera aquella publicada el Dia Habil inmediato anterior a la fecha de inicio de dicho Periodo de Intereses.

"UAFIRDA Consolidado" significa, con respecto a cualquier Persona y para cualquier periodo, con respecto a dicha Persona y sus Subsidiarias consolidadas de acuerdo a bases consolidadas, la suma (sin duplicar) de (i) la Utilidad de Operacion Consolidada mas (ii) depreciacion y amortizacion mas (iii) otros cargos que no sean en efectivo, en la medida en que los mismos se hubieren deducido para calcular la Utilidad de Operacion Consolidada; en el entendido que Vitro AFG se excluira para efectos del calculo del UAFIRDA Consolidado, si conforme a lo establecido en la definicion de Deuda, la Deuda consolidada del Acreditado, las Obligadas Solidarias y las Fiadoras se reduce en EUA$30,000,000 (treinta millones de Dolares), de la Deuda consolidada de Vitro AFG.

"Utilidad de Operacion Consolidada" significa, respecto de cualquier Persona y para cualquier periodo, la utilidad de operacion de dicha Persona y sus Subsidiarias consolidadas, de acuerdo a bases consolidadas, determinada de conformidad con los PCGA.

"Venta de Activos" para cualquier Persona significa cualquier venta, arrendamiento, u otra enajenacion de activos, sin incluir el Pago de Dividendos, la realizacion de pagos respecto de cualquier Deuda de dicha Persona o el deposito de fondos en cuentas de deposito o la inversion de

fondos de conformidad con operaciones de administracion de efectivo en el curso normal de sus actividades o el otorgamiento de Gravamenes permitidos de conformidad con el presente.

"Vitro" significa Vitro, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico.

"Vitro AFG" significa Vitro AFG, S.A. de C.V., una sociedad constituida de conformidad con las leyes de Mexico.

CLAUSULA SEGUNDA. APERTURA DE CREDITO.

2.01 Apertura de Credito Simple.

(a) Sujeto a los terminos y condiciones establecidas en el presente Contrato, cada una de las Acreditantes conviene en poner a disposicion del Acreditado, creditos (cada uno, un "Credito" y conjuntamente, los "Creditos") por un monto total que no excedera de $627,628,000.00 (seiscientos veintisiete millones seiscientos veintiocho mil Pesos), cantidad en la que no se encuentran comprendidos los intereses, comisiones y gastos que se generen en relacion con los Creditos. Cada una de las

Acreditantes estara obligada a otorgar su respectivo Credito, unicamente hasta por la cantidad indicada frente a su denominacion en el Anexo A del presente Contrato.

(b) Los Creditos seran dispuestos por el Acreditado conforme a lo estipulado en la Clausula 2.02 siguiente.

(c) El Acreditado utilizara los recursos de los Creditos exclusivamente para (i) pagar Deuda, (ii) prestarlos a ciertas de sus Subsidiarias con el fin de que las mismas paguen Deuda, y (iii) pagar gastos y comisiones relacionados con el presente Contrato. Ninguna de las Acreditantes tendra responsabilidad alguna respecto al uso que se de a los recursos de cualquier Credito.

2.02 Forma de Disposicion de los Creditos. (a) Los Creditos seran dispuestos por el Acreditado, y seran desembolsados al Acreditado en una sola exhibicion (la "Disposicion"). La Disposicion se podra realizar en cualquier Dia Habil, dentro de los diez (10) dias siguientes a la firma del presente Contrato (la "Fecha de Disposicion"), siempre y cuando el Acreditado haya entregado una notificacion al Agente, debidamente firmada por un Funcionario Responsable del Acreditado, y en la cual se especifique el monto de la Disposicion y la Fecha de Disposicion (la "Notificacion de Disposicion"), con al menos tres (3) Dias Habiles de anticipacion a la Fecha de Disposicion.

(b) La Disposicion estara sujeta al cumplimiento de las condiciones que para la realizacion de la Disposicion se establecen en la Clausula Sexta del presente Contrato y habiendose entregado a las Acreditantes los Pagares descritos en la Clausula 2.05 siguiente. La Disposicion sera realizada por cada Acreditante hasta por la cantidad indicada frente a su denominacion en el Anexo A del presente Contrato, y solo hasta por el monto total de los Creditos mencionado en la Clausula 2.01 (a).

(c) Para efectos de la ministracion de los Creditos, las Acreditantes abonaran los montos que les correspondan a la cuenta No. 870/56028-8 (a nombre de "UOCC Empresarial") en Banco Nacional de Mexico, S.A. y (ii) el Agente abonara los montos correspondientes a la cuenta que mantenga el Acreditado con el Agente (la "Cuenta del Contrato").

2.03 Comisiones. El Acreditado debera pagar (i) a las Acreditantes, las comisiones que en documento por separado se convenga con dichas Acreditantes y (ii) al Agente, los gastos razonables y documentados derivados de la preparacion, negociacion y firma de este Contrato. El Acreditado autoriza que las Acreditantes y/o el Agente deduzcan del monto del Credito, los montos relativos al pago de dichas comisiones y gastos.

2.04 No Desembolso; Obligaciones Independientes. Aun cuando se hubieren cumplido las condiciones que se establecen en la Clausula Sexta para la realizacion de la Disposicion, en el caso de que cualquier Acreditante no hubiere desembolsado oportunamente los fondos que le correspondan, el Acreditado conviene que se podra reducir el monto total de los Creditos a otorgarse al Acreditado en la Fecha de Disposicion, por un monto igual al monto que no haya sido desembolsado por las Acreditantes, sin responsabilidad para el Agente ni las demas Acreditantes. El Acreditado se reserva todos los derechos en contra de cualquier Acreditante que hubiese incumplido y podra ejercer las acciones que le correspondan en contra de la Acreditante que no hubiere desembolsado los fondos necesarios. En el caso de que el Acreditado haya suscrito un Pagare en favor de la Acreditante que no realice el desembolso correspondiente, el Agente solicitara de inmediato la devolucion de dicho Pagare y la Acreditante de que se trate tendra la obligacion de devolver de inmediato al Acreditado dicho Pagare debidamente cancelado, aun cuando no haya recibido solicitud alguna al respecto, en cuyo caso, el Acreditado no tendra ninguna obligacion frente a la Acreditante que hubiese incumplido. Las cantidades pagaderas por el Acreditado a cualquiera de las Acreditantes, en cualquier momento, de conformidad con el presente Contrato y los Pagares, se consideraran deudas separadas e independientes, y cada Acreditante sujeto a los terminos del Contrato entre Acreedores, tendra derecho a ejercer sus derechos individuales que resulten del presente Contrato y de los Pagares, independientemente de las demas Acreditantes, excepto en la medida que este Contrato (o el Contrato entre Acreedores) disponga que el ejercicio de algun derecho requiere el consentimiento de la Mayoria de las Acreditantes o de todas las Acreditantes y excepto si asi se requiere, no sera necesario el consentimiento de las otras Acreditantes o del Agente para obtener el pago de cualesquier cantidades vencidas.

2.05 Pagares. La Disposicion se realizara, conforme a lo dispuesto en la Clausula 2.02, y contra la entrega por el Acreditado a cada una de las Acreditantes, a traves del Agente, de un pagare no negociable suscrito por el Acreditado, las Obligadas Solidarias y las Fiadoras, como avalistas, a traves de sus respectivos apoderados legalmente facultados, cuyo pagare se sujetara al formato establecido en el Anexo H del presente Contrato (en lo sucesivo, el "Pagare" y, en conjunto, los "Pagares"), por el importe de la Disposicion correspondiente a cada Acreditante. En caso de discrepancia entre los terminos del presente Contrato y los Pagares, el presente Contrato prevalecera.

CLAUSULA TERCERA. PAGOS DE PRINCIPAL E INTERESES.

3.01 Amortizacion de los Creditos. El Acreditado pagara a las Acreditantes, a traves del Agente, la suma principal de los Creditos, en ocho (8) amortizaciones semestrales y consecutivas (cada una, una "Fecha de Pago de Principal" y la ultima Fecha de Pago de Principal, la "Fecha de Vencimiento"), siendo la primera de estas el dia que sea seis (6) meses despues de la Fecha de Disposicion y las subsecuentes el dia que sea seis (6) meses despues de la Fecha de Pago de Principal inmediata anterior. En cada Fecha de Pago de Principal, el Acreditado pagara el porcentaje de la suma principal insoluta de los Creditos desembolsados bajo el presente, equivalente al porcentaje que para dicha Fecha de Pago de Principal, se establece en la siguiente tabla:

Fecha de Pago del Principal	Porcentaje	Cantidad
6	5%	31,381,400
12	5%	31,381,400
18	10%	62,762,800
24	10%	62,762,800
30	15%	94,144,200
36	15%	94,144,200
42	20%	125,525,600
48	20%	125,525,600

3.02 Intereses. (a) El Acreditado pagara a las Acreditantes, a traves del Agente, sin necesidad de previo requerimiento, intereses ordinarios sobre la suma principal insoluta de los Creditos durante cada Periodo de Intereses, desde la Fecha de Disposicion hasta la Fecha de Vencimiento, a una tasa de interes anual que sera igual a la Tasa TIIE aplicable a cada Periodo de Intereses, mas el Margen Aplicable (la "Tasa de Interes").

(b) Los intereses seran pagaderos el ultimo Dia Habil de cada Periodo de Intereses (cada una, una "Fecha de Pago de Intereses"); en el entendido que la ultima Fecha de Pago de Intereses debera ocurrir precisamente en la Fecha de Vencimiento. Cada Periodo de Intereses que termine en un dia que no sea un Dia Habil terminara el Dia Habil inmediato anterior, calculandose en todo caso los intereses respectivos por el numero de dias efectivamente transcurridos hasta la Fecha de Pago de Intereses respectiva. Cualquier Periodo de Intereses que terminaria despues de cualquier Fecha de Pago de Principal o de la Fecha de Vencimiento terminara precisamente en dicha Fecha de Pago de Principal o en la Fecha de Vencimiento, respectivamente.

(c) En caso de mora en el pago de cualquier cantidad pagadera bajo el presente Contrato o los Pagares (exceptuando intereses ordinarios), se causaran intereses moratorios sobre la cantidad vencida y no pagada de los Creditos desde la fecha en que dicho pago debio realizarse, hasta su pago total, a una tasa anual igual a la que resulte de sumar 200 (doscientos) puntos base a la Tasa de Interes aplicable durante el periodo en que ocurra y continue el incumplimiento (la "Tasa de Interes Moratoria").

(d) Inmediatamente despues de la determinacion de cualquier tasa de interes al amparo del presente, o cualquier cambio de la misma de conformidad con este Contrato, el Agente notificara dicha determinacion o cambio, por escrito a las Acreditantes y al Acreditado (sin limitar los requerimientos de la Clausula 12.02 de que todas las notificaciones se hagan por escrito). Cada determinacion realizada por el Agente de la tasa de interes, de conformidad con el presente Contrato sera vinculativa y obligatoria para todos los efectos que haya lugar, salvo que exista un error evidente.

3.03 Pagos Anticipados Opcionales. (a) El Acreditado podra realizar pagos anticipados de principal respecto de los Creditos, previo aviso irrevocable por escrito entregado al Agente con por lo menos tres (3) Dias Habiles de anticipacion. Los pagos anticipados incluiran los intereses devengados conforme a los Creditos hasta la fecha de pago anticipado. Todo pago anticipado parcial debera realizarse por una cantidad minima de $50,000,000.00 (cincuenta millones de pesos 00/100 M.N.) y por encima de dicha cantidad, en multiplos de $10,000,000.00 (diez millones de pesos 00/100 M.N.). Los pagos anticipados que se realicen al amparo de esta Clausula se aplicaran a disminuir el principal en orden inverso a su vencimiento. Las cantidades que se paguen anticipadamente no podran volver a ser dispuestas por el Acreditado.

(b) Todos los pagos anticipados realizados conforme a esta Clausula 3.03 seran aplicados a pro rata entre los acreedores conforme al Contrato de Credito en Dolares y las Acreditantes conforme a este Contrato, tomando como base las cantidades de principal insolutas pagaderas a cada una de ellas, de conformidad con el Contrato entre Acreedores.

3.04 Pagos Anticipados Obligatorios. El Acreditado entregara a las Acreditantes una notificacion escrita (la "Notificacion de Cambio de Control") dentro de los cinco (5) Dias Habiles a partir de la fecha en que ocurra cualquier Cambio de Control y el Acreditado debera, dentro de los treinta (30) Dias Habiles posteriores a la entrega de dicha Notificacion de Cambio de Control, pagar anticipadamente el saldo principal insoluto de los Creditos, conjuntamente con los intereses devengados y no pagados, asi como con cualquier otra cantidad pagadera por el Acreditado de conformidad con este Contrato.

CLAUSULA CUARTA. PAGOS, ETC.

4.01 Lugar y Forma de Pago. (a) El Acreditado efectuara todos los pagos de principal, intereses, comisiones y cualquier otra suma pagadera respecto de los Creditos, libres de impuestos, derechos, contribuciones, retenciones, deducciones, cargas o cualquier otra responsabilidad fiscal pagaderas bajo las leyes, reglamentos y demas disposiciones legales aplicables en Mexico, sin compensacion alguna, en fondos inmediatamente disponibles, antes de las 13:00

horas (hora de la Ciudad de Mexico, Distrito Federal, Mexico) del dia en que venza el pago de que se trate. Lo anterior no sera aplicable respecto del impuesto sobre la renta o impuestos similares pagaderos por las Acreditantes o cualquier cesionario, participante o adquirente de sus derechos conforme a este Contrato sobre sus ingresos o activos totales conforme a las leyes, reglamentos y demas disposiciones legales aplicables en Mexico. Dichos pagos se realizaran a traves de la Cuenta del Contrato o de cualquier otra cuenta que el Agente le notifique al Acreditado con por lo menos cinco (5) Dias Habiles de anticipacion, en Pesos. El Acreditado en este acto autoriza al Agente a retirar de la Cuenta del Contrato, las cantidades pagaderas por el Acreditado conforme a lo dispuesto en este Contrato. Salvo que se establezca de otra forma en este Contrato, el Agente, el mismo Dia Habil en que reciba un pago del Acreditado en los terminos de esta Clausula, distribuira a cada Acreditante la porcion que le corresponda (determinada conforme a lo dispuesto en el Anexo A), de cada pago del Acreditado que el Agente hubiere recibido; el Agente no tendra la obligacion de llevar a cabo ninguna de dichas distribuciones, sino hasta que efectivamente hubiere recibido el pago que corresponda del Acreditado (aun cuando fuere por una suma inferior a la que deberia haber recibido por el pago que corresponda).

(b) En caso de que cualquier obligacion de pago del Acreditado venciere en un dia que no fuere un Dia Habil o en un dia que no exista en el mes calendario en el cual deba realizarse dicho pago, dicho pago debera hacerse el Dia Habil inmediato anterior.

4.02 Pagos a Pro Rata. Excepto que se disponga expresamente de forma distinta en el presente Contrato (a) cada pago o pago anticipado de principal de los Creditos se aplicara a pro rata a las Acreditantes, de conformidad con las cantidades correspondientes de principal insolutas de los Creditos otorgadas por ellas; y (b) cada pago de intereses sobre los Creditos se aplicara a pro rata a las Acreditantes, de conformidad con las cantidades correspondientes de intereses respecto de los Creditos vencidos a dicha fecha y pagaderos a cada una de ellas.

4.03 Calculos. Los intereses ordinarios que se devenguen bajo el presente Contrato, se calcularan por los dias efectivamente transcurridos sobre la base de un ano de trescientos sesenta (360) dias, incluyendo el primero de dichos dias pero excluyendo el ultimo.

CLAUSULA QUINTA. INCREMENTO EN COSTOS, ETC.

5.01 Incremento en Costos. (a) Si con posterioridad a la fecha de este Contrato entrare en vigor o se modificare cualquier Norma Legal aplicable a cualquier Acreditante o a su casa matriz, a cualquiera de sus oficinas encargadas de la administracion y del fondeo de los Creditos o se cambiare la interpretacion por cualquier Autoridad Gubernamental de cualquier Norma Legal, y como consecuencia de cualquiera de los hechos anteriores aumentare el costo para dicha Acreditante de hacer o mantener vigentes los Creditos, o disminuyeren las cantidades recibidas o a recibirse por tal Acreditante (y siempre y cuando dicho costo o reduccion es considerado importante por dicha Acreditante), el Acreditado pagara a dicha Acreditante, a solicitud de esta, dentro de los cinco (5) Dias Habiles siguientes a la fecha en que reciba dicha solicitud, las cantidades adicionales que se requieran para compensar a tal Acreditante por dicho aumento en el costo o disminucion de ingresos, en el entendido que esta Clausula 5.01(a) no sera aplicable si el incremento en costos o la disminucion de ingresos se deben a cualquier acto tomado por cualquier autoridad reguladora en virtud del detrimento de la situacion financiera o el nivel de capitalizacion de la Acreditante correspondiente.

(b) Si cualquier Acreditante ha determinado que posteriormente a la fecha del presente Contrato, la implementacion de cualquier Norma Legal relacionada con sus niveles de capitalizacion o cualquier cambio al respecto, o cualquier cambio en la interpretacion o administracion de los niveles de capitalizacion, por cualquier Autoridad Gubernamental a cargo de la interpretacion o administracion de los mismos, o cualquier requerimiento respecto a los niveles de capitalizacion (ya sea que tenga o no fuerza de ley) de dicha Autoridad Gubernamental, que tenga o pudiera tener como efecto el reducir la tasa de retorno en el capital de dicha Acreditante (o su matriz), como consecuencia de las obligaciones de dicha Acreditante conforme al presente, o su Credito o

Creditos, a un nivel inferior al que dicha Acreditante (o su matriz) hubiera alcanzado debida a la adopcion de dicho cambio, requerimiento u orden, por una cantidad que sea razonablemente considerada como importante, en dicho caso, dentro de los 15 dias posteriores a dicho requerimiento (el cual se referira a la Norma Legal correspondiente detallada razonablemente) por dicha Acreditante, el Acreditado pagara a dicha Acreditante dicha cantidad o cantidades adicionales para efectos de compensar a la Acreditante (o a su matriz) por dicha reduccion; en el entendido que este inciso (b) no se considerara aplicable a ninguna reduccion incurrida por una Acreditante en la

medida que dicha accion regulatoria se haya tomado en razon de un cambio material significativo en la condicion financiera o la capitalizacion de dicha Acreditada.

(c) Cada Acreditante notificara al Acreditado de manera oportuna cualquier circunstancia que pudiera causar que el Acreditante tuviere derecho al pago de cantidades adicionales conforme a esta Clausula 5.01, cuya notificacion describira dicha circunstancia. Antes de realizar dicha notificacion, cada una de las Acreditantes se obliga a hacer su mejor esfuerzo para evitar un caso de aumento en costos o disminucion de ingresos, en caso de que todo esto fuere posible, exclusivamente a traves de un cambio de sus oficinas administradoras de los Creditos y si esto no resultare en costo alguno para la Acreditante que corresponda; en el entendido que dicha Acreditante no tendra la obligacion de hacer tales esfuerzos si determinare que le son desventajosos. Para determinar dicha cantidad, dicha Acreditante podra usar cualquier metodo razonable para promediar y atribuir, siempre y cuando dichos metodos sean consistentes con el tratamiento que da dicha Acreditante a clientes similares al Acreditado, con los que tenga celebrados acuerdos similares. No obstante alguna disposicion en contrario establecida en los incisos (a) y (b) anteriores, ninguna Acreditante estara facultada a solicitar o reclamar respecto a eventos que ocurran con mas de 180 dias de anterioridad a la fecha en que dicha Acreditante notifique al Acreditado su solicitud de compensacion.

(d) Si alguna de las Acreditantes solicita su compensacion de conformidad con esta Clausula 5.01, el Acreditado podra a su propio costo, mediante notificacion a dicha Acreditante y al Agente, solicitar a dicha Acreditante que ceda sin recurso (sujeto a las restricciones establecidas en la Clausula 12.06) todos sus derechos y obligaciones conforme a este Contrato, a un cesionario que asuma dichas obligaciones (cuyo cesionario podra ser otra Acreditante, si una Acreditante acepta dicha cesion); en el entendido que (i) dicha cesion estara sujeta a la aprobacion del Agente, (ii) dicha Acreditante debera haber recibido el pago total del principal insoluto de sus Creditos, intereses devengados, comisiones generadas y cualesquier otra cantidad pagadera a dicha Acreditante, conforme al presente Contrato, y (iii) que razonablemente se espere que dicha cesion tenga como resultado una reduccion en tal compensacion o pagos. Ninguna Acreditante estara obligada a llevar a cabo dicha cesion si, con anterioridad a la misma, como resultado de una renuncia realizada por dicha Acreditante o de cualquier otra manera, las circunstancias que otorguen al Acreditado el derecho a solicitar dicha cesion deja de aplicar.

5.02 Falta de Cotizacion de Tasa TIIE. En caso de que el Banco de Mexico dejare de publicar la cotizacion de la Tasa TIIE, ya sea temporal o definitivamente, la tasa de interes sera calculada con base en aquella que el Banco de Mexico determine como sustituta de la Tasa TIIE. En el supuesto de que el Banco de Mexico no publique

una tasa que sustituya a la Tasa TIIE, las Acreditantes y el Acreditado determinaran de buena fe, de comun acuerdo y por escrito la tasa sustituta correspondiente, en el entendido que:

(1) durante el periodo comprendido entre la fecha en que deje de publicarse dicha cotizacion y la fecha en la que se publique la tasa sustituta, se vuelva a publicar la Tasa TIIE o las partes acuerden la tasa sustituta, la suma principal insoluta de los Creditos devengara intereses a la Tasa de Interes que haya sido aplicable durante el ultimo Periodo de

Intereses;

(2) si la Tasa TIIE dejare de publicarse por un periodo de mas de treinta (30) dias naturales sin que el Banco de Mexico haya publicado una tasa sustituta y las Acreditantes y el Acreditado no llegan a un acuerdo respecto de la tasa sustituta dentro de dicho periodo, la tasa sustituta sera aquella tasa de mercado senalada por las Acreditantes que establezca un costo financiero similar al de la Tasa TIIE y que le notificaran al Acreditado a traves del Agente; y

(3) cualquier tasa sustituta determinada conforme a los incisos (1) y (2) anteriores dejara de ser aplicable a partir del Periodo de Intereses siguiente a la fecha en que el Banco de Mexico publique nuevamente la Tasa TIIE o la tasa que la sustituya.

5.03 Ilegalidad. No obstante cualquier otra disposicion en contrario en este Contrato, en caso de que en la fecha del presente o con posterioridad a la fecha de firma del presente, entrare en vigor o se modificare cualquier Norma Legal o se cambiare la interpretacion o modificacion de la misma, por alguna Autoridad Gubernamental y, como consecuencia de lo anterior, fuere ilegal que dicha Acreditante hiciere o mantuviere vigente su Credito, entonces notificara de inmediato al Acreditado (con copia para el Agente) que (a) el Credito de dicha Acreditante debera ser suspendido hasta en tanto pueda realizar y mantener Creditos bajo el presente y (b) si dicha Norma Legal asi lo ordena, los Creditos de dicha Acreditante tendran que ser pagados anticipadamente por el Acreditado, junto con los intereses devengados y no pagados y cualesquier otras cantidades pagaderas por el Acreditado conforme a este Contrato, en o antes de la fecha establecida por dicha Norma Legal; en el entendido, sin embargo que, si no es ilegal para dicha Acreditante mantener sus Creditos hasta el ultimo dia del Periodo de Intereses vigente, dicho pago se llevara a cabo en dicha fecha; en el entendido, ademas de que la Acreditante correspondiente usara sus mejores esfuerzos a su exclusiva discrecion y juicio, para evitar o minimizar el efecto de dicha Norma Legal, sin incurrir en costos importantes o gastos o consecuencias legales en su propio detrimento. En caso de que los efectos de dicha Norma Legal no puedan evitarse o minimizarse conforme a esta Clausula 5.03, el Acreditado podra, si no existe

y continua ningun Incumplimiento, a su exclusiva costa y esfuerzo, mediante notificacion a la Acreditante y al Agente, requerir a dicha Acreditante para que ceda y delegue (sujeto a las restricciones establecidas en la Clausula 12.06) todos sus derechos y obligaciones conforme al presente Contrato, a un cesionario que asuma dichas obligaciones (cuyo cesionario se convertira en otra Acreditante, si el cesionario acepta dicha cesion); en el entendido que (i) dicha cesion tendra que estar sujeta a la previa aprobacion del Agente, (ii) dicha Acreditante tendra que haber recibido el pago total de la cantidad insoluta de principal de sus Creditos, los intereses devengados y las comisiones debidas, asi como cualesquier otras cantidades pagaderas conforme a este Contrato, y (iii) se espere que dicha cesion resulte en una reduccion de dicha compensacion o pagos. Una Acreditante no sera requerida para que lleve a cabo dicha cesion y delegacion, si previo a dicha cesion, como resultado de una renuncia de dicha Acreditante, o de cualquier otra forma, las circunstancias que facultan al Acreditado para solicitar dicha cesion y delegacion dejaron de aplicar.

5.04 Cargos y Costos. (a) En caso de que se haga un pago anticipado en una Fecha de Pago de Intereses, el Acreditado no estara obligado a pagar comision o penalidad alguna. En caso de que se haga un pago anticipado en una fecha distinta a una Fecha de Pago de Intereses, el Acreditado pagara los cargos por rompimiento de fondeo a cada Acreditante, simultaneamente con el pago anticipado correspondiente, en el entendido que dicha Acreditante debera entregar al Acreditado un documento en el cual se describan razonablemente los calculos para obtener la cantidad total de dichos cargos.

(b) En el caso de que el Acreditado no realice cualquier pago anticipado que hubiere notificado al Agente en la fecha programada para el mismo, el Acreditado pagara a las Acreditantes, tan pronto como le sea solicitado, cualquier costo o gasto en que haya incurrido cualquier Acreditante en relacion con dicho pago anticipado, previa comprobacion por parte de la Acreditante respectiva.

5.05 Impuestos.

(a) Todos los pagos de principal e intereses, asi como de cualquier otra cantidad pagadera de conformidad con el presente Contrato y los Pagares, deberan hacerse libres de impuestos, conforme a la Clausula 4.01 (a).

(b) Los Obligados se obligan, conjunta o separadamente, a indemnizar a las Acreditantes por cualquier responsabilidad fiscal en la que pudieran incurrir en caso de que el Acreditado no pagare en forma correcta u oportuna cualesquier impuestos relacionados con cualquier pago realizado conforme al presente.

CLAUSULA SEXTA. CONDICIONES SUSPENSIVAS.

6.01 Condiciones Suspensivas. La obligacion de cada Acreditante de poner a disposicion del Acreditado los Creditos conforme al presente Contrato, y el derecho del Acreditado de realizar la Disposicion, estan sujetos a las siguientes condiciones suspensivas, en el entendido que si la Mayoria de las Acreditantes determinan, y notifican al Agente, que ha ocurrido un evento o circunstancia, desde el 31 de diciembre de 2001, que tenga un Efecto Significativo Adverso o (ii) que ha ocurrido un evento importante, desde el 31 de diciembre de 2001, en la situacion politica, economica o financiera de Mexico o de los Estados Unidos de America o en el mercado bancario o de valores en Mexico, las Acreditantes no tendran la obligacion de otorgar los Creditos. Las condiciones que a continuacion se enlistan tendran que ser satisfechas, a mas tardar el dia 5 de marzo de 2003:

(A) Que el Agente haya recibido los siguientes documentos, en forma y fondo razonablemente satisfactorios para el Agente:

(i) el presente Contrato, firmado por todas las partes del mismo;

(ii) evidencia de la creacion de la Cuenta de Reserva de Efectivo, en los terminos y condiciones establecidos en el Contrato de Credito en Dolares;

(iii) el Contrato entre Acreedores, firmado por todas las partes del mismo;

(iv) El Contrato de Comunicaciones, firmado por todas las partes del mismo;

(v) copias de cualesquier autorizaciones o consentimientos de cualquier Autoridad Gubernamental o de cualquier tercero que fueren necesarias en relacion con la firma y cumplimiento, por parte del Acreditado, las Obligadas Solidarias y las Fiadoras, del presente Contrato, los Pagares y los documentos relacionados con los mismos;

(vi) copias certificadas de las escrituras publicas que contengan (1) los estatutos sociales vigentes del Acreditado y de las Obligadas Solidarias que fueren de nacionalidad Mexicana, (2) las resoluciones corporativas del Acreditado y de las Obligadas Solidarias que fueren de nacionalidad Mexicana respecto de la celebracion del presente Contrato y los documentos relacionados y (3) las facultades legales de los apoderados del Acreditado y de las Obligadas Solidarias que fueren de nacionalidad Mexicana que suscriban el presente Contrato y los Pagares;

(vii) copias de los documentos en los que consten, respecto de las Obligadas Solidarias que tuvieren una nacionalidad distinta a la Mexicana, y las Fiadoras los estatutos o documentos similares, las resoluciones corporativas respecto de la celebracion del presente Contrato y las facultades de los apoderados de dichas Obligadas Solidarias y las Fiadoras;

(viii) copias de los estados financieros consolidados y auditados del Acreditado al 31 de diciembre de 2001; y de cualquier otra informacion

financiera que las Acreditantes soliciten en forma razonable;

(ix) opinion legal emitida por Cantu y Estrada Abogados, S.C., asesor legal externo del Acreditado (cuya opinion tambien se referira a las Obligadas Solidarias constituidas en Mexico) en terminos sustanciales del formato adjunto al presente Contrato como Anexo I;

(x) opinion legal emitida por Cravath, Swaine & Moore, asesor legal externo en Nueva York, de las Obligadas Solidarias constituidas de conformidad con las leyes de los Estados Unidos de America, en terminos sustanciales del formato adjunto al presente Contrato como Anexo J;

(xi) opinion legal de Ritch, Heather y Mueller, S.C., asesor legal externo del Agente, en terminos aceptables para el Agente;

(xii) opinion legal del asesor legal externo de las Obligadas Solidarias constituidas de conformidad con las leyes de Colombia, respecto a sus obligaciones contraidas conforme al presente Contrato, segun el Agente razonablemente lo requiera;

(xiii) opinion legal del asesor legal externo de las Obligadas Solidarias constituidas de conformidad con las leyes de Guatemala, respecto a sus obligaciones contraidas conforme al presente Contrato, segun el Agente razonablemente lo requiera;

(xiv) opinion legal del asesor legal externo de las Fiadoras, respecto a sus obligaciones contraidas conforme al presente Contrato, segun el Agente razonablemente lo requiera;

(xv) opinion legal del asesor legal externo de las Obligadas Solidarias constituidas de conformidad con las leyes de Wisconsin, respecto a sus obligaciones contraidas conforme al presente Contrato, segun el Agente razonablemente lo requiera;

(xvi) opinion legal emitida por Milbank, Tweed, Hadley & McCloy LLP, asesor legal externo en Nueva York, del Agente, en terminos substanciales del formato adjunto al presente Contrato como Anexo K;

(xvii) copias certificadas de (i) el Contrato de Licencia de Tecnologia y Asistencia Tecnica, de fecha 19 de diciembre de 2001, celebrado entre IP Vitro Vidrio y Cristal, Ltd., Vitrocar, S.A. de C.V., como Otorgantes y Distribuidora Nacional de Vidrio, S.A. de C.V, Vitro Vidrio y Cristal, S.A. de C.V. y Vitro Automotriz, S.A. de C.V., como Licenciatario y (ii) el Convenio Modificatorio al Contrato de Licencia de Tecnologia y Asistencia Tecnica, en forma y contenido satisfactorios para el Agente, en el que se evidencie la subordinacion de los derechos de IP Vitro Vidrio y Cristal, Ltd. para recibir regalias bajo dicho Contrato de Licencia.

(xviii) un certificado de cumplimiento pro forma en el que se establezca con razonable detalle que los calculos requeridos para determinar si el Acreditado cumplia con los requerimientos de la Clausula 9.01 (a), (b) y (c), al 31 de diciembre de 2002 y si los Creditos bajo el presente Contrato fueron reflejados sobre una base pro forma, en los estados financieros del Acreditado, para el ano fiscal terminado en dicha fecha.

(xix) cualquier otro documento que el Agente o cualquiera de las Acreditantes solicite de forma razonable respecto de este Contrato y las operaciones contempladas en el mismo o que el Acreditado o cualquiera de las Obligadas Solidarias o las Fiadoras entregue o este obligado a entregar conforme al Contrato de Credito en Dolares.

Asimismo,

(B) que el Acreditado entregue la Notificacion de Disposicion, suscrita por un Funcionario Responsable del Acreditado, conforme a lo senalado en la Clausula 2.02(a) y que contenga las siguientes declaraciones:

(i) no existe ningun Incumplimiento, ni resultara como consecuencia de la Disposicion; y

(ii) las declaraciones realizadas por los Obligados en el presente Contrato son correctas y ciertas en la fecha de la Notificacion de Disposicion, salvo cuando dichas Declaraciones hagan referencia a fecha especifica, en cuyo caso deberan de haber sido ciertas en la fecha especifica mencionada;

(C) que el Acreditado entregue en la Fecha de Disposicion a cada Acreditante (a traves del Agente), un Pagare por el importe de la Disposicion por el monto que corresponda a dicha Acreditante, legalmente suscrito por el Acreditado y por las

Obligadas Solidarias y las Fiadoras en su caracter de avalistas conforme a lo senalado en la Clausula 2.05; y

(D) que el Acreditado haya otorgado su autorizacion para deducir, del monto del Credito, los honorarios y gastos razonables y documentados incurridos por las Acreditantes y el Agente en relacion con la preparacion y firma de este Contrato, incluyendo, sin limitacion, los honorarios de los abogados mencionados en los incisos (xi) y (xvi) del parrafo (A) anterior, en el entendido que la factura relativa a dichos honorarios y gastos debera someterse con dos (2) Dias Habiles de anticipacion a la Fecha de Disposicion.

CLAUSULA SEPTIMA. OBLIGACION SOLIDARIA Y FIANZA.

7.01 Obligacion Solidaria. (a) En los terminos de los articulos 1987, 1988 y demas articulos aplicables del Codigo Civil Federal, asi como los articulos correlativos de los Codigos Civiles de otros Estados de la Republica Mexicana y del Distrito Federal, las Obligadas Solidarias asumen, solidariamente con el Acreditado, la obligacion de realizar todos y cualesquiera pagos de principal, intereses, comisiones y demas cantidades pagaderas conforme al presente Contrato y los Pagares, por lo que las Acreditantes podran exigir el pago de dichas cantidades indistintamente al Acreditado y/o a cualquiera de las Obligadas Solidarias en lo individual o en forma conjunta.

Ademas de la obligacion solidaria asumida en la presente Clausula, las Obligadas Solidarias se obligan a suscribir todos los Pagares que deban suscribirse conforme al presente Contrato con el caracter de avalistas.

Asimismo, en caso de que las Obligadas Solidarias realicen un pago por cuenta del Acreditado, se obligan a no repetir en contra del Acreditado y de la demas Obligadas Solidarias, segun sea el caso, sino hasta que las Acreditantes hayan recibido el pago de todas las cantidades que se les adeudaren conforme al presente Contrato y los Pagares.

(b) No obstante las disposiciones del presente Contrato, Vidrios Templados Colombianos, S.A. podra pagar cualquier cantidad que este obligada a pagar conforme al presente Contrato, en Pesos de la Republica de Colombia; en el entendido que Vidrios Templados Colombianos, S.A. usara sus mejores esfuerzos para obtener todas las licencias, permisos y aprobaciones de cualesquier Autoridad Gubernamental Colombiana, segun sea necesario, para estar en posibilidad de llevar a cabo el pago de dichas cantidades en Pesos y si obtiene dicha licencia, permiso o aprobacion,

proporcionara al Agente prueba de ello, en forma y contenido satisfactorios para el Agente.

7.02 Fianza. Para garantizar el pago puntual (sea al vencimiento programado o anticipado) de todos y cualesquiera pagos de principal, intereses, comisiones y demas cantidades pagaderas conforme al presente Contrato y los Pagares, las Fiadoras se constituyen en fiadoras del Acreditado de conformidad con los Articulos 2794, 2795 y demas aplicables del Codigo Civil Federal y los correlativos de los demas estados de la Republica.

(a) Las Fiadoras renuncian a los beneficios de orden, division y excusion

previstos en los Articulos 2814, 2815, 2818, 2820, 2822, 2823 y 2827 y demas aplicables del Codigo Civil para el Distrito Federal.

Esta fianza subsistira hasta que se haya pagado a las Acreditantes todo cuanto se les adeudare al amparo de este Contrato, incluyendo sus accesorios y demas consecuencias legales, aun cuando (i) las Fiadoras no puedan subrogarse en los derechos y privilegios de las Acreditantes por culpa o negligencia de estas; (ii) se conceda prorroga o espera al Acreditado sin consentimiento de las Fiadoras; (iii) las Acreditantes hagan quita al Acreditado y la obligacion principal quede sujeta a nuevos gravamenes o condiciones; (iv) las Acreditantes no requieran judicialmente al Acreditado por el incumplimiento de la obligacion principal dentro del mes siguiente a la expiracion del plazo, o al volverse exigible la deuda principal, las Fiadoras pidan a las Acreditantes que promuevan judicialmente dentro del plazo de un mes el cumplimiento de la obligacion y las Acreditantes no ejerciten sus derechos dentro del plazo mencionado, o si ya iniciado el juicio en uno u otro caso, dejare de promoverse sin causa justificada por mas de tres meses.

En caso de que las Fiadoras se subrogaren en los derechos de alguna de las Acreditantes en virtud de algun pago realizado conforme a la presente fianza, las Fiadoras convienen en no ejercitar sus derechos contra el Acreditado en tanto no se hubiere pagado a las Acreditantes todo cuanto se les adeudare conforme a este Contrato.

(b) No obstante lo dispuesto en contrario, en el presente Contrato, la responsabilidad de cada una de las Fiadoras al momento de pago, estara limitada a una cantidad que no excedera de la cantidad de las utilidades retenidas libremente distribuibles, de cada una de Tecnologia Vitro Vidrio y Cristal, Ltd. e IP Vitro Vidrio y Cristal Ltd., de conformidad con la legislacion Suiza.

(c) El Acreditado declara que derivado de diversas disposiciones contenidas en las leyes de Suiza (incluyendo la practica de las cortes y autoridades y la interpretacion de la ley por la doctrina), no es conveniente para las Acreditantes ni para las Fiadoras que las Fiadoras, actuen como obligadas solidarias conforme a este Contrato; no obstante, el Acreditado y las Fiadoras se obligan a que, en caso de que cualquiera de dichas disposiciones legales deje de estar en vigor, las Fiadoras realizaran todos los actos que sean necesarios para convertirse en obligadas solidarias conforme a este Contrato, siempre que no se cause ningun perjuicio a ninguna de las partes de este Contrato.

CLAUSULA OCTAVA. OBLIGACIONES DE HACER Y DE NO HACER.

Mientras cualquier cantidad pagadera bajo el presente Contrato y los Pagares, permanezca insoluta, el Acreditado se obliga a lo siguiente:

8.01 Conservacion de Existencia Corporativa; Libros y Registros y Derechos de Inspeccion. (a) El Acreditado conservara y mantendra, y hara que cada una de sus Subsidiarias conserven y mantengan, su existencia legal, derechos y licencias, que sean considerados relevantes para sus negocios. (b) El Acreditado mantendra en todos sus aspectos relevantes llevara, y hara que cada una de sus Subsidiarias mantenga en todos sus aspectos relevantes libros adecuados de registros y cuentas contables. (c) El Acreditado permitira, mediante aviso previo, que los representantes designados por escrito por el Agente o por cualquier Acreditante, inspeccionen y obtengan copias de los registros contables y los activos del Acreditado y discutan los negocios y operaciones con funcionarios del Acreditado, cuando el Agente y/o cualquiera de las Acreditantes lo solicite en forma razonable y sujeto, en todo caso, a mantener la informacion obtenida como informacion confidencial, durante dias y horas habiles, todo lo anterior a costa de las Acreditantes (salvo si hubiere ocurrido un Incumplimiento, en cuyo caso el Acreditado reembolsara los gastos y costos razonables y documentados en relacion con el ejercicio de dichos derechos de inspeccion). Nada de lo contenido en esta Clausula 8.01 limitara cualquier fusion, consolidacion o liquidacion permitidas de conformidad con la Clausula 8.08 o una Venta de Activos permitida conforme a la Clausula 8.13.

8.02 Cumplimiento con Leyes, Pago de Obligaciones, Mantenimiento de Activos y Seguros. El Acreditado cumplira, y hara que cada una de sus Subsidiarias, cumpla, con todas las Normas Legales (incluyendo Leyes

Ambientales) asi como con cualesquier ordenes, sentencias o requerimientos de cualquier Autoridad Gubernamental (incluyendo, sin limitacion, obligaciones relacionadas frente al IMSS, INFONAVIT y SAR) aplicables, salvo que el incumplimiento de las mismas no resulte en un Efecto Significativo Adverso. Asimismo, el Acreditado presentara, y hara

que cada una de sus Subsidiarias presente, de forma oportuna, todas sus declaraciones fiscales y pagara, y hara que sus Subsidiarias paguen, de manera oportuna, sus impuestos, salvo por aquellos impuestos que se esten impugnando por procedimientos de buena fe y respecto de los cuales se hayan creado reservas de conformidad con los PCGA. El Acreditado cumplira, y hara que cada una de sus Subsidiarias cumpla, con todas sus obligaciones (salvo por aquellas obligaciones que no tuvieren un Efecto Significativo Adverso). El Acreditado mantendra, y hara que sus Subsidiarias mantengan, todos los activos necesarios para el buen funcionamiento de su empresa en buen estado de funcionamiento, salvo por el deterioro derivado de su uso normal. El Acreditado mantendra, y hara que cada una de sus Subsidiarias mantenga, seguros con companias de seguros reconocidas, por las cantidades y por la cobertura de riesgos que normalmente contraten companias involucradas en negocios similares a los del Acreditado y sus Subsidiarias, en Mexico o en el lugar que operen si este fuese distinto.

8.03 Autorizaciones Gubernamentales. El Acreditado mantendra, y hara que cada una de sus Subsidiarias mantenga, en pleno vigor y efecto, todas las autorizaciones de, y registros ante, cualquier Autoridad Gubernamental que sean necesarios de conformidad con las leyes de Mexico (o las leyes que rijan su constitucion) para el cumplimiento de sus obligaciones de conformidad con este Contrato y para la validez o exigibilidad de este Contrato.

8.04 Estados Financieros, Etc. El Acreditado entregara al Agente (con una copia para cada Acreditante):

(a) tan pronto como sea posible, pero, en cualquier caso, dentro de los 120 (ciento veinte) dias naturales siguientes al cierre de cada ejercicio fiscal de cada Obligado, copias suficientes de los estados financieros auditados consolidados de cada Obligado correspondientes a dicho ejercicio fiscal, que incluyan el balance general, los estados de resultados, individuales y consolidados, de cambios en la situacion financiera y de variaciones en el capital contable de cada Obligado y de cada una de sus Subsidiarias consolidadas para dicho ejercicio fiscal, acompanados por (i) un dictamen emitido por la oficina de Mexico de Deloitte & Touche o por cualquier otro despacho de contadores publicos independientes de prestigio reconocido, en el caso del Acreditado y las Obligadas Solidarias de nacionalidad Mexicana y (ii) un dictamen emitido por un despacho de contadores publicos independientes de reconocido prestigio, en el caso de cualquier otro Obligado;

(b) tan pronto como sea posible, pero, en cualquier caso, dentro de los 60 (sesenta) dias naturales siguientes al cierre de los 3 (tres) primeros trimestres de cada ejercicio fiscal de cada Obligado y sus Subsidiarias consolidadas, los estados

financieros internos individuales y consolidados de cada Obligado y sus Subsidiarias consolidadas, que incluyan el balance general y los estados de resultados, de cambios en la situacion financiera y de variaciones en el capital contable correspondientes al periodo que inicia al termino del ejercicio fiscal inmediato anterior y que concluya al termino de dicho trimestre, certificados por cualquier Funcionario Responsable del Acreditado respecto a que fueron preparados de conformidad con los PCGA;

(c) simultaneamente con la entrega de la informacion financiera mencionada en el inciso (b) anterior y en cualquier momento en que razonablemente lo solicite el Agente, el Acreditado entregara un certificado emitido por un Funcionario Responsable, en el formato del Anexo L de este Contrato, (i) declarando que, a la fecha de dicho certificado, no ha ocurrido ningun Incumplimiento (o declarando, en el caso de que haya ocurrido un

Incumplimiento, las acciones que el Acreditado pretende tomar respecto a la misma) y (ii) en el caso del Acreditado, estableciendo razonable y detalladamente que los calculos requerido s para establecer si el Acreditado esta cumpliendo con los requerimientos de la Clausula 9.01 (a), (b) y (c) del presente Contrato en y a la fecha de dichos estados financieros;

(d) tan pronto como sea posible, cuando un Funcionario Responsable tenga conocimiento de cualquier Incumplimiento, entregara una declaracion de un Funcionario Responsable del Acreditado que senale los detalles de dicho Incumplimiento y los actos que ha realizado y propone realizar el Acreditado respecto de la misma;

(e) oportunamente, despues del inicio de cualquier litigio o procedimientos ante cualquier tribunal, Autoridad Gubernamental o panel arbitral que afecten al Acreditado o a cualquiera de sus Subsidiarias y que razonablemente se espere que pueda generar un Efecto Significativo Adverso; y

(f) de manera periodica, toda la informacion relacionada con la situacion financiera y negocios del Acreditado y sus Subsidiarias, que el Agente o cualquiera de las Acreditantes le solicite de manera razonable o que sea proporcionada al Agente Administrativo del Contrato de Credito en Dolares.

8.05 Preferencia en el Pago. El Acreditado realizara todos los actos necesarios para que, en todo momento, las obligaciones de pago del Acreditado y las obligaciones de las Obligadas Solidarias y las Fiadoras de conformidad con este Contrato y los Pagares tengan la misma preferencia de pago que la demas Deuda no subordinada y quirografaria del Acreditado y de las Obligadas Solidarias y de las Fiadoras.

8.06 Operaciones con Afiliadas. El Acreditado no celebrara, y hara que cada una de sus Subsidiarias se abstenga de celebrar directa o indirectamente, operaciones con Afiliadas, salvo por (i) operaciones con cualquiera de sus Afiliadas celebradas en el curso normal de sus actividades y en condiciones de mercado que sean razonables y no menos favorables para el Acreditado o para cualquiera de sus Subsidiarias, segun sea el caso, que los que obtendria en una operacion comparable en terminos comerciales con una persona que no sea su Afiliada, (ii) operaciones celebradas por los Obligados entre si y (iii) Pagos de Dividendos permitidos conforme a la Clausula 8.17 del presente.

8.07 Conduccion del Negocio. El Acreditado no cambiara en forma importante y hara que sus Subsidiarias no cambien en forma importante el tipo de actividades y negocios a los que actualmente se dedican y no cambiaran la naturaleza legal de su organizacion.

8.08 Fusiones, Etc.. El Acreditado no se fusionara, consolidara, liquidara ni se disolvera ni enajenara una parte importante de sus activos, en una operacion o serie de operaciones, ni permitira que sus Subsidiarias se fusionen, consoliden, liquiden o disuelvan ni enajenen una parte importante de sus activos, en una operacion o serie de operaciones, (salvo por ventas de inventarios a precios de mercado en el curso normal de sus actividades), en el entendido que (a) el Acreditado podra fusionarse o consolidarse con otra Persona si, como resultado de dicha fusion o consolidacion, (i) el Acreditado es la sociedad fusionante y (ii) no ocurre un Incumplimiento y continua conforme a este Contrato, (b) cualquier Obligada Solidaria o Fiadora podra fusionarse con otra Obligada Solidaria o Fiadora, (c) cualquier Subsidiaria del Acreditado que no sea un Obligado podra fusionarse o consolidarse con otra Persona si, como resultado de la fusion, no ocurre un Incumplimiento y continua conforme a este Contrato, (d) cualquier Subsidiaria del Acreditado que no sea una Obligada Solidaria o Fiadora se podra liquidar o disolver si el Acreditado determina de buena fe que dicha liquidacion o disolucion resulta ser conveniente para el Acreditado y no es desventajosa en forma importante para las Acreditantes y (e) cualquier Obligada Solidaria, Fiadora o Subsidiaria del Acreditado podra escindirse, siempre y cuando transmita sus activos y pasivos al Acreditado o a cualquiera de las Obligadas Solidarias o Fiadoras.

8.09 Pagos de Subsidiarias. El Acreditado no permitira que cualquiera de sus Subsidiarias celebre o asuma cualquier contrato o instrumento que le restrinja su capacidad de hacer Pagos de Dividendos, en el entendido que esta Clausula 8.09 no prohibira (i) restricciones comunes contenidas en contratos

de co-inversion (joint ventures) con respecto a cualquier Subsidiaria de Co-Inversion o (b) la prorroga, sustitucion o renovacion de cualquier restriccion contractual de esa naturaleza existente en la fecha de firma del presente en terminos sustancialmente similares.

8.10 Contratos de Cobertura. El Acreditado no celebrara, ni permitira que sus Subsidiarias celebren, Contratos de Cobertura, salvo por Contratos de Cobertura celebrados (i) en el curso normal de sus actividades para cubrir o mitigar riesgos a los cuales el Acreditado o cualquiera de sus Subsidiarias esten expuestos en el desarrollo de sus actividades o la administracion de sus pasivos y (ii) con fines distintos a los de especulacion.

8.11 Gravamenes. El Acreditado no constituira, asumira ni permitira que exista Gravamen alguno sobre cualquiera de sus bienes e impedira que sus Subsidiarias constituyan, asuman o permitan que exista Gravamen alguno sobre cualquiera de sus respectivos bienes, ya sea que actualmente sean de su propiedad o que se adquieran con posterioridad a esta fecha, salvo por el Gravamen creado por VVP Syndication, Inc. sobre la Cuenta de Reserva de Efectivo conforme a la Clausula 12 del Contrato de Credito en Dolares y por los siguientes Gravamenes:

(a) Gravamenes Permitidos;

(b) Gravamenes creados con anterioridad a la fecha del presente Contrato y que se describen en el Anexo D de este Contrato;

(c) Gravamenes sobre bienes del Acreditado o de cualquiera de sus Subsidiarias que garanticen Deuda del Acreditado o cualquiera de sus Subsidiarias incurrida con el proposito de financiar, parcial o totalmente (i) la adquisicion de materias primas, servicios y otros bienes, (incluyendo mediante creditos de habilitacion o avio), o (ii) la adquisicion, construccion o mejora de activos fijos u otros bienes (incluyendo mediante creditos refaccionarios), siempre y cuando el Gravamen se constituya simultaneamente con la adquisicion, construccion o mejora o dentro de los noventa (90) dias siguientes a la misma;

(d) Gravamenes sobre bienes que el Acreditado o cualquiera de sus Subsidiarias adquieran en el futuro, los cuales ya existian antes de la fecha de adquisicion de dichos activos (salvo si dichos Gravamenes se hubieran creado con motivo o como resultado de dicha adquisicion);

(e) Gravamenes sobre bienes de una sociedad que se fusione con cualquier Obligado (salvo si dichos Gravamenes se hubieran creado con motivo o como resultado de dicha fusion);

(f) Gravamenes sobre una cuenta que mantenga efectivo que garantice Deuda que se permita conforme a este Contrato, siempre y cuando el efectivo en dicha cuenta derive exclusivamente de dicho prestamo;

(g) Gravamenes sobre cuentas por cobrar resultantes de operaciones de factoraje financiero respecto a dichas cuentas por cobrar, permitidas por la Clausula 8.13 del presente Contrato; y

(h) Gravamenes (sobre activos distintos a acciones de dicha Persona) que no esten permitidos conforme a los parrafos anteriores, que garanticen cualesquier Deudas cuyo saldo principal insoluto en cualquier momento no exceda de EUA$35,000,000.

8.12 Ejercicio Social. El Acreditado no cambiara, ni permitira que cualquiera de sus Subsidiarias cambie, el 31 de diciembre como la fecha de terminacion de su ejercicio social.

8.13 Ventas de Activos; Inversiones en Subsidiarias que no son Obligadas Solidarias o Fiadoras. (a) Sin perjuicio de la limitacion contenida en el parrafo (b) siguiente, el Acreditado no realizara, directa o indirectamente, ni permitira que ninguna de sus Subsidiarias realice, directa o

indirectamente, cualquier Venta de Activos de bienes que tengan un valor de mercado superior a los EUA$150,000,000 (ciento cincuenta millones de Dolares), en el entendido que los fondos netos obtenidos de cualquier Venta de Activos permitida conforme a esta Clausula 8.13 seran aplicados a pagar Deuda de los Obligados y en el entendido, ademas, que esta Clausula 8.13 no aplicara a:

(i) ventas de inventarios en el curso normal de sus actividades a precios de mercado;

(ii) Ventas de Activos de cualquier Obligado o otro Obligado;

(iii) operaciones de factoraje financiero sobre cuentas por cobrar de conformidad con programas presentes o futuros por un monto de principal total que no exceda de EUA$75,000,000 (setenta y cinco millones de Dolares) o su equivalente en otras monedas;

(iv) enajenaciones de activos obsoletos o que, en su opinion razonable, no sean utiles en las operaciones del Acreditado o sus Subsidiarias, en el entendido que los fondos netos de cualquiera de dichas enajenaciones deberan ser reinvertidos en las operaciones del Acreditado o la Subsidiaria correspondiente o utilizados para pagar

Deuda del Acreditado o la Subsidiaria correspondiente dentro de los treinta (30) dias siguientes a dicha enajenacion; o

(v) cualesquier Operaciones de Venta y Arrendamiento en la medida en que cualquier Gravamen para garantizar las obligaciones conforme a cualquier Operacion de Venta y Arrendamiento pueda crearse de conformidad con la Clausula 8.11(h) de este Contrato.

(b) El Acreditado no realizara, ni permitira que sus Subsidiarias realicen, Inversiones en Subsidiarias que no son Obligadas Solidarias o Fiadoras, por montos totales superiores a EUA$50,000,000 (cincuenta millones de Dolares).

8.14 Destino de los Fondos. El Acreditado utilizara los recursos derivados de Creditos exclusivamente para (i) pagar Deuda, (ii) prestarlos con el fin de que ciertas de sus Subsidiarias paguen Deuda de los Obligados, y (iii) para pagar gastos y comisiones relacionados con el presente Contrato. Ninguna de las partes tendra responsabilidad alguna respecto al uso que se de a los recursos de los Creditos.

8.15 Contrato de Comunicaciones. El Acreditado cumplira, y hara que los Obligados cumplan, con el Contrato de Comunicaciones.

8.16 Pagos de Dividendos. El Acreditado no declarara ni realizara cualquier Pago de Dividendos si, al momento de dicha declaracion o pago, o como resultado de cualesquiera de los mismos, ha ocurrido u ocurre un Incumplimiento y continua.

8.17 Estados Financieros de las Obligadas Solidarias Norteamericanas. (a) Vitro America Inc. entregara al Agente, dentro de los sesenta (60) dias siguientes a la fecha en que se cumplan las condiciones establecidas en la Clausula Sexta de este Contrato, copias suficientes de los estados financieros auditados de cada Obligada Solidaria de nacionalidad Norteamericana al 31 de diciembre de 2002 y 31 de diciembre de 2001, conjuntamente con un dictamen sobre los mismos emitido por un despacho de contadores de reconocido prestigio internacional, y (b) Super Sky International, Inc. Super Sky Products, Inc y Super Sky Constructors, Inc. entregaran al Agente, dentro de los noventa (90) dias siguientes a la fecha en que se cumplan las condiciones establecidas en la Clausula Sexta de este Contrato, copias suficientes de sus estados financieros auditados al 31 de diciembre de 2002 y 31 de diciembre de 2001, conjuntamente con un dictamen sobre los mismos emitido por un despacho de contadores de reconocido prestigio internacional.

CLAUSULA NOVENA. OBLIGACIONES ADICIONALES DEL ACREDITADO.

9.01 Obligaciones Adicionales del Acreditado. Mientras cualquier cantidad pagadera bajo el presente Contrato y los Pagares permanezca insoluta, el Acreditado se obliga a lo siguiente:

(a) Capital Contable Consolidado.

(b) Razon de Cobertura de Intereses. .

(c) Razon de Deuda a UAFIRDA.

(d) Ciertas Obligaciones Respecto de Subsidiarias. En caso de que el Acreditado adquiera o constituya una nueva Subsidiaria, se obliga a tomar inmediatamente las acciones que sean necesarias para que dicha Subsidiaria se convierta en una "Obligada Solidaria" conforme a este Contrato y como avalista conforme a los Pagares, y a entregar cualesquier certificaciones u opiniones similares a las entregadas conforme a la Clausula 6.01 de este Contrato o documentacion que razonablemente solicite el Agente, en el entendido que este parrafo (d) no aplicara con respecto a Subsidiarias No Obligadas.

(e) Titularidad de Acciones. El Acreditado sera en todo momento, titular, directa o indirectamente, del 100% (cien por ciento) de las Acciones con Derecho de Voto de cada una de las Obligadas Solidarias y las Fiadoras.

CLAUSULA DECIMA. CAUSAS DE VENCIMIENTO ANTICIPADO.

10.01 Causas de Vencimiento Anticipado. A solicitud de la Mayoria de las Acreditantes, el Agente podra dar por vencido anticipadamente el plazo para el pago del importe insoluto de los Creditos y sus accesorios (obligandose el Acreditado, las Obligadas Solidarias y las Fiadoras, en tal caso, al pago del monto total insoluto de los Creditos, las accesorios), mediante declaracion por escrito entregada al Acreditado, a las Obligadas Solidarias y las Fiadoras, en cualquiera de los siguientes casos (cada uno de dichos eventos, una "Causa de Vencimiento Anticipado"), en el entendido que en el caso de las Causas de Vencimiento Anticipado senaladas en los parrafos (f) y (g) a continuacion, los Creditos y sus accesorios venceran anticipadamente de manera automatica sin necesidad de notificacion o accion alguna de ninguna parte y que, en todos los casos no habra necesidad de demanda, resolucion o diligencia judicial de cualquier naturaleza, a las cuales, el Acreditado, las Obligadas Solidarias y las Fiadoras renuncian expresamente:

(a) Si el Acreditado no realiza a su vencimiento cualquier pago de principal de cualquier Credito o cualquier pago anticipado de cualquier Credito, cuando sea requerido por el presente, o si no realiza cualquier pago de intereses, comisiones u otras cantidades pagaderas conforme al presente Contrato, cualquier Pagare o cualquier otro documento relacionado con los mismos conforme a cualquier Credito dentro de los 3 (tres) Dias Habiles siguientes a la fecha en que el pago debio realizarse; o

(b) Si cualquier declaracion o certificacion hecha, o que se considere hecha, por el Acreditado o las Obligadas Solidarias o las Fiadoras en el presente Contrato, o que este contenida en cualquier otro documento relacionado con el presente Contrato (o cualquier modificacion o suplemento de los mismos), o cualquier certificado proporcionado a cualquier parte, de conformidad con el presente Contrato, resulte ser incorrecta o falsa en cualquier aspecto importante, en la fecha en la cual fue hecha; o

(c) Si cualquier Obligado, o cualquiera de sus Subsidiarias incumple en el pago de principal o de intereses a su vencimiento (ya sea en la fecha programada de vencimiento, o de otra manera), respecto de cualquier Deuda, si dicha Deuda es equivalente, individualmente o en conjunto, a una suma principal de EUA.$10,000,000.00 (o su equivalente en otras monedas) o mas ("Deuda Relevante") o si incurre en incumplimiento o causa de vencimiento anticipado conforme a cualquier contrato o instrumento que documente o este relacionado con dicha Deuda Relevante, si el efecto de dicho incumplimiento o causa de vencimiento anticipado es acelerar el vencimiento respectivo o permitir al acreedor o acreedores de dicha Deuda Relevante o al agente que actue en su representacion, acelerar el vencimiento respectivo o requerir el

pago anticipado obligatorio o la amortizacion respectiva; o

(d) Si cualquiera del Acreditado, las Obligadas Solidarias o las Fiadoras: (i) incumple con cualquiera de sus obligaciones establecidas en las Clausulas 8.01(a) (con respecto a la conservacion y mantenimiento de la existencia corporativa del Acreditado, las Obligadas Solidarias y las Fiadoras), 8.03, 8.04, 8.05, 8.07, 8.08, 8.11, 8.13, 8.14, 8.16 o 8.17 y la Clausula Decima del presente Contrato; o (ii) si el Acreditado o cualquier Obligada Solidaria o Fiadora deja de cumplir con cualesquiera de sus demas obligaciones conforme al presente Contrato (distinta a las obligaciones establecidas en esta Clausula 10.01(a) y en el inciso (i) de este parrafo (d)) y dicho incumplimiento permanece sin ser subsanado por 30 (treinta) dias naturales a partir de la entrega al Acreditado, de la notificacion por escrito de dicho incumplimiento, realizada por el Agente o por cualquier Acreditante; o

(e) Si cualquier Obligado o cualquiera de sus Subsidiarias Relevantes admite por escrito su incapacidad, o no tiene la capacidad, para pagar sus deudas a su vencimiento; o

(f) Si cualquier Obligado o cualquiera de sus Subsidiarias Relevantes (i) solicita o consiente el nombramiento de un sindico, conciliador, liquidador o fiduciario respecto de todos o una parte importante de sus bienes, (ii) lleva a cabo una cesion general de sus bienes, en beneficio de sus acreedores, (iii) presenta una solicitud buscando obtener ventajas bajo cualquier ley relacionada con quiebra, insolvencia, concurso mercantil, reorganizacion, liquidacion, disolucion, reestructura de deudas o procedimiento similar o (iv) implementa cualquier accion corporativa para llevar a cabo cualesquiera de las acciones establecidas anteriormente; o

(g) Si se inicia un procedimiento en contra de cualquier Obligado, o cualquiera de sus Subsidiarias Relevantes relativo a (i) su reorganizacion, liquidacion, disolucion o cualquier procedimiento similar, (ii) el nombramiento de un custodio, liquidador, conciliador, sindico o fiduciario o funcionario similar respecto de todos o una parte importante de sus bienes o (ii) algun procedimiento similar bajo cualquier ley, relacionado con quiebra, concurso mercantil, insolvencia, reorganizacion o reestructuracion, y dicho procedimiento permanece vigente por un periodo de 90 (noventa) dias o si se dicta una sentencia de declaracion de quiebra o concurso mercantil conforme a la Ley de Concursos Mercantiles, respecto a cualquier Obligado o Subsidiaria Relevante; o

(h) Si se dicta cualquier sentencia o sentencias respecto del pago de dinero por un monto total que exceda individualmente o en conjunto, la cantidad de EUA$10,000,000 (diez millones de dolares de los Estados Unidos de America) o su equivalente en otras monedas, en contra de cualquier Obligado o cualquiera de sus Subsidiarias, y dicha sentencia o sentencias no son anuladas dentro de los 45 (cuarenta y cinco) dias naturales siguientes a la fecha en que fueren dictadas, salvo que sean adecuadamente garantizadas o esten siendo impugnadas de forma diligente mediante procedimientos apropiados, y en su caso, no se hayan embargado los activos respectivos; o si cualquier Obligado o cualquiera de sus Subsidiarias dejare de cumplir con sus obligaciones de pago de las cuotas del IMSS, INFONAVIT o SAR y dichos pagos exceden, individualmente o en conjunto, de EUA$10,000,000 (o su equivalente en otras monedas), salvo que dichas obligaciones de pago esten siendo apeladas de buena fe, conforme a procedimientos apropiados, cuyos procedimientos tengan como consecuencia el prevenir la perdida o venta de las bienes de dicho Obligado o Subsidiaria; o

(i) (w) Si cualquier Autoridad Gubernamental de Mexico impone cualquier restriccion para hacer pagos de Deuda denominada en Pesos, o (x) si cualquier Autoridad Gubernamental de Mexico nacionaliza, toma posesion, interviene o de cualquier otra forma expropia, todos o una parte importante de los bienes de cualquier Obligado (con o sin pago de indemnizacion), o (y) si una Autoridad Gubernamental de Mexico lleva a cabo acciones, incluyendo, sin limitacion a la declaracion de moratoria en pagos de cualquier Deuda, que tenga un efecto

adverso en (i) el pago de los Creditos o (ii) el calendario de pagos del Acreditado conforme al presente Contrato o los Pagares; o (z) si cualquier Obligado participa o lleva a cabo acciones para participar en cualquier credito relacionado con la reestructuracion de su Deuda Relevante o la modificacion de las divisas en las cuales se tiene que llevar a cabo el pago de sus obligaciones; o

(j) Si cualquier Obligado o cualquiera de sus Subsidiarias se fusiona, consolida, liquida, escinde o disuelve, o vende, transfiere o en cualquier otra forma dispone de (en una o en varias operaciones) todos o una parte importante de sus bienes, salvo por lo expresamente permitido conforme a las Clausulas 8.08 y 8.13 del presente Contrato; o

(k) Si el presente Contrato o cualquier Pagare son invalidos o si las obligaciones del Acreditado o de cualquiera de los Obligados conforme a dichos documentos se convierten en ilegales, o si la garantia constituida conforme a la Seccion 12 del Contrato de Credito en Dolares deja de ser una garantia en primer lugar y grado.

CLAUSULA DECIMA PRIMERA. EL AGENTE.

11.01 Agente; Mayorias. (a) Cada una de las Acreditantes en este acto nombra a Banco Nacional de Mexico, S.A., integrante del Grupo Financiero Banamex como el "Agente", autorizandolo para que actue en su nombre y por su cuenta de conformidad con este Contrato y, en los casos en que su actuacion no estuviere prevista en este Contrato, segun le instruyere expresamente y por escrito. No obstante lo anterior, el Agente no perdera su caracter de Acreditante en terminos de este Contrato y tendra el derecho de actuar como cualquier otro Acreditante.

(b) Salvo por lo establecido en la Clausula 12.04, cualquier decision que las Acreditantes deban tomar como grupo en terminos de este Contrato (incluyendo, de manera enunciativa mas no limitativa, la declaracion del vencimiento anticipado de los Creditos conforme a la Clausula Decima), debera tomarse por la Mayoria de las Acreditantes.

(c) El Agente quedara exonerado de cualquier responsabilidad, si actuare en los terminos de este Contrato o siguiendo las instrucciones escritas de los Acreditantes. El Agente no tendra la obligacion de supervisar la actuacion de los Obligados ni de verificar, estudiar o revisar cualquier comunicacion que reciba de los Obligados, o de un tercero en relacion con este Contrato.

(d) Las Acreditantes convienen en indemnizar y sacar en paz y a salvo, en funcion de su porcentaje de participacion en los Creditos (excluyendo el Credito otorgado por el Agente), al Agente por cualquier dano o perjuicio que sufriere el Agente en relacion con actos u omisiones tomados al amparo del presente Contrato, salvo que tales danos o perjuicios fueren el resultado de la culpa grave, dolo o mala fe del Agente.

(e) El Agente puede renunciar a su cargo en cualquier momento, mediante notificacion al respecto a las Acreditantes y al Acreditado y el Agente puede ser removido de su cargo, en cualquier momento, con o sin causa, por la Mayoria de las Acreditantes. Si el Agente renuncia o es removido, la Mayoria de las Acreditantes tendran derecho a designar a un Agente sucesor, el cual debera ser una Acreditante. Si no se ha nombrado un Agente sucesor por la Mayoria de las Acreditantes y han transcurrido treinta (30) dias despues de la notificacion del Agente de su renuncia o de la remocion del Agente por la Mayoria de las Acreditantes, la renuncia del Agente sera valida y (1) el Agente sera liberado de sus responsabilidades y obligaciones conforme al presente y al Contrato entre Acreedores y (2) la Mayoria de las Acreditantes cumpliran con las responsabilidades del Agente (y todos los pagos y comunicaciones que se disponga que sean realizados por o a traves del Agente, tendran que ser realizados mediante o por cada Acreditante, directamente) hasta que la Mayoria de las Acreditantes designe a un agente sucesor, segun se establecio anteriormente. Una vez aceptada la designacion como Agente por un Agente sucesor, dicho Agente sucesor tendra todos los derechos, poderes, privilegios, y responsabilidades del Agente saliente y el Agente saliente sera liberados de sus responsabilidades y obligaciones bajo el Contrato de Control de Cuenta, excepto en la medida que dicha responsabilidad resulte de actuaciones previas. No obstante lo anterior, la remocion del Agente sera

valida hasta que todas las cantidades insolutas y debidas a ese momento, sean pagadas en su totalidad al Agente saliente. Despues de la renuncia o remocion de un Agente, las disposiciones de esta Clausula 11 continuaran en vigor para su beneficio, respecto a cualesquier acciones tomadas u omitidas mientras el Agente saliente estaba actuando como Agente.

(f) El Acreditado pagara al Agente los honorarios que hubieren convenido ambas partes en documento por separado.

(g) Siempre y cuando se haya declarado una Causa de Vencimiento Anticipado conforme a las reglas previstas en el inciso (b) anterior, las Acreditantes aceptan que cualquier accion que se llegue a promover por las Acreditantes en contra del Acreditado o de las Obligadas Solidarias o de las Fiadoras derivadas del incumplimiento de sus obligaciones al amparo del presente Contrato o los Pagares, se promoveran de manera individual por cada una de ellas salvo que la totalidad de las Acreditantes acuerden lo contrario, en el entendido que ninguna Acreditante asumira responsabilidad alguna con relacion a las acciones llevadas a cabo por los demas Acreditantes en lo individual.

(h) No se considerara que el Agente tiene conocimiento o noticia de un Incumplimiento (distinto a la falta de pago de principal o de intereses de los Creditos), a menos que el Agente haya recibido una notificacion de una Acreditante o del Acreditado especificando dicho Incumplimiento y estableciendo que dicha notificacion es una "Notificacion de Incumplimiento". En caso de que el Agente reciba una Notificacion de Incumplimiento, el Agente notificara de inmediato a las Acreditantes y al Agente de Garantias. El Agente (sujeto a la Clausula 11.07 del presente) llevara a cabo las acciones pertinentes con respecto a dicho Incumplimiento, segun sea instruido por la Mayoria de las Acreditantes, en el entendido que, a menos que el Agente haya recibido dichas instrucciones, el Agente podra (pero no estara obligado a) tomar dichas acciones o a abstenerse de tomarlas, con respecto a dicho Incumplimiento si lo considera aconsejable para salvaguardar los derechos de las Acreditantes, excepto en la medida que este Contrato expresamente requiera que se lleve a cabo o se abstenga de llevar a cabo acciones unicamente con el consentimiento o con la previa autorizacion de la Mayoria de las Acreditantes.

(i) Cada Acreditante ha realizado su propio analisis crediticio del Acreditado, las Obligadas Solidarias y las Fiadoras y se baso en la documentacion e informacion que considero apropiada, sin depender del analisis del Agente o de los Estructuradores Lideres Conjuntos o de cualquier otra Acreditante y decidio celebrar el presente Contrato, independientemente de, y sin respaldarse en, el Agente u otra Acreditante y basandose en los documentos e informacion que considero apropiados y continuara haciendo su propio analisis y decisiones para llevar a cabo, o no, acciones conforme a este Contrato, los Pagares, o cualquier otro documento relacionado con los Creditos. El Agente no tendra el derecho ni la obligacion de obtener informacion respecto del cumplimento de las obligaciones del Acreditado y las Obligadas Solidarias conforme al presente Contrato, los Pagares o cualquier otro documento a que se hace referencia en ellos, o de inspeccionar los bienes o libros del Acreditado, las Obligadas Solidarias o de las Fiadoras, de manera distinta a la prevista en el presente Contrato. Salvo por notificaciones, reportes y otros documentos e informacion que deben ser proporcionados por el Agente a las Acreditantes conforme a este Contrato, el Agente

no tendra obligacion o responsabilidad alguna de proporcionar a las Acreditantes, informacion de credito o de cualquier tipo, relacionada con los asuntos, condicion financiera o negocios del Acreditado, de cualquiera de las Obligadas Solidarias o de las Fiadoras que el Agente tenga en su poder.

(j) Salvo por los actos expresamente contemplados en el presente Contrato o en cualquier otro documento relacionado con el mismo, que deben ser llevados a cabo por el Agente, en todos los demas casos, el Agente estara absolutamente justificado para abstenerse de actuar, a menos que tenga la seguridad de que las obligaciones de indemnizar de las Acreditantes conforme a la Clausula

11.01(d) seran cumplidas a su satisfaccion, respecto de cualesquier responsabilidades y gastos en los que el Agente pueda incurrir como consecuencia de dicha accion. Ninguna disposicion de este Contrato obligara al Agente a utilizar sus recursos o a incurrir en responsabilidades en virtud del ejercicio de sus funciones conforme al presente Contrato.

CLAUSULA DECIMA SEGUNDA. MISCELANEOS.

12.01 Renuncias. Si cualquier Acreditante, o las Acreditantes como grupo, no ejercieren o se demoraran en el ejercicio de cualquier derecho o privilegio conforme a los Pagares o el presente Contrato, no debera considerarse, por ese hecho, que la Acreditante, las Acreditantes o el Agente, segun sea el caso, han renunciado al ejercicio de sus derechos. Asimismo, cualquier ejercicio total o parcial de cualquier derecho o privilegio conforme a los Pagares o el presente Contrato no impedira cualquier futuro ejercicio de estos o el ejercicio de cualquier otro derecho o privilegio. Los recursos establecidos en el presente Contrato, no excluyen las disposiciones presentes o futuras de la legislacion aplicable.

12.02 Notificaciones. (a) Para efectos del presente Contrato, cada parte senala como su domicilio para recibir notificaciones el siguiente:

El Agente:

Direccion:

Av. Roble No. 701
Edificio Quimmco, Piso 5
Col. Valle del Campestre
Garza Garcia, N.L.
Mexico, CP 66260
Att: Jesus Servando Cantu
Tel: (81) 1226 8505
Fax: (81) 1226 8560

El Acreditado:

Direccion:

Av. Ricardo Margain Zozaya No. 444
Col. Valle del Campestre
Garza Garcia, Nuevo Leon
Mexico C 66265
Atn. Director General Juridico
Tel.: (81) 8863 1262
Fax: (81) 8863 1372

Las Obligadas Solidarias:

Direccion:

Av. Ricardo Margain Zozaya No. 444
Col. Valle del Campestre
Garza Garcia, Nuevo Leon
Mexico C 66265
Atn. Vitro Plan, S.A. de C.V. / Director General Juridico
Tel.: (81) 8863 1262
Fax: (81) 8863 1372

Las Fiadoras:

Direccion:

Av. Ricardo Margain Zozaya No. 444

Col. Valle del Campestre
Garza Garcia, Nuevo Leon
Mexico C 66265
Atn. Vitro Plan, S.A. de C.V. / Director General Juridico
Tel.: (81) 8863 1262
Fax: (81) 8863 1372

Las Acreditantes:

La direccion indicada en las paginas de firma de este Contrato.

(b) Todos los avisos y notificaciones que se realicen al amparo del presente Contrato se enviaran por escrito y surtiran efectos en el momento en que las mismas sean entregadas al destinatario, y, en el caso de notificaciones por facsimil, al momento en que las mismas se transmitan y se obtenga confirmacion de transmision.

(c) Mientras no se notifique por escrito un cambio de domicilio, los avisos, notificaciones y demas diligencias judiciales y extrajudiciales que se hagan en los domicilios indicados, surtiran plenamente sus efectos. Cualesquiera notificaciones a las Obligadas Solidarias y a las Fiadoras se podran entregar al Acreditado y surtiran plenamente sus efectos.

12.03 Gastos e Indemnizacion, Etc. (a) El Acreditado pagara al Agente y a las Acreditantes, cualquier costo o gasto razonable y debidamente documentado, incluyendo costos y gastos de abogados externos del Agente y de las Acreditantes, en que incurran por la preparacion y celebracion de este Contrato, cualquier Pagare o cualquier otro contrato o documento que se celebre o suscriba conforme al presente. El Acreditado otorga su autorizacion para deducir, del monto del Credito, cualesquier gastos y honorarios razonables y documentados de abogados, en que se incurran por cualquier modificacion al presente Contrato, cualquier Pagare o cualquier otro contrato o documento que se celebre conforme al presente, asi como cualquier costo o

gasto razonable y debidamente justificado, si los hubiere, en relacion con el cumplimiento o a la ejecucion del presente Contrato y los Pagares, salvo que se establezca lo contrario en el presente Contrato.

(b) El Acreditado conviene en indemnizar a las Acreditantes y al Agente y a sus respectivos consejeros, funcionarios, empleados, abogados y agentes y sacarlos en paz y a salvo de cualesquier perdidas, responsabilidades, reclamaciones, danos o gastos incurridos por ellos, que resulten de cualquier litigio o procedimiento (incluyendo amenazas de litigios o procesos) relacionados con los Creditos o con el destino de los fondos por parte del Acreditado, incluyendo, pero sin limitarse a, honorarios y gastos de abogados, incurridos en relacion con dicho litigio o proceso (pero excluyendo cualesquier perdidas, responsabilidades, reclamaciones danos o gastos derivados exclusivamente de la culpa grave o negligencia de la Persona con derecho a ser indemnizada, segun se determine por sentencia firme dictada por un tribunal competente).

12.04 Modificaciones, Etc. Cualquier modificacion al presente Contrato, los Pagares o cualquier otro documento relacionado con el presente, unicamente se considerara valida si la misma fuere hecha por escrito firmado por las Acreditantes, el Acreditado, las Obligadas Solidarias y las Fiadoras.

Cualquier modificacion al presente Contrato, los Pagares o cualquier otro documento relacionado con el presente debera ser autorizada por la Mayoria de las Acreditantes, salvo que dicha modificacion sea con relacion a alguno de los aspectos siguientes, en cuyo caso dicha modificacion debera ser autorizada por las Acreditantes que representen el 100% (cien por ciento) de los Creditos insolutos:

(i) la modificacion del monto total de los Creditos;

(ii) la modificacion de las Fechas de Pago de Intereses, las Fechas de Pago de Principal o la Fecha de Vencimiento o la fecha de pago de cualquier otra cantidad pagadera conforme a este Contrato;

(iii) la reduccion en el monto insoluto de los Creditos, o de cualquier otra manera reducir las cantidades pagaderas por el Acreditado conforme al presente Contrato y los Pagares;

(iv) la reduccion de la tasa de interes sobre el monto principal de los Creditos;

(v) la modificacion del Anexo A o de la participacion de cada una de las Acreditantes en los Creditos y del derecho de cada uno de dichos Acreditantes a recibir

los pagos proporcionales que le corresponden conforme al presente Contrato y los Pagares;

(vi) la modificacion del inciso (b) de la Clausula 12 del Contrato de Credito en Dolares y esta Clausula 12.04; y

(vii) la modificacion a las disposiciones de la Clausula 6.01 del presente Contrato o la renuncia a cualquier condicion suspensiva establecida en dicha Clausula.

Cualquier modificacion al presente Contrato, los Pagares o cualquier otro documento relacionado con el presente con relacion a las obligaciones, responsabilidades o facultades del Agente, deberan ser autorizadas por el Agente.

12.05 Sucesores y Cesionarios. Este Contrato sera obligatorio y vinculara a las partes del presente y a sus respectivos sucesores y cesionarios permitidos.

12.06 Cesiones y Participaciones.

(a) Cada Acreditante queda facultada para ceder, participar o en cualquier otra forma negociar, aun antes del vencimiento de este Contrato o de cualquier Pagare, los Creditos otorgados al amparo del presente Contrato y de cualquier Pagare, previo aviso por escrito al Acreditado, a las Obligadas Solidarias y a las Fiadoras. Para efectos de lo establecido en esta Clausula, el cesionario, participante o adquirente tendra que ser una institucion de credito mexicana residente en Mexico para efectos fiscales (mas no un establecimiento en el extranjero de instituciones de credito mexicanas).

(b) Cualquier cesion parcial (distinta a una cesion a favor de otra Acreditante) debera realizarse por una cantidad minima de $20,000,000 (veinte millones de Pesos) y, por encima de dicha cantidad, en multiplos de $10,000,000 (diez millones de Pesos).

(c) El Acreditado se obliga, a solicitud de la Acreditante que corresponda, a sustituir cualquier Pagare emitido conforme al presente Contrato, en caso de que dicha Acreditante asi lo requiera con motivo de cesiones o participaciones hechas conforme a la presente Clausula. No obstante lo anterior, el Acreditado no tendra obligacion de realizar dicha sustitucion si no es contra la entrega del Pagare a ser sustituido o mediante una resolucion de autoridad competente.

(d) Dichas cesiones o participaciones no constituiran novacion alguna de los Creditos. A partir de cualquiera de dichas cesiones o negociaciones, el cesionario o participante autorizado sera considerado como una "Acreditante" para efectos de este Contrato y la documentacion relacionada.

(e) Si cualquier Acreditante hiciere, o tuviere la intencion de hacer, una cesion, participacion o descuento parcial o total de la porcion que le corresponda del Credito, en los terminos de la presente Clausula, dicho Acreditante podra pedir, y el Acreditado estara obligado, a su costo, a intercambiar el Pagare suscrito y entregado, por uno o varios nuevos Pagares por montos de principal menores pero que, en conjunto, sean por un monto de

principal igual al monto principal insoluto del Pagare intercambiado; en el entendido que los costos y gastos legales de cualquier cesionario, participante o adquirente relacionados con dicha cesion, participacion o negociacion seran responsabilidad de dicho cesionario, participante o adquirente. No obstante lo anterior, el Acreditado no tendra obligacion de realizar dicha sustitucion si no es contra la entrega del Pagare a ser intercambiado o mediante una resolucion de autoridad competente.

(f) Ni el Acreditado, ni las Obligadas Solidarias, ni las Fiadoras podran ceder sus derechos ni sus obligaciones al amparo de este Contrato o los Pagares, salvo con el consentimiento previo y por escrito de todas las Acreditantes.

(g) Ninguno de las Acreditantes podra transferir, o de otra forma negociar los Creditos o los Pagares, en forma distinta a lo que expresamente se establece en este Contrato.

12.07 Supervivencia de las Obligaciones. Las obligaciones del Acreditado de conformidad con las Clausulas 5.01, 5.04, 5.05 y 12.03 (sujeto a las limitaciones establecidas en la Clausula 12.03(b)) del presente y las obligaciones de las Acreditantes conforme a la Clausula 11.01(d) del presente Contrato, continuaran en vigor aun despues del pago de los Creditos y, en el caso de que cualquier Acreditante ceda sus derechos de conformidad con el presente Contrato, continuaran en vigor despues de dicha cesion, en el caso de que cualquier evento o circunstancia que ocurra antes de la fecha efectiva de dicha cesion, no obstante que dicha Acreditante que deje de ser una "Acreditante" de conformidad con el presente Contrato. Ademas, cada declaracion realizada en este Contrato o en cualquier documento relacionado con el mismo, continuara vigente despues de que se haga.

12.08 Encabezados. Los encabezados de cada una de las Clausulas del presente Contrato son unicamente para fines de referencia y no afectaran la interpretacion del mismo.

12.09 Ejemplares. El presente Contrato sera firmado en 12 (doce) ejemplares y todos en su conjunto se consideraran como un solo contrato. Un ejemplar de copias firmadas por cada una de las partes sera entregada al Acreditado y al Agente.

12.10 Legislacion Aplicable. Este Contrato sera regido por, e interpretado de conformidad con, las leyes de Mexico.

12.11 Jurisdiccion y Competencia. Para todo lo relativo a la interpretacion y cumplimiento de las obligaciones derivadas de este Contrato y los Pagares, las partes se someten a la jurisdiccion y competencia de los tribunales ubicados en el Distrito Federal, renunciando a cualquier otro fuero que, por domicilio presente o futuro, o por cualquier otra causa, les pudiera corresponder.

12.12 Obligatoriedad. En caso de que cualquier disposicion del presente sea declarada nula por cualquier tribunal competente, las partes acuerdan que dicha invalidez no afectara la validez y exigibilidad de las demas disposiciones del presente Contrato.

12.13 Informacion Crediticia. (a) Con el objeto de dar cumplimiento a lo que dispone la Ley para Regular las Sociedades de Informacion Crediticia, el Acreditado en esta misma fecha entrega al Agente una carta de autorizacion debidamente firmada por su(s) apoderado(s), la cual se adjunta al presente como Anexo M, con el objeto de que el Agente este autorizado para realizar consultas periodicas a las sociedades de informacion crediticia respecto del historial crediticio del Acreditado, asi como para que este facultado para proporcionar a dichas sociedades de informacion crediticia informacion sobre el Acreditado.

(b) Ademas de las personas y autoridades a que hacen referencia los Articulos 93 y 117 de la Ley de Instituciones de Credito, el Acreditado, las Obligadas Solidarias y las Fiadoras autorizan a las Acreditantes para que divulguen la informacion que se derive de las operaciones a que hace referencia este Contrato a (i) las demas entidades financieras integrantes del grupo financiero al que cada uno pertenezca (en la medida permitida por la Ley

de Instituciones de Credito), a la casa matriz, directa o indirectamente, de la Acreditante que corresponda, (ii) las autoridades regulatorias de la casa matriz de la Acreditante que corresponda, (iii) Banco de Mexico, (iv) las demas personas con las que contrate la Acreditante que corresponda, especialmente conforme a la Clausula Decima Quinta y (v) las personas que convengan las partes.

12.14 Titulo Ejecutivo. Este Contrato, junto con el estado de cuenta certificado por el contador de cada Acreditante, constituyen titulo ejecutivo en terminos del articulo 68 de la Ley de Instituciones de Credito.

12.15 Anexos. Las partes convienen que los anexos referidos en este Contrato forman parte integrante de este Contrato.

12.16 Compensacion. En el supuesto de que en cualquier fecha en que el Acreditado, las Obligadas Solidarias o las Fiadoras deban pagar a las Acreditantes cualquier cantidad conforme a este instrumento y el Acreditado, las Obligadas Solidarias o las Fiadoras incumplieren con esta obligacion de pago, estos ultimos, en la medida permitida por la ley, autorizan y facultan irrevocablemente a las Acreditantes a (i) cargar a cualquier cuenta que el Acreditado, las Obligadas Solidarias o las Fiadoras mantengan con las Acreditantes, incluyendo, sin limitar, depositos y/o cuentas a la vista, de ahorro, a plazo, provisionales o definitivas, cuentas de inversion cualesquiera que estas sean, incluyendo especialmente las cantidades que la division fiduciaria de las Acreditantes mantenga a favor del Acreditado, las Obligadas Solidarias o las Fiadoras conforme a cualquier contrato de inversion, y (ii) compensar cualquier adeudo que las Acreditantes puedan tener en su favor y a cargo del Acreditado, las Obligadas Solidarias o las Fiadoras por cualquier concepto, precisamente hasta una cantidad de igual monto de la cantidad no pagada a las Acreditantes, sin necesidad de requerimiento, aviso o demanda alguna.

Las Acreditantes notificaran al Acreditado, a las Obligadas Solidarias y a las Fiadoras, segun sea el caso, tan pronto como le sea posible, de cualquier cargo o compensacion que hayan efectuado conforme a lo permitido en esta Clausula en el entendido de que la falta de dicha notificacion no afectara en forma alguna la validez de dicho cargo o compensacion. El derecho de las Acreditantes conforme a esta Clausula es adicional a cualquier otro derecho (incluyendo otros derechos de compensacion) que las Acreditantes puedan tener.

Las Acreditantes aceptan que en el caso de que cualquiera de ellas realice un cargo o compensacion conforme a lo previsto en esta Clausula, la Acreditante que haya realizado dicho cargo o compensacion distribuira a cada una de las demas Acreditantes, una parte de los recursos que se hayan tomado por dicha Acreditante equivalente a la participacion de cada Acreditante en los Creditos, calculada conforme al Anexo A.

[EL RESTO DE ESTA PAGINA SE DEJA INTENCIONALMENTE EN BLANCO]

[PAGINA DE FIRMAS EN LA SIGUIENTE HOJA]

EN VIRTUD DE LO ANTERIOR, las partes del presente firman este Contrato el 26 de febrero de 2003, en la Ciudad de Mexico, Distrito Federal.

ACREDITADO

VITRO PLAN, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

OBLIGADAS SOLIDARIAS

AUTOCRISTALES DE ORIENTE, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

CRISTALES INASTILLABLES, S.A. de C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

DISTRIBUIDOR VIDRIERO LAN, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

DISTRIBUIDORA DE VIDRIO DE MEXICO, S.A. de C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

DISTRIBUIDORA DE VIDRIO Y CRISTAL, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

DISTRIBUIDORA NACIONAL DE VIDRIO, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VITRO AUTOMOTRIZ, S.A. DE C.V.

Por: ----------
Nombre: ----------
Cargo: ----------

Por: ----------
Nombre: ----------
Cargo: ----------

VITROCAR, S.A. DE C.V.

Por: ----------
Nombre: ----------
Cargo: ----------

VIDRIO PLANO DE MEXICO, S.A. DE C.V.

Por: ----------
Nombre: ----------
Cargo: ----------

Por: ----------
Nombre: ----------
Cargo: ----------

VIDRIO PLANO, S.A. DE C.V.

Por: ----------
Nombre: ----------
Cargo: ----------

Por:

Nombre:

Cargo:

VITRO FLOTADO Y CUBIERTAS, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VITRO VIDRIO Y CRISTAL, S.A. DE C.V.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VITRO AMERICA, INC.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VVP AUTO GLASS, INC.,

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VVP HOLDING CORP.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

CRISTALES CENTROAMERICANOS, S.A.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VIDRIOS TEMPLADOS COLOMBIANOS, S.A.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

VVP SYNDICATION, INC.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

SUPER SKY INTERNATIONAL, INC.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

SUPER SKY PRODUCTS, INC.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

SUPER SKY CONSTRUCTORS, INC.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

LAS FIADORAS

TECNOLOGIA VITRO VIDRIO Y CRISTAL, LTD.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

IP VITRO VIDRIO Y CRISTAL, LTD.

Por:

Nombre:

Cargo:

Por:

Nombre:

Cargo:

AGENTE

Banco Nacional de Mexico, S.A.,
Integrante del Grupo Financiero Banamex
como Agente

Por: _____
Nombre:
Cargo:

Por: _____
Nombre:
Cargo:

Direccion:

Av. Roble No. 701
Edificio Quimmco, Piso 5
Col. Valle del Campestre
Garza Garcia,
N.L. Mexico, CP
66260 Att: Jesus
Servando Cantu
Tel: (81) 1226 8505
Fax: (81) 1226 8560

ACREDITANTES

BANCO NACIONAL DE MEXICO, S.A.,
Integrante del Grupo Financiero Banamex

Por: _____
Nombre:
Cargo:

Por: _____
Nombre:
Cargo:

Direccion:

Av. Roble No. 701
Edificio Quimmco,
Piso 5 Col. Valle
del Campestre
Garza Garcia,
N.L. Mexico, CP
66260 Att: Jesus
Servando Cantu
Tel: (81) 1226
8505 Fax: (81)
1226 8560

COMERICA BANK MEXICO, S.A.,

Por

Nombre:
Cargo:

Direccion:

Andres Bello No. 10
Piso 17
Col. Chapultepec, Polanco
Mexico, D.F.
CP 11560
Att: Augusto de Oliveira
Tel: (81) 1226 8505
Fax: (81) 1226 8560

BANCO NACIONAL DE COMERCIO
EXTERIOR, S.N.C.

Por

Nombre:
Cargo:

Unofficial translation to English
By: T. Cantu Gzz

LOAN AGREEMENT ("Contrato de Apertura de Credito Simple") (the "Agreement") dated as of February 26, 2003, among:

(1) VITRO PLAN, S.A. de C.V. ("Vitro Plan" or the "Borrower"), a corporation organized under the laws of the United States of Mexico ("Mexico"); as Borrower;

(2) AUTOCRISTALES DE ORIENTE, S.A. de C.V., a corporation organized under the laws of Mexico,

CRISTALES INASTILLABLES DE MEXICO, S.A. de C.V., a corporation organized under the laws of Mexico,

DISTRIBUIDOR VIDRIERO LAN, S.A. de C.V., a corporation organized under the laws of Mexico,

DISTRIBUIDORA DE VIDRIO DE MEXICO, S.A. de C.V., a corporation organized under the laws of Mexico,

DISTRIBUIDORA DE VIDRIO Y CRISTAL, S.A. de C.V., a corporation organized under the laws of Mexico,

DISTRIBUIDORA NACIONAL DE VIDRIO, S.A. de C.V., a corporation organized under the laws of Mexico,

VITRO AUTOMOTRIZ, S.A. de C.V., a corporation organized under the laws of Mexico,

VITROCAR, S.A. de C.V., a corporation organized under the laws of Mexico,

VIDRIO PLANO DE MEXICO, S.A. de C.V., a corporation organized under the laws of Mexico,

VIDRIO PLANO, S.A. de C.V., a corporation organized under the laws of Mexico,

VITRO FLOTADO CUBIERTAS, S.A. de C.V., a corporation organized under the laws of Mexico,

VITRO VIDRIO Y CRISTAL, S.A. de C.V., a corporation organized under the laws of Mexico,

VITRO AMERICA, INC., a corporation organized under the laws of the United States of America,

VVP AUTO GLASS, INC, a corporation organized under the laws of the United States of America,

VVP HOLDING CORP., a corporation organized under the laws of the United States of America,

CRISTALES CENTROAMERICANOS, S.A., a corporation organized under the laws of Guatemala,

VIDRIOS TEMPLADOS COLOMBIANOS, S.A., a corporation organized under the laws of Colombia,

VVP SYNDICATION, INC., a corporation organized under the laws of the United States of America,

SUPER SKY INTERNATIONAL, INC., a corporation organized under the laws of the United States of America,

SUPER SKY PRODUCTS, INC., a corporation organized under the laws of the United States of America,

SUPER SKY CONSTRUCTORS, INC., a corporation organized under the laws of the United States of America,

each of them a Subsidiary of Vitro Plan, and any Subsidiary of Vitro Plan that becomes a "Guarantor" after the date hereof, pursuant to Section Seven hereof (together, the "Guarantors");

(3) IP VITRO VIDRIO Y CRISTAL, LTD., a corporation organized under the laws of Switzerland and TECNOLOGIA VITRO VIDRIO Y CRISTAL, LTD, a corporation organized under the laws of Switzerland (together, the "Swiss Guarantors");

(4) each of the banks that is a signatory hereto as indicated in Exhibit A hereof and each of the Banks that will become a "Lender" after the date hereof pursuant to Section 12.06 hereof (individually a "Lender" and, collectively, the "Lenders"); and

(5) Banco Nacional de Mexico, S.A., a member of the Financial Group Banamex, acting as an Agent (together with its successors, the "Agent").

In conformity with the following preamble, declarations, and stipulations:

PREAMBLE

1. On February 26, 2003, Vitro Plan, VVP Holding Corp. and VVP Syndication, Inc., as borrowers, signed a loan agreement (the "Dollar Loan Agreement") with Citibank as Administrative Agent, and the lenders mentioned in said agreement,

Salomon Smith Barney Inc. and Comerica Bank, as Joint Lead Arrangers, (the "Joint Lead Arrangers") by means of which said lenders agreed to grant a loan to said borrowers for an amount of up to US$144,244,230.63 (one hundred and forty-four million two hundred and forty-four thousand two hundred and thirty US dollars 63/100); said agreement stipulates that said amount will be made available in two tranches; a first tranche, called "Tranche A", up to an amount of US$80,000,000 (eighty million US dollars) (the "Tranche A Loan") and a second tranche, called Tranche B, up to an amount of US$64,244,230.63 (sixty-four million two hundred forty-four thousand two hundred and thirty US dollars 63/100) (the "Tranche B Loan").

2. On February 26, 2003, the lenders pursuant to the Dollar Loan Agreement and the Lenders hereunder signed an agreement among lenders (the "Intercredit Agreement").

3. Pursuant to Section 12 of the Dollar Loan Agreement, VVP Syndication, Inc. established a lien in favor of the Collateral Agent (as defined hereinafter) on the funds deposited in the Cash Reserve Account (as defined here below) for the purpose of guaranteeing payment of the amounts to be paid in conformity with this Agreement and the Dollar Loan Agreement.

DECLARATIONS

I. The Borrower and each one of the Guarantors and of the Swiss Guarantors represents and warrants with respect to itself that, as of the date hereof and as of the date of the Borrowing:

(a) Existance and Authority. It (i) is a sociedad anonima de capital variable or a sociedad anonima, as applicable, duly organized and validly existing under the laws of its jurisdiction of incorporation, (ii) has all necessary licenses, authorizations and approvals necessary to own its assets and carry on its business as now being conducted, (iii) is fully qualified pursuant to iexecute this Agreement, to suscribe the Pagares ("Pagares") and to assume the obligations set forth in this Agreement and in the Pagares and (iv) is in compliance with all applicable Requirement of Law except where failure to be in compliance could not reasonably be expected to have a Material Adverse Effect (as herinafter defined). Certified copies of the public deeds or similar documents that set forth their estatutos sociales are attached as Exhibit B hereto.

(b) Due Authorization and Others. The execution of this Agreement and the subscription of the Pagares have been duly authorized by all necessary corporate action, and does not require additional authorizations (corporate or of other nature) pursuant to its estatutos sociales and similar constitutive documents for such effects. The execution of this Agreement and the subscription of the Pagares and the compliance of their obligations thereto do not contravene (i) its estatutos sociales or, if applicable, other constitutive documents, any Requirement of Law, any applicable judicial order or resolution or any applicable contractual provision and (ii) do not and will not result in the imposition of any Lien, except Liens created on the Cash Reserve

Account. The Borrower has requested from the Lenders the granting of a loan up to the amount of $627,628,000.00 (six hundred twenty seven million six hundred twenty eight thousand Pesos), which it will use in the manner set forth herein, in the understanding that such funds will not be utilized, directly or indirectly to acquire Margin Stock (as defined in the laws of the United States of America).

(c) Governmental and Third Party Approvals. Except as set forth in Section 7.01(b) hereof, no governmental or third party authorization or registry license is required for the due execution of this Agreement or for the subscription of the Pagares, their validity or enforceability or the compliance of their obligations pursuant thereto. In the case of VVP Syndication, no filing, registration or other action is required to be accomplished in Mexico, under the laws of Mexico, in order to cause the security interest created under Section 12 of the Dollar Loan Agreement be a valid first and prior perfected security interest therein.

(d) Legal Effect. This Agreement and the Pagares has been duly executed and delivered by such Borrower's representatives and constitutes the legal, valid and binding obligation of such Borrower, enforceable against it in accordance with its terms. Its representatives have the sufficient powers to oblige it pursuant to the terms of this Agreement and of the Pagares and as of the date of signature of this Agreemente such powers have not been revoked or limited. Certified copies of the public deeds or similar documents that set forth the powers of attorney granted to the individuals signing on their behalf and representation are attached as Exhibit C hereto.

(e) Financial Statements. Its consolidated financial statements (audited, in the case of the Borrower, the Guarantors, and the Swiss Guarantors other

than the U.S. Guarantors, and unaudited in the case of US Guarantors) as of December 31, 2001, in the case of Borrower and the Guarantors and as of December 31, 2002 in the case of the Swiss Guarantors) and the related unaudited financial statements as of September 30,2002, each of which has heretofore been furnished to the Lenders, are complete and correct and fairly present their consolidated financial condition at said respective dates, all of which have been prepared in accordance with GAAP consistently applied, and such Borrower, the Guarantors or the Swiss Guarantors do not have any material contingent liabilities not disclosed therein. Since December 31, 2001, no event or circumstance has occurred that has generated a Material Adverse Effect.

(f) Ranking. Its payment obligations pursuant to this Agreement and the Pagares represent unconditional and unsubordinated general obligations and rank will at all times rank at least pari passu with all other present and future unsecured Indebtedness.

(g) No Actions or Proceedings. As of the date hereof, there is no litigation, investigation or pending procedures, including environmental, tax, labor or any litigation of any kind, by or before any court, Governmental Authority or arbitrator that could reasonably be expected to have a Material Adverse Effect. Its operations and those of its Subsidiaries comply with all applicable Requirement of Law (including Environmental

Laws) and with all Governmental Authorities' orders, except to the extent the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(h) Absence of Immunity. It is not entitled to any immunity of any kind nor its assets are entitled to any immunity of any kind.

(i) Taxes. There is no tax, charge or contribution payable by virtue of the execution of this Agreement and the Pagares. It has filed all material tax returns required to be filed and paid all taxes shown to be due thereon except such as are being contested in good faith by appropriate proceedings and for which adequate reserves have been made if required in accordance with GAAP.

(j) Formalities. All formalities required for the validity of this Agreement and the Pagares have been satisfied.

(k) Full Disclosure. The information, reports, financial statements, exhibits and schedules contained in the Information Memorandum, taken as a whole, do not contain any untrue statement of material fact, provided, that no such representation and warranty is made as to any projections or forward-looking information contained therein except that such projections or forward-looking information have been prepared in good faith on assumptions believed to be reasonable at the time of preparation thereof. All other written information furnished to the Lenders or the Agent in connection with this Agreement and the Pagares will be complete and accurate in every material respect, or (in the case of projections, if applicable based on reasonable estimates), on the date as of which such information is presented.

(l) Liens. On the Borrowing Date, VVP Syndication, Inc. shall grant a Lien in first place and priority pursuant to the terms of Section 12 of the Dollar Loan Agreement. Exhibit D hereto contains a list of all Liens granted by it in connection with any Indebtedness as of the date hereof.

(m) Solvency. As of the date hereof it is, and after giving effect to the making of the Loans and the use of proceeds thereof will be, Solvent.

(n) Restrictions. Other than the Existing Restrictions, none of its Subsidiaries is subject to any contractual restriction on its ability to make any Dividend Payment.

(o) Material Agreements. Exhibit E hereto is a complete and correct list of (i) each loan agreement, issuance acts or similar instruments and (ii) each purchase agreement, guarantee, letter of credit or other arrangement providing for or otherwise relating to any Indebtedness or the granting of any extension of credit (in the case of sub-section (ii), with an outstanding amount in excess of US$10,000,000 (ten million Dollars), of which it is a party to and that as of that date hereof remain outstanding.

(p) Properties. It has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for (i) easements, zoning restrictions,

rights-of-way and similar encumbrances imposed by law do not materially detract from the value of the affected property or interfere with the ordinary conduct of its business. It has good title to or is the rightfull licensee of all of its trademarks, inventions, patents, trade names and other intellectual property rights material for the performance of its business, and its use thereof does not infringe upon the rights of any third party, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(q) Guarantors. Considering the business, corporate, financial, administrative and legal relationships that Guarantors have with Borrower, it is in their best interest to execute this Agreement with the intent of obligating themselves jointly and severally alongside Borrower with Lenders in the fulfillment of all of Borrower's payment obligations pursuant to this Agreement. Consequently it is their intention to comprise themselves as a guarantor regarding such payment obligations as well as to suscribe as an avalista the Pagares to be executed pursuant to this Agreement.

(r) Swiss Guarantors. Considering the business, corporate, financial, administrative and legal relationships that Swiss Guarantors have with Borrower, it is in their best interest to execute this Agreement with the intent of guaranteeing fulfillment of all of Borrower's payment obligations pursuant to this Agreement. Consequently it is their intention to comprise themselves as guarantors regarding such payment obligations as well as to suscribe as an avalista the Pagares to be executed pursuant to this Agreement.

II. Each of the Lenders represents that:

(a) It is a multi banking institution, legally incorporated in accordance with the laws of Mexico, duly empowered pursuant to its corporate pupose to execute this Agreement.

(b) The execution of this Agreement has been duly authorized by such Lender and does not require additional authorizations (corporate or of other nature) pursuant to its estatutos sociales.

(c) Its representatives have the sufficient powers to oblige it pursuant to the terms of this Agreement and as of the date of signature of this Agreemente such powers have not been revoked or limited as evidenced through the copy of the public deeds that sets forth such powers, attached as Exhibit F hereto.

(d) It has the ability of granting the loan to the Borrower for the amount set forth alongside its name in Exhibit A hereto.

(e) Based on the representations by the Borrower, the Guarantors and the Swiss Guarantors it is willing to grant the requested loan by the Borrower to which the Guarantors are jointly and severally obligated and the the Swiss Guarantors guarantee, pursuant with the terms and subject to the conditions set forth in this Agreement.

(f) Ackowledge that the Agent shall execute the Intercreditor Agreement, which shall include several provisions regarding various matters related with the Loans, which provisions could affect the exercise of their rights pursuant to this Agreement and the Pagares. Likewise, they recognize that they have reviewed the Intercreditor Agreement and represent their consent regarding its terms and conditions.

(g) Ackowledge that the Agent shall execute the Lien Agreement, which shall include several provisions regarding various matters related with the Loans, which provisions could affect the exercise of their rights pursuant to this Agreement and the Pagares. Likewise, they recognize that they have

reviewed the Lien Agreement and represent their consent regarding its terms and conditions.

Considering the Preamble and the Declarations above, the partes agree on the following:

STIPULATIONS

SECTION ONE. DEFINITIONS.

1.01 Certain defined terms. The terms defined here below shall have the following meanings (all the terms defined in this Section or in any other Section hereof will have the same meaning when used in the plural or singular):

"Voting Shares" shall mean, with respect to any person, any class or classes of stock or other ownership interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect directors, managers or trustees of such Person (irrespective of whether or not, at the time, stock of any other class or classes has, or might have, voting power by reason of the happening of any contingency).

"Borrower" shall have the meaning attributed to it in the Preamble hereof.

"Lenders" shall have the meaning attributed to it in the Preamble hereof, as well as any of its successors or assignees.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly controls, is controlled by, or is under common control with such Person or is a director or officer of such Person. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by," and "under common control with") of a Person shall mean the possession, direct or indirect, of the power to vote 10% or more of the Voting Shares of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of such Voting Shares, by contract, or otherwise.

"Agent" shall have the meaning attributed to it in the Preamble hereof.

"Collateral Agent" means Wachovia Bank, N.A.

"Governmental Authority" shall mean any nation, government, state, or municipality or other political subdivision thereof and any entity exercising executive, legislative, judicial, monetary, regulatory, or administrative functions.

"Change of Control" shall mean that either (i) Vitro shall cease to own, beneficially and of record, directly or through one or more of its wholly-owned Subsidiaries, at least 51% of the outstanding Voting Shares of Vitro Plan or (ii) Pilkington shall cease to own, beneficially and of record, directly or through one or more wholly-owned Subsidiaries, at least 35% of the outstanding Voting Shares of Vitro Plan.

"Consolidated Net Capital" shall mean, for any Person at any time, for such Person and its consolidated Subsidiaries, total shareholders' equity, determined on a consolidated basis in accordance with GAAP.

"Cause of Accelerated Maturity" shall have the meaning attributed to it in Section 10.01 hereof.

"Citibank" means Citibank N.A., a bank organized under the laws of the USA.

"Communications Agreement shall have the meaning attributed to it in the Loans Agreement in US dollars.

"Hedge Agreement" shall mean any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or price hedging arrangement.

"Account Control Agreement" shall have the meaning attributed to it in the Preamble hereof.

"Dollar Loan Agreement" shall have the meaning attributed to it in the Preamble hereof.

"Intercreditor Agreement" shall have the meaning attributed to it in the Preamble hereof.

"Loan" shall have the meaning as outlined in Section 2.01(a) hereof.

"Loans" shall have the meaning as attributed to it in Section 2.01(a) hereof.

"Contractual Account" shall have the meaning attributed to it in Section 2.02(c) hereof.

"Cash Reserve Account" shall have the meaning attributed to it in the Loan Agreement in US dollars.

"Indebtedness" shall mean, with respect to any Person at any date without duplication, (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes (including, for the avoidance of doubt, any note payable to an Affiliate of any Borrower which Affiliate is not a Subsidiary of Vitro Plan) or other similar instruments; (iii) all obligations of such Person to pay the deferred purchase price of Property or services (other than trade accounts payable arising in the ordinary course of business not overdue for more than 60 days); (iv) all Capital Lease Obligations of such Person and (without duplication) obligations under Sale-Leaseback Transactions; (v) all obligations, contingent or otherwise, of such Person to reimburse any Person in respect of amounts paid under a letter of Loans or similar instrument (other than contingent obligations in respect of documentary letters of Loans to support trade transactions of such Person in the ordinary course of business and with maturities of 270 days or less); (vi) all Indebtedness of other Persons secured by a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person; (vii) all Indebtedness of other Persons Guaranteed by such Person; and (viii) the credit exposure of such Person in respect of Derivatives Liabilities; provided, that for purposes solely of computing the outstanding principal amount of Indebtedness of the Obligors or any of them in connection with Sections 9.01(a), 9.01(b) and 9.01(c) hereof, (i) the aggregate outstanding principal amount of Indebtedness hereunder shall be deemed reduced by the amount then credited to the Cash Reserve Account and (ii) the outstanding principal amount of consolidated Indebtedness of the Obligors shall be reduced by US$30,000,000 (thirty million Dollars) of consolidated

Indebtedness of Vitro AFG, provided, that there shall be no recourse of any kind to the Borrower or to any of its Subsidiaries in respect of such Indebtedness.

"Relevant Indebtedness" shall have the meaning attributed to it in Section 10.01(c) hereof.

"Total Consolidated Indebtedness" shall mean, with respect to any Person at any time, the sum total with regard to such Person and its consolidated Subsidiaries on a consolidated basis in conformity with GAAP, of the total indebtedness of said Person and its Subsidiaries.

"Business Day" shall mean any day on which loan institutions in the City of Mexico, Federal District, Mexico, are in operation and are not authorized to close.

"Borrowing" shall have the meaning attributed to it by Section 2.02(a) hereof.

"Dollars" shall mean legal tender of the United States of America.

"Material Adverse Effect" shall mean a material adverse effect on (i) the business, condition (financial or otherwise), operations, assets or prospects of the Borrower and its Subsidiaries (except VVP Syndication, Inc.) as a whole, (ii) the ability of the Borrower, the Guarantors, and the Swiss Guarantors to perform their obligations under this Agreement and the Pagares, or (iii) the rights and remedies of the Lenders according to this Agreement and the Pagares.

"Joint Lead Arrangers" shall mean Salomon Smith Barney Inc. and Comerica Bank, as joint lead arrangers.

"USA" means the United States of America.

"Borrowing Date" shall have the meaning attributed to it in Section 2.02(a) hereof.

"Principal Payment Date" shall have the meaning attributed to it in Section 3.01 hereof.

"Swiss Guarantors" will have the meaning attributed to it in the Preamble hereof.

"Officer in Charge" shall mean the CFO, the Head Accountant or any other executive officer in charge of the matters related to this Agreement.

"Consolidated Interest Expense" shall mean with respect to any Person for any period, the aggregate gross amount of interest accruing on the Indebtedness of such Person and its consolidated Subsidiaries on a consolidated bases, determined in accordance with GAAP, including (without duplication) the interest portion of payments under Capital Lease Obligations and any capitalized interest and amortization of debt discount and expense, but excluding, with regard to the Borrower, interest accrued on

the US$30,000,000 of the consolidated Indebtedness of Vitro AFG, provided they are not carried in the books as Indebtedness pursuant to the terms of the definition of Indebtedness.

"Lien" shall mean any mortgage, lien, pledge, charge, or other encumbrance, or any preferential arrangement that has the practical effect of creating a lien or security interest.

"Permitted Liens" shall mean:

(i) Liens imposed by law arising in the ordinary course of business, including (but not limited to) carriers', warehousemen's and mechanics' liens and other similar liens imposed by law and arising in the ordinary course of business and which (x) do not in the aggregate materially detract from the value of the Property subject thereto or materially impair the use thereof in the operations of the business of any of the Obligors or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the Property subject to such Liens and for which adequate reserves have been made if required in accordance with GAAP;

(ii) pledges or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance or other similar social security legislation or in connection with bids relating to the obtaining of a contract for the manufacture and/or sale of products;

(iii) Liens securing taxes, assessments and other governmental charges, the payment of which is not yet due or is being contested in good faith by appropriate proceedings reasonably promptly initiated and diligently conducted and for which such reserve or other appropriate provisions, if any, as required by GAAP, shall have been made;

(iv) any Lien which arises pursuant to a final judgment to the extent it does not constitute or give rise to an Event of Default;

(v) any Lien existing on any Property prior to the acquisition thereof by the Borrower, any Obligor or a Subsidiary and not created in contemplation of

such acquisition (and not extending to any other Property); and

(vi) any right of setoff arising by operation of law.

"IMSS" shall mean "Instituto Mexicano del Seguro Social".

"Default" shall mean an Event of Default or an event that, in the course of time, or by giving notice, or both, would become an Event of Default.

"INFONAVIT" shall mean the "Instituto del Fondo Nacional de la Vivienda para los Trabajadores".

"Investment" in any Person shall mean: (i) the acquisition (whether for cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of, or the making of a capital contribution to, such Person, (ii) the making of any advance, loan or other extension of credit to, such Person (including the purchase of Property from such Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 calendar days arising in connection with the sale of inventory or supplies to such Person in the ordinary course of business, and (iii) the entering into of any Guarantee of Indebtedness or other liability of such Person.

"Environmental Law" shall mean any applicable federal, state or local governmental law, rule, regulation, order or decree relating to pollution or protection of the environment or the treatment, storage, disposal, release, threatened release or handling of hazardous materials, including, without limitation, the Mexican General Law of Ecological Balance and Environmental Protection ("Ley General del Equilibrio Ecologico y la Proteccion al Ambiente"), technical rules ("normas tecnicas") and regulations thereunder, and all applicable local laws and regulations related to environmental matters and any specific agreements entered into with any competent authorities which include commitments related to environmental matters.

"Applicable Margin" shall mean (i) 200 basis points for the period starting on the Borrowing Date and ending on the date 1 (one) year thereafter; (ii) 212.5 basis points during the second year hereof; (iii) 225 basis points during the third year hereof; and (iv) 237.5 basis points for the fourth year hereof.

"Majority Lenders" shall mean, at any time, the Lenders that will hold more than 50% (fifty percent) of the aggregate outstanding principal amount of the Loans.

"Information Memorandum" shall mean the Information Memorandum dated December 12, 2002, relating to the Borrower.

"Mexico" shall mean the United States of Mexico.

"Requirement of Law" shall mean, as to any Person, any statute, law, treaty, rule or regulation or determination, order, injunction or judgment of an arbitrator or a court or other Governmental Authority, in each case applicable or binding upon such Person or any of its Properties or revenues.

"Change of Control Notice" shall have the meaning set forth in Section 3.04 hereof.

"Notice of Borrowing" shall have the meaning set forth in Section 2.02(a) hereof.

"Leasehold Obligation" shall mean, regarding any Person, the obligation of such Person in conformity with any leasehold (including any leasehold that may be terminated by the tenant at any time) related to any Property (whether it be real estate, chattel, or a combination of such Property) which does not give rise to Obligations due to Financial Leases, without including leases in

which such Person is the lessor.

"Obligations for Financial Leases" shall mean, with regard to any Person, the obligations of said Person to pay rent or other sums pursuant to any lease (or any other agreement which grants the right of use) of goods and chattels and/or real estate, which obligations have to be classified and accounted for as capital leases in the balance sheet of said Person pursuant to GAAP and which obligations, for the purposes of this Agreement, will be the quantity capitalized in conformity with GAAP.

"Derivatives Liabilities" shall mean, with respect to any Person, all obligations of such Person in respect of any Hedge Agreement. For purposes hereof, the "credit exposure" at any time of any Person in respect of any Derivatives Liabilities shall be the total amount of net termination or liquidation payments due and payable by such Person at such time (excluding penalties and extraordinary amounts).

"Guarantors" shall have the meaning as set forth in the Preamble hereof.

"Obligors" shall mean the Borrower, the Guarantors, and the Swiss Guarantors.

"Sale-Leaseback Transaction" shall mean, with respect to any Person, any transaction in which such Person, directly or indirectly, becomes liable as lessee or as a guarantor or other surety with respect to any lease, whether a Capital Lease Obligation or an Operating Lease Obligation, of any Property, whether then owned or thereafter acquired, (i) which such Person has sold or otherwise transferred or is to sell or transfer to any other Person or (ii) which such Person intends to use for substantially the same purposes as any other Property which has been or is sold or transferred by such Person to any other Person in connection with such lease.

"Pagares" shall have the meaning set forth in Section 2.05 hereof.

"Dividend Payment" by any Person shall mean the payment of any dividend (in cash or in kind) on, or other payment or distribution on account of, or the setting apart of money for a sinking or other analogous fund for, or the purchase, redemption, retirement or other acquisition of, any shares of any class of stock of such Person or of any options, warrants or other rights to acquire the same (or to make any payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market or equity value of such Person), but excluding dividends payable solely in shares of common stock of such Person.

"GAAP" shall mean (i) as to each Mexican Obligor and as to the consolidated financial statements of Vitro Plan, generally accepted accounting principles in Mexico in effect at that time, (ii) as to each U.S. Obligor, generally accepted accounting principles

in the United States of America in effect at that time and (iii) as to any other Obligor, generally accepted accounting principles in the jurisdiction of the organization of such Obligor or Guarantor in effect at that time.

"Interest Period" shall mean each period of twenty-eight (28) calendar days, based on which the interest on the outstanding principal amount of the Loans, provided that (i) the first Interest Period shall begin on the Borrowing Date and will end on the last day of the calendar month in which the Borrowing is made; and (ii) each of the subsequent Interest Periods shall begin on the last day of the immediately prior Interest Period and end on the last day of the calendar month corresponding to said Interest Period.

"Person" shall mean any individual, corporation, company, "sociedad en participacion", partnership, limited liability company, joint venture, trust, unincorporated organization or Governmental Authority or other entity of whatever nature with its own legal status.

"Pesos" and "$" means Pesos, the current legal tender in Mexico.

"Pilkington" shall mean Pilkington PLC, an English company.

"Interest Coverage Ratio" shall mean, at any time, the ratio of (i) the

consolidated EBITDA of the Borrower for the then most recently concluded period of four consecutive fiscal quarters of the Borrower to (ii) Consolidated Interest Expense of the Borrower for the same period.

"Debt to EBITDA Ratio" shall mean on the last day of any fiscal quarter of the Borrower, the ratio of (i) the Borrower's total consolidated Indebtedness on said date to (ii) the Borrower's consolidated EBITDA for the period of four consecutive quarters of the Borrower which end on said date.

"Existing Restrictions" shall have the meaning set forthin the restrictions described in Exhibit G hereof.

"SAR" shall mean the Sistema de Ahorro para el Retiro (Retirement Savings System).

"SHCP" shall mean Secretaria de Hacienda y Credito Publico.

"Solvent" shall mean, with respect to any Person at any time, that (a) the fair value of the Property of such Person is greater than the total amount of liabilities (including without limitation contingent liabilities) of such Person, (b) the present fair saleable value of the Property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and

liabilities mature, (d) such Person is not engaged in a business and is not about to engage in a business for which such Person's property would constitute an unreasonably small capital and (e) such Person is not, or is not deemed to be, generally in default with respect to its payment obligations pursuant to the Mexican "Ley de Concursos Mercantiles".

"Subsidiary" of any Person shall mean any corporation or other entity more than 50% (fifty percent) of the Voting Shares of which are owned or controlled, directly or indirectly, by such Person and/or any Subsidiary of such Person.

"Joint Venture Subsidiary" shall mean any Subsidiary of Vitro Plan in which one or several Persons together, who are not affiliated to the Borrower or to any Guarantors, hold directly or indirectly 35% of the Voting Shares.

"Non-guaranteeing Subsidiary" shall mean (i) any Joint Venture Subsidiary and (ii) any Subsidiary that may have been acquired by any Obligor after the date hereof, that is limited by any agreement of any kind (not an Agreement signed in anticipation of said acquisition) to guarantee the obligations of the Borrower pursuant to the present Agreement.

"Relevant Subsidiary" shall mean at any time any Subsidiary of the Borrower which (i) in the most recently concluded four fiscal quarters of the Borrower, accounts for more than 5% (five percent) of net sales or 5% (five percent) of the consolidated EBITDA of the Borrower and its consolidated Subsidiaries, on a consolidated basis, or (ii) which, on the last day of said fiscal quarter, holds more than 5% (five percent) of total assets of Vitro Plan and its consolidated Subsidiaries, on a consolidated basis, which calculations will be determined in keeping with GAAP.

"Interest Rate" shall have the meaning as set forth in Section 3.02 (a) hereof.

"Default Interest Rate" shall have the meaning as set forth in Section 3.02 (c) hereof.

"TIIE Rate" shall mean the Balanced Interbank Interest Rate (Tasa de Interes Interbancaria de Equilibrio) for four (4) weeks as published by the "Banco de Mexico" in the Official Gazette of the Federation ("Diario Oficial de la Federacion") on the first day of the corresponding Interest Period, provided that, in case the first day of the Interest Period were not a Business Day, the rate shall be the one published on the Business Day immediately prior to the starting date of said Interest Period.

"Consolidated EBITDA" shall mean, for any Person and for any period, with

respect to such Person and its consolidated Subsidiaries on a consolidated basis, the sum (without duplication) of (i) Consolidated Operating Income, (ii) depreciation and amortization and (iii) other non-cash charges to the extent deducted in arriving at Consolidated Operating Income; provided, that Vitro AFG shall be excluded from any determination of Consolidated EBITDA so long as, pursuant to sub-section (ii) of the

proviso to the definition of Indebtedness, the consolidated Indebtedness of the Borrower, Obligors and Guarantors is reduced by US$30,000,000 (thirty million US dollars) of consolidated Indebtedness of Vitro AFG.

"Consolidated Operating Income" shall mean, for any Person and for any period, operating income of such Person and its consolidated Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"Sale of Property" shall mean, for any Person, any sale, rental, or other divestment of assets, not including Dividend Payments, the payments relating to any liabilities of such Person or the deposit or investment of funds in conformity with cash management operations in the course of everyday operations or the granting of Permitted Liens in conformity with this Agreement.

"Vitro" shall mean Vitro, S.A. de C.V., a company organized under Mexican law.

"Vitro AFG" shall mean Vitro AFG, S.A. de C.V., a company organized under Mexican law.

SECTION TWO. OPENING OF A LOAN.

2.01 Opening of a Loan.

(a) Subject to the terms and conditions established in the present Agreement, each Lender severally agrees to make available to the Borrower loans (each one "a Loan", and together the "Loans") for a total amount not exceeding $627,628,000.00 (six hundred twenty-seven million six hundred twenty-eight thousand Pesos), an amount which does not include interest, commissions and expenses caused in relation with the Loans. Each one of the Lenders will be bound to grant its respective Loan, only up to the amount indicated next to its name in Exhibit A hereof.

(b) The Loans will be allocated by the Borrower according to the terms of Section 2.02 below.

(c) The Borrower will use the funds of the Loans exclusively (i) to refinance Indebtedness, (ii) to lend them to some of its Subsidiaries for them to refinance their own Indebtedness, and (iii) to pay expenses and commissions in the context hereof. None of the Lenders shall be responsible in any way for the use which will be made of any funds of any of the Loans.

2.02 Borrowing of the Loans. (a) The Loans will be allocated by the Borrower and will be paid to the Borrower in a single payment (the "Borrowing"). The Borrowing may be carried out on any Business Day, within ten (10) days after signing this Agreement (the "Borrowing Date"), provided the Borrower will have given the Agent a notice, duly signed by the Responsible Officer of the Borrower, which specifies the

amount of the Borrowing and the Borrowing Date (the "Notice of Borrowing"), at least three (3) Business Days prior to the Borrowing Date.

(b) The Borrowing will be subject to meeting the conditions for proceeding with the Borrowing as set forth in Section Six hereof and after having delivered to the Lenders the Pagares described in Section 2.05 below. The allocation will be made by each Lender, up to the amount indicated next to its name in Exhibit A hereof, and only up to the total amount of the Loans mentioned in Section 2.01 (a).

(c) For the purposes of administering the Loans, the Lenders shall pay their corresponding amounts to the account No. 870/56028-8 (on behalf of "UOCC Empresarial") with Banco Nacional de Mexico, S.A. and (ii) the Agent shall pay the corresponding amounts to the account of the Borrower with the Agent (the "Contractual Account").

2.03 Commissions. The Borrower shall pay (i) to the Lenders the commissions to be agreed upon in separate negotiations with said Lenders and (ii) to the Agent the reasonable and documented expenses derived from preparing, negotiating, and signing of this Agreement. The Borrower herewith authorizes the Lenders and/or the Agent to subtract from the Loan amount the sums relating to the payment of said commissions and expenses.

2.04 Lack of delivery; Independent Remedies. Even though the conditions set forth in Section Six were met to carry out the allocation, in case any one of the Lenders had not paid in its share of the funds in due time, the Borrower agrees that the total Loan amount to be granted to the Borrower on the Borrowing Date may be reduced by an amount equal to the amount that has not been paid in by the Lenders, without any responsibility by the Agent or the other Lenders. The Borrower reserves the right against any one of the Lenders who may have failed to pay and may exercise all pertinent actions against the Lender having failed to make the necessary payment. In case the Borrower happened to have signed a Pagare in favor of the Lender who did not make the corresponding payment, the Agent shall immediately ask for the return of said Pagare and the Lender in question will be obliged to return said Pagare, duly cancelled to the Borrower, even though he/she may not have been requested to do so; in such case, the Borrower shall not have any obligation towards the Lender that failed to make the payment. The amounts payable by the Borrower to any of the Lenders at any time pursuant to this Agreement and the Pagares shall be considered separate and independent debts, and each Lender is subject to the terms of the Intercreditor Agreement and will have the right to exercise its individual rights resulting hereof and of the Pagares, independently of all the other Lenders, except to the extent that this Agreement (or the Intercreditor Agreement) requires the consent of the Majority of Lenders or of all the Lenders and, except if it were thus required, the consent of the other Lenders or the Agent will not be required to obtain payment of any past-due amounts.

2.05 Pagares. The Borrowing will be carried out, as set forth in Section 2.02, and against delivery by the Borrower to each of the Lenders, through the Agent, of a non-negotiable Pagare, signed by the Borrower, the Guarantors, and the Swiss Guarantors as guarantors, by their respective authorized officers, and said Pagares shall be in the format established in Exhibit H hereof, (hereinafter the "Pagare" and together the "Pagares"), for the amount of the Borrowing corresponding to each of the Lenders. In case of any discrepancy between the terms hereof and the Pagares, the present Agreement shall prevail.

SECTION THREE. PRINCIPAL AND INTEREST PAYMENTS.

3.01 Payment of Loans. The Borrower shall pay to the Lenders, through the Agent, the principal amount of the Loans in eight (8) half-yearly, consecutive repayments (each one a "Principal Repayment Date" and the last Principal Repayment Date the "Maturity Date"), with the first such payment due six (6) months after the Borrowing Date and the following ones each six (6) months after the immediately prior Principal Repayment Date. On each Principal Repayment Date, the Borrower shall pay the percentage of the outstanding principal sum of the Loans granted hereunder, equal to the percentage that is established for said Principal Repayment Date in the following schedule:

Principal Repayment Date	Percentage	Amount
6	5%	31,381,400
12	5%	31,381,400
18	10%	62,762,800
24	10%	62,762,800
30	15%	94,144,200
36	15%	94,144,200
42	20%	125,525,600
48	20%	125,525,600

3.02 Interest. (a) The Borrower shall pay to the Lenders, through the

Agent, and without the need of a previous call, ordinary interest on the outstanding principal amount of the Loans during each Interest Period, from the Borrowing Date to the Maturity Date, at an annual interest rate equal to the applicable TIIE rate for each Interest Period, plus the Applicable Margin (the "Interest Rate").

(b) Interest shall be payable on the last Business Day of each Interest Period (each of which is a "Interest Payment Date"); in the understanding that the last Interest Payment Date will coincide exactly with the Maturity Date. Each Interest Period that does not end on a Business Day shall end on the immediately prior Business Day, but in any case, the corresponding interest will be computed based on the number of dqays actually elapsed until the corresponding Interest Payment Date. Any Interest Period that might end after any Principal Repayment Date or after the Maturity Date shall end precisely on said Principal Repayment Date and/or on the Maturity Date, respectively.

(c) In case of a delay in the payment of any amount payable hereunder or for the Pagares (except for ordinary interest), default interest shall be payable on the past-due and unpaid amount of the Loans from the date on which said payment was due until payment in full, at an annual rate equal to the rate resulting from adding 200 (two hundred) basis points to the Interest Rate applicable to the period in which it happens and during the time in which the failure to pay continues (the "Default Interest").

(d) Promptly after the determination of any interest rate provided for herein or any change therein pursuant to this Agreement, the Agent shall (without limiting the requirements of Section 12.02 that all notices be in writing) give written notice thereof to the Lenders and to the Borrower. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

3.03 Optional Prepayments. (a) The Borrower shall have the right to prepay Principal Repayments with regard to the Loans, giving irrevocable, written notice thereof the Agent with minimum three (3) Business Days previous notice. Prepayments shall include interest due on the Loans up to the date of the prepayment. Any partial prepayment shall be of a minimum amount of $50,000,000.00 (fifty million pesos 00/100 M.N.) and above such amount, in multiples of $10,000,000.00 (ten million pesos 00/100 M.N.). Prepayments made hereunder shall be applied towards reducing the principal in inverse order to its maturity. Amounts prepaid hereunder may not be reborrowed by the Borrower.

(b) All prepayments under this Section 3.03 shall be applied on a pro rata basis among the Lenders pursuant to this Agreement and pursuant to the Loan Agreement in US dollars, taking as a basis the outstanding principal amounts payable to each of them, pursuant to the Intercreditor Agreement.

3.04 Mandatory Prepayments. The Borrower shall provide the Lenders with a written notice (a "Change of Control Notice") within five (5) Business Days of the occurrence of any Change of Control and the Borrower shall, within thrity (30) Business Days after delivery of such Change of Control Notice, prepay the outstanding principal amount of all Loans and all accrued and unpaid interest thereon, as well as any other amounts payable by the Borrower pursuant to this Agreement.

SECTION FOUR. PAYMENTS, ETC.

4.01 Place and form of payment. (a) The Borrower shall make all payments of principal, interest, commissions or any other sum to be paid with regard to the Loans free of taxes, levies, contributions, withholdings, deductions, charges or any other fiscal dues payable under the laws, regulations and other legal provisions applicable in Mexico, without any compensation, in funds that are immediately available, not later than 13:00 hours (time of Mexico, Federal District, Mexico) on the date when due. The above shall not be applicable with regard to income tax or similar taxes payable by the Lenders or any Assignee, shareholder or buyer of its rights hereunder on their income

or total assets pursuant to the laws, regulations and other legal provisions

applicable in Mexico. Such payments shall be made via the Contractual Account or any other account of which the Agent may notify the Borrower with at least five (5) Business Days notice, in Mexican pesos. By this deed, the Borrower authorizes the Agent to withdraw from the Contractual Account the amounts payable by the Borrower pursuant to the present Agreement. Except for any specification to the contrary hereof, the Agent shall, on the same Business Day he receives a payment from the Borrower under this Section, distribute to each Lender the portion that corresponds to each of them (determined pursuant to the provisions of Exhibit A), of each payment that the Agent may have received from the Borrower; the Agent will not be obliged to make any of the above distributions before he has actually received the corresponding payment from the Borrower (even if it were for a smaller amount than the one he should have received for the payment in question).

(b) In case any payment obligation of the Borrower became due on a day that were not a Business Day or on a day that does not exist in the calendar month in which such payment should be made, such payment shall be made on the immediately prior Business Day.

4.02 Pro rata payments. Except to the extent otherwise expressly provided herein, (a) each payment or principal prepayment of the Loans shall be applied pro rata to the Lenders, according to the corresponding outstanding principal amounts of the Loans granted by them; and (b) each payment of interest on the Loans shall be applied pro rata to the Lenders, according to the corresponding interest amounts with regard to the Loans that come due on said date and payable to each of them.

4.03 Computations. Interest on the Loans hereunder shall be computed on the basis of the actual number of days elapsed, based on a year of three hundred and sixty (360) day, including the first of said days, but exclusive of the last days.

SECTION FIVE. COST INCREASES, ETC.

5.01 Cost Increases. (a) If after the date this Agreement is signed any Requirement of Law entered into force or were amended which is applicable to any Lender or its parent company, or to any of its offices in charge of administering and funding the Loans, or if the interpretation by any Governmental Authority of any Legal Requirement changed, and if as a consequence thereof, the cost of making or maintaining the Loans were increased for said Lender, or if the amounts received by or to be received from such Lender (provided said cost or reduction is considered material by such Lender), the Borrower will pay to said Lender, at the request of the latter, within five (5) Business Days after receipt of said petition, the additional amounts required to compensate such Lender for said cost increase or reduction of income, provided that this Section 5.01(a) will not be applicable if the cost increase or the decrease in income are due to any act imposed by any legal authority by virtue of the worsening of the financial situation or the capitalization level of the corresponding Lender.

(b) If any Lender should determine after the date hereof, that the adoption of any Requirement of Law regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, has or would have the effect of reducing the rate of return on capital of such Lender (or its parent) as a consequence of such Lender's obligations hereunder or its Loan or Loans to a level below that which such Lender (or its parent) could have achieved but for such adoption, change, request or directive by an amount reasonably deemed by it to be material, then from time to time, within 15 days after demand (which refers to the relevant Requirement of Law in reasonable detail) by such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its parent) for such reduction; provided, that this sub-section (b) shall not be deemed to apply to any such reduction incurred by a Lender to the extent attributable to regulatory action taken by reason of the occurrence of a material adverse change in the financial condition or capitalization of such Lender.

(c) Each Lender will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section, such notice to provide

reasonable detail of such event. Before giving any such notice pursuant to this sub-section (c) such Lender shall designate a different Applicable Lending Office if such designation (i) will, in the reasonable judgment of such Lender, avoid the need for, or reduce the amount of, such compensation and (ii) will not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section 5.01, setting forth the additional amount or amounts to be paid to it hereunder and providing reasonable detail as aforesaid, shall be conclusive and binding on the Borrower in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods as long as such methods are consistent with such Lender's treatment of customers similar to the Borrower having generally similar provisions in their agreements with such Lender. Notwithstanding anything to the contrary in sub-sections (a) and (b) above, no Lender shall be entitled to make a claim for compensation with respect to any event occurring more than 180 days prior to the date on which such Lender notifies the Borrower of its claim for compensation.

(d) If any Lender requests compensation under this Section 5.01, the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (subject to the restrictions contained in Section 12.06), all of its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that (i) such assignee shall be subject to the prior approval of the Administrative Agent, (ii) such Lender shall have received payment in full of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, and (iii) such

assignment is reasonably expected to result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

5.02 Lack of TIIE rate quotation. In case the Banco de Mexico were to stop publishing the TIIE rate quotation, be it temporarily or definitely, the interst rate shall be computed based on the one which the Banco de Mexico shall designate as substitute for the TIIE rate. On the assumption that the Banco de Mexico were not to publish any rate in substitution of the TIIE rate, the Lenders and the Borrower shall determine in good faith, in mutual agreement, and in writing the corresponding substitute rate, provided that:

(1) during the period between the date on which said quotation is no longer published and the date on which the sibstitute rate is published, or the TIIE rate is again published, or the parties hereto agree on the substitute rate, the outstanding principal amount of the Loans will bear interest at the Interest Rate that was applicable during the last Interest Period;

(2) in case the TIIE rate were not published for a period longer than thirty (30) calendar days without the Banco de Mexico having published a substitute rate and without the Lenders and the Borrower having reached agreement with regard to the substitute rate within said period of time, the substitute rate shall be the market rate indicated by the Lenders which will cause a similar financial cost as the TIIE rate and which will be notified to the Borrower through the Agent, and(5)

(3) any Substitute Rate determined pursuant to the above items (1) and (2) shall no longer be applicable as of the Interest Period following the date on which the Banco de Mexico publishes again the TIIE rate or the rate that substitutes the former.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in the event that on or after the date hereof the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by any Governmental Authority shall make it unlawful for any Lender or its Applicable Lending Office to make or maintain Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy to the Agent) following

which (a) such Lender's Commitment shall be suspended until such time as such Lender may again make and maintain Loans hereunder and (b) if such Requirement of Law shall so mandate, such Lender's Loans shall be prepaid by the Borrower, together with accrued and unpaid interest thereon and all other amounts payable by the Borrower under this Agreement, on or before such date as shall be mandated by such Requirement of Law; provided, however, that if it is lawful for such Lender to maintain its Loans through the last day of the current Interest Period, such

payment shall be made on such date; provided further, however, that the relevant Lender shall use its reasonable efforts to avoid or minimize the effect of such Requirement of Law, if it can do so without material cost, expense or legal detriment to it, in its sole and absolute judgment. In the event that the effects of the Requirement of Law cannot be avoided or minimized by such Lender as provided in this Section 5.03, the Borrower may, if no Default has occurred and is continuing, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (subject to the restrictions contained in Section 12.06), all of its interest, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may become another Lender, if such assignee accepts such assignment); provided, that (i) such assignee shall be subject to the prior approval of the Agent, (ii) such Lender shall have received payment in full of the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, and (iii) such assignment is reasonably expected to result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

5.04 Charges and costs. (a) Should an advance payment be made on an Interest Payment Date, the Borrower will not have to pay any commission nor penalty of any kind. In case an advance payment were made on any other date than an Interest Payment Date, the Borrower shall pay the charges for breaking the funding to each Lender, at the same time as the corresponding advance payment, provided that said Lender will have to deliver to the Borrower a document in which the computations will be described reasonably to obtain the total amount of said charges.

(b) In case the Borrower were not to make any advance payment of which the Agent was previously notified on the date forseen for such payment, the Borrower shall pay to the Lenders, as soon as being requested, any cost or charge incurred by any of the Lenders with respect to said advance payment, after due verification by the respective Lender.

5.05 Taxes

(a) All payments on account of principal and interest, as well aws any other amount payable hereunder and in conformity with the Pagares, shall be made taxfree, pursuant to Section 4.01 (a).

(b) The Guarantors covenant jointly and severally, to indemnify the Lenders for any fiscal responsibilities they might incur in case the Borrower failed to make correct and timely payments for any taxes related to any payment hereunder.

SECTION SIX. CONDITIONS PRECEDENT.

6.01 Conditions precedent. The obligation of each Lender to make available to the Borrower the Loans according to the present Agreement, and the right of the Borrower to make the allocation are subject to the following conditions precedent, in the understanding that if the Majority of the Lenders determine, and notify the Agent thereof, that an event or a circumstance has occurred since December 31, 2001 which has a Material Adverse Effect, or (ii) that an important event has taken place since December 31, 2001, in the political, economic, or financial situation of Mexico or the United States of America, or in the banking or securities sector in Mexico, the Lenders will

not be obliged to grant the Loans. The conditions that are listed below will have to be fulfilled by March 5, 2003 at the latest:

(A) That the Agent has received the following documents, in reasonably satisfactory form and substance in the opinion of the Agent:

(i) this Agreemnent, duly signed by all parties hereto;

(ii) proof of the opening of the Cash Reserve Account on the terms and conditions established in the Loans Agreement in US dollars;

(iii) the Intercreditor Agreement, signed by all the parties thereto;

(iv) the Communications Agreement, duly signed by all parties therto;

(v) copies of any authorizations or consents of any Governmental Authority or of any third party that may be required with regard to the signature and the performance on the part of the Borrower, the Guarantors and the Swiss Guarantors hereof, the Pagares and the documents related to same;

(vi) certified copies of the public deeds that contain (1) the current Articles of Incorpration (estatutos sociales vigentes) of the Borrower and of the Guarantors of Mexican Nationality, (2) corporate resolutions of the Borrower and of the Guarantors of Mexican Nationality regarding the closing of the present Agreement and related documents, and (3) the legal capacity of the authorized officers of the Borrower and of the Guarantors of Mexican Nationality that will sign this Agreement and the Pagares;

(vii) copies of the documents which prove, with regard to the Guarantors of a different nationality than Mexican, and the Swiss Guarantors, the Articles of Incorpration and simiar documents, the corporate resolutions regarding the closing of this Agreement, and the capacity of the authorized officers of said Guarantors and Swiss Guarantors;

(viii) copies of the consolidated and audited financial statements of the Borrower as at December 31, 2001; and of any other financial information that may reasonably be requested by the Lenders;

(ix) legal opinion issued by Cantu y Estrada Abogados, S.C., external legal counsel to the Borrower (their opinion will also refer to the Guarantors organized under the laws of Mexico) substantially in the terms of the format enclosed as Exhibit I;

(x) legal opinion issued by Cravath, Swaine & Moore, external legal counsel in New York to the Guarantors organized under the laws of the United States of America, substantially in the format enclosed as Exhibit J;

(xi) legal opinion issued by Ritch, Heather y Mueller, S.C., external legal counsel to the Agent, in acceptable form for the Agent;

(xii) legal opinion of the external legal counsel to the Guarantors organized under the laws of Colombia, with regard to the obligations taken on hereunder, as reasonably required by the Agent;

(xiii) legal opinion of the external legal counsel of the Guarantors organized under the laws of Guatemala, with regard to their obligations taken on hereunder, as reawsonably required by the Agent;

(xiv) legal opinion by the external legal counsel to the Swiss Guarantors, with regard to the obligations taken on hereunder, as may reasonably be required by the Agent;

(xv) legal opinion by the external legal counsel of the Guarantors organized pursuant to the laws of Wisconsin, regarding their obligations taken on hereunder, as may reasonably be required by the Agent;

(xvi) legal opinion issued by Milbank, Tweed, Hadley & McCloy LLP, external legal counsel in New York of the Agent, substantially in the form of Exhibit K hereunder;

(xvii) certified copies of (i) the Licensing Agreement ("Contrato de

Licencia de Tecnologia y Asistencia Tecnica") dated as of December 19, 2001 among IP Vitro, Vitrocar, S.A. de C.V., as Licensor and Distribuidora Nacional de Vidrio, S.A. de C.V., Vitro Vidrio y Cristal, S.A. de C.V. and Vitro Automotriz, S.A. de C.V., as Licensees and (ii) an Amendment to such Licensing Agreement in form and substance satisfactory to the Administrative Agent, providing for the subordination of the rights of IP Vitro Vidrio y Cristal, Ltd. to receive royalty payments under such Licensing Agreement.

(xviii) a pro forma certificado which shows in reasonable detail that the computations required for determining whether the Borrower met the requirements of Section 9.01 (a), (b) y (c), at December 31, 2002, and if the Loans hereunder were shown on a pro forma basis in the financial statements of the Borrower for the fiscal year that ended on that date.

(xix) any other document which the Agent or any of the Lenders may reasonably request with regard hereof and the operations considered herein or that the

Borrower or any of the Guarantors or of the Swiss Guarantors may provide or be obliged to provide pursuant to the Dollar Loan Agreement.

Furthermore,

(B) that the Borrower present the Notice of Borrowing, signed by a Responsible Officer of the Borrower, as set forth in Section 2.02(a) and which contains the following declarations:

(i) no Default has occurred nor will it result as a consequence of the Borrowing; and

(ii) the declarations made by the Obligors hereunder are correct and truthful on the date of the Notice of Borrowing, except when such declarations make reference to a specific date in which case they were true on the specific date mentioned;

(C) that the Borrower hand over to each Lender (through the Agent), on the Borrowing Date, a Pagare for the amount of the Borrowing for the sum corresponding to such Lender, legally signed by the Borrower and by the Guarantors and the Swiss Guarantors in their capacity as guarantors pursuant to Section 2.05; and

(D) that the Borrower have granted its authorization for deducting from the amount of the Loans the reasonable fees and expenses documented as incurred by the Lenders and the Agent in relation to preparing and signing this Agreement, including, without limitation, the fees of the attorneys mentioned in sub-parts (xi) and (xvi) of sub-section (A) above, in the understanding that the invoice corresponding to such fees and expenses will have to be presented two (2) Business Days prior to the Borrowing Date.

SECTION SEVEN. JOINT AND SEVERAL OBLIGATION AND GUARANTEE ("FIANZA").

7.01 Joint and Several Obligation. (a) Under the terms of articles 1987, 1988 and other applicable articles of the Federal Civil Code ("Codigo Civil Federal"), as well as the correlative articles of the Civil Codes of other States of the Mexican Republic and of the Federal District, the Guarantors assume, jointly and severally with the Borrower, the obligation to make any and all payments of principal, interest, commissions and other amounts to be paid hereunder and pursuant to the Pagares, for which reason the Lenders will be able to demand the payment of said amounts indistinctly from the Borrower and/or any of the Guarantors, either individually or as a whole.

In addition to the joint and several obligation assumed under this Section, the Guarantors covenant to sign all the Pagares to be signed hereunder as guarantors ("avalistas").

Also, in case the Guarantors were to make a payment on behalf of the Borrower, they covenant not to seek recourse against the Borrower and/or the other Guarantors,

as may be the case, until the Lenders have received full payment of all amounts owed to them under this Agreement and the Pagares.

(b) Notwithstanding the provisions hereof, Vidrios Templados Colombianos, S.A. may pay any amount it is obliged to pay pursuant to this Agreement in Pesos of the Republic of Colombia; in the understanding that Vidrios Templados Colombianos, S.A. will make its best efforts to obtain all the licenses, permits and approvals of any Colombian Governmental Authority, as may be required, so as to be able to carry out the payment of said amounts in Pesos, and if it obtains such license, permit, or approval, it will provide proof thereof to the Agent, in form and substance that are satisfactory to the Agent.

7.02 Guarantee ("fianza"). To guarantee prompt payment (be it on the scheduled maturity date or earlier) of all and any principal repayment, interest payment, commissions and other sums payable pursuant to this Agreement and the Pagares, the Swiss Guarantors present themselves as guarantors ("fiadoras") of the Borrower according to articles 2794, 2795 and further applicable articles of the Federal Civil Code and the correlative aricles of the other states of the Republic.

(a) The Swiss Guarantors waive the benefits of order, division and estoppel foreseen in Articles 2814, 2815, 2818, 2820, 2822, 2823 and 2827 and others of the Civil Code applicable to the Federal District.

This guarantee will continue until all that is owed to the Lenders hereunder is paid to them, including their accessories and other legal consequences, even when (i) the Swiss Guarantors enter into the rights and privileges of the Lenders due to the negligence or fault of the latter; (ii) an extension or respite is granted to the Borrower without the consent of the Swiss Guarantors; (iii) the Lenders release the Borrower of its debt and the main obligation becomes subject to new liens or conditions; (iv) the Swiss Guarantors as Lenders do not sue the Borrower in court for failure of meeting the main obligation within the following month after the expiration of the deadline, or when the principal indebtedness becomes callable, the Swiss Guarantors were to ask the Lenders to request fulfillment of the obligation in the courts within the deadline of one month and the Lenders were not to exercise their rights within the aforementioned deadline, or if a lawsuit has been initiated in one case or another, it were suspended without any justified cause for more than three months.

Should the Swiss Guarantors subrogate any of the rights of any of the Lenders by virtue of some payment made under the present guarantee, the Swiss Guarantors agree that they will not exercise their rights against the Borrower as long as the Lenders have not received everything owed to them hereunder.

(b) Notwithstanding any provisions to the contrary in this Agreement, the responsibility of each of the Swiss Guarantors at the moment of payment is limited to an amount not in excess of the freely distributable retained earnings of each company,

namely Tecnologia Vitro Vidrio y Cristal, Ltd. and IP Vitro Vidrio y Cristal Ltd., pursuant to Swiss legislation.

(c) The Borrower declares that on the basis of several provisions of Swiss law (including court precedents and the practice of interpreting the law based on theory), it is inconvenient for the Lenders and for the Swiss Guarantors to act as joint and several obligors hereunder; in spite of that, the Borrower and the Swiss Guarantors covenant that, should any of said legal provisions become null and void, the Swiss Guarantors shall do everything needed to become Guarantors pursuant to this Agreement, provided this does not cause prejudice to any of the parties hereof.

SECTION EIGHT. OBLIGATIONS - AFIRMATIVE AND NEGATIVE COVENANTS

While any amount payable under this Agreement and the Pagares remains outstanding, the Borrower agrees to the following:

8.01 Corporate Existence; Books and Registers and Inspection Rights. (a) The Borrower will preserve and maintain, and will cause each of its

Subsidiaries to preserve and maintain, its corporate existence, rights, and licenses which are considered relevant for its business. (b) The Borrower will maintain and keep books for all relevant aspects, and it will cause each of its Subsidiaries to maintain in all relevant aspects books, registers and accounts. (c) The Borrower will permit, upon previous notice, that representatives designated in writing by the Agent or by any Lender, inspect and obtain copies of the accounting registers and the assets of the Borrower and that they discuss the business deals and operations with officers of the Borrower whenever the Agent and/or any of the Lenders request its reasonably and, in any case, subject to maintaining the information received confidential, during Business Days and office hours, all at the expense of the Lenders (except if there had been any default, in which case the Borrower shall reimburse reasonable expenses and costs, as documented in relation to exercising said inspection rights). Nothing in this Section 8.01 will limit any merger, consolidation, or liquidation allowed under Section 8.08 or a stock sale permitted pursuant to Section 8.13.

8.02 Compliance with the Law, Payment of Liabilities, Maintaining of Assets and Insurance. The Borrower will comply, and shall cause each of its Subsidiaries to comply, with all legal requirements (including Environmental Laws) as well as any applicable orders, sentences or requirements of any Governmental Authority (including, without limitation, obligations vis-a-vis the IMSS, INFONAVIT and SAR), except to the extent that non-compliance would not result in a Material Adverse Effect. In the same way, the Borrower will file, and cause each of its Subsidiaries to file all its tax returns in due time, and the Borrower will pay, and will cause all its Subsidiaries to pay, in due time, their taxes, except for taxes that are being contested in proceedings of good faith and for which reserves have been created in conformity with GAAP. The Borrower will

meet, and will cause each of its Subsidiaries to meet, all their obligations (except for those obligations that would not have any Material Adverse Effect). The Borrower will maintain, and will cause its Subsidiaries to maintain, all necessary assets for good operation, except for wear resulting from normal use. The Borrower will contract, and will cause each of its Subsidiaries to contract, insurance with recognized insurance companies, for the amounts and coverage of risks that are normally contracted by companies involved in similar businesses as the ones of the Borrower and its Subsidiaries in Mexico or in the locations where they operate, should they be different.

8.03 Government Authorization. The Borrower will maintain, and cause each of its Subsidiaries to maintain all authorizations and registers in full force before any Governmental Authority, as required under the laws of Mexico (or the laws governing its incorporation) to fulfill its obligations in conformity with this Agreement and to keep this Agreement valid and enforceable.

8.04 Financial Statements, etc. The Borrower shall provide to the Agent (with a copy for each Lender):

(a) as soon as possible, but in any case within 120 (one hundred and twenty) calendar days after the close of each business year of each Obligor, sufficient copies of the consolidated, audited financial statements of each Obligor corresponding to said fiscal year, including the general balance sheet, individual and consolidated income statements, changes of the financial situation and variations in the cash flow of each Obligor and each of its consolidated Subsidiaries for said fiscal year, accompanied by (i) an opinion issued by the Mexican office of Deloitte & Touche or by any other independent office of Certified Public Accountants, of recognized prestige, in the case of the Borrower and the Guarantors of Mexican nationality and (ii) an opinion issued by an office of independent certified public accountants of recognized prestige for any other Obligor;

(b) as soon as possible, and in any event within 60 (sixty) calendar days following the close of the 3 (three) first quarters of each fiscal year of each Obligor and its consolidated Subsidiaries, individual and consolidated internal financial statements of each Obligor and its consolidated Subsidiaries, including the general balance sheet and the income statement, statements on changes of the financial situation and of variations in the cash flow corresponding to the period that begins at the end of the immediately previous fiscal year and which ends at the end of said quarter, certified by

any Responsible Officer of the Borrower stating that they were prepared in conformity with GAAP;

(c) simultaneously with the delivery of each set of financial statements referred to in sub-section (b) above, and at any other time reasonably requested by the Agent, the Borrower will provide a certificate of a Responsible Officer, in the form of Exhibit L, (i) stating whether any Default exists on the date of such certificate (or if a Default exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto) and (ii) in the case of the Borrower, setting forth in reasonable detail the calculations required to establish whether the

Borrower was in compliance with the requirements of Sections 9.01(a), (b) and (c) hereof on and as of the date of such financial statements;

(d) as soon as a Responsible Officer obtains knowledge of the occurrence of any Default, the Borrower will present a certificate of the Responsible Officer, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(e) promptly upon the commencement of any litigation or proceedings before any tribunal, Governmental Authority or arbitration panel that may affect the Borrower or any of its Subsidiaries and that could reasonably be expected to generate a Material Adverse Effect; and

(f) from time to time, such additional information regarding the financial situation and the business of the Borrower and its Subsidiaries as the Agent or any of the Lenders may reasonably request, or which is provided to the Agent of the Dollar Loan Agreement.

8.05 Ranking. The Borrower will take all necessary action to assure that, at any time, the Borrower's payment obligations and the obligations of the Guarantors and the Swiss Guarantors pursuant to this Agreement and the Pagares shall have equal ranking as all other unconditional and unsubordinated liabilities of the Borrower and the Guarantors and the Swiss Guarantors.

8.06 Operations with affiliates. The Borrower will not enter, and will cause its Subsidiaries to abstain from entering into direct or indirect operations with Affiliates, except for (i) operations with any one of its Affiliates performed in the normal course of its activities and in reasonable market conditions no less favorable for the Borrower or any of its Subsidiaries, as the case may be, than those obtainable in a comparable operation in commercial terms with a Person that is not one of its Affiiates, (ii) operations carried out by the Obligors among each other, and (iii) Dividend Payments permitted under Section 8.17 hereof.

8.07 Line of Business. The Borrower will not make any material change in its line of business and will cause its Subsidiaries not to make any material change in their activities and business as conducted to date, and they shall not change the legal nature of their organizations.

8.08 Mergers, etc. The Borrower shall not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or sell, transfer or otherwise dispose of (in one transaction or in a series of transactions) substantially all of its or their assets (except for sales of inventory in the ordinary course of business for fair market value), provided, that (a) Borrower may merge or consolidate with or into any other Person if, immediately after giving effect thereto, (i) it is the surviving Person and (ii) no Default has occurred and is continuing, (b) any Guarantor or Swiss Guarantor may

merge or consolidate with or into any other Guarantor or Swiss Guarantor, (c) any Subsidiary of Borrower that is not an Obligor may merge or consolidate with or into any other Person if, immediately after giving effect thereto, no Default has occurred and is continuing pursuant to this Agreement, (d) any Subsidiary of Borrower that is not a Guarantor or a Swiss Guarantor may

liquidate or dissolve if Borrower determine in good faith that such liquidation or dissolution is in the best interest of Borrower and is not materially disadvantageous to the Lenders and (e) any Guarantor, Swiss Guarantor or Subsidiary of Borrower may be spun off as long as it transmits its assets and liabilities to Borrower or any of the Guarantors or Swiss Guarantors.

8.09 Upstreaming. Borrower will not permit any of its Subsidiaries to enter into, create or assume any contractual restriction on the ability of such Subsidiary to make any Dividend Payment, provided, that this Section 8.09 shall not be deemed to prohibit (a) customary restrictions contained in the joint venture agreements with respect to any Joint Venture Subsidiary or (b) the extension, continuation or replacement on substantially similar terms of any such contractual restrictions existing on the date hereof.

8.10 Hedge Agreements. Borrower will not, nor will it permit any of its Subsidiaries to, enter into any Hedge Agreement, other than Hedge Agreements entered into (i) in the ordinary course of business to hedge or mitigate risks to which it or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities and (ii) not for speculative purposes.

8.11 Negative Pledge. Borrower will not, nor will it permit any of its Subsidiaries to, create, assume or allow to exist any Lien on any of their respective Property, whether now owned or hereafter acquired by it, except in the case of the Lien created by VVP Syndication, Inc. the Cash Reserve Account pursuant to Section 12 of the Dollar Loan Agreement and the following Liens:

(a) Permitted Liens;

(b) Liens existing on the date hereof and described in Schedule 4 hereto;

(c) Liens on any Property of such Borrower or any of its Subsidiaries securing Indebtedness of such Borrower or any of its Subsidiaries incurred or assumed for the purpose of financing (i) all or any part of the acquisition of raw materials, utilities and other Property (including working capital loans ("creditos de habilitacion" or "avio")) or (ii) all or part of the acquisition, construction or improvement of fixed assets and other Property (including capital expenditure loans ("creditos refaccionarios")), provided, that such Lien attaches to such Property concurrently with or within ninety (90) days after the acquisition, construction or improvement thereof;

(d) Any Lien on any Property that Borrower or any of its Subsidiaries acquire in the future, existing prior to the time of acquisition thereof (except, if such Liens had been created due to or as a result of such acquisition);

(e) Any Lien existing on any Property of a corporation which is merged with or into an Obligor (except, if such Liens had been created due to or as a result of such merger);

(f) Any Lien on a cash reserve account securing Indebtedness for borrowed money otherwise permitted hereby, provided, that the funds in such account are derived solely from the proceeds of such borrowing;

(g) Liens on accounts receivable arising from factoring arrangements with respect to such accounts receivable as permitted by Section 8.13 hereof; and

(h) Liens (not covering any shares of capital stock of such Person) not otherwise permitted by the foregoing sub-sections, securing Indebtedness outstanding at any time in an aggregate principal amount not exceeding $35,000,000.

8.12 Fiscal Year. Borrower will not, nor will it permit any of its Subsidiaries to, change its fiscal year from a calendar year ending December 31.

8.13 Asset Sales; Investments in Subsidiaries that are not Guarantors or

Swiss Guarantors. (a) Without prejudice to the limitation in sub-section (b) below, Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, make Asset Sales after the date hereof of Property having an aggregate fair market value in excess of US$150,000,000 (one hundred and fifty million Dollars), provided, that the net cash proceeds of Asset Sales permitted under this sub-section 8.13 shall be applied to reduce Indebtedness of the Obligors; and provided further, that this sub-section 8.13 shall not apply to:

(i) Sale of inventory for fair value in the ordinary course of business;

(ii) Any Asset Sale by an Obligor to another Obligor;

(iii) the financial factoring of accounts receivable pursuant to existing or future programs limited in aggregate principal amount at any time to not more than US$75,000,000 (seventy million Dollars) or the equivalent in other currencies;

(iv) dispositions of obsolete assets or, in its reasonable opinion, are not useful in the business of Borrower or its Subsidiaries, provided that the net proceeds of any such disposition shall be reinvested in the business of Borrower or the relevant Subsidiary or used to repay Indebtedness thereof within thirty (30) days of said disposition; or

(v) Any Sale-Leaseback Transactions to the extent that a Lien securing the amount of the obligations under such Sale-Leaseback Transactions could be incurred under Section 8.11(h).

(b) Borrower will not, and will not permit its Subsidiaries to, make Investments after the date hereof in Non-Guaranteeing Subsidiary in an aggregate amount exceeding US$50,000,000 (fifty million Dollars).

8.14 Use of Proceeds. Borrower will use the proceeds of the Loans solely (i) to pay Indebtedness (ii) to lend them with the intent of having certain of its Subsidiaries pay the Indebtedness of the Obligors and (iii) to pay fees and expenses relating to the transactions contemplated hereby. No party shall be responsible as to the use of any of such proceeds.

8.15 Communications Agreement. Borrower will comply and cause the Obligors to comply with the terms of the Communications Agreement.

8.16 Dividend Payments. Borrower will not declare or make any Dividend Payment if, at the time thereof and after giving effect thereto, a Default has occurred and is continuing.

8.17 Financial Statements of U.S. Guarantors. (a) Vitro America will provide to the Agent within sixty (60) days after the date on which the conditions set forth in Section Six hereof are met, enough copies of the audited balance sheets of U.S. Guarantor as at December 31, 2002 and December 31, 2001, jointly with a report thereon issued by independent accountants of recognized international standing, and (b) Super Sky International, Inc., Super Sky Products, Inc and Super Sky Constructors, Inc. will provide to the Agent within ninety (90) days after the date on which the conditions set forth in Section Six hereof are met, enough copies of the audited balance sheets of U.S. Guarantor as at December 31, 2002 and December 31, 2001, jointly with a report thereon issued by independent accountants of recognized international standing, the related audited statements of income and cash flows of Vitro America or such other U.S. Guarantor for each of the fiscal years ending on such dates, all reported in conformity with GAAP, with the unqualified opinion thereon of independent accountants of recognized international standing.

SECTION NINE. ADDITIONAL COVENANTS BY BORROWER.

9.01 Additional Covenants by Borrower. As long as any payable amount under this Agreement and the Pagares remains outstanding, Borrower commits to the following:

(a) Consolidated Net Worth. It will not permit its Consolidated Net Worth at any time to be less than 80% (eighty) of its Consolidated Net

Worth as at December 31, 2001 (calculated in constant Pesos).

(b) Interest Coverage Ratio. It will not permit the Interest Coverage Ratio to be at any time less than 3.00 to 1.00.

(c) Debt to EBITDA Ratio. It will not permit the Debt to EBITDA Ratio to be at any time greater than 2.75 to 1.00.

(d) Certain Obligations Respecting Subsidiaries. In the event that Borrower shall form or acquire any new Subsidiary, it agrees to immediately undertake any necessary measures so that such new Subsidiary becomes a "Guarantor" hereunder, and as an "avalista" pursuant to the Pagares and to deliver any certifications or similar opinions to those delivered pursuant to Section 6.01 hereof or documentation as the Agent may reasonably request; provided, that the obligation in this sub-section (d) shall not apply with respect to any Non-Guaranteeing Subsidiary.

(e) Ownership of Shares. Borrower will continue to own, beneficially and of record, directly or indirectly, 100% of the Voting Shares of each Guarantor and Swiss Guarantor.

SECTION TEN. CAUSES FOR ACCELERATED MATURITY. The Agent shall, upon request of the Majority Lenders, by notice to the Borrower, the Guarantors and the Swiss Guarantors declare the term for payment of the outstanding balance of the Loans and any other amounts owed hereunder to terminate and such amounts to become due and payable forthwith (whereupon the Borrower, the Guarantors and the Swiss Guarantors, in such case, shall be obligated to pay the total outstanding balance of the Loans and other amounts owed hereunder), in any of the following events (each event a "Cause for Accelerated Maturity"), provided, that in the case of a Cause for Accelerated Maturity of the kinds referred to in sub-sections (f) or (g) below, the Loans and any other amounts due hereunder shall automatically terminate and such amounts shall automatically become due and payable, without any further action by any party, without presentment, demand, protest or other judicial procedure of any kind, all of which are hereby expressly waived by the Borrowers, the Guarantors and the Swiss Guarantors:

(a) The Borrower shall fail to pay when due any principal of any Loan or to prepay any Loan when required hereunder, or shall fail to pay within three Business Days after the due date thereof any interest on any Loan, commissions or any other amount payable hereunder or under any Pagare or under any other document related therewith; or

(b) Any representation or certification made or deemed made by any of the Borrower, the Guarantors or the Swiss Guarantors herein or in any other document related herewith (or in any modification or supplement hereto or thereto), or any certificate furnished to any party pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made; or

(c) Any Obligor or any of its Subsidiaries shall default in the payment of any principal of or interest on any other Indebtedness (whether at stated maturity or otherwise) if such Indebtedness has an aggregate outstanding principal amount of $10,000,000 (or its equivalent in other currencies) or more ("Material Debt"), or any default or cause for accelerated maturity shall occur under any agreement or instrument evidencing or relating to such Material Debt if the effect of such default or cause for accelerated maturity is to accelerate the maturity thereof, or to permit the holder or holders of such Material Debt, or an agent acting on its or their behalf, to accelerate the maturity thereof, or to require the mandatory prepayment or redemption thereof; or

(d) Any of the Borrower, the Guarantors or the Swiss Guarantors shall (i) default in the observance or performance of any of its obligations under Sections 8.01(a) (with respect to the preservation and maintenance of the corporate existence of the Borrower, the Guarantors or the Swiss Guarantors), 8.03, 8.04, 8.05, 8.07, 8.08, 8.11, 8.13, 8.14,

8.16 or 8.17 or Section Ten hereof; or (ii) any of the Borrower, or any of the Guarantors or Swiss Guarantors shall fail to perform or observe any of its other obligations under this Agreement (other than as referred to in sub-section 10.01(a) above or in sub-part (i) of this paragraph (d)) and such failure shall remain unremedied for 30 calendar days after written notice thereof shall have been given to the Borrower by the Agent or any Lender; or

(e) Any Obligor or any of its Material Subsidiaries shall admit in writing its inability to, or be unable to, pay its debts as such debts become due; or

(f) Any Obligor or any of its Material Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a custodian, liquidador, conciliador, sindico, trustee, examiner or liquidator of itself or of all or a substantial part of its properties, (ii) make a general assignment of its properties for the benefit of its creditors, (iii) file a petition seeking to take advantage of any other law relating to bankruptcy, concurso mercantil, insolvency, reorganization, liquidation, dissolution, arrangement or readjustment of debts or similar procedures, or (iv) take any corporate action for the purpose of effecting any of the foregoing; or

(g) A proceeding shall be commenced against any Obligor or any of its Material Subsidiaries seeking (i) its reorganization, liquidation, dissolution, or any similar procedure, (ii) the appointment of a custodian, liquidador, conciliador, sindico, trustee, or the like of it or of all or any substantial part of its properties or (ii)[Sic.] similar relief in respect of it under any law relating to bankruptcy, concurso mercantil, insolvency, reorganization, or adjustment of debts, and such proceeding or case shall continue undismissed for a period of 90, or a declaration of bankruptcy or concurso mercantil shall be entered against such Obligor or Material Subsidiary under the Ley de Concursos Mercantiles with respect to any Obligor or Material Subsidiary; or

(h) A judgment for the payment of money is or judgments for the payment of money are rendered against any Obligor or any of its Subsidiaries in an amount exceeding in the aggregate US$10,000,000 Dollars (or its equivalent in other currencies) and shall remain undischarged for a period of 45 consecutive days from the day following the date in which it was rendered, unless the same is adequately guaranteed or is being diligently contested by appropriate proceedings and in such case, such process is not being executed against assets thereof; or any Obligor or any of its Subsidiaries shall fail to pay when due to INFONAVIT, IMSS or SAR any amount or amounts aggregating US$10,000,000 Dollars or more (or its equivalent in other currencies) except to the extent the amount or amounts due are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the properties of such Obligor or Subsidiary; or

(i) (w) Any Mexican Governmental Authority shall impose exchange controls prohibiting or in any manner materially restricting the making of payments in respect of Indebtedness in Pesos; or (x) any Mexican Governmental Authority shall take any action to condemn, seize, nationalize or appropriate all or any substantial portion of its properties of any Obligor (with or without the payment of compensation); or (y) any action is taken by a Mexican Governmental Authority, including without limitation the declaration of a moratorium on payment of any Indebtedness, that has an adverse effect on (i) the repayment of the Loans or (ii) the schedule of payments of any Borrower hereunder or under the Pagares; or (z) any Obligor shall participate or take any action to participate in any credit facility related to the rescheduling of its Material Debt or the alteration of the currency in which it may pay its obligations; or

(j) Any Obligor or any of its Subsidiaries shall enter into any transaction of merger or consolidation, or liquidate, spin off or dissolve itself (or suffer any liquidation or dissolution), or sell, transfer or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its properties, except as

expressly permitted under Sections 8.08 and 8.13 hereof; or

(k) This Agreement or any of the Pagares becomes unenforceable or the performance of the obligations of any Obligor thereunder becomes illegal, or the security interest created under Section 12 of the Dollar Loan Agreement shall not constitute a valid first priority guaranty ("garantia en primer lugar y grado").

SECTION ELEVEN. THE AGENT.

11.01 Agent, Majorities. (a) Each Lender hereby appoints Banco Nacional de Mexico, S.A., member of Grupo Fiananciero Banamex as the "Agent", authorizing it to act on its behalf and by its account pursuant with this Agreement, and in those instances where its intervention is not foreseen in this Agreement, as expressly instructed and in writing by each Lender. Notwithstanding the foregoing, the Agent shall

not lose its Lender status pursuant to this Agreement and shall have the right to act as any other Lender.

(b) Except as set forth in Section 12.04, any decision that the Lenders must make as a group pursuant to this Agreement (including but not limited to, the declaration of the existence of a cause of an event of accelerated maturity pursuant to Section 10), shall be taken by the Majority Lenders.

(c) The Agent shall not have the obligation to supervise the performance of the Obligors or of verifying, studying or reviewing any communication received from the Obligors or from a third party regarding this Agreement.

(d) The Lenders agree to indemnify and hold Agent safe and harmless ratably in accordance with the aggregate principal amount of the Loans held by the Lenders (excluding the Loan granted by the Agent), against and damages and losses y perjucios") that the Agent may suffer from acts or omissions derived from this Agreement, except if such damages and losses ("danos y perjucios") were a consequence of the Agent's "culpa grave, dolo y mala fe".

(e) Agent may resign at any time by giving notice thereof to the Lenders and the Borrower, and the Agent may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Agent, which shall be a Lender. If no successor Agent shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thrity (30) days after the retiring Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Agent, then the retiring Agent's resignation shall nonetheless become effective and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and the Intercreditors Agreement and (2) the Majority Lenders shall perform the duties of the Agent (and all payments and communications provided to be made by, to or through such Agent shall instead be made by or to each Lender directly) until such time as the Majority Lenders appoint a successor Agent as provided for above in this paragraph. Upon the acceptance of any appointment as an Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the Account Control Agreement except to the extent of liability arising from prior action. Notwithstanding the foregoing, no removal of the Agent shall be effective until all amounts then due and owing to the removed Agent shall be paid in full. After the retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section Eleven shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as an Agent.

(f) The Borrower shall pay the Agent the mutually agreed upon fees through a separate document.

(g) Conditioned upon a cause of an event of accelerated maturity being declared pursuant to the rules set forth in sub-section (b) hereinabove, the

Lenders agree that any action that may be filed by the Lenders against Borrower or the Guarantirs or the Swiss Guarantors derived from the breach of its obligations in this Agreement or in the Pagares, shall be promoted individually by each one of them, except that all of the Lenders agree otherwise, in the understanding that no Lender shall assume any responsibility related with the actions undertaken by the other Lenders independently.

(h) It shall not be deemed that Agent has knowledge or notice of the occurrence of a Default (other than a failure to make a payment of principal of or interest on the Loans) unless such Agent has received notice from a Lender or a Borrower specifying such Default and stating that such notice is a "Notice of Default". In the event that the Agent receives a Notice of a Default, the Agent shall give prompt notice thereof to the Lenders and the Collateral Agent. The Agent shall (subject to Section 11.07 hereof) take such action with respect to any such Default as shall be directed by the Majority Lenders, provided, that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders, except to the extent that this Agreement expressly requires that such action be taken, or not be taken, only with the consent or upon the authorization of the Majority Lenders.

(i) Each Lender has, independently and without reliance on either Agent or the Joint Lead Arrangers or any other Lender, and based on such documents and information as it has deemed appropriate, made its own Loans analysis of the Obligors and decision to enter into this Agreement and that it will, independently and without reliance upon either Agent or the Joint Lead Arrangers or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement, the Pagares or any other documents related with the Loans. The Agent shall not be required to keep itself informed as to the performance or observance by the Bororwer and the Guarantors herein, Pagares or any other document referred therein or to inspect the Properties or books of the Borrower, Guarantors or Swiss Guarantors, other than as set forth in this Agreement. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent hereunder, such Agent shall not have any duty or responsibility to provide any Lender with any Loans or other information concerning the affairs, financial condition or business of the Borrower, Guarantors or Swiss Guarantors that may come into the possession of such Agent.

(j) Except for action expressly required of the Agent hereunder or under any other document related thereto, the Agent shall in all other cases be fully justified in refusing to act hereunder or thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 11.01 (d) hereof against any and all liability and expense that may be incurred by it by reason of

taking or continuing to take any such action. No provision of this Agreement shall require the Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder.

SECTION TWELVE. MISCELLANEOUS.

12.01 Waiver. No failure on the part of any Lender or Lenders to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement and the "Pagares" shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Agreement and the "Pagares" preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

12.02 Notices. (a) For the purposes of the Agreement, each Party designates the following as its address to receive all notices:

The Agent:

Address:

Av. Roble No. 701
Edificio Quimmco, Piso 5
Col. Valle del Campestre
Garza Garcia, N.L.
Mexico, CP 66260
Att: Jesus Servando Cantu
Tel: (81) 1226 8505
Fax: (81) 1226 8560

The Borrower

Address:

Av. Ricardo Margain Zozaya No. 444
Col. Valle del Campestre
Garza Garcia, Nuevo Leon
Mexico, CP 66265
Atn. Director General Juridico
Tel.: (81) 8863 1262
Fax: (81) 8863 1372

The Swiss Guarantors:

Address:

Av. Ricardo Margain Zozaya No. 444
Col. Valle del Campestre
Garza Garcia, Nuevo Leon
Mexico, CP 66265
Atn. Vitro Plan, S.A. de C.V./Director General Juridico
Tel.: (81) 8863 1262
Fax: (81) 8863 1372

The Guarantors:

Address:

Av. Ricardo Margain Zozaya No. 444
Col. Valle del Campestre
Garza Garcia, Nuevo Leon
Mexico C 66265
Atn. Vitro Plan, S.A. de C.V./Director General Juridico
Tel.: (81) 8863 1262
Fax: (81) 8863 1372

The Lenders:

The address set forth in the signature page of this Agreement.

(b) All notices and communications provided for in this Agreement shall be delivered or made in writing and will be valid upon delivery; in the case of notices via facsimile, they will be valid in the moment in which they are transmitted and a confirmation is obtained.

(c) Unless the Parties inform in writing of any change in domicile, all notices, communications and court or out-of-court communications will be valid if delivered to the above domiciles. Any notices to the Swiss Guarantors or to the Guarantor will be valid if delivered to the Borrower.

12.03. Expenses and Indemnifications, Etc. (a) The Borrower agrees to pay the Agent and the Lenders for all of its reasonable and documented out-of-pocket costs and expenses, including the reasonable fees and expenses of outside counsel of the Agent and of the Lenders in connection with the preparation, execution and delivery of this Agreement and the "Pagares" and any other documents prepared or signed under

this Agreement. The Borrower hereby grants its authorization to reduce, from the amount of the Loans, any reasonable attorney's expenses and fees incurred for any modification to the this Agreement, any "Pagare" or any other agreement or document signed or delivered in accordance with this Agreement including any other cost or expense duly justified, if any, related to the compliance and execution of this Agreement and the "Pagares", except as otherwise provided for in this Agreement.

(b) The Borrower hereby agrees to indemnify each Lender and Agent and their respective directors, officers, employees, attorneys and agents from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses incurred by any of them arising out of or by reason of any litigation or other proceedings (including any threatened litigation or other proceedings) relating to the Loans or the use or proposed use by the Borrowers of the proceeds of any of the Loans, including, without limitation, the fees and disbursements of counsel incurred in connection with any such litigation or other proceedings (but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the Person to be indemnified, as determined by a final, nonappealable judgment by a court of competent jurisdiction).

12.04 Amendments, Etc. Any modification to this Agreement, the "Pagare" or to any other document related with this Agreement shall only be valid if made in writing and signed by the Lenders, the Borrower, the Guarantors and the Swiss Guarantors.

Any modification to this Agreement, to the "Pagares" or any other document related with this Agreement shall be authorized by the Majority Lenders, unless such modification is in connection with any of the following items, in which case, the modification will be authorized by the Lender representing 100% (one hundred percent) of the unpaid Loans;

(i) modification to the total amount of the Loans;

(ii) modification to the Interest Payment Date, Principal Payment Date or the Maturity Dates or the date of payment of any other amount due under this Agreement;

(iii) reduction of the unpaid amounts of the Loans or the reduction in any other way of the amounts payable by the Borrower under this Agreement and the Pagares;

(iv) reduce the rate at which interest is payable under the principal amount of the Loan; (v) modification to Exhibit A or the to the contribution of each of the Lenders of the Loans and of the right of each of such Lender to receive corresponding provisional payments under this Agreement and the "Pagares";

(vi) modification to Section 12 sub-section (b) of the Dollar Loan Agreement and this Section 12.04;

(vii) modification to the terms of Section 6.01 of this Agreement or the waiver to any "condicion suspensiva" ("condition precedent that may be fulfilled by a third party") established in such Section.

12.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

12.06 Assignments and Participations.

(a) Prior notice in writing to the Borrower, the Guarantors and the Swiss Guarantors, each lender has the right to assign, participate or in any way negotiate, even prior to the termination of this Agreement or the maturity of any "Pagare", the Loans granted under this Agreement and of any "Pagare". For the effects of this Section, any assignee, participant or purchaser, shall have to be a Mexican Loans institution with permanent establishment under the Mexican tax laws (excluding any foreign office of such Mexican Loans

institution).

(b) Any partial assignment (other than to another Lender) shall be in an amount at least $20,000,000 (twenty million Pesos) and increments of $10,000,000 (ten million Pesos) in excess thereof.

(c) The Borrower shall, prior request of the Lender, substitute any "Pagare" issued under this Agreement if Lenders so requests due to the assignment or participations made under this Section. Not withstanding the foregoing, the Borrower shall not have the obligation to make such substitution if the "Pagare" that is going to be substituted is not delivered or a competent authority issues a decision opposing to the substitution.

(d) Such assignment or participations shall not create a "novation" of the Loans. Beginning on any such assignment or negotiators, the assignor or authorized participant will be considered as the "Lender" for the effects of this Agreement and of any related documentation.

(e) If any Lender, assigns or would have the intention to assign, participate or make a total or partial discount of its corresponding portion, in the terms of this Section, such Lender may request, and the Borrower shall deliver at its own cost, to exchange the "Pagare" for one or several new "Pagares" in lower amounts but that in the aggregate together will add up equal to the principal amount of the exchanged unpaid "Pagare".

(f) Neither Borrower nor the Guarantors or the Swiss Guarantors may assign its rights or obligations under this Agreement or the "Pagares" unless it is made with the prior written consent of each and all of the Lenders.

(g) None of the Lenders may assign or in any other way negotiate the Loans or the "Pagares", in any way different to what is provided for in this Agreement.

(f) A Lender may furnish any information concerning the Obligors obtained by such Lender hereunder from time to time to prospective assignees and participants

(including prospective assignees and participants), provided, that such Lender shall advise such prospective assignee or participant that such information is being provided on the understanding that it is subject to the provisions set forth in Section 14.19 hereof.

12.07 Survival. The obligations of the Borrower under Sections 5.01, 5.04, 5.05 and 12.03 (subject to the limitations under Section 12.03(b)) hereof and the obligations of the Lenders under Section 11.01(d) hereof, shall survive the repayment of the Loans and, in the case of any Lender that may assign any interest hereunder, such rights shall survive, in the case of any event or circumstance that occurred prior to the effective date of such assignment, the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder. In addition, each representation made, herein or pursuant hereto shall survive the making of such representation.

12.08 Captions. The table of contents and captions and Section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

12.09 Counterparts. This Agreement will be executed in 12 (twelve) counterparts, all of which taken together shall constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties hereto shall be lodged with the Borrower and the Agent.

12.10 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the laws of Mexico.

12.11 Jurisdiction and Competent Courts. The parties hereto herby agree to submit themselves to the jurisdiction of the competent courts sitting in the Federal District of Mexico for anything concerning the interpretation and compliance with the obligations under this Agreement and the Pagares, waiving any other forum which may correspond to them by reason of their present or

future domicile or any other reason.

12.12 Binding Effect. In the event that any provision of this Agreement shall have been declared null by any competent court, the parties hereto hereby agree that such invalidity shall not affect the validity and enforceability of any other provision hereof.

12.13 Loans Information. (a) In order to comply with the terms of the "Ley Para Regular las Sociedades de Informacion Crediticia" the Borrower on this date delivers to the Agent an authorization letter, duly signed by its representative(s), which is attached hereto as Exhibit M, in order for the Agent to be authorized to make periodical consultations with the "sociedades de informacion Crediticia" with respect to the Loans history of the Borrower, as well as to be authorized to provide information concerning the Borrower to such "sociedades de inforacion Crediticia".

(b) In addition to the persons and authorities referred to in Articles 93 and 117 of the "Ley de Instituciones de Credito", the Borrower, the Guarantors and the Swiss Guarantors hereby authorize the Lenders to disclose the information derived from the transactions contained in this Agreement to (i) the other financial institutions that are part of the financial group ("grupo financiero") to which each of Lenders belong to (to the extent permitted by the ("Ley de Instituciones de Credito")), to the parent ("casa matriz"), directly or indirectly, of any Lender, (ii) the authorities regulating the parent ("casa matriz") of the corresponding Lender, (iii) Banco de Mexico, (iv) any other persons with whom the corresponding Lender enters into an agreement with, specially in accordance with Section fifteen of this Agreement and (v) the persons whom the parties have agreed upon.

12.14 Executive Document ("Titulo Ejecutivo"). This Agreement, together with the account statement certified by the accountant of the Lender would constitute a "Titulo Ejecutivo" under the terms of Article 68 of the "Ley de Instituciones de Credito.

12.15 Exhibits. The parties agree that the Exhibits referred to in this Agreement form an integral part of this Agreement.

12.16 Right of Set-Off. In the event, at any time, that the Borrower, the Guarantors and the Swiss Guarantors shall be obligated to pay to the Lenders any amount due hereunder, and the Borrowers, the Guarantors and the Swiss Guarantors shall have breached such payment obligation, the Borrower, the Guarantors and the Swiss Guarantors and to the extent permitted by law, hereby irrevocably empower and authorize the Lenders to (i) charge any account of the Borrower, the Guarantors or the Swiss Guarantors maintained with the Lenders, including without limitations, demand deposits and/or accounts, savings, time deposits, provisional or final, investment accounts of whatever nature, specially including the amounts held by the fiduciary division of the Lenders in favor of the Borrower, the Guarantors or the Swiss Guarantors pursuant to any investment contract, and (ii) set-off ("compensar") any amount due and owed to the Lenders by the Borrower, the Guarantors or the Swiss Guarantors hereunder and up to an amount equal to the amount due and not paid to the Lenders without any request, notice, or demand.

The Lenders shall notify the Borrower, the Guarantors and the Swiss Guarantors as appropriate, as soon as possible, of any charge or set-off effected pursuant to this Section, provided, that the failure to give such notice shall not affect the validity of such charge or set-off. The rights of the Lenders under this Section are in addition to other rights (including, other rights of set-off) that such Lender may have.

The Lenders agree that in the event that any one of them shall have made a charge or set-off pursuant to this Section, the Lender which has made such charge or set-off shall distribute to each other Lender, a part of the funds appropriated by such Lender equivalent to the participation of each Lender in the Loans, calculated in accordance with Exhibit A.

[SIGNATURE PAGES STARTING ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto execute this Agreement on February 26, 2003 in Mexico City ("Mexico, D. F.")

BORROWER

VITRO PLAN, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

GUARANTORS

AUTOCRISTALES DE ORIENTE, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

CRISTALES INASTILLABLES, S.A. de C.V.

By:

Name:
Title:

By:

Name:
Title:

DISTRIBUIDOR VIDRIERO LAN, S.A. DE C.V.

By:

Name:
Title:

By:

Name:

Title:

DISTRIBUIDORA DE VIDRIO DE MEXICO,
S.A. de C.V.

By:

Name:
Title:

By:

Name:
Title:

DISTRIBUIDORA DE VIDRIO Y CRISTAL,
S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

DISTRIBUIDORA NACIONAL DE VIDRIO,
S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VITRO AUTOMOTRIZ, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VITROCAR, S.A. DE C.V.

By:

Name:
Title:

VIDRIO PLANO DE MEXICO, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIO PLANO, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VITRO FLOTADO Y CUBIERTAS, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VITRO VIDRIO Y CRISTAL, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VITRO AMERICA, INC.

By:

Name:
Title:

By:

Name:
Title:

VVP AUTO GLASS, INC.,

By:

Name:
Title:

By:

Name:
Title:

VVP HOLDING CORP.

By:

Name:
Title:

By:

Name:
Title:

CRISTALES CENTROAMERICANOS, S.A.

By:

Name:
Title:

By:

Name:
Title:

VIDRIOS TEMPLADOS COLOMBIANOS, S.A.

By:

Name:
Title:

By:

Name:
Title:

VVP SYNDICATION, INC.

By:

Name:
Title:

By:

Name:
Title:

SUPER SKY INTERNATIONAL, INC.

By:

Name:
Title:

By:

Name:
Title:

SUPER SKY PRODUCTS, INC.

By:

Name:
Title:

By:

Name:
Title:

SUPER SKY CONSTRUCTORS, INC.

By:

Name:
Title:

By:

Name:

Title:

SWISS GUARANTORS

TECNOLOGIA VITRO VIDRIO Y CRISTAL, LTD.

By:

Name:
Title:

By:

Name:
Title:

IP VITRO VIDRIO Y CRISTAL, LTD.

By:

Name:
Title:

By:

Name:
Title:

AGENT

Banco Nacional de Mexico, S.A.,
Member of "Grupo Financiero Banamex"
as Agent

By:

Name:
Title:

By:

Name:
Title:

Address:

Av. Roble No. 701
Edificio Quimmco, Piso 5
Col. Valle del Campestre
Garza Garcia, N.L.
Mexico, CP 66260
Att: Jesus Servando Cantu
Tel: (81) 1226 8505
Fax: (81) 1226 8560

LENDERS

BANCO NACIONAL DE MEXICO, S.A.,
Member of "Grupo Financiero Banamex"

By:

Name:
Title:

By:

Name:
Title:

Address:

Av. Roble No. 701
Edificio Quimmco, Piso 5
Col. Valle del Campestre
Garza Garcia, N.L.
Mexico, CP 66260
Att: Jesus Servando Cantu
Tel: (81) 1226 8505
Fax: (81) 1226 8560

COMERICA BANK MEXICO, S.A.,

By:

Name:
Title:

Address:

Andres Bello No. 10
Piso 17
Col. Chapultepec, Polanco
Mexico, D.F.
CP 11560
Att: Augusto de Oliveira
Tel: (81) 1226 8505
Fax: (81) 1226 8560

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.

By:

Name:
Title:

EXHIBIT 4.9

FACTORING AGREEMENT
FOR THE PURCHASE AND SALE OF ACCOUNTS RECEIVABLE

This Factoring Agreement for the Purchase and Sale of Accounts Receivable ("Agreement") is made as of this 4th day of August, 2000, between:

(1) VITRO ENVASES NORTEAMERICA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Magallanes 517 Ote. Col; Trevino, Monterey, N.L C.P. 64570.

(2) VIDRIERA MONTERREY, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Magallanes 517 Ote. Col. Trevino, Monterrey. N.L. C.P. 64570;

(3) VlDRIERA MEXICO, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Lago Zurich 243, Col. Anahuac, Mexico D.F., C.P. 11320;

(4) VIDRIERA LOS REYES, S.A DE C.V., a corporation organized under the laws of Mexico and having an address at Ave. Presidente Juarez 2039, Los Reyes, Tlalnepantla Estado de Mexico. C.P. 54090;

(5) VIDRIERA GUADALAJARA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Libra 225, Fracc. Juan Manuel Vallarta, Zapopan Jalisco, C.P. 45120;

(6) VIDRIERA QUERETARO, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Coahuila 5 Col. Obrera, Queretaro, Queretaro, C.P. 76130;

(7) VIDRIERA TOLUCA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Carretera Mexico - Toluca Km. 57.5, Toluca Estado de Mexico, C.P. 50200;

(8) VIDRIERA MEXICALI, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Carretera San Luis Rio Colorado Km. 11.5 No. 1662, Mexicali Baja California, C.P. 21600; and

(9) COMPANIA MEXICANA DE ENVASES, S.A. DE C. V., Magallanes 517 Ote. Col. Trevino. Monterrey, N.L., C.P. 64570.

Each of the above nine VITRO companies are herein referred to individually as a "Company' and collectively as "the Companies".

TRANSAMERRICA COMMERCIAL FINANCE CORPORATION, a corporation existing under the laws of Delaware, United States of America, with its principal offices at 5595 Trillium Boulevard, Hoffman Estates, IL. 60192 ("TCFC"); and

RECITALS

(A) The Companies and TCFC desire to enter into a Factoring Agreement;

(B) Simultaneously with the execution of this Agreement, the Companies and TDF de Mexico S.R.L. de C.V. ("TDFM"), an affiliate of TCFC, are entering into a Service Agreement ("Servicing Agreement") regarding, among other things, the servicing and collection of the Reccivables purchased and sold under this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Factoring through the sale and purchase of accounts receivable.

1.1 Factoring by TCFC: The Companies shall offer for sale to TCFC and TCFC shall purchase subject to the terms, conditions and covenants contained

in this Agreement, Companies' accounts receivable ("Receivable(s)") generated by the sale of the Companies' inventory and products to the Companies' customers or affiliates of the Companies who are located in Mexico, and who have been approved by TCFC, ("Customer(s)"). The aggregate amount of Receivables purchased by TCFC and outstanding at any point in time (whether or not TCFC has assumed the Credit Risk for such Receivables purchased by TCFC) shall not exceed (except in TCFC's sole discretion) US Seventy Five Million Dollars (US $75,000,000.00), (the "Funding Limit"). Purchases of Receivables by TCFC shall normally be on a non-notification basis to Customers, however, TCFC reserves the right to at any time notify Customers of such Receivable purchases. For purposes hereof the term "Dollars" means dollars currency of the United States of America.

1.1.1 TCFC shall from time to time pursuant to Section 4 herein establish TCFC Credit Lines for Customers of the Companies. Credit Risk assumed by TCFC with respect to Receivables of a Customer generated under a TCFC Credit Line as in effect from time to time shall apply to such Receivables in the order that they arise. Receivables which originate by the Companies render a TCFC Credit Line for a Customer, as set forth herein, shall be deemed purchased by TCFC on a nonrecourse basis, additional Receivables which are in excess of the TCFC Credit Line or which originate by a Company under a separate Vitro Credit Line (defined herein) or a Vitro Credit Line which is in addition to a TCFC Credit Line established for a Customer, as set forth herein, shall be deemed purchased by TCFC on a full recourse basis and the parties hereby agree that should the recourse rights of TCFC against a Company under this Agreement at any time be analyzed by a court of law applying Mexican law, then such recourse rights shall be deemed to arise from a "garantia de cobro" which shall be deemed to have been hereby, agreed to as permitted by Article 391 of the Commercial Code of the United Mexican States. However, the parties may otherwise agree to share Credit Risk with respect to Receivables as they may agree from time to time. TCFC shall also set a separate funding limit per Customer which shall be equal to the applicable then current TCFC Credit Line or and/or the Vitro Credit Line established for such Customer pursuant to this Agreement subject however to the overall aggregate funding limit set forth above.

The Companies shall periodically provide a Receivable List to TCFC for Receivables being offered for sale to TCFC pursuant to Section 5.1 below. TCFCs selection and approval shall be evidenced by TCFC signing an acknowledgment of receipt of such Approval Listing (defined below). The term "Approval Listing" shall mean that form, as set forth herein as Schedule 1, which form shall contain, without limitation, an identification of each Receivable to be purchased and a statement of transfer, which Schedule shall be signed by TCFC and a Company. Without affecting the validity or effect of any purchase of Receivables, TCFC may require that a Company have its signature on any Approval Listing: ratified before a corredor or notario publico for the purpose of achieving public faith as to the date on which the Approval Listing in question was executed by such Company. The term "Approval Listing Date" shall mean, with respect to any Approval Listing the date on which TCFC reserves such Approval Listing. TCFC shall be deemed to purchase all Receivables contained on any such Approval Listing once TCFC signs and aknowledges its acceptance of such Approval Listing unless TCFC specifically rejects a Receivable for purchase as set forth in this paragraph. The date that TCFC signs and accepts any such Approval Listing should be the "Purchase Date" with respect to the Receivables listed on such Approval Listing. TCFC shall accept or reject (without prejudice to TCFC's rescission rights hereafter set forth) an Approval Listing within two (2) Business Days following receipt of such Approval Listing TCFC may only reject or refuse to purchase any Receivable listed on any such Approval Listing if it determines, at such time, that any such Receivable does not meet TCFC's criteria for purchase as described in Section 1.1.3 below. it shall be understood however, that TCFC shall have the right to rescind the purchase of any purchased Receivable, within 10 Business Days following the corresponding Purchase Date, if and only if TCFC determines that any such purchased

Receivable did not meet at the Purchase Date,

or ceases to meet at any time prior to the expiration of said 10 Business Day period, the above referred criteria for purchase. Such Receivables Lists, Approval Listings and acknowledgments of acceptance may be provided or exchanged between the parties in electronic format or on an electronic basis as they may agree from time to time.

1.1.2 Together with the sale of a Receivable to TCFC a Company shall be deemed to assign all of such Company's interest in the goods represented by such Receivable and in all goods, that may be returned by Customers and in all of such Company's rights as an unpaid vendor.

1.1.3 Criteria for Purchase or Recission of Purchase: In accordance with Section 1.1.1, TCFC may only refuse to purchase Receivables or rescind the purchase of Receivables that do not comply with the following requirements, as of the Purchase Date or at any time during the following 10 Business Days, respectively, as the case may be:

(a) Are approved by TCFC pursuant to Section 1.1.1; and

(b) Are owned by a Company, free and clear of all Liens, encumbrances or claims of any kind; and

(c) Derive from TCFC Credit Lines or Vitro Credit lines, and were originated pursuant to the Procedures; and

(d) Are valid obligations of Customer, are accurate in all material respects; and

(e) The product with respect to such Receivable has been shipped by the respective Company and accepted by the Customer except for the events in which a "Prestamo-Bodega-Cliente" condition or arrangement was made with a Customer provided the respective Company shall have communicated such condition or arrangement in writing to TCFC on or prior to the Approval Listing Date and TCFC shall have granted its consent thereto (such consent not to be unreasonably withheld, in which event the shipping requirement set forth in this paragraph shall not apply, and no known Commercial Dispute or right of setoff exists; and

(f) Are not delinquent more than 30 days past their respective due date; and

(g) Do not contain payment terms longer than 180 days, unless TCFC agrees otherwise.

1.1.4 Notwithstanding anything in this Agreement to the contrary, TCFC shall not be obligated to purchase new Receivables from the Companies if Vitro Envases Norteamerica. S.A. de C.V. and its Consolidated Subsidiaries' Total Debt Service Ratio (measured on a consolidated basis) is less than 0.9 to 1.0, which Total Debt Service Ratio shall be measured and determined on a fiscal quarterly basis unless TCFC agrees otherwise. Such Total Debt Service Ratio shall be calculated at the end of each fiscal quarter of the Companies. If at the end of any such fiscal quarter the Companies are determined not to be in Compliance with the above Total Debt Service Ratio (as determined based upon the consolidated financial statements of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries) then TCFC may at its option cease purchasing any new Receivables from the Companies during the next immediately following fiscal quarter period, and any subsequent fiscal quarter period, until such time as the Companies are again in compliance with such Total Debt Service Ratio as determined at the end of a fiscal quarter of the Companies (as determined based upon the consolidated financial statements of Vitro Envases Norteamerica,

S. A. de C. V. and its Consolidated Subsidiaries). Vitro Envases Norteamerica S.A de C.V. will provide to TCFC a statement of its compliance with the above Total Debt Service Ratio requirement on a

quarterly basis.

"Total Debt Service" means, for any period (which for purposes of this Section shall be not less than a fiscal quarter of the Companies, except at TCFC's sole discretion) with respect to Vitro Envases Nortearnerica, S.A. de C.V. and its Consolidated Subsidiaries, the aggregate amount of all payments of principal and interest falling due during such period on all interest-bearing obligations of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries, on a consolidated basis.

"Total Debt Service Ratio" means for any period (which for purposes of this Section shall be not less than a fiscal quarter of the Companies, except at TCFC's sole discretion) the ratio of (i) Cash Flow Available for Debt Service of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries for such period to (ii) Total Debt Service of Vitro Envases Norteamerica, SA de C.V. and its Consolidated Subsidiaries for such period.

"Cash Flow Available for Debt Service", means, for any period (which for purposes of this Section shall be not less than a fiscal quarter of the Companies, except at TCFC's sole discretion) for Vitro Envases Norteamerica, S.A. de C. V. and its Consolidated Subsidiaries. the sum of earnings before interest and taxes of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries for such period plus depreciation and amortization, plus or minus, as the case may be (to the extent deducted or added, as the case may be, in determining such earnings), other non-cash item far such period.

2. Procedures. The Receivables of the Companies shall be generated and maintained in accordance with the credit management policies of TCFC attached hereto as Exhibit A (hereinafter referred to as the "Procedures"). The Procedures may be amended from time to time by TCFC in its discretion provided that TCFC shall give the Companies at least 15 days prior written notice before any changes in the Procedure are implemented.

3. Credit Risk and Credit Risk Receivables.

3.1 The term Credit Risk shall mean the risk of nonpayment by a Customer-obligor under a Receivable:

(a) who is financially usable or unwilling without Commercial Dispute, to pay at maturity any invoice rendered to it, or

(b) by or against whom a petition for relief is filed in bankruptcy or a suspension of payments is requested or occurs with respect to such Customer; or

(c) who calls a general meeting of creditors to compromise, compose, or adjust its debts; or

(d) by or against whom a proceeding is instituted for debtor relief under any insolvency law or

(e) who makes a general assignment for the benefit of creditors.

4. Credit Approval Process. Purchased Receivables which were originated under a TCFC Credit Line: (as defined below) shall be called "Credit Risk Receivables". TCFC shall only accept Credit Risk for Receivables according to the following:

4.1 TDFM shall perform a credit assessment process on behalf of the Companies for each Vitro Customer

4.2 In order for TDFM to properly perform the credit assessment process, the Companies agree that all Customers will be submitted to TDFM for credit assessment.

4.3 Following the credit assessment process, TDFM will within two (2) Business Days notify the Companies and TCFC of its recommendation of the proposed maximum credit line that TDFM

recommends for each Customer. The amount TCFC accepts as its TCFC Credit Line for each such Customer shall be the ("TCFC Credit Line"). TCFC will notify the Companies and TDFM of the TCFC Credit Line that TCFC is willing to take under this Agreement;

4.4. The Companies may either accept the TCFC Credit Line or propose a higher credit line. If a Company proposes a higher credit line, a meeting of a joint credit advisory committee ("Credit Committee") composed of two TDFM representatives and two of the Companies' representatives will meet to discuss the proposal. If after discussion, the Companies continues to prefer a credit line higher than the TCFC Credit Line then the credit line to such Customer will be set at the Companies' proposed level (the "Vitro Credit Line");

4.5 If the Vitro Credit Line, rather than the TCFC Credit Line, is established for a Customer, TCFC may determine, in its sole discretion, to reduce, modify or eliminate the TCFC Credit Line for such Customer and TCFC will so notify the Companies and TDFM:

4.6 If a Vitro Credit Line has been established, the Vitro Credit Line will be used to determine whether or not an Order from a Customer for the purchase of products should be approved subject to Subsections 4.7 and 4.8. If no Vitro Credit Line has been established, the TCFC Credit Line will be used to determine whether or not an order from a Customer for the purchase of products should be approved subject to Subsections 4.7 and 4.8;

4.7 TDFM will repeat the credit assessment process for all Customers with previously established credit limits;

(i) At approximately yearly intervals or less frequently as TDFM in its sole discretion deems appropriate or TCFC requests; and/or

(ii) At any time a Company requests modification of either the TCFC Credit Line or Vitro Credit Line; and/or

(iii) At any time TDFM or TCFC at its sole discretion, determines in accordance with the Procedures that the credit status of the corresponding Customer has changed in any way.

4.8 If the repetition of the credit assessment process results in a new TCFC Credit Line being established by TCFC for any Customer of the Companies, TCFC will promptly notify Company and TDFM of such determination and the processes described in Subsections 4.3 and 4.6 above shall reoccur at that time including (if necessary) the processes described in Subsections 4.2. 4.4 and 4.5 above.

4.9 The Companies agree that:

(i) All orders for the purchase of product from the Companies' Customers ("Orders") will be submitted to TDFM by the respective Company and released by TDFM prior to shipment (based upon the established credit limits set

forth in Sections 4.3 or 4.4; and

(ii) If any Order is not submitted to TDFM for review and release by TDFM in accordance with the TCFC Credit Line prior to shipment, then any existing Credit Risk assumed by TCFC under the terms of this Agreement on the account of the Customer submitting such Order may cease at TCFC's sole discretion, and TCFC shall thereafter have full recourse to the Companies for Receivables on account of such Customer upon shipment by a Company of the Order and receipt of written notice from TCFC to that effect.

4.10 Notwithstanding anything herein to the contrary, in the event that a Customer does not pay a Receivable when such Receivable is due and payable for whatever reason (as such due date may be extended by the mutual agreement of the parties hereto), including Commercial Dispute, or if a Customer has failed to provide TCFC with financial information requested by TCFC, or a Customer in any other manner no longer complies with TCFC's credit standards, then TCFC may in its discretion, notify the Companies in writing that TCFC will no longer assume any Credit Risk from such Customer with respect to any future Receivables purchased by TCFC which are due from such Customer.

5. Transmission of Receivables Inforntation and Purchase Procedure:

5.1 The Companies shall, at agreed intervals, deliver to TCFC a list (the "Receivables List") of Rcaivables being offered for sale to TCFC (which may be in the form of a facsimile transmission. Printed computer listing or an electronic computer file) identifying in a form acceptable to TCFC:

(a) The amount of each Receivable in Pesos and/or in Dollars using the Conversion Factor (defined above);

(b) The original selling terms on which the Receivables are owed including the maturity periods.

(c) The Customer by whom they are payable; and

(d) Other information as may be reasonably required by TCFC.

The Companies shall also deliver to TCFC, upon request, at agreed intervals, a copy of the respective Company's credit file and such other relevant information as is reasonably requested, from time to time, by TCFC.

5.2 TCFC shall have the right to inspect and request copies of the Companies' records relating to such Receivables and any associated guarantees, invoices, delivery notes, original credit files or other documents or information at the Companies' offices during normal business hours of the Companies upon 2 days prior written notice from TCFC.

5.3 All records maintained by the Companies relating to the Receivables shall be clearly identifiable for audit purposes and may be inspected at any time by TCFC upon 2 days prior written notice from TCFC at the Companies' offices during normal business hours of the Companies.

5.4 Confidentiality. During the term of this Agreement, and any renewal thereof, TCFC and the Companies each agree that all information communicated to it by the other will be held in strict confidence and will be used only for purposes of this Agreement, and that no such information will be disclosed by the recipient party, its agents, or employees without the prior consent of the other party except to Affiliates, legal representatives or auditors of TCFC or the Companies, provided however, that notwithstanding anything to the contrary herein, neither the Companies nor TCFC shall have any obligation to preserve the confidentiality of the other party's information which: (i) was previously known to such party free of any obligation to keep it

confidential; (ii) is or becomes publicly available, other that through disclosure known to the receiving party to have been unauthorized; or (iii) is independently developed by such party, without violating any of its obligations under this Agreement.

6 Servicing:

6.1 The Companies by themselves, or through TDFM pursuant to the Service Agreement, shall collect, receive, process, and remit proceeds from the collection of Receivables to TCFC in accordance with the Procedures. In the event that TCFC assigns this Agreement, such assignee may serve due notice on the Customers of the assignment of the Receivables and thus instruct the Companies to also act in such assignee's name vis-a-vis such Customers.

6.2 The Servicing obligations of the Companies to TCFC shall include:

(a) The Companies shall, in the Companies' name, but on behalf and for the account of TCFC, collect and, when necessary for such purpose, legally enforce any of TCFC's claims against Customers with respect to Receivables of such Customers sold to TCFC without recourse to the Companies, except as set forth in this Agreement.

(b) Remit to TCFC (as provided in Section 8.4) an amount equal to the amount received from the Customers without deduction.

(c) The Companies shall take all such action or undertake all legal or other proceedings to enforce payment as TCFC may reasonably require with respect to Receivables for which TCFC has any Credit Risk.

(d) The Companies shall pay all costs associated with its servicing activities with respect to Receivables including, for example, external service providers and attorneys' fees incurred in the collection process. TCFC shall reimburse the Companies for legal expenses incurred with respect to collection of Reaivables for which TCFC has the Credit Risk.

(e) Advise TCFC of the uncollectibility of any Reccrvable(s) and to account for such Receivable(s) according to the Procedures.

(f) Apply any payment received by the Companies from a Customer whose account is the subject of enforcement of collection first in satisfaction of the total amount owed on the oldest outstanding invoice from the Companies to the Customer which are the subject of Receivables sold to TCFC, provided however, that notwithstanding the foregoing provision, proceeds from Receivables that were purchased by TCFC without recourse to the Companies shall only be applied to the payment of such non-recourse Receivables and that proceeds of Receivables that were purchased by TCFC with recourse to the Companies (or for which the Companies later become liable on a full recourse basis) shall only be applied to the payment of such recourse Receivables except to the extent that the parties may otherwise agree to apply and account for the application of the proceeds of Receivables.

(g) Deliver to TCFC monthly, a complete accounting of all remittances on Receivables (which may be in the form of a printed computer listing) as set forth in the Procedures.

(h) If so requested by TCFC, the Companies, shall initiate and conduct on behalf of TCFC as owner of the Receivables, any and all proceedings which TCFC

reasonably deems appropriate for the collection of Receivables, and the Companies shall likewise execute such acknowledgments of assignment, affidavits as to the existence of Receivables and underlying transactions and appear as witness for the benefit of TCFC, as may be deemed appropriate by TCFC in any such proceedings. If the Companies refuse to join or cooperate in the proceedings as provided above or act as reasonably requested by TCFC or, if it were necessary for any reason that the Companies brought collection action in their own name and they shall refuse to do so, then TCFC in its discretion may notify the Companies that TCFC has decided to cease having any Credit Risk with respect to such Receivable and upon such notification becoming effective hereunder, such Receivable shall become full recourse to the Companies.

(i) Each party agrees that it will notify the other parties of any counterclaims; cross-claims; or defenses of which it becomes aware that are filed in any legal proceeding which involve any issue other than the enforceability of the credit extended to such Customer. The Companies shall indemnify TCFC for any claim against TCFC, loss, costs, expenses, fees, judgments, or other payments incurred arising directly or indirectly from such counterclaims, cross-claims, or defenses.

7. Management of Receivables.

7.1 Receivables will be managed in accordance with the Procedures.

7.2 The established, day-to-day operations of the Companies in the performance of their responsibilities in servicing the Receivables under this Agreement will be supervised by TCFC and the Companies shall be exclusively responsible for the engagement and management of its employees.

8. Payment and Purchase Price

8.1 Title to Receivables: Purchase of Receivables by TCFC shall vest full, legal, equitable and beneficial title in and to TCFC on the terms and subject to the covenants, conditions, and stipulations contained in this Agreement. Upon any such purchase of Receivables by TCFC, the respective Company shall be deemed to have automatically transferred, assigned, conveyed and delivered to TCFC all right, title and interest in and to all such Receivables purchased by TCFC, together with all credit enhancements held by the Companies with respect to the Receivables purchased by TCFC, including but not limited to guarantees and letters of credit.

8.1.1 The fact that an invoice has not been issued at the Purchase Date with respect to a purchdsed Receivable shall not affect the validity and enforceability of such purchase.

8.1.2 Regardless of whether an invoice has been issued at the Purchase Date, the Approval Listing (in the form annexed hereto as Schedule 1 once such Approval Listing is acknowledged as accepted by TCFC (which may be accomplished via electronic or computer transfers, or by facsimile), then such signing or acknowledgment of acceptance by TCFC constitutes conclusive evidence of the transfer of ownership of the Receivable to TCFC, subject to TCFC's ten Business Day right of recession as set forth in Section 1.1.1.

8.1.3 The Companies covenant and agree that the sale of a Receivable and the transfer of ownership shall be reflected properly on the respective Company's books.

8.2 Purchase Price: TCFC shall only be obligated to fund the

Companies for Receivables purchased by TCFC up to the aggregate amount of TCFC Credit Lines and Vitro Credit Lines established for Customers pursuant to this Agreement, however, in no event shall TCFC purchase from the Companies (except in TCFC's sole discretion) in excess of US $75,000,000 of Receivables. Funding from TCFC for purchases of Receivables made by TCFC under an Approval Listing, will be availabie upon demand from the Companies one (1) Business Day after the corresponding Purchase Date. The date TCFC disburses fumds to the Companies in payment for the purchase of a Receivable shall be the "Funding Date" with respect to each such Receivable.

8.2.1 When purchases of Receivables are funded TCFC shall pay directly to the respective Company in Dollars for a Receivable an amount (the "Direct Advance") equal to the following formula: A (1 - Discount %) x (Invoice Amount - Adjustment), divided by B. (the Conversion Factor)

8.2.1.1 "Discount %" shall mean that percentage as the parties may agree, which TCFC shall apply as a discount to the amount funded by TCFC for a Receivable purchased by TCFC.

8.2.1.2 "Invoice Amount" shall mean the total amount that the respective Company invoices the Customer shown on any Receivable.

8.2.1.3 "Adjustment(s)" shall mean for each Receivable the aggregate of:

(i) All discounts and allowances to which the Customer would be entitled if it paid on the most expeditious basis or in the shortest term; and

(ii) All returns and credits regarding such Receivable known at the Purchase Date.

8.2.1.4 The "Purchase Price" for a Receivable shall equal the amount of the Direct Advance.

8.2.1.5 "Conversion Factor" shall mean, as of the date of any determination making reference thereto, the exchange rate of Mexican Pesos (Pesos) to Dollars entitled "Tipo de Cambio para solventar obligaciones denominadas en moneda extranjera pagaderas en la Republica Mexicana," as published by Banco de Mexico on the Diario Oficial de la Federacion, on the date on which such detennination is made.

8.2.2 Factoring Service Charge: Commencing on the Funding Date of each Receivable and continuing until the date which is the earlier of:

(i) Up to 90 days after such Receivable is due and payable, as per the invoice date or as otherwise calculated pursuant to Article 9 herein, (which date may be extended by mutual agreement of the parties); or,

(ii) TCFC has demanded that the respective Company pay TCFC any recourse obligations of the Companies with respect to the Receivable pursuant to Article 9 herein: or

(iii) Such Receivable is collacted in full and TCFC has received the funds from such collection:

The respective Company shall pay the factoring service charge ("Factoring Service Charge") to TCFC on the average daily balance of the Outstanding Receivables based upon the then current Factoring Formula Rate (defined below). The term "Outstanding Receivables" shall mean as of the date of any calculation making reference thereto, an amount equal to the

sum of the Direct Advances funded by TCFC for all Raceivables purchased by TCFC, minus the US Dollar equivalent that TCFC was able to purchase with the Peso amounts received by TCFC from collections of such Receivables.

8.2.1.1 Payment of the Factoring Service Charge: The Factoring Service Charge shall be payable monthly, as provided in Section 8.2.2 hereof, in arrears, on the fifth day of each calendar month commencing on the first Funding Date under this Agreement and will be billed to the respective Company on the first day of each such month. The Factoring Formula Rate shall be subject to adjustment, if any, on the first day of each calendar month based upon changes in the One-Month LIBOR Rate (as defined below). The Factoring Service Charge shall be calculated based upon a 360-day year and for the actual number of days elapsed (including the first day but excluding the last day).

8.2.2.2 Late Fee: If any Receivable purchased and funded by TCFC (for which TCFC is not tanking Credit Risk) is not paid.

(i) On or before the date that is up to 90 days (or as may be otherwise extended by agreement of the parties pursuant to Section 8.2.2 (i) above) after the date it is due and payable, or

(ii) Within five (5) days after demand by TCFC to the respective Company to pay its recourse obligations with respect to such Receivable, pursuant to Article 9 herein or

(iii) Within five (5) days after demand by TCFC to make a payment due under the foreign exchange settlement method set forth in Section 8.4 herein, or

(iv) Any Factoring Service Charge under this Agreement is not paid when due and payable,

Then the amount outstanding of such Receivable which has not been received by TCFC or the amount of the Factoring Service Charge or other amount due shall be charged a Late Fee which shall be payable by the Companies to TCFC equal to an additional two (2%) percent above the Factoring Formula Rate front such date until paid in full.

8.2.2.3 Other Definitions: For the purposes hereof the following terms have the meanings set forth below:

(a) "One Month LIBOR Rate" means a flucatating rate equal to that rate identified as such in the "Money Rates column of the Wall Street Journal on the first business day of the applicable month (a "business day" for purposes of this section 8.2.2.3 only, being any day the Federal Reserve Bank of Chicago is open for the transaction of business);

(b) "Factoring Formula Rate " means a variable figure equal to the One-Month LIBOR Rate plus 2.0 %.

8.3 Payments:

8.3.1 The Companies and TCFC agree that the specification of Dollars and payment in the place specified pursuant to this agreement (the "specified place of payment") is of the essence, and Dollars shall be the currency of account in all events. The Companies shall make all payments of all amounts due to TCFC under this Agreement in Dollars, in same day funds in time to be credited in accordance with normal banking procedures on the date

when due and payable in account No. 57010 at the Chicago, Illinois offices of The Northern Trust Bank presently located at Chicago, Illinois or on such other Bank or Banks as TCFC from time to time designates. The payment obligations of the Companies under this agreement stated to be payable in Dollars shall not be discharged by an amount paid in another currency or in another place, whether pursuant to a judgment or otherwise, to the extent that the amount so paid on conversion to Dollars and transferred to the specified place of payment under normal banking procedures does not yield the amount of Dollars in the specified place of payment due hereunder.

8.3.2 TCFC shall make all payments of amounts due to the Companies under this Agreement to Dollars to the Companies' respective bank accounts (or to such other bank accounts as such Companies may from time to time notify TCFC in writing) as set forth on Exhibit C hereto.

8.4 Currency Fluctuation Obligations:

8.4.1 The Companies shall have the obligation to hold TCFC harmless from foreign exchange currency fluctuation risk according to the provisions of this Section 8.4. In addition, to the extent that the payment obligations of the Companies under this Agreement are not satisfied or discharged upon payment by or on behalf of the Companies to TCFC of amounts converted from another currency to Dollars, then TCFC shall have the right to demand immediate payment from the Companies of the amount in Dollars still needed to satisfy the payment obligations of the Companies due to TCFC.

8.4.2 Without prejudice to the obligation of the Companies under Section 8.4.1. the parties shall do the following:

8.4.2.1 TCFC shall calculate the Cross-Currency Balance (as defined in Section 8.4.2.4) on Wednesday of each week, or on the next Business Day if such Wednesday is not a Business Day, provided however that during any such time as the fluctuation in the Cross-Currency Balance is more than 20% between any Wednesday and the next succeeding Wednesday (or next following Business Day if the latter Wednesday is not a Business Day), then TCFC shall calculate the Cross-Currency Balance on every Business Day until such time as the foreign exchange fluctuation between any Wednesday and the next succeeding Wednesday (or next following Business Day if the latter Wednesday is not a Business Day) is less than 20%. If the Cross-Currency Balance whenever calculated by TCFC in accordance herewith is a positive number, the Companies shall pay such Cross-Currency Balance to TCFC, in Dollars within one (1) Business Day in the manner set forth in 8.3.1. If the Cross-Currency Balance whenever calculated by TCFC in accordance herewith is a negative number TCFC may, if so requested by the Companies at such time, or within one (1) Business Day thereafter , pay the absolute value of such Cross-Currency Balance to the Companies, in Dollars, within one (1) Business Day. (The sum of dollar amounts paid by the Companies to TCFC as provided in this paragraph minus the sum of dollar amounts paid by TCFC to the Companies as provided in this paragraph shall be credited towards satisfaction of the obligation of the Companies under Section 8.4.1 upon its being finally determined.

8.4.2.2 Notwithstanding the provision of Section 8.4.2.1. as from the occurrence of an Event of Default or the giving of notice by TCFC that it will cease purchasing Rrceivables hereunder, TCFC shall calculate the Cross-Currency Balance on every Business Day. If the Cross-Currency Balance on any such day is a positive number, the Companies shall pay such

Cross-Currency Balance to TCFC, in Dollars within the next one (1) Business Day in the manner set forth in 8.3.1. During the continuance of any Event of Default incurred by the Companies or after the giving of any notice of termination of this Agreement, TCFC shall not be obligated to make any payments to the Companies by virtue of negative Cross-Currency Balances; however, both (i) the positive Cross-Currency Balance payments made to TCFC by the Companies and (ii) the absolute value of negative Cross-Currency Balances on any of such days, shall be credited towards satisfaction of the obligation of the Companies under Section 8.4.1.

8.4.2.3 Once all Receivables purchased by TCFC are either collected in full (with respect to their original invoice amount in Pesos) from collections from Customers or from recourse payments by the Companies or any remaining balances are written off as losses, then if upon final reconciliation of all Cross-Currency Balance calculations it is determined that the remaining obligation of the Companies under section 8.4.1 is an amount lower than the sum of Cross-Currency Balance amounts due from and as yet unpaid by TCFC pursuant to Sections 8.4.2.1 and 8.4.2.2, then, within 5 (five) Business Days following written demand therefor by the Companies to TCFC and provided no Event of Default shall be continuing, TCFC shall pay to the Companies in Dollars. an amount equal to the difference between such two amounts. If upon such final reconciliation of the Cross-Currency Balance calculation it is determined that the obligations of the Companies under Section 8.4.1 have not been fully satisfied then the Companies shall pay to TCFC any remaining amounts necessary to fully satisfy such obligation within five (5) Business Days following written demand therefor by TCFC.

8.4.2.4 For purposes hereof, the term "Cross-Currency Balance" shall mean. as of the date for which calculated, the difference obtained by subtracting (i) the nominal US Dollar equivalent calculated at the Conversion Factor applicable on such date, of the outstanding balance (which balances shall be deemed reduced not only by collections from Customers but also by recourse payments made by the Companies to TCFC and the amounts of losses written off by TCFC with respect to Receivables) of Receivables denominated in Pesos purchased by TCFC, from (ii) the nominal US Dollar amount of the Direct Advance made by TCFC with respect to each of such Receivables minus (a) the Dollars purchased by TCFC with the Peso amounts received by TCFC from collections of such Receivables, (b) the Dollars received by TCFC from the Companies pursuant to recourse payments on account of such Receivables, and (c) the Dollar equivalent of any losses written off by TCFC with respect to such Receivables calculated at the Conversion Factor applicable on the date on which such losses are written off, or on the following Business Day if such day is not a Business Day. For purposes of this calculation, should TCFC write off a loss with respect to any of such Receivables and thereafter receives a recourse payment from the Companies intended to cover or apply to the loss written off or TCFC recovers from the relevant Customer an amount previously written off by TCFC as a loss or previously covered by a recourse payment from the Companies for a loss, such additional amounts received by TCFC shall not be deducted from the sum to be determined under item (ii) of this Section 8.4.2.4.

8.4.2.5 Nothing herein shall release the Companies from their obligation under Section 8.4.1.

8.4.2.6 Furthermore, TCFC shall also have the right to immediately setoff and deduct such amounts still due to TCFC by the Companies from any payments which may otherwise be due from TCFC to the Companies. If for purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (in this Section called the "second currency"), the rate of exchange which shall be applied shall be that specified in Section 8.2.1.5. The obligation of the Companies in respect of any such sum due to TCFC bmeunder shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by TCFC of the sum adjudged to be due hereunder or under the account receivables acquired by TCFC in the second currency. TCFC may, in accordance with normal banking procedures, purchase and transfer to the specified place of payment Dollars with the amount of the second currency so adjudged to be due. The Companies agree to indemnify TCFC against any loss incurred by it as a result of any judgment or order being given or made for the payment of any amount due hereunder which is expressed and paid in secondary currency, other than Dollars, and as a result of any variation between (i) the rate of exchange at which Dollars amount is converted into secondary currency for the purposes of such judgment or order, and (ii) the rate of exchange at which TCFC is able to purchase Dollars with the amount of judgment currency actually received by TCFC. The foregoing indemnity shall constitute a separate and independent obligation of the Companies and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversions into Dollars.

8.4.3 Payments on business days: Whenever any payment to be made by the Companies or TCFC hereunder shall become due on a day other than a Business Day, either for Mexico or the

United States of America, the due date thereof shall be extended the next succeeding Business Day. The term "Business Day, shall mean a day other than a Saturday or Sunday when (i) TCFC is open for normal business operations in the United States of America, and (ii) the Companies are open for normal business operations in Mexico.

8.5 Taxation:

(a) All payments to be made by the Companies hereunder shall be made without setoff (except for any setoff arising from amounts due by TCFC hereunder), defense or countcrcimin. including, without limitation, any defense or counterclaim based an any law, rule or policy which is now or hereafter promulgated by any governmental authority or regulatory body in Mexico and which may adversely affect the obligation to make, or the right of TCFC two receive, such payments free and clear of and without deduction for or on account of any present or future taxes of any nature now or hereafter imposed by or within Mexico or by any political subdivision or taxing authorities thereof or therein unless the Companies are compelled by law to make payment subject to such taxes. In the event that the Companies are prohibited by law from making any such payments free of deductions or withholdings, then

the Companies shall pay such additional amount to WPC within five (5) Business Days of TCFC's demand therefor, as may be necessary so that the actual amount received by TCFC after the Companies have paid any such deduction or withholding taxes (and after payment of any additional taxes or other charges due as a consequence of the payment of such deduction or withholding) is the same as though deduction or withholding taxes were not required. Notwithstanding the above provisions, the parties hereby agree that with respect to any amounts required to be withheld by the Companies from payments to TCFC up to the rate of 4.9%, and (ii) amounts of withholding taxes which are assessed on such payments to TCFC at a rate in excess of 15%.

(b) The Companies shall pay directly to the appropriate taxing authority any and all present and future taxes, levies imposts, deductions, stamp and other duties, filing and other fees or charges (includiqg without limitation any capital transaction tax or foreign exchange tax or charge) and all liabilities with respect thereto imposed by the law of Mexico or by any taxing authority thereof or within with regard to any aspect of the transactions contemplated by this Agreement or the execution and delivery of this Agreement or other documentation hereunder, provided, however, the Companies may contest, at the Companies' sole cost and expense, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or imposition, in whole or in part, of any tax, provided that (a) the Companies shall have set aside on its books adequate reserves with respect thereto: (b) that no assets of the Companies would be in any immediate danger of being forfeited or taken or a lien being unpaid thereon, (c) that the Companies would not be incurring any criminal liability for failure to pay such tax during the pendency of the contest; (d) if such contest be finally resolved against the Companies, the Companies shall promptly pay the amount required to be paid, together with all interest and penalties accrued thereon; and (e) no Event of Default exists. The Companies shall hold IWCPFC harmless from any liability with respect to the delay or failure by the Companies to pay any such taxes or charges and shall reimburse TCFC, upon demand, for any such taxes paid by any of them in connection herewith whether or not such taxes shall be correctly or legally asserted or otherwise contested or contestable together with any interest, penalties and expenses in connection therewith.

(c) Notwithstanding the foregoing, if the Companies shall pay any tax or charge as provided herein or shall make any deductions or withholdings from amounts paid hereunder, the Companies shall within five (5) Business Days of such timely payment to the Mexican tax authorities, forward to TCFC official reccipts or evidence acceptable to TCFC establishing payment of such amounts.

8.6 Statement: TCFC shall send a monthly statement of account to the Companies which shall constitute an account stated and be binding upon the Companies with respect to the matters reflected therein and in any matters previously reported to the Company which we incorporated therein, except to the extent that written exceptions thereto are served upon TCFC within thirty (30) days of such statement.

8.7 Material Change: The Companies hereby agree that the obligations of TCFC hereunder are subject to the condition

that there be no material change in governmental regulations or monetary policies of the United States of America or of Mexico, including any such change relating to TCFC which would have the effect of reducing the rate of return on the capital of TCFC below the level contemplated hereby. In the event that any law, regulation, treaty or official directive or the interpretation or application thereof by any court or governmental authority of the United States of America or of Mexico or the compliance with any guidelines or request of either or any subdivision thereof (whether or not having the force of law): (i) subjects TCFC to any tax with respect to any amounts payable hereunder by the Companies or otherwise with respect to the transactions contemplated hereunder (except for taxes on the overall net income of TCFC imposed by the United States of America or any political subdivision thereof), or (ii) imposes upon TCFC any other condition with respect to the purchases made hereunder, and the result of any of the foregoing is to increase the cost to TCFC, reduce the income received or receivable by or return on equity of TCFC or impose any expense upon TCFC with respect to any purchases hereunder, TCFC shall so notify the Companies. In such event TCFC shall have the option to. require the Companies to pay TCFC the amount of such increase in cost, reduction in income, reduced return on equity or additional expense. The Companies agree to pay TCFC the amount of such increase in cost, reduction in income, reduced return on equity or additional expense as and when such cost, reduction in income, reduced return on equity or additional expense is incurred or determined, upon presentation by TCFC of a statement in the amount and setting forth TCFC's calculation thereof (in determining such amount, TCFC may use any reasonable averaging and attribution methods), which statement shall be deemed true and correct absent manifest error. In the event TCFC requires the Companies to make payments to TCFC pursuant to this Section 8.7, the Companies shall have the right, provided no Event of Default shall have occurred and be continuing, to send a notice to TCFC of the Companies' intent to terminate this Agreement, which termination shall become effective after the lapse (counted as from the date in which such notice becomes effective hereunder) of the number of months (not to be in any event less than three) so specified by the Companies in such notice, provided however, that the Companies will continue to be obligated to reimburse TCFC for all such payments for such amounts that accrue or are incurred by TCFC prior to and during such period.

9. Risk of Loss.

9.1 The purchase by TCFC of Receivables will be on a full recourse or non-recourse basis as determined the extent that TCFC has assumed Credit Risk therefor pursuant to the terms of this Agreement and the parties hereby agree that should the recourse rights of TCFC against a Company at any time be analyzed by a court of law applying Mexican law, then such recourse rights shall be deemed to arise from a "garantia de cobro" which shall be deemed to have been hereby agreed to as permitted Article 391 of the Commercial Code of the United Mexican States.

9.1.1 If the Direct Advances funded with respect to any Receivable were an amount higher than the amount actually due and payable by the corresponding Customer under that Receivable for any reason other than by reason of an exchange rate fluctuation (including. without limitation, by reason of a credit issued by a Company or a debit not raised by a Customer in respect of a discount taken or other claim), then, the Companies will pay such difference to TCFC within five (5) Business Days from the date of TCFC making demand for payment therefor. In addition, TCFC may at its sole option, deduct such payment from any payment due the Companies from TCFC.

9.1.2 If the original invoice for any purchased Receivable shall not have been received by TCFC within five Business Days following written request therefor by TCFC to the Companies, then such Receivable shall become full recourse to the Companies.

9.2 If a purchased Receivable becomes an Uncollectible Receivable (as defined in Section 9.3) then, the Company shall, upon demand by TCFC, pay to TCFC, within five (5) Business Days from the date of such demand without deduction, an amount in Dollars which at the Conversion Factor on the date of delivery to TCFC shall be equal to the allocable percentage share of Credit Risk assumed by the Companies, or such portion of the Credit Risk as the parties may have otherwise previously agreed to be assumed by the Companies, with respect to the Uncollectibility Loss for such Receivable (as defined in Section 9.3). This obligation shall apply regardless of any reason expressed by the Customer for nonpayment, including, without limitation, any breach of contract by the Company, the costence of any setoff or counterclaim, the right to a deduction, any matter which would constitute a breach of the Company's warranties and covenants to the Customer, the Company's acceptance of the return of any goods which are the subject of a Receivable, or the Company's liability to credit the Customer. In the event that the Company pays TCFC the Dollar equivalent of the allocable percentage share of Credit Risk assumed by the Companies, or such portion of the Credit Risk as the parties may have otherwise previously agreed to be assumed by the Companies, with respect to the Uncollectibility Loss as herein provided and provided no Company shall have incurred an Event of Default, then any further. payments received by TCFC on such Receivable shall be remitted to the Company within five (5) Business Days. In the event that any Company shall have incurred an Event of Default then TCFC shall not remit any such payments as would otherwise be due the Companies pursuant to the above provisions until such time as the Companies have cured such Event of Default or all obligations of the Companies to TCFC pursuant to this Agreement have been fully satisfied. Each such Dollar amount delivered by the Companies to TCFC shall be deemed a collection on account of such Receivable for all other purposes hereof. The Dollar equivalent of the unpaid portion of any Uncollectible Receivable, after giving effect to the recourse payment by the Companies, if any, shall be written off from the aggregate outstanding balance of purchased Receivables.

9.3 Uncollectible Receivables and Uncollectibility Loss:

9.3.1 Uncollectible Receivables: Without limitation, a Receivable shall be deemed to be uncollectible ("Uncollecttble Receivable") upon the earlier of any of the following events:

9.3.1.1 Insolvency: The Customer-obligor under the Receivable becomes insolvent, makes a general assignment for the benefit of creditors, or becomes subject to or applies for concurso mercantil or any bankruptcy proceedings, or is submitted to or makes or there is made an application for the process of control administration or of preliminary concordat or is put into forced or voluntary liquidation, or such Customer shall otherwise enter into any settlement or commence any proceedings under any law, regulation or decree of Mexico relating to reorganization arrangement, readjustments of debts, dissolution or liquidation by reason of insolvency, whether now or hereafter in effect; or

9.3.1.2 Nonpayment: The Customer under the Receivables shall fail to pay the amount due on the Receivable when due and payable and such default has continued for a 90-day term from the time the Receivables was originally due for any reason. including, without

limitation, a dispute regarding the goods or otherwise, strike, currency restriction or failure of consideration in the underlying transaction.

9.3.1.3 Uncollectible: TCFC notifies the Companies that TCFC deems a Receivable uncollectible or that TCFC believes, with reasonable good grounds and in good faith, that it is unlikely that payment by the Customer of the Receivable will be made on the date the Receivable will be due and payable (as determined by TCFC in its reasonable discretion.

9.3.2 Uncollectibility Lcss. The term " Uncollectibility Loss" of a Receivable means the result of subtracting, from the Original Invoice Amount of such Receivable, the amount of Pesos actually collected by TCFC on account of such Receivable prior to the date on which such Receivable became an Uncollectible Receivable. For purposes hereof, the term "Original Invoice Amount" of a Receivable means the Peso amount stated as due (including any debits or credits so stated) by a Customer on account of such Receivable (i) in the Approval Listing where such Receivable shall have been offered for purchase to TCFC hereunder or, in the absence of an individual statement in that regard in an Approval Listing with regard to such Receivable, then (ii) in the face of the document or documents evidencing such Receivable.

9.4 Commercial Disputes. If a Receivable becomes subject to a Commercial Dispute (defined below) whether or not TCFC is taking Credit Risk with respect to such Receivable, then TCFC shall allow the respective Company thirty (30) days to resolve any asserted or alleged Commercial Dispute. Any amounts that a Company may allow as a settlement amount with respect to the Customer relating to the Receivable in dispute shall not be subject to Credit Risk on the part of TCFC, and if TCFC has funded a Company for the purchase of such Receivable from the Companies then the Companies shall within 5 Business Days pay TCFC the amount allowed by the Companies in settlement as a reduction of the amount due by such Customer under such Receivable. If at the end of such 30-day period such Commercial Dispute has not been resolved then TCFC shall no longer have any Credit Risk for the portion of the Receivable that remains in dispute, and if TCFC has funded a Company for the purchase of such Receivable from the Companies, then the Companies shall within 5 Business Days pay TCFC the amount of such Receivable remaining in dispute. "Commercial Dispute" shall mean any dispute or claim in any respect (including, without limitation, any alleged dispute as to price, terms, quantity, quality, or late delivery, and claims of release from liability, counterclaim, or any alleged claim of deduction, offset, counterclaim or otherwise, arising out of an invoice or any other transaction.

9.5 Assignment of Receivables. With respect to all Receivables which am purchased by TCFC. the Companies shall thereafter be deemed to have assigned all of the respective Company's title and interest in such Receivables to TCFC along with all of such Company's interest in the goods represented by such Receivable and in all goods that may be returned by Customers with respect to such Receivable and in all of the respective Company's rights as an unpaid vendor with respccl to such Receivable. The Companies agree to execute any documents or related items that may be necessary to evidence such assignment.

10. The Companies' Warranties and Covenants:

10.1 Warranty. Each Company warrants, as of the date hereof and as of the date of each purchase made hereunder, to TCFC as follows:

10.1.1 That for every Receivable which is purchased by TCFC:

(a) The respective Company will be the legal and beneficial owner of such Receivable and entitled to sell and assign the same to TCFC free from any mortgage, charge or other encumbrance and such Receivable will be legally enforceable by the Companies and, that other than as may be provided by law, or any Adjustments, as disclosed in such Receivable or otherwise disclosed in writing to TCFC, no justification for the non-payment of the full amount of such Receivable to the Companies by the Customer exists; and that the particulars of such Receivable in the Receivables List will be true and accurate;

(b) The Companies will not have sold or assigned or allowed anyone else to assume Credit Risk or offered to have sold or assigned or have Credit Risk assumed with respect to such Receivable to any person other than TCFC.

(c) For each Receivable sold to TCFC the Companies shall have shipped the product invoiced, except for the events in which a "Prestamo-Bodega-Cliente" condition or arrangement was made with a Customer provided the respective Company shall have communicated such condition or arrangement in writing to TCFC on or prior to the Approval Listing Date and TCFC shall have granted its consent thereto (such consent not to be unreasonably withheld), as well as any other cases where the parties agrees otherwise.

(d) That the joint and several liability obligation of each of the Companies' obligations contained in this Agreement constitute the legal, valid and binding obligations of each Company enforceable in accordance with their terms, except that the joint obligation of each Company (other than Vitro Envases Norteamerica, S.A de C.V.) with respect to the obligations of each other Company hereunder shall be unenforceable for as long as the resolutions of the general extraordinary shareholders' meetings referred to in Section 11.1.7 are not adopted, notarized and registered as indicated therein.

10.1.2 That the Companies have no other factoring arrangements as of the date of this Agreement and during the term of this Agreement the Companies shall have no other factoring arrangements.

10.1.3 That there are no registrations and approvals of Mexico, of any legislative body or government agency thereof necessary for the due execution and delivery of this Agreement.

10.1.4 That this Agreement constitutes the legal, valid and binding obligations of the Companies enforceable in accordance with their terms.

10.1.5 That there are no pending or threatened legal actions, arbitration or other proceedings which may materially and adversely affect the financial condition of the Companies taken as a whole or the validity or crAccabilits+ of this Agreement.

10.1.6 That the Companies have taken all necessary corporate and other action to authorim the execution and delivery of this Agreement and the performance and observance of the terms and conditions hereof and there is no provision of any of the Companies' articles of iporation and bylaws, or of any treaty

provision, law, ordinance, decree or regulation and no contractual our other obligation binding on the Companies that are or will be contravened by the execution and delivery of this Agreement or by the performance or observance of any of the terms hereof.

10.1.7 That the Companies shall each provide TCFC with quarterly financial statements within 45 days after the end of each fiscal quarter, and they shall each provide TCFC with copies of their respective annual audited financial statements, accompanied by a certificate of an independent accountant within 120 days after the ad of each of Companies' respective fiscal years. The Companies' financial statements are currently prepared on a consolidated basis with the financial statements of Vitro Envases Norteamerica, S.A. de C. V. and shall be furnished to TCFC on such consolidated basis. Such consolidated financial statements shall be prepared in accordance with Mexican generally accepted accounting principles. In addition, the Companies agree to provide TCFC with such additional financial information as TCFC may from to time reasonably request.

10.2 Covenants: Each Company covenants and agrees:

10.2.1 That for every Receivable, the Companies will not, without the prior written consent of TCFC (a) permit any setoff, counterclaim or right to a deduction to arise at any time, beyond what would customarily be done in the normal course of business, and the Companies agree that they shall nevertheless be liable to TCFC for the repayment of any such setoffs, volume discounts, early payment discounts, oounterclaims or deductions to the extent such items reduce the amount payable under a Receivable; (b) assign, modify or deal with such Receivable except as expressly provided for in this Agreement, nor (c) grant any extension of time for payment (beyond that set forth in the credit procedures agreed to by TCFC and the Companies) or any waiver or other indulgence.

10.2.2 That all facts, figures, and statements of any kind and all signatures appearing on every contract and other document supplied to TCFC as evidence of or relating to a Receivable will be true and genuine.

10.2.3 That it will indemnify and keep indemnified TCFC against any claim or counterclaim of whatsoever nature by a Customer in respect of a purchased Receivable and all costs and expenses suffered or incurred by TCFC im connection with any such claim and the Companies shall pay to TCFC upon demand, within any deduction whatsoever, the amount of any resulting losses, damages, casts, charges, and expenses so suffered or incurred by TCFC, provided that such indemnity shall be limited to actual out of pocket costs, expenses or liabilities incurred by TCFC with respect to such events.

10.2.4 That for my Receivable for which TCFC has arty Credit Risk that is more than 90 days past due for whatever reason, or with respect to which TCFC reasonably believes in good faith that the financial situation of the Customer has materially deteriorated, then TCFC may request the Companies to stop shipping product to the Companies' Customer that is the account debtor with respect to such delinquent Receivable. Upon receipt of such request from TCFC the Companies shall immediately stop shipping product to such Companies' Customer. If the Compames shall breach this covenant with respect to any Companies' Customer, then without limiting TCFC's rights hereunder, all Credit Risk with respect to all existing Receivables of such Companies' Customer shall cease immediately and automatically upon shipment by the Companies of product to such Companies' Customer and the Companies shall become liable on a full recourse basis with respect to

all such Receivables with respect to such Customer.

10.2.5 Taxes.

10.2.5.1 General withholding and other taxes: TCFC shall not be resident or domiciled or be deemed to have established a place of business or to be carrying on any, business in Mexico by reason of the execution, delivery, performance or enforcement of this Agreement or any document provided hereunder.

10.2.5.2 TCFC Indemnity. In the event Mexico or any government agency has establishes or hereafter establishes or rules that withholding tax or other charges are applicable to any payments hereunder or if so established, any increases thereto, in Mexico during the term of this Agreement, the Companies agree to indemnify and pay to TCFC the amount that any such increased taxes or charges are determined to be due and payable by TCFC or its assigns in connection with the establishment of any taxes (or increases thereto) applicable to any payments made hereunder. Notwithstanding the above provisions, the parties hereby agree that with respect to any amounts required to be withheld by the Companies from payments to TCFC as a result of Mexican withholding taxes, the Company shall only be obligated to indemnify TCFC for (i) Mexican withholding taxes assessed on such payments to TCFC up to the rate of 4.9%, and (ii) amounts of withholding taxes which are

assessed on such payments to TCFC at a rate in excess of 15%. Further, all such indemnity payments from the Companies to TCFC shall be free of withholdings of any nature whatsoever (and the Companies shall pay an additional amount such that the net amount actually received by TCFC will after such withholding equal the full amount of the payment then due) and shall be free of expense to TCFC for collection or other charges.

10.2.5.3 That the Companies shall promptly give notice to TCFC of (i) the occurrence of any Event of Default (as defined below) or any event that, with the giving of notice or the passage of time, or both, would constitute an Event of Default hereunder, or (ii) any circumstances which could materially affect the fulfillment by the Companies of their obligations hereunder.

10.2.6. That the Companies shall comply at all times with the following financial covenants as determined by and based upon the financial statements of Vitro Envases Norteamerica, S.A de C.V. and its Consolidated Subsidiaries on a consolidated basis:

(i) Minimum Tangible Net Worth: Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries shall keep at all times a Minimum Consolidated Tangible Net Worth of at least (a) US $80 million Dollars US from the date of this Agreement through December 30, 2000, and (b) such required mmumm amount shall increase on December 31, 2000, and on December 31 of each following year, in an amount equal to at least 50% of the than current calendar years' consolidated net income for Vitro Envases Norteamerica, S.A. do C.V. and its Consolidated Subsidiaries (without taking into account any losses incurred in any fiscal year); and

(ii) Limitation On Indebtedness: Vitro Envases Norteamerica, S.A. de C. V. and its Consolidated Subsidiaries shall not incur any Indebtedness unless, after giving effect to the incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the ratio of Vitro Envases Norteamerica, S.A. de C.V.'s and its Consolidated Subsidiaries' Consolidated Indebtedness to Vitro Envases Norteamerica, SA de C.V.'s and its Consolidated Subsidiaries' Consolidated EBITDA would be greater than zero and less than or equal to 4.25 to 1.0 on the date of such incurrence, except:

(a) Consolidated Indebtedness to the extent Vitro Envases Norteamerica S.A., De C.V. and its Consolidated Subsidiaries refinance Consolidated Indebtedness otherwise permitted hereunder, other than Consolidated Indebtedness incurred under clause (b) below;

(b) Consolidated Indebtedness of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries incurred for working capital needs in the ordinary course of business or to refinance interest expense, in an aggregate principal amount at any time not to exceed US $90,000,000;

10.2.6.1 The following definitions shall apply to this Section 10.2.6:

Consolidated Tangible Net Worth means, at any date, for Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries, the total of consolidated unimpaired paid-up capital, retained earnings and reserves not allocated to specific liabilities of Vitro Envases Norteamerica S.A. de C.V. and its Consolidated Subsidiaries less their consolidated Intangible Assets, all determined as of such date. For purposes of this definition "Intangible Amounts" means the amount (to the extent reflected in determining such consolidated capital) of (i) all write-ups (other that write-ups resulting from foreign currency translations and

write-ups of assets of a concern business made within twelve months after the acquisition of such business subsequent to December 31, 1998 in the book value of any assets owned by Vitro Envases Norteamerica, S.A. de C. V. or a Consolidated Subsidiary other than evaluations of assets in accordance with generally accepted Mexican accounting principles, (ii) all investments in unconsolidated subsidiaries and all equity investments in third parties which are not subsidiaries and (iii) all unamortized debt discount and expense, unamortized deferred charges, patents, trademarks, service marks, trade names, anticipated future benefit of tax loss carry-forwards, copyrights, organization or developmental expenses and other intangible assets as defined by TCFC.

Consolidated Subsidiary means, at any date, as to Vitro Envases Norteamerica. S.A de C.V., any subsidiary or other entity of Vitro Envases Norteamerica, S.A de C.V., the accounts of which would be consolidated under generally accepted accounting principles with those of Vitro Envases

Norteammica, S.A de CV. in its consolidated financial statements if such statements were prepared as of such date and were consistent with financial statements as required pursuant to Section 10.1.7 herein.

Consolidated EBITDA means, at any date, for the fiscal period in question. the consolidated operating income, plus depreciation, plus amortization, plus cash derived from interest income, plus non-cash charges in aggregate amount (for all fiscal periods) not greater than US $10.000,000 US. in each case. of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries, as set forth in the most recent financial statements of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries delivered to TCFC pursuant to Section 10.1.7 hereof.

Indebtedness means at any time with respect to any Person (without duplication), (i) all of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of banker's acceptances, letters of credit or other similar instruments (including reimbursement obligations with respect thereto), (iv) all obligations of such Person to pay the deferred purchase price of property or services, except trade'aooounts payable arising in the ordinary course of business, (v) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles, (vi) all indebtedncs. secured by a lien on any asset of a Person, whether or not such indebtedness is an obligation of such Person, (vii) all Indebtedness of and any liquidation preference and any mandatory redemption payment obligations in respect of preference stock issued by other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such person, (viii) to the extent not otherwise included under this definition, obligations of such Person in respect of any interest rate swap, cap or collar agreement interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements, net of all benefits under such agreements to the extemt able to be set off against such obligations, (ix) all obligations of such Person to purchase securities (or other property) which arise out of or in connection with the sale of the same or substantially similar securities or property, (x) all indebtedness of others in respect of which such Person has guarantee obligations, and (xi) all obligations of such Person in respect of such Person's guarantee obligations.

Consolidated Indebtedness shall mean at any time the Indebtedness of Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries on a consolidated basis.

Person shall mean as individual, corporation, limited liability company, partnership, association, trust of other entity or organization, including a government or political subdivision thereof.

10.2.6.2 Vitro Envases Norteamerica, SA de C.V. will provide to TCFC a statement of its compliance with the

above covenants on a quarterly basis.

10.3 Negative pledge: The Companies shall not permit any of their respective Indebtedness exceeding the amount of USUS $10 million to be secured by any lien, charge, encumbrance or other security interest, in favor of any creditor or class of creditors covering any present or future assets, revenues or rights to the receipt of income of a Company unless the benefit of such security or other preferential arrangement is at the same time extended equally and ratably to secure all amounts hereunder provided, however, that the foregoing shall not apply to liens, charges, encumbrances or other security interests upon a Company's property (i) established or assumed at the time of purchase to secure payment of the purchase price of such property acquired in the ordinary course of business: (ii) established or assumed in the ordinary course of business; or (iii) arising as a matter of law or (iv) liens or encumbrances granted to secure Indebtedness prior to the date of this Agreement.

11. Events of Default: Remedies

11.1 If any of the following events occurs (each of the foregoing shall be called an "Event of Default"):

11.1.1 Non-payment: Any Company shall fail to pay (i) any amount demanded to be paid by TCFC with respect to recourse obligations of the Companies with respect to any Receivable under the terms and conditions of this Agreement, or (ii) the Factoring Service Charge due hereunder when such amount is due and payable, or (iii) any other material amount the Company is obligated to pay TCFC when such amount is due and payable, or

11.1.2 Breach of other obligations: Any Company shall default in the due performance and observance of any other material provision hereof; which default is incapable of remedy or, if capable of remmdy, is not remedied within thirty (30) days after written notice of such default shall have been given to a Company by TCFC; or

11.1.3 Cross-Acceleration: The acceleration or maturation prior to scheduled maturity of (i) any present or future Indebtedness of a Company, or (ii) any present or future guaranty for or indemnity in respect of, Indebtedness, provided, however, that the aggregate amount of the relevant Indebtedness, guaranties or indemnities being accelerated equal or exceed US$10 million or its equivalent in any other currency or currencies; or

11.1.4 Termination of Servicing Agreement: Termination occurs under the Servicing Agreement: or

11.1.5 Insolvency: Any Company becomes insolvent, makes a general assignment for the benefit of creditors, is generally unable to pay its debts as they fall due, or becomes subject to or applies for concurso mercantil or any bankruptcy proceedings, or is submitted to or makes or there is made an application for any protection from its creditors or is put into forced or voluntary liquidation, or any Company shall otherwise enter into any settlement or commence any proceedings under any law, regulation or decree of any applicable jurisdiction relating to reorganization, arrangement, readjustments of debts, dissolution or liquidation by reason of insolvency, whether now or hereafter in effect, provided however that in the event of as involuntary petition the Companies

shall have 30 days to get the proceedings dismissed before it shall be an Event of Default; or

11.1.6 Authorizations and consents: Any action or condition or thing (including the obtaining or effecting of any any consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable each Company lawfully to enter into, exercise its rights and perform and comply with

its obligations hereunder, and (ii) to ensure that those obligations are legally binding and enforceable by each Company, is not taken, fulfilled or done; or

11.1.7 Illegality: It is or will become unlawful or unenforceable for any Company to perform or comply with any one or more of its obligations hereunder, on the understanding that in the case of the joint obligation of each Company with respect to the obligations of each other Company hereunder, an Event of Default shall occur unless, within the next following 120 calendar days, (a) resolutions are adopted by the general extraordinary shareholders' meeting of each Company (other than Vitro Envases Norteamerica, S.A. de C.V.) (i) respectively amending such Company's charter and by-laws to expressly allow such Company to guarantee at least the obligations of the other Companies hereunder and their successors and (iii) respectively ratifying the joint obligation of such Company haeunder as from the date of this Agreement pursuant to its terms, and (b) such resolutions are properly notarized in accordance with applicable law, and (c) the notarial instruments containing the resolutions amending the charters and by-laws abovementioned are properly registered at the appropriate public registries of commerce in accordance with applicable law;

11.1.8 Financial Covenants: In the event that the Companies breach any of the financial covenants: or

11.1.9 Misrepresentatian: If any representation, warranty or other statement made herein or in any certificate or document delivered from any Company to TCFC is incorrect or misleading in any material respect as of the date at which it is made or deemed to be made.

11.1.10 Material Adverse Effect: If any signifilcant change that: (a) may negatively impact on or affect the management, financial position, stockholders equity, results of operations the business, operations, property, condition (financial or otherwise) or prospects of any Company; or (b) may have a significant negative effect on the validity or enforceability of this Agreement, or on the rights or remedies of TCFC under this Agreement, or on the Receivables, shall occur.

11.1.11. Chance of Control. TCFC may terminate this Agreement, at its sole option, in the event that there is any material change (of more than 50%) of the current equity ownership interest in a Company, except for, and to the extent that, any such change derives from any corporate merger, consolidation,

spin-off and/or any other change in the equity ownership interest of any of the Companies and as a result of the same, any "affiliated entities" of any of the Companies result to be the new equity owners thereof. For purposes of this paragraph the term "affiliated entities" shall mean any legal entities which are, at such time, controlling or controlled by Vitro Envases Norteamerica, SA de C.V.

11.2 Remedies: Upon the occurrence of any Event of Default TCFC may, in its sole and absolute discretion, without limitation, do any or all of the following at any time thereafter.

(i) By written notice to a Company, declare any amount outstanding under this Agreement immediately due and payable, whereupon the same shall become immediately due and payable;

(ii) Cease making further purchases hereunder or otherwise terminate this Agreement;

(iii) Notify Customers of TCFCs purchase of the Receivable;

(iv) Proceed directly to collect or enforce any and all rights and remedies with respect to the Receivables,

(v) Require the Companies to provide all endorsements to any instruments and to the Receivables as TCFC may require;

(vi) Require the Companies to segregate in a separate, traceable account, all proceeds from any of the Receivables purchased by TCFC; or

(vii) Take any other action deemed reasonably necessary by TCFC in furtherance of any of the foregoing and the exercise of any of its remedies.

12. Term and termination.

12.1 The term of this Agreement will commence on the date of execution by the parties hereto ("Effective Date") and will continue for five (5) years from the date thereof, unless earlier terminated in accordance with the provisions of this Agreement. Either party may terminate this Agreement with or without cause upon a 9-month prior written notice to the other party. The parties may agree to extend the term of this Agreement at any time. Upon termination of this Agreement all obligations of the Companies and TCFC under this Agreement which were incurred prior to the effective date of termination shall remain in full force and effect until fully satisfied by such respective parties.

12.2 Notwithstanding anything herein to the contrary, it shall be understood that the Companies may, at their sole option, terminate this Agreement upon prior written notice in the event that there is any material change (of more than 5O%) of the current equity ownership interest in TCFC or its ultimate controlling shareholder, except for, and to the extent that any such change derives from any corporate restructure, merger, consolidation, spin-off and/or any other change in the equity ownership interest in TCFC or its ultimate controlling shareholder and as a result of the same, any "affiliated entities" of TCFC or of its ultimate controlling shareholder result to be the new equity owners thereof. For purposes of this paragraph the term "affiliated

entities" shall mean any legal entities which are, at such time, controlling, controlled by or under common control with TCFC or its ultimate controlling shareholder.

13. Exclusivity.

13.1 During the term of this Agreement or any extension hereof, the Companies agree that they will not enter into a factoring agreement or financing program with any bank, finance company, person or other entity involving the factoring, sale, assumption of credit risk, assignment or financing of Receivables.

14. Miscellaneous.

14.1 Further cooperation. Each Company will execute whenever requested by TCFC all reasonable documents and do such things as TCFC may reasonably require to vest full legal title to the Receivables in TCFC. Each Company irrevocably and by way of security appoints TCFC its attorney in its name and on its behalf following termination of this Agreement to execute any such documents and also to collect, enforce, realize, and give receipts and discharges for any Receivables.

14.2 Governing Law; Language. All construction and interpretatipn of the terms, covenants and conditions hereof and all notices given hereunder shall be in the English language. All provisions of this Agreement relating to the transfer and perfection of the ownership of Receivables shall be governed under and construed in accordance with the laws of Mexico. All other terms and provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, United States.

14.3 Submission to jurisdiction. Each Company and TCFC hereby irrevocably consents that any legal action or proceeding against it or any of its property with respect to any of the obligations arising hereunder or relating to this Agreement may be brought in any of the following locations: (1) any court located in the state, country, territory or province where the party against whom an action is brought is domiciled, or (ii) any court in federal or state court of the United States of America located in the City of New York, New York as the party bringing such action may elect, and by execution and delivery of

this Agreement each Company and TCFC hereby submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property. generally and unconditionally. the non-exclusive jurisdiction of the aforesaid courts. The Companies or TCFC may serve process in any manner permitted by law to bring any legal action or proceeding or to obtain execution of judgment in any other jurisdiction in the United States of America or of Mexico. Each Company hereby irrevocably waives any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement, in any of the above mentioned jurisdictions, and hereby further irrevocably waives any claim that such jurisdictions are not convenient forum for any suit, action or proceeding.

14.4 Waiver, remedies cumulative. No failure to exercise and no delay in exercising on the part of the Companies or of TCFC, of any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial execise of any right, power or privilege preclude any other or further exercise thereof, or the execise of any other rights, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law. No waiver in any particular instance shall

constitute a waiver in any other instance.

14.5 Notices. Except as otherwise specified herein, all notices to or upon the parties hereto under this Agreement shall be in writing (including teletransmissions including by facsimile), shall be given or made to the party to which such notice is required or permitted to be given or made under this Agreement at the address or telex or telecopier number set forth below, or at such other address or telex or telecopier number as any party hereto may hereafter specify to the others by notice in writing, and (unless otherwise specified herein) shall be deemed delivered: (a) on receipt or on rejection of a tender of delivery, if teletransmitted or delivered by hand (which includes a tender of delivery by any commercially recognized overnight delivery service such as Federal Express or UPS) and a teletransmission shall be followed by sending an executed original by overnight courier delivery addressed to the party: (a) TCFC at 5595 Trillium Boulevard, Hoffman Estates. IL. 60192. USA facsimile number 847-747-7458; (b) the Companies at Magallanes 517 Ote. Col. Trevino, Monterrey, N.L., Mexico, C.P. 64550, telecopy 011-52-8-329-14-44; or at such other address as the relevant party. may hereafter specify for such purpose to the other by notice in writing. Any notice given by TCFC under this to a Company may be given to any Company and such notice shall be deemed to have been given to such Company individually and as agent for all Companies hereunder without the need to specify that any such notice is being given to all Companies or to one Company, as agent for all Companies.

14.6 Assignments. This Agreement shall be binding upon and inure to the benefit of the Companies and TCFC and their respective successors or assigns, except that neither the Companies nor TCFC may assign or transfer all or any part of its rights or obligations hereunder without the prior written consent of the other, except that TCFC may assign this Agreement and the Companies hereby consent in advance, to the agreement, to any entity affiliated with or a subsidiary of or parent of TCFC.

14.7 Titles. Titles under this Agreement are for ease of reference only and shall not affect the construction or interpretation thereof.

14.8 Joint and Several Liability. Each Company hereby acknowledges and agrees that it is jointly and severally liable with each other Company for the obligations of each Company hereunder, no matter howsoever arising, existing or evidenced. TCFC, in enforcing its rights or collecting amounts due to it hereunder may proceed against one or more of the Companies, at TCFCs sole discretion.

14.9 Fees and Expenses. The Companies shall pay on demand, any and all of TCFCs out of pocket fees and expenses, including, without limitation, legal fees, that may be incurred by TCFC in the collection of any amounts due to TCFC hereunder whether now existing or hereafter arising, however such fees and expenses due from the Companies shall not exceed the actual out of pocket fees and expenses incurred by TCFC. This covenant shall survive repayment of all of the Rooeivables and termination of this Agreement.

14.10 The liability of the Companies and TCFC shall in no way be limited or impaired by any amendment or modification of this Agreement; of the Servicing Agreement, unless specifically addressed in such amendment or modification, any extensions of time for performance in any of the foregoing, the accuracy or inaccuracy of any of the representations of a Company, the release of the Companies from performance or observance of any of the agreements creating obligations of

the Companies to TCFC by operation of law, TCFCs or the Companies' voluntary act or otherwise, or TCFCs failure to require the Companies to pay any recourse obligations with respect to any Receivable or to otherwise act with regard to any Receivable.

14.11 No delay on the Companies' or TCFCs part in exercising any right, power or privilege heturder or under the Servicing Agreement shall operate as a waiver of any privilege, power or right of the Companies or TCFC hereunder. No waiver by the Companies or TCFC in any instance shall constitute a waiver in any other instance.

14.12 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

TRANSAMERICA COMMERCIAL
FINANCIAL CORPORATION

By:

Name:
Title:

VITRO ENVASES NORTEAMERICA, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA MONTERREY, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA MEXICO, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA LOS REYES, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA GUADALAJARA S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA QUERETARO, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA TOLUCA, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA MEXICALI, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

COMPANIA MEXICANA DE ENVASES,
S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

EXHIBIT 4.10

AMENDMENT NUMBER ONE TO
FACTORING AGREEMENT
FOR THE PURCHASE AND SALE OF ACCOUNTS RECEIVABLE

This Amendment Number One To Factoring Agreement for the Purchase and Sale of Accounts Receivable ("Agreement") dated the 4th day of August 2000, is made as of this 1st day of November, 2000, between:

(1) VITRO ENVASES NORTEAMERICA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Magallanes 517 Ote. Col. Trevino, Monterrey, N.L. C.P. 64570;

(2) VIDRIERA MONTERREY, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Magallanes 517 Ote. Col. Trevino, Monterrey, N.L. C.P. 64570;

(3) VIDRIERA MEXICO, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Lago Zurich 243, Col. Anahuac, Mexico D.F., C.P. 11320;

(4) VIDRIERA LOS REYES, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Ave. Presidente Juarez 2039, Los Reyes Tlalnepantta Estado de Mexico C.P. 54090;

(5) VIDRIERA GUADALAJARA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Libra 225, Fracc. Juan Manuel Vallarta, Zapopan Jalisco, C.P. 45120;

(6) VIDRIERA QUERETARO, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Coahuila 5 Col. Obrera, Queretaro, Queretaro C.P. 76130;

(7) VIDRIERA TOLUCA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Carretera Mexico - Toluca Km. 57.5, Toluca Estado de Mexico 50200;

(8) VIDRIERA MEXICALLI, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Carretera San Luis Rio Colorado Km. 11.5 No 1662, Mexicali Baja California,C.P. 21600; and

(9) COMPANIA MEXICANA DE ENVASES, S.A. DE C.V., Magallanes 517 Ote. Col. Trevino, Monterrey, N.L. C.P. 64570

Each of the above nine VITRO companies are herein referred to individually as a "Company" collectively as "the Companies", and

TRANSAMERICA COMMERCIAL FINANCE CORPORATION, a corporation existing under the laws of Delaware, United States of America, with its principal offices at 5595 Trillium Boulevard, Hoffman Estates, IL 60192 ("TCFC");

RECITALS

(A) Whereas The Companies and TCFC desire to amend the Factoring Agreement to add an additional Vitro Company, Compania Vidriera, S.A. de C.V., as a party to the Factoring Agreement;

(B) Simultaneously with the execution of this Agreement the Companies and TDF de Mexico S.R.L. de C.V. ("TDFM"), an affiliate of TCFC, are entering into an Amendment to the Service Agreement ("Servicing Agreement") regarding adding Compania Vidriera S.A. de C.V. as an additional party to the servicing Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Agreement to Add an Additional Party. Each Company and TCFC hereby agrees, and Compania Vidriera S.A. de C.V. hereby agrees, that Compania Vidriera S.A. de C.V. is hereby added as an additional party to this Agreement. All parties,

including Compania Vidriera S.A. de C.V., agree that Compania Vidriera S.A. de C.V. shall hereby be considered as a party to this Agreement for all purposes, including without limitation, for purposes of Section 14.8 of the Agreement. All parties, including Compania Vidriera S.A. de C.V. agree that Compania Vidriera S.A. de C.V. shall be considered as a "Company" and as one of the "Companies" for all purposes under the Agreement.

2. Reaffirmation of Obligations. Each Company, including Compania Vidriera, S.A. de C.V., hereby reaffirms all of its respective obligations under the Agreement, including but not limited to, the Joint and Several Liability obligations of each Company, including Compania Vidriera S.A. de C.V., under Section 14.8 of the Agreement regarding Joint and Several Liability of the Companies. Compania Vidriera S.A. de C.V. hereby specifically agrees to be jointly and severally liable along with all other Companies for the obligations of each of the Companies, pursuant to the terms of Section 14.8.

3. Exhibit C of the Agreement is hereby amended by adding the following bank account information for Compania Vidriera S.A. de C.V. to Exhibit C:

Compania Vidriera S.A. de C.V.
Chase Bank of Texas
Houston TX
ABA No. 113 000609
Account No. 0010 3423 324

4. All other terms and conditions of the Agreement shall hereby remain in full force and effect except as specifically modified herein.

5. This Amendment Number One may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment to the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number One to be executed as of the day and year first above written.

TRANSAMERICA COMMERCIAL FINANCE CORPORATION

By:

Name:
Title:

VITRO ENVASES NORTE AMERICA,
S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA MONTERREY, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA MEXICO, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA LOS REYES, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA GUADALAJARA, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA QUERETARO, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

VIDRIERA TOLUCA, S.A. DE C.V.

By:

Name:
Title:

By:

Name
Title:

VIDRIERA MEXICALLI, S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

COMPANIA MEXICANA DE ENVASES,
S.A. DE C.V.

By:

Name:
Title:

By:

Name:
Title:

EXHIBIT 4.11

AMENDMENT NUMBER TWO TO
FACTORING AGREEMENT
FOR THE PURCHASE AND SALE OF ACCOUNTS RECEIVABLE

This Amendment Number Two To Factoring Agreement for the Purchase and Sale of Accounts Receivable dated the 4th day of August 2000 as amended, (the "Agreement") is made as of this 30th day of April 2002, between:

(1) VITRO ENVASES NORTEAMERICA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Magallanes 517 Ote. Col. Trevino, Monterrey, N.L C.P. 64570;

(2) VIDRIERA MONTERREY, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Magallanes 517 Ote. Col. Trevino, Monterrey, N.L. C.P. 64570;

(3) VIDRIERA MEXICO, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Lago Zurich 243, Col. Anahuac, Mexico D.F., C.P. 11320;

(4) VIDRIERA LOS REYES, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Ave. Presidente Juarez 2039, Los Reyes, Tlalnepantla Estado de Mexico, C.P. 54090;

(5) VIDRIERA GUADALAJARA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Libra 225, Fracc. Juan Manuel Vallarta, Zapopan Jalisco, C.P. 45120;

(6) VIDRIERA QUERETARO, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Coahuila 5 Col. Obrera, Queretaro, Queretaro, C.P. 76130;

(7) VIDRIERA TOLUCA, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Carretera Mexico - Toluca Km. 57.5, Toluca Estado de Mexico, C.P. 50200;

(8) VIDRIERA MEXICALI, S.A. DE C.V., a corporation organized under the laws of Mexico and having an address at Carretera San Luis Rio Colorado Km. 11.5 No. 1662, Mexicalli Baja California, C.P. 21600; and

(9) COMPANIA MEXICANA DE ENVASES, S.A. DE C.V., Magallanes 517 Ote. Col. Trevino, Monterrey, N.L. C.P. 64570; and

(10) COMPANIA VIDRIERA, S.A. DE C.V., Magallanes 517 Ote. Col. Trevino, Monterrey, N.L. C.P. 64570.

Each of the above ten companies are herein referred to individually as a "Company" and collectively as "the Companies", and

TRANSAMERICA COMMERCIAL FINANCE CORPORATION, a corporation existing under the laws of Delaware, United States of America, with its principal offices at 5595 Trillium Boulevard, Hoffman Estates, IL. 60 192 ("TCFC");

RECITALS

Whereas The Companies and TCFC desire to amend the Factoring Agreement in certain respects; and

Whereas Vitro, S.A. de C.V. desires to undertake the obligation of a Guarantor of the Companies;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. The definition of "One Month LIBOR Rate" in Section 8.2.2.3 (a) is hereby deleted in its entirety and is replaced with the following:

"(a) 'One Month LIBOR Rate' means a fluctuating rate equal to that

rate identified as such in the "Money Rates" column of the Wall Street Journal on the first business day of the applicable month (a "business day" for purposes of this section 8.2.2.3 only, being any day the Federal Reserve Bank of Chicago is open for the transaction of business).

2. The definition of "Factoring Formula Rate" in Section 8.2.2.3 (b) is hereby deleted in its entirety and is replaced with the following:

"(b) 'Factoring Formula Rate' means a variable figure equal to the One Month Libor Rate plus 2.0%, provided however, that notwithstanding the foregoing, in the event that:

(i) the then current One Month Libor Rate drops below 5.0% then for every 50 basis point decrease in the then current One Month Libor Rate below 5.0%, then the applicable Factoring Formula Rate during such applicable period shall be increased by 6.75 basis points; and

(ii) if the then current One Month Libor Rate rises above 5.0%, then for every 50 basis point increase in the then current One Month Libor Rate above 5.0%, then the applicable Factoring Formula Rate during such applicable period shall be decreased by 6.75 basis points; and

(iii) if at any point the then current One Month Libor Rate exceeds 10% then the applicable Factoring Formula Rate during such applicable period shall not be decreased any additional amount below what it was at when the One Month Libor Rate equaled 10%.

3. The definition of "Consolidated Tangible Net Worth" in Section 10.2.6.1 is hereby deleted in its entirety and is replaced with the following:

"Consolidated Tangible Net Worth" means, at any date, for Vitro Envases Norteamerica, S.A. de C.V. and its Consolidated Subsidiaries, the total of (a) consolidated unimpaired paid-up capital, retained earnings and reserves not allocated to specific liabilities of Vitro Envases Norteamerica, SA. de C.V. and its Consolidated Subsidiaries plus (b) the total amount of debt which is owed to Servicios y Operaciones Financieras Vitro, S.A. de C.V. ("SOFIVSA"), less (c) their consolidated Intangible Assets, all determined as of such date. For purposes of this definition "Intangible Assets" means the amount (to the extent reflected in determining such consolidated capital) of (i) all write-ups (other than write-ups resulting from foreign currency translations and write-ups of assets of a going concern business made within twelve months after the acquisition of such business) subsequent to December 31, 1998 in the book value of any assets owned by Vitro Envases Norteamerica, S.A. de C.V. or a Consolidated Subsidiary other than revaluations of assets in accordance with generally accepted Mexican accounting principles, (ii) all investments in, equity investments in, or loans to unconsolidated subsidiaries, including any and all financial transactions with SOFIVSA as obligor, and all investments in, equity investments in, or loans to unaffiliated third parties, and (iii) all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, anticipated future benefit of tax loss -forwards, copyrights, organization or developmental expenses and other intangible assets as defined "TCFC."

4. A new Section 10.4 is hereby added and shall read as follows:

"Maximum Term of Investments in SOFIVSA. The Companies shall not make loans to, or enter into other financial transactions with, SOFIVSA as obligor, having a term to maturity exceeding 90 calendar days."

5. A new Section 11.1.12 is hereby added and shall read as follows:

"Termination of Guaranty by Vitro. S.A. de C.V. If the guaranty undertaken by Vitro, S.A. de C.V. pursuant to this Amendment Number Two is terminated, except if terminated by or with the consent of TCFC, or if the enforcement of the terms of such guaranty by TCFC against Vitro S.A. de C.V. is refused or rejected by a court of competent jurisdiction."

6. A new Section 11.1.13 is hereby added and shall read as follows:

"Control of Funds. In the event that (i) any of the Companies (or any affiliate of the Companies) terminates any bank account or other account into which payments or collections of Receivables are deposited and from which TCFC receives or has access to such funds, or (ii) any of the Companies (or any affiliate of the Companies) withdraws any funds which are payments or collections of Receivables out of any bank accounts or other accounts in which such funds are deposited or received and from which accounts TCFC receives or has access to such funds, or (iii) any of the Companies (or any affiliate of the Companies) terminates TCFC's ability to receive funds from or access any bank accounts or other accounts in which payments or collections of Receivables are received or deposited, without TCFC's prior written consent. Notwithstanding anything to the contrary herein, (x) in the event that any funds that are not payments or collections of Receivables are deposited in any bank account or other account from which TCFC receives or has access to such funds, whether or not TCFC withdraws such funds, TCFC, within one business day, shall notify the Companies and transfer such funds to the account that any of the Companies may indicate, and (y) in the event that any of the Companies receives a deposit or collection of Receivables in a bank account other than an account from which TCFC receives or has access to such funds, (it being acknowledged by TCFC and the Companies that TCFC does not consent that the Companies can direct collections or payments from Receivables to accounts other than accounts which TCFC has access to or can withdraw funds from, and that any such receipt by the Companies of collections from payment of Receivables in other accounts should be an accidental occurrence), the Companies shall notify TCFC and transfer such funds to any of the accounts that TCFC controls. For purposes of this Section a 'business day' is one in which the Mexican banks are open for business.

7. A new Section 15 is hereby added and shall read as follows:

"Guaranty of Vitro, S.A. de C.V.

For value received and in consideration of the financial accommodations of any kind heretofore, now or hereafter made or given by TCFC to any of the Companies in connection with TCFC's purchase of accounts receivable from any of the Companies, Vitro S.A. de C.V., (the "Guarantor"), hereby agrees to unconditionally guarantee to TCFC each and every obligation of the Companies under the Agreement, including without limitation, the full and punctual payment and performance when due, whether upon demand, at maturity or earlier by reason of acceleration or otherwise, and at all times thereafter, of all of the indebtedness and obligations of every kind and nature of each of the Companies to TCFC pursuant to this Agreement, howsoever created, arising or evidenced, whether arising before or after a bankruptcy of any of the Companies, whether direct or indirect, absolute or contingent, joint or several, now or hereafter existing, due or to become due during the term of the Agreement (all such indebtedness and obligations being hereinafter referred to as the "Liabilities"); provided, however, notwithstanding anything contained herein to the contrary, Guarantor may raise as a defense to its obligations hereunder any and all defenses

which are available to the Companies to the extent that such defenses have not been waived by the Companies under the terms of the Agreement.

The Guarantor agrees that its obligations hereunder shall be unconditional, irrespective of (i) the absence of any attempt to collect the Liabilities from any other person primarily or secondarily liable with respect to the Liabilities or of any attempt to realize upon any collateral for the Liabilities, for the obligations of any such other person, or for TCFC's rights hereunder; (ii) any failure by TCFC to acquire, perfect or maintain title to the Receivables purchased pursuant to this Agreement, any failure by TCFC to properly notify any Customer, or any failure by TCFC to acquire, perfect or maintain a security interest in or to protect any collateral for the Liabilities or for any such obligations; (iii) the acceptance of additional parties primarily or secondarily liable on the Liabilities; or (iv) the disallowance or avoidance of all or any portion of TCFC's claim(s) for any collateral for the Liabilities.

Any agreement (including this Agreement) or instrument relating to the Liabilities may hereinafter referred to as the "Documents." Upon a default under any Document, TCFC may proceed directly and at once against the Guarantor to collect the full amount of all or any portion of the liability of the Guarantor hereunder, without first proceeding against any other person primarily or secondarily liable on the Liabilities. TCFC shall have the exclusive right to determine the application of payments and credits, if any, from the Guarantor, any of the Companies, or any other person primarily or secondarily liable on the Liabilities.

The Guarantor shall not be released from its obligations under this Section 15 if TCFC (i) waives compliance with the terms of the Liabilities or any of the Documents; (ii) accepts partial payments on the Liabilities; (iii) takes collateral for the Liabilities and the obligations of any other person primarily or secondarily liable on the Liabilities, and exchanges, releases, realizes upon or institutes any proceeding to realize upon, or liquidates any such collateral; (iv) applies such collateral and directs the order or manner of sale thereof as TCFC may determine in its discretion; (v) releases or compromises, in any manner, or collects the Liabilities or any portion thereof; (vi) purchases additional Receivables from any of the Companies, extends additional financial accommodations to any of the Companies; or (vii) releases, or compromises in any manner the obligations of, any other person primarily or secondarily liable on the Liabilities. Additionally, the Guarantor shall not be released from its obligations under this Section 15 if the parties agree to extend the term of the Agreement in accordance with Section 12.1 of the Agreement.

If any of the Companies should at any time dissolve or terminate its existence, or become insolvent or make a general assignment for the benefit of creditors, or if a bankruptcy, insolvency or reorganization proceeding shall be filed by any of the Companies, the Guarantor shall, at the option of TCFC, forthwith pay TCFC the full amount which would be payable hereunder by the Guarantor if all Liabilities were then due and payable. If a bankruptcy, insolvency or reorganization proceeding shall be filed against any of the Companies and such Company is unable to get the proceedings dismissal within a period of thirty (30) days, the Guarantor shall, at the option of TCFC, forthwith pay TCFC the full amount which would be payable hereunder by the Guarantor if all Liabilities were then due and payable.

The Guarantor waives all notice from TCFC in connection with TCFC's day to day management of the facility with respect to the Companies. However, Guarantor does not waive its right to receive notice with respect to TCFC's efforts to collect Liabilities due from the Companies, consequently TCFC shall be required to give the Guarantor prompt written notice in the event that TCFC (a) is required under the Agreement to provide any of the Companies with written notice, (b) gives any of the Companies written notice pertaining to the transactions contemplated by the Agreement, (c) files or threatens to file any legal action or litigation with respect to any claim, legal action, right of setoff or right of deduction against any of the Companies, or (d) asserts, claims or threatens that any of the Companies is or may be in default of the Agreement. Any notice given in accordance with the preceding sentence shall detail with reasonable

specificity the reason for the notice and the grounds, if any, for such asserted or threatened claim, legal action, right of setoff or right of deduction.

The Guarantor hereby agrees that TCFC shall have no duty to advise the Guarantor of information now or hereafter known to TCFC regarding the financial or other condition of any of the Companies or any other person primarily or secondarily liable on the Liabilities or regarding any circumstance bearing on the risk of non-payment of the Liabilities.

While this Agreement is in effect, the Guarantor agrees to provide to TCFC quarterly, within 90 days after each fiscal quarter end and annually, within 120 days after each fiscal year end, Guarantor's

financial statements. The Guarantor authorizes TCFC to investigate or make inquiries of former or current creditors or other persons with such authority to continue throughout the term hereof.

The Guarantor's obligations hereunder shall be binding upon the Guarantor and upon its successors and assigns and such obligations of the Guarantor shall inure to the benefit of TCFC's successors and assigns. References herein to TCFC shall be deemed to refer to TCFC and its successors and assigns.

Wherever possible each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision hereof shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity and to the extent that such invalidity or prohibition does not invalidate the remainder of such provision or the remaining provisions hereof.

The Guarantor's obligations hereunder may be terminated only upon written notice to TCFC effective no earlier than 9 months after the date such written notice is actually received by TCFC. Any such termination shall not affect the liability of the Guarantor hereunder with respect to Liabilities created or incurred prior to the effective date of such termination.

All notices and other communications hereunder to or upon the Guarantor shall be made in manner set forth in Section 14.5 herein, addressed to the Guarantor at Vitro, S.A. de C.V., Ave. Ricardo Margain Z. 440, Col. Valle del Campestre, Garza Garcia, N.L. 66261 Mexico, telecopy 11-52-81-8863-1372. All notices and other communications hereunder to or upon the Companies shall, in addition to the requirements set forth in Section 14.5 herein, require an additional copy of said notices and communications to be sent to Guarantor at Vitro, S.A. de C.V., Ave. Ricardo Margain Z. 440, Col. Valle del Campestre, Garza Garcia, N.L. 66261 Mexico, telecopy 11-52-81-8863-1372.

No delay on the part of TCFC in the exercise of any right or remedy with respect to the Guarantor shall operate as a waiver thereof, and no single or partial exercise by TCFC of any right or remedy shall preclude any further exercise thereof. No delay on the part of the Companies or the Guarantor in the exercise of any right or remedy with respect to TCFC shall operate as a waiver thereof, and no single or partial exercise by the Companies or the Guarantor of any right or remedy shall preclude any further exercise thereof. No modification, waiver or amendment of any of the provisions hereof or of the Documents shall be binding upon TCFC, the Companies or the Guarantor except as expressly set forth in a writing duly signed on behalf of the respective party by any authorized officer or agent of such party and delivered by such party to the other parties. TCFC's failure at any time to require strict performance by the Guarantor of any of the provisions contained herein shall not waive, affect or diminish any right of TCFC at any time to demand strict performance therewith.

To the extent that the Guarantor or any of the Companies makes a payment or payments to TCFC enforces its security interests or exercises its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be

fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state, commonwealth or federal law, common law or equitable cause, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

The Guarantor hereby agrees that its obligations as a Guarantor hereunder shall be subject to and governed under all of the terms and

provisions of this Agreement and that the Guarantor is hereby bound under and subject to all such terms and provisions."

Notwithstanding any provision contained herein as to the laws that shall govern this Agreement, this Guaranty shall be deemed to be a contract made under, governed by and construed in accordance with the law of the State of Illinois (excluding its choice of law rules).

(b) Notwithstanding any agreement among the parties contained herein as to the applicable jurisdiction to bring any legal action or proceeding by or against any party hereto with respect to or arising out of this Agreement, each of the Guarantor and TCFC hereby irrevocably consents that any legal action or proceeding against it or any of its property with respect to any of the obligations arising hereunder relating to this Guaranty may be brought in any of the following locations: (i) any court located in the state, county, territory or province where the party against whom an action is brought is domiciled; (ii) any court in federal or state court of the United States of America located in the City of New York, New York as the party bringing such action may elect. The Guarantor or TCFC may serve process in any manner permitted by law to bring any legal action or proceeding or to obtain execution of judgment in any other jurisdiction in the United States of America or of the United Mexican States. The Guarantor and TCFC hereby irrevocably waive any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Guaranty, in any of the above mentioned jurisdictions, and hereby further irrevocably waive any claim that such jurisdictions are not convenient forum for any suit, action or proceeding as well as any right it may have to the jurisdiction of any other courts by virtue of its domicile or for any other reason. IN THE EVENT A SUIT IS BROUGHT TO ENFORCE PAYMENT OF THIS GUARANTY AND ACCRUED INTEREST THEREON, IF ANY, THE PREVAILING PARTY AGREES TO PAY SUCH ADDITIONAL SUM FOR EXPENSES AND ATTORNEYS' FEES AS THE COURT MAY ADJUDGE REASONABLE.

8. All other terms and conditions of the Agreement shall hereby remain in full force and effect specifically modified herein.

9. This Amendment Number Two may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment to the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Two to be executed as of the day and year first above written.

VITRO, S.A. DE C.V.
GUARANTOR

By: ----------

Title: ----------

TRANSAMERICA COMMERCIAL FINANCE
CORPORATION

By: ----------

Title: ----------

VITRO ENVASES NORTEAMERICA, S.A. DE C.V.

By: _____

Title: _____

By: _____

Title: _____

VIDRIERA MONTERREY, S.A. DE C.V.

By: _____

Title: _____

By: _____

Title: _____

VIDRIERA MEXICO, S.A. DE C.V.

By: _____

Title: _____

By: _____

Title: _____

VIDRIERA LOS REYES, S.A. DE C.V.

By: _____

Title: _____

By: _____

Title: _____

VIDRIERA GUADALAJARA, S.A. DE C.V.

By: _____

Title: _____

By: _____

Title:

VIDRIERA QUERETARO, S.A. DE C.V.

By:

Title:

By:

Title:

VIDRIERA TOLUCA, S.A. DE C.V.

By:

Title:

By:

Title:

VIDRIERA MEXICALI, S.A. DE C.V.

By:

Title:

By:

Title:

COMPANIA MEXICANA DE ENVASES,
S.A. DE C.V.

By:

Title:

COMPANIA VIDRIERA S.A. DE C.V.

By:

Title:

EXHIBIT 4.12
EXECUTION COPY

STOCK PURCHASE AGREEMENT

between

WHIRLPOOL CORPORATION,

WHIRLPOOL HOLDINGS, INC.

and

VITRO, S.A. de C.V.

For the Series "A", Sub-Series "A-1" and Sub-Series "C-1" Capital Stock

of

VITROMATIC, S.A. de C.V.

June 3, 2002

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STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT is made this 3rd day of June, 2002, among Whirlpool Corporation, a Delaware corporation ("Whirlpool"), Whirlpool Holdings, Inc., a Delaware corporation (together with Whirlpool, the "Purchasers") and Vitro, S.A. de C.V., a Mexican corporation ("Vitro").

RECITALS

WHEREAS, Whirlpool and Vitro are shareholders of Vitromatic, S.A. de C.V., a Mexican corporation (the "Company");

WHEREAS, pursuant to the Shareholders Agreement, dated December 15, 1987, between Whirlpool and Vitro, as amended pursuant to that certain Amendment Agreement, dated December 16, 1997, and that certain Second Amendment, dated May 30, 2002 (collectively, the "Shareholders Agreement") and the By-laws (as herein defined), Vitro owns all of the issued and outstanding Series "A", Sub-Series "A-1" and Sub-Series "C-1" common shares of the Company consisting of 308,990,772 common shares, par value P$1.00 Mexican Currency per share (the "Vitro Shares"), representing an aggregate interest of 51% of the issued and outstanding capital stock of the Company on a fully diluted basis;

WHEREAS, the Vitro Shares represent the entirety of Vitro's equity interest in the Company;

WHEREAS, pursuant to the Shareholders Agreement and the By-laws, Whirlpool owns all of the issued and outstanding Series "B", Sub-Series "B-1" and Sub-Series "D-1" common shares of the Company, consisting of 296,873,487 common shares, par value P$1.00 Mexican Currency per share (the "Whirlpool Shares"), representing an aggregate interest of 49% of the issued and outstanding capital stock of the Company on a fully diluted basis;

WHEREAS, Purchasers desire to purchase from Vitro, and Vitro desires to sell to Purchasers, all of the Vitro Shares;

WHEREAS, it is the express intention of the parties that the transfer of ownership of the Vitro Shares will only take place after the terms, conditions

and Conditions Precedent set forth in this Agreement have been satisfied; and

WHEREAS, the parties hereto mutually recognize their legal standing, existence and the authority of their respective representatives to sign this Agreement, authority which has not been limited or revoked in any manner whatsoever.

Accordingly, Purchasers and Vitro hereby agree to be legally bound as follows:

DEFINITIONS

The following terms shall have the meanings set forth herein:

"Accounts Payable" shall mean any obligation of the Company or any Company Subsidiary that is required to be classified as a liability under GAAP, other than Debt.

"Accounts Receivable" shall mean any obligation owed to the Company or any Company Subsidiary that is required to be classified as a current asset under GAAP, other than any obligations owed from Whirlpool, any of its Affiliates or the Purchasers.

"Administrative Services Agreements" shall mean the various Administrative Services Agreements, dated as of January 1, 1998, by and between Vitro Corporativo, S.A. de C.V., and Crolls Mexicana, S.A. de C.V., Industrias Acros Whirlpool, S.A. de C.V. (previously Supermatic, S.A. de C.V. and Fabricantes de Aparatos Domesticos, S.A. de C.V.) and Commercial Acros Whirlpool, S.A. de C.V. (previously Vitromatic Commercial, S.A. de C.V.).

"Affiliate" of any Person (or a Person "Affiliated" with another Person) shall mean any other Person directly or indirectly controlling, controlled by or under common control with such Person. The term "control", as used in the preceding sentence means, with respect to a Person, (a) the right to exercise, directly or indirectly, 50% or more of the voting rights attributable to the shares or other equity interest of such Person or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person.

"Agreement" shall mean this Stock Purchase Agreement, including the Disclosure Schedules and all Exhibits hereto, as it may be amended from time to time in accordance with its terms.

"Ancillary Agreements" shall mean the Escrow Agreement, the form of which is attached hereto as Exhibit A (the "Escrow Agreement"), Transition Services Agreement, the form of which is attached hereto as Exhibit B (the "Transition Services Agreement"), Enron Guarantee, the form of which is attached hereto as Exhibit C (the "Enron Guarantee"), Aeroempresarial Agreement, the form of which is attached hereto as Exhibit D (the "Aerompresarial Agreement"), and Unimin Agreement Release and Indemnity, the form of which is attached hereto as Exhibit E (the "Unimin Agreement").

"Acquirer" shall have the meaning set forth in Section 7.4(b).

"By-Laws" shall mean the Corporate By-laws of the Company as in effect on the date hereof.

"Closing" shall mean the completion of the purchase and sale of the Vitro Shares as contemplated by this Agreement in accordance with Article 6 hereto.

"Closing Date" shall have the meaning set forth in Section 6.1.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended.

"Company" shall have the meaning set forth in the recitals.

"Company Assets" shall mean all of the goods and assets owned by the Company or the Company Subsidiaries, whether real, personal, tangible or intangible, including the assets reflected in the Financial Statements.

"Company Subsidiary" shall mean, individually, each entity set forth under the heading "Company Subsidiaries" on Schedule 2.4, and, unless the context otherwise requires, "Company Subsidiaries" shall mean, collectively, all of the entities set forth under the heading "Company Subsidiaries" on Schedule 2.4.

"Computer Equipment" shall mean all software and data processing equipment and devices (including hardware and related telecommunications equipment, software, media and tools) owned by or licensed by the Company or any Company Subsidiary and maintenance equipment, including, Vitro's rights and Vitro's Affiliate's rights under all related warranties.

"Conditions Precedent" shall mean the conditions precedent set forth in Articles 4 and 5.

"Confidential Whirlpool Information" shall mean information not disclosed to the public or to third parties primarily relating to the Company's or any Company Subsidiary's present or future business, operations, services, products, research, Intellectual Property (if not public by its nature), facilities, confidential reports, manuals, price lists, pricing policies, customer lists, financial information (including the revenues, costs, or profits associated with the Company's or any Company Subsidiary's products or services) (if not public by its nature), business plans, projections, identified prospects, opportunities or strategies, acquisitions or mergers, advertising or promotions (if not public by its nature), personnel matters or legal matters, including any technical information provided by Whirlpool to Industrias Acros Whirlpool, S.A. de C.V. (previously Supermatic, S.A. de C.V. and Fabricantes de Aparatos Domesticos, S.A. de C.V.) and Crolls Mexicana, S.A. de C.V. pursuant to the Technical Assistance Agreements, and any information constituting an industrial secret in accordance with Chapter III of the Mexican Industrial Property Law.

"Confidential Vitro Information" shall mean information not disclosed to the public or to third parties primarily relating to Vitro or any of its Subsidiaries' (other than the Company's and Company Subsidiaries') present or future business, operations, services, products, research, Intellectual Property (if not public by nature), confidential reports, manuals, price lists, pricing policies, customer lists, financial information (including the revenues, costs, or profits associated with Vitro's products or services) (if not public by its nature), business plans, projections, identified prospects, opportunities or strategies, acquisitions or mergers, advertising or promotions (if not public by its nature), personnel matters or legal matters, including any technical information provided to the Company or the Company Subsidiaries, including any technical information not relating to the business of the Company and the Company Subsidiaries provided by Vitro or any of its Affiliates to the Company and Company Subsidiaries and any

information constituting an industrial secret in accordance with Chapter III of the Mexican Industrial Property Law.

"Contract" shall mean any contract, commitment, sales order, purchase order, note, bond, mortgage, instrument, or other legally binding agreement.

"Controversy" and "Controversies" shall have the meanings set forth in Section 9.6(a).

"Default" shall have the meaning set forth in Section 9.11.

"Debt" shall have the meaning set forth in Section 2.23.

"Disclosure Schedules" shall mean those schedules referenced in this Agreement, attached hereto and incorporated herein by this reference.

"Employee Benefit Plans" shall have the meaning set forth in Section 2.17.

"Encumbrance" shall mean any limitation of ownership, garnishment, encumbrance or restriction of any kind, including any pledge, security interest,

lien, charge, seizure, attachment, encumbrance, claim, right of way, mortgage, hypothecation, trust deed, easement, option, voting trust, voting agreement, right of first refusal or restriction (whether on sale, transfer, disposition or otherwise, whether imposed by agreement, law or otherwise and whether of record or otherwise).

"Environmental Law" shall mean any Law applicable to the Company or any Company Subsidiary that relates to or otherwise imposes liability or standards of conduct concerning the prevention and control of air, water and soil pollution, hazardous material and waste-handling and disposal, discharges, releases or threatened releases of noises, odors or any Pollutants into ambient air, ground or surface water or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of Pollutants.

"Enron Guarantee" shall have the meaning set forth in the definition of Ancillary Agreements.

"Enron Power Supply Agreement" shall have the meaning set forth in Section 7.11.

"Escrow Agent" shall mean Citibank N.A. or such other United States commercial bank having capital and surplus of at least $500,000,000 as shall be reasonably acceptable to Purchasers and Vitro.

"Escrow Agreement" shall have the meaning set forth in the definition of Ancillary Agreements, with such reasonable changes as are required by the Escrow Agent and are mutually agreeable to Purchasers and Vitro.

"Escrow Amount" shall mean $10,000,000 to be held by the Escrow Agent as set forth in Section 1.2(b) and the Escrow Agreement.

"Excluded Marks" shall have the meaning set forth in Section 7.10(b).

"Financial Statements" shall mean (a) the audited consolidated balance sheet of the Company and the Company Subsidiaries as of December 31, 2001 (the "Reference Balance Sheet") and the consolidated statement of income of the Company and the Company Subsidiaries for the twelve months then ended and (b) the Interim Financial Statements.

"GAAP" shall mean United Mexican States Generally Accepted Accounting Principles, consistently applied.

"Governmental Authority" shall mean the government of the United States, the United Mexican States or any other nation, any state or political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and having authority or jurisdiction over any of the Persons or transactions contemplated in this Agreement.

"Health and Safety Law" shall mean any Law applicable to the Company or any Company Subsidiary that relates to or otherwise imposes liability or standards of conduct concerning employee or occupational health or safety, except any Environmental Law.

"Health and Safety Permit" shall mean any Permit required by or pursuant to any applicable Health and Safety Law.

"include", "includes" and "including" shall mean "include without limitation", "includes without limitation" and "including without limitation".

"Intellectual Property" shall mean all patents, utility models, industrial designs, trade names, slogans, trademarks, service marks, copyrights, copyright reserves and internet domain names (and applications or renewals for any of the foregoing), trade secrets, know-how, inventions, industrial processes, software, computer programs, computer systems, component lists, technical processes and procedures and technical plans and any other similar industrial or intellectual property right protected under any jurisdiction (and licenses for any of the foregoing), in each case used in the conduct of the business of the Company or any Company Subsidiary as presently conducted or as conducted at any time since

January 1, 2001, other than those owned by Whirlpool, any of its Affiliates or the Purchasers.

"Interim Balance Sheets" shall have the meaning set forth in the definition of "Interim Financial Statements".

"Interim Financial Statements" shall mean the unaudited consolidated balance sheets of the Company and the Company Subsidiaries as of April 30, 2002 (the "Interim Balance Sheets") and the consolidated statements of income of the Company and the Company Subsidiaries for the months then ended.

"Knowledge" shall mean (a) with respect to Vitro, the actual knowledge after reasonable investigation by or on behalf of the following individuals: Jose Domene, Luis Nicolau, Francisco Romero, Claudio Del Valle and Alfonso Gomez Palacio and (b) with respect to Whirlpool, the actual knowledge after reasonable investigation by or on behalf of, the following

individuals: Harry S. Burritt, Betty Beaty, Robert L. Mink, Ted Dosch, Daniel Hopp, Jeff Fettig, Mark Brown, Mike Toddman, Dean Mohney and J. C. Anderson.

"Law" shall mean any law, regulation, NOM (Norma Oficial Mexicana), rule, ordinance, order, consent decree, judgment, statute, stipulation, administrative decision, permit, settlement agreement, injunction or other requirement of any Governmental Authority.

"Losses" shall mean any damages (including any "perjuicio") of any nature, liabilities, losses, obligations, assessments, judgments, penalties, or expenses (including reasonable attorneys' fees, litigation, remediation expenses and all other reasonable costs of investigation and defense of third party claims).

"Major Customer" shall have the meaning set forth in Section 2.26.

"Material" shall be interpreted by applying the case law of the State of New York to the language set forth in, and the facts and circumstances relating to, this Agreement.

"Material Adverse Effect" shall mean any change or effect that has significantly impaired, or is reasonably likely to significantly impair, the value of the business of the Company and the Company Subsidiaries, taken as a whole. The following shall be excluded from the definition of "Material Adverse Effect": (i) general changes in the United Mexican States, United States or other foreign economies or securities markets, (ii) general changes in the industries in which the Company and the Company Subsidiaries operate which are not unique to the Company and the Company Subsidiaries or (iii) changes to the extent resulting from the announcement or consummation of the transactions contemplated by this Agreement or the Ancillary Agreements.

"Material Contracts" shall have the meaning set forth in Section 2.16.

"Party" shall mean Purchasers, on the one hand, and Vitro, on the other hand.

"Permits" shall mean all of the licenses, permits, interim permits, permit applications, approvals or other authorizations under any Law.

"Person" shall mean any individual, corporation, partnership, limited liability company, association, trust, Governmental Authority or other entity or organization.

"Permitted Encumbrance" shall mean (a) Encumbrances arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business, not delinquent and properly reserved against (to the extent required by GAAP) on the Financial Statements, (b) Encumbrances for Taxes that are not due and payable or that may hereafter be paid without penalty, are not delinquent and are properly reserved against (to the extent required by GAAP) on the Financial Statements, (c) Encumbrances that secure debt that is specifically reflected as a liability on the Reference Balance Sheet or Interim Balance Sheet or the existence of which is referred to specifically in the notes to the Reference Balance Sheet, (d) Encumbrances arising under the Factoring Agreement between Trans-America Commercial Finance Corporation, the Company and Vitromatic Commercial, S.A. de

C.V., (e) Encumbrances arising pursuant to the Sales Agreement and

related transactions between the Company and Jones Plastics, Inc., and (f) Encumbrances arising pursuant to the Sales Agreement and related transactions between the Company and Spartech de Mexico, S.A. de C.V.

"Pollutant" shall mean any substance presently listed, defined, designated or classified as corrosive, reactive, explosive or as a pollutant or contaminant under any Environmental Law or as hazardous, toxic, flammable, biologically infectious, radioactive, including any toxic substance or waste, contaminant, hazardous substance or waste, special waste, industrial substance, lead based paint, petroleum, petroleum products, any derivative or by product of petroleum, chlorinated solvent, polychlorinated biphenyl, radon, radioactive material, urea formaldehyde asbestos or asbestos containing material, as any of such terms are defined under applicable Environmental Law.

"Purchase Price" shall mean One Hundred Forty Eight Million Three Hundred Thousand United States Dollars ($148,300,000.00).

"Purchasers" shall have the meaning set forth in the preamble and shall, in all cases, include Whirlpool, regardless of whether it purchases any of the Vitro Shares.

"$P" shall mean United Mexican States Pesos.

"Real Property" shall mean land, buildings, structures and improvements owned, leased or occupied by the Company or any Company Subsidiary.

"Reference Balance Sheet" shall have the meaning set forth in the definition of "Financial Statements".

"Request for Arbitration" shall have the meaning set forth in Section 9.6(d).

"Restricted Business" shall mean the production, manufacture, assembly, distribution, marketing, sale, services, import, export, licensing, consulting, design, or development of major appliance products, small appliance products or other products of the type sold as of the date hereof by Whirlpool or any Affiliate, including the Company or any Company Subsidiary, along with components, parts, accessories and related services therefor, whether for domestic, professional or commercial use, such appliance products, components, parts and accessories and related services including:

(a) laundry products of any type, including washing machines, clothes dryers and clothes care equipment;

(b) cooking products of any type, including free-standing or built-in ranges, ovens, cooktops, microwave ovens, warming drawers and vent hoods;

(c) dishwashing products of any type, including built-in or portable dishwashers;

(d) refrigeration products of any type, including built-in or free-standing refrigerators, freezers, wine cabinets, and icemakers;

(e) residential trash compactor products of any type;

(f) air treatment products of any type, including window air conditioners, dehumidifiers and air purifiers;

(g) small appliances of any type including mixers, blenders, food processors, toasters, coffee makers, juice extractors, hot water dispensers and garbage disposals;

(h) appliance repair parts and after-market appliance products, in each

case, for the products listed above;

(i) residential water heaters and residential HVAC systems; and

(j) jetted tubs, soaking tubs, and related plumbing fixtures.

Notwithstanding anything to the contrary set forth herein, "Restricted Business" shall not include (i) the production, manufacture, assembly, distribution, marketing, sale, services, import, export, licensing, consulting, design or development of products, components, parts, accessories and related services in which Vitro and its Subsidiaries, other than solely through the Company and Company Subsidiaries, sell on the date hereof or (ii) whether or not sold by Vitro or its Subsidiaries on the date hereof, the production, manufacture, assembly, distribution, marketing, sale, services, import, export, licensing, consulting, design or development of any glass, flat glass, fiberglass, glassware, cookware, tableware, utensils or cutlery products, components, parts and accessories or plastic components, parts and accessories and related services.

"Restricted Territory" shall mean the United Mexican States, the United States of America, Canada, Anguilla, Antigua & Barbuda, Aruba, Bahamas, Barbados, Bermuda, Bonaire, Cayman Islands, Cuba, Curacao, Dominica, Dominican Republic, Falkland Islands (a/k/a Islas Malvinas), Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Netherlands Antilles, Puerto Rico, St. Bartholomew, St. Kitts and Nevis, St. Martin, St. Lucia, St. Vincent and the Grenadines, Trinidad & Tobago, Virgin Islands, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Argentina, Bolivia, Brazil, Chile, Columbia, Ecuador, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela and any other country or region that would be considered within North, South or Central America or the Caribbean.

"Securities Act" shall mean the United States Securities Act of 1933, as amended.

"Shareholders Agreement" shall have the meaning set forth in the recitals.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person or by another subsidiary of such first Person.

"Subsidiary Shares" shall mean the issued and outstanding shares of capital stock, limited partnership, membership or other equity interests in the Company Subsidiaries.

"Tax Indemnification Period" shall mean all taxable years (including all prior taxable years) ending on or before December 31, 2001.

"Tax Receipt" shall mean any evidence of payment or compensation of Taxes.

"Tax Return" shall mean any report, return or other information required to be supplied to a Governmental Authority in connection with Taxes either directly or indirectly.

"Taxes" shall mean all taxes, withholding taxes, fees, duties, customs duties, levies or other assessments, including income, ad valorem, turnover (including import or export levies or fees), real and personal property (tangible and intangible), sales, excise, value added, transfer, fuel, occupational, interest equalization, windfall profits, severance and employees' income withholding, employee or employment taxes, housing fund (INFONAVIT), social security (IMSS) and retirement savings fund (SAR) contributions which are imposed by any Governmental Authority, and such term shall include any interest, penalties or additions to tax attributable to any of the foregoing.

"Technical Assistance Agreements" shall mean the various Technical Assistance Agreements, dated January 1, 1998, between Whirlpool Corporation and Industrias Acros Whirlpool, S.A. de C.V. (previously Supermatic, S.A. de C.V. and Fabricantes de Aparatos Domesticos, S.A. de C.V.) and Crolls Mexicana, S.A.

de C.V.

"Termination Date" shall have the meaning set forth in Section 9.12.

"Third Party Claim" shall have the meaning set forth in Section 8.5.

"Transition Services Agreement" shall have the meaning set forth in Section 7.6.

"$" or "US$" means United States Dollars.

"Vitro" shall have the meaning set forth in the preamble.

"Vitro Licensed Material" shall mean all Confidential Vitro Information (including Intellectual Property) limited in each case to only those items used in the conduct of the business of the Company or any Company Subsidiary as presently conducted or as conducted at any time since January 1, 2001.

"Vitro Shares" shall have the meaning set forth in the recitals.

"Whirlpool" shall have the meaning set forth in the preamble.

"Whirlpool Shares" shall have the meaning set forth in the recitals.

All other terms defined elsewhere in this Agreement shall have the meanings set forth herein.

ARTICLE 1.
PURCHASE AND SALE OF SHARES

1.1 Purchase and Sale of Shares.

Subject to the terms, conditions and Conditions Precedent of this Agreement, at the Closing, (i) Vitro shall sell, assign, transfer, convey and deliver to Whirlpool, and Whirlpool shall acquire and take assignment and delivery of 308,990,772 Vitro Shares free and clear of any Encumbrances, and (ii) Vitro shall sell, assign, transfer, convey and deliver to [Whirlpool Holdings], and Whirlpool shall cause [Whirlpool Holdings] to acquire and take assignment and delivery of, and [Whirlpool Holdings] shall acquire and take assignment and delivery of, 1 Vitro Share free and clear of any Encumbrances. Whirlpool reserves the right, in its sole and absolute discretion, to designate any of its Affiliates to acquire the 308,990,772 Vitro Shares as contemplated by clause (i) of the previous sentence, and such Affiliate shall agree to be bound as a Purchaser under this Agreement. Whirlpool will make any such designation by written notice to Vitro. However, no such designation shall relieve Whirlpool of any obligation as a Purchaser under this Agreement.

1.2 Payment of Purchase Price.

On the Closing Date, Purchasers, subject to the fulfillment of the Conditions Precedent set forth in Article 4 or their waiver by Purchasers, shall pay to Vitro an amount equal to the Purchase Price, as follows:

(a) $138,300,000 by wire transfer of immediately available funds to the account designated by Vitro. Vitro shall make such designation no later than two (2) business days before the date of payment; and

(b) $10,000,000 by wire transfer of immediately available funds to the account designated by the Escrow Agent in order to be held and disbursed pursuant to the Escrow Agreement.

The Escrow Amount and the provisions of the Escrow Agreement shall not limit Purchasers' other rights of recovery under this Agreement or for non-monetary remedies, including injunctive relief or specific performance, if any. With respect to monetary remedies for valid claims, Purchasers shall first seek recourse against the Escrow Amount, pursuant to the terms of the Escrow Agreement, and shall be entitled to pursue other monetary remedies only to the extent that the Escrow Amount is not sufficient to compensate Purchasers' Losses. All payments due under this Section 1.2 shall be made free and clear of any withholding Taxes. In addition, nothing in the Escrow

Agreement shall be deemed to limit the rights of recovery of Vitro (monetary or otherwise) under this Agreement.

1.3 Exchange Rate. For purposes of this Agreement, including the Disclosure Schedules and Exhibits attached hereto, the exchange rate between US$ and P$ shall be P$9.5 per US$1.0, regardless of any appreciation or devaluation of either currency.

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF VITRO

Except as set forth on Schedule 2.0, as to which Vitro makes no representations or warranties and to which Purchasers waive any and all claims, rights or Losses, Vitro represents and warrants to Purchasers as follows:

2.1 Due Organization. Each of the Company and each Company Subsidiary is duly organized and validly existing under the laws of the United Mexican States, other than Comercializadora de Products Domesticos, S.A., which is duly organized and validly existing under the laws of Guatemala. Each of the Company and each Company Subsidiary has all requisite corporate power and authority to own, lease and operate their respective properties and to carry on their respective businesses as presently conducted. Each of the Company and each Company Subsidiary is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified, other than where the failure to be so qualified, individually or in the aggregate, is not material. Schedule 2.1 is a list of all jurisdictions in which the Company and each Company Subsidiary is so qualified. Other than as set forth on Schedule 2.1 and in the Company Subsidiaries, the Company does not own any debt securities (except as reflected in the Financial Statements) or equity interest in any Person. Other than as set forth on Schedule 2.1, and in the Company and other Company Subsidiaries, the Company Subsidiaries do not own any debt securities (except as reflected on the Financial Statements) or equity interest in any other Person. Since January 1, 2001, the Company and each Company Subsidiary have not engaged in any ongoing business other than the Restricted Business, excluding product development activity.

2.2 Due Authorization. Vitro has the full power and authority to enter into this Agreement and to carry out the transactions contemplated herein, and this Agreement has been duly and validly executed and delivered by Vitro and constitutes the legal, valid and binding obligation of Vitro, enforceable against Vitro in accordance with its terms. The execution, delivery and performance by Vitro of this Agreement has been duly and validly approved by all necessary corporate action (including stockholder approval). Except as set forth on Schedule 2.2, the execution, delivery and performance by Vitro of this Agreement and the Ancillary Agreements (a) do not violate or conflict with any provision of the articles of incorporation, articles of organization, by-laws, regulations or other governing documents of the Company, Company Subsidiaries or Vitro; (b) will not result in the creation of an Encumbrance on any Vitro Shares or Subsidiary Shares; (c) do not violate or constitute a default under any Law binding on the Company, Company Subsidiaries or Vitro; or (d) will not result in the creation of any Encumbrance upon any of the Vitro Shares or any of the Company Assets, or permit the acceleration of the maturity of any indebtedness of Vitro, the Company or any Company Subsidiary or secured by the Company Assets; or (e) will not result in an event of default under any Debt.

2.3 Ownership of Equity.

(a) Vitro Shares. Vitro has good, valid and marketable legal and beneficial title to the Vitro Shares, free and clear of any Encumbrance (except as set forth on Schedule 2.3). The Vitro

Shares are duly authorized, validly issued, fully paid and constitute all of the issued and outstanding shares of Series "A", Sub-Series "A-1" and

Sub-Series "C-1" capital stock of the Company. At the Closing upon payment of the Purchase Price in accordance with Section 1.2 above, Vitro shall transfer to Purchasers good and valid legal and beneficial title to the Vitro Shares free and clear of any Encumbrance (other than Encumbrances attributable to Purchasers or their creditors).

(b) Subsidiary Shares. The Company or a Company Subsidiary has good, valid and marketable legal and beneficial title to the Subsidiary Shares set forth on Schedule 2.4, free and clear of any Encumbrances other than Encumbrances that secure Debt specifically reflected as a liability on the Reference Balance Sheet or Interim Balance Sheet or the existence of which is referred to specifically in the notes to the Reference Balance Sheet.

(c) None of the Vitro shares (except as set forth on Schedule 2.3), the Subsidiary Shares, the Company Assets or the Real Property are subject to any Encumbrance securing indebtedness or obligations of Vitro or its Affiliates (other than the Company and Company Subsidiaries), including any cross-collateral arrangement.

2.4 Capitalization.

(a) Company. The authorized capital stock of the Company consists of (i) 308,990,772 Series "A", Sub-Series "A-1" and Sub-Series "C-1" common shares, par value P$1.00 Mexican Currency per share, of which only the Vitro Shares are issued and outstanding, and (ii) 296,873,487 Series "B", Sub-Series "B-1" and Sub-Series "D-1" common shares, par value P$1.00 Mexican Currency per share, of which only the Whirlpool Shares are issued and outstanding. Other than the Vitro Shares and the Whirlpool Shares or shares held by either Party's Subsidiaries, there are no shares of capital stock of the Company issued, reserved for issuance or outstanding. The Company has not granted any option, warrant, subscription or any other similar right to purchase or acquire any rights with respect to any shares of capital stock of the Company. There exist no securities convertible or exchangeable into shares of capital or other equity interests of the Company. Other than the Vitro Shares and the Whirlpool Shares, the Company has never issued any shares of capital stock or any other equity. The Vitro Shares are not subject to any voting trust or voting agreement, other than the Shareholders Agreement and the By-laws.

(b) Company Subsidiaries. Schedule 2.4 sets forth (i) each Person in which the Company or a Company Subsidiary holds an equity interest, (ii) for each Company Subsidiary, where applicable, (x) the classes and amounts of its authorized Subsidiary Shares, (y) the amount of its issued or outstanding Subsidiary Shares and (z) the record and beneficial owners of its issued Subsidiary Shares, and (iii) for any Person in which the Company or a Company Subsidiary has an equity interest, other than the Company Subsidiaries, (y) the classes and amount of its authorized shares, and (z) the amount of its issued and outstanding shares. Except as set forth in Schedule 2.4, there are no shares of capital stock or other equity interest of any Company Subsidiary issued, reserved for issuance or outstanding. All of the issued Subsidiary Shares of the Company Subsidiaries have been duly authorized and validly issued in accordance with applicable Law and are fully paid and outstanding. No Company Subsidiary has granted any option, warrant, subscription or other similar right to purchase or acquire any rights with

respect to the capital stock or other equity interests of such Company Subsidiary. There exist no securities convertible or exchangeable into shares of capital stock or other equity interests of any Company Subsidiary. Other than the Subsidiary Shares or shares held by Vitro or Vitro Subsidiaries, no Company Subsidiary has ever issued any shares of capital stock or other equity interests. The Subsidiary Shares are not subject to any voting trust or voting agreement, other than the Shareholders Agreement and the By-laws.

2.5 Consents. Except as set forth on Schedule 2.5 and such written notices to, filings with, or authorizations, exemptions or consents that the failure to obtain, individually or in the aggregate, are not material to the business of the Company or the Company Subsidiaries, no written notice to, filing with, authorization of, exemption by, or consent of any Person (other than a Governmental Entity) is required in connection with the consummation of, the transactions contemplated hereby. No authorization of, exemption by, or consent of any Governmental Authority is required in order to consummate the transactions contemplated, hereby.

2.6 Financial Statements. Except as set forth on Schedule 2.6(a) the Financial Statements fairly present the financial position and results of operations of the Company and the Company Subsidiaries as of the dates thereof and for the periods covered thereby, all in accordance with GAAP (subject, in the case of the Interim Financial Statements, to normal year-end audit adjustments according to GAAP and the inclusion of such corresponding footnotes). The Company and Company Subsidiaries do not have any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required to be disclosed by GAAP with reference to the Financial Statements taken as a whole, except as disclosed, reflected or reserved against in the Financial Statements or the footnotes thereto. True and correct copies of the Financial Statements are set forth on Schedule 2.6(b).

2.7 No Adverse Change. Except as set forth on Schedule 2.7, since December 31, 2001, there has not been a Material Adverse Effect.

2.8 Operations in the Ordinary Course. Except as set forth on Schedule 2.8 or in the Financial Statements, from December 31, 2001, none of the following events have occurred: (a) (i) any loss of any customer or group of affiliated customers that purchased goods or services from the Company and the Company Subsidiaries in an aggregate amount exceeding $1,000,000 during the year ending December 31, 2001 or (ii) any loss or threatened loss of any supplier or group of affiliated suppliers from which the Company and the Company Subsidiaries purchased goods or services in an aggregate amount exceeding $1,000,000 during the year ending December 31, 2001; (b) the termination of any Material Contract other than in accordance with the terms in effect on the date hereof; (c) amendment of the articles of incorporation or By-Laws of the Company or the articles of incorporation or by-laws of any Company Subsidiary; (d) loss or damage to any of the Company Assets in an amount exceeding, $1,000,000 individually and in the aggregate, $3,000,000 (whether or not covered by insurance); (e) notice of any actual or threatened strike, walk out, picketing or concerted boycott; (f) cancellation, without fair consideration, of any liability owed to the Company or any Company Subsidiary that is material to the business of the Company or any Company Subsidiary; (g) incurrence of indebtedness for borrowed money in an aggregate principal amount in excess of $1,000,000 by the Company or any Company Subsidiary; (h) loans, advances or capital contributions to, or investments in, any

Person by the Company or any Company Subsidiary in excess of $300,000 (other than loans, advances or investments that constitute or are represented by cash equivalents, marketable debt securities or accounts receivable); (i) changes in the accounting systems, policies or practices of the Company or any Company Subsidiary; (j) transactions between Vitro or any of its Affiliates and the Company or any Company Subsidiary other than in the ordinary course of business; (k) declaration or payment of any dividend or distribution with respect to the Vitro Shares or any Subsidiary Shares; (l) redemption, purchase or other acquisition or issuance of any of the shares of the Company's capital stock or equity or any Company Subsidiary's capital stock or equity; (m) retirement, pension, profit sharing or bonus payment by the Company or any Subsidiary in each case in an amount over $25,000, except to the extent required by the terms of any related plan, program or Contract; (n) write off or write down of any Accounts Receivable by the Company or any Company Subsidiary in an amount of more than $300,000; (o) (i) more than a 6% increase in wages, salaries, bonus or other remuneration or compensation arrangement of any employee, officer or director, shareholder, manager, member, consultant or agent of the Company or any Company Subsidiary having a salary in excess of $100,000 per year other than increases required by law or required under Contracts in existence as of December 31, 2001 or (ii) more than a 10% increase in wages, salaries, bonus or other remuneration or compensation arrangement for all employees of the Company and Company Subsidiaries (both (i) and (ii) excluding salesmen's commissions); (p) tax election by the Company or any Company Subsidiary; (q) adoption, amendment (other than as required by Law) or termination of any bonus, profit sharing, compensation, termination, stock option, stock appreciation right, restricted stock, performance unit, pension, retirement, deferred compensation, employment, severance or other employee benefit agreements, trusts, plans, funds or other arrangements for the benefit or welfare of any director, officer or employee, or (r) any Material Contract entered into or commitment made by the Company or any Company Subsidiary with respect to any of the foregoing. Since December

31, 2001, the Company and the Company Subsidiaries have operated in the ordinary course.

2.9 Assets. The Company and the Company Subsidiaries each have good and valid title to the Company Assets other than assets disposed of in the ordinary course of business since the dates of the Financial Statements. Except as set forth on Schedule 2.9, upon the purchase of the Vitro Shares by Purchasers, the Company and the Company Subsidiaries, as applicable, shall remain the sole and lawful owner of, and have good and valid title to, their respective Company Assets, free and clear of all Encumbrances other than Permitted Encumbrances. All tangible Company Assets other than vehicles or inventory in transit or goods held on consignment, in each case in the ordinary course of business, are located at the Real Property listed on Schedules 2.10 and 2.11. This Section 2.9 does not relate to Real Property or interests in Real Property, such items being the subject of Section 2.10, to lease agreements, such items being the subject of Section 2.11, to Contracts, such items being the subject of Section 2.16, or to Intellectual Property, such items being the subject of Section 2.30.

2.10 Real Property.

(a) The Company and Company Subsidiaries currently operate at the Real Property listed on Schedule 2.10 and 2.11 and have no operations at, or ownership interests in, any other locations. None of Vitro, the Company nor the Company Subsidiaries have received written notice of any pending or threatened condemnation or eminent domain proceedings with respect to any Real Property since January 1, 2001 and there are no currently pending condemnation or eminent domain proceedings with respect

to any Real Property, except in each case as set forth on Schedule 2.10. The buildings, structures and improvements located on the Real Property listed on Schedule 2.10 are in all material respects structurally sound and in reasonable operating condition and repair (subject to normal wear and tear) and are adequate for the uses to which they are currently put.

(b) The Company and each Company Subsidiary has good and valid legal and beneficial title to each parcel of the Real Property listed on Schedule 2.10, free and clear of all Encumbrances, except (i) Permitted Encumbrances, (ii) zoning, building and other similar restrictions, which do not materially impair the continued use or operation of the Real Property to which they relate in the conduct of the business of the Company or any Company Subsidiary as currently conducted, (iii) both (A) easements, covenants, rights-of-way and other similar restrictions and (B) any conditions that would be disclosed by a physical inspection, which, in either case, do not materially impair the continued use and operation of the Real Property to which they relate in the conduct of the business of the Company or the applicable Company Subsidiary as currently conducted, and (iv) other matters to which the Purchasers consent, in writing. Vitro has made available to Purchasers or their representatives true and complete copies of the most recent title deeds in the possession of Vitro, Vitro's Affiliates, the Company or any Company Subsidiary for the Real Property listed on Schedule 2.10.

(c) Each parcel of Real Property is served by reasonably adequate water supplies/lines, storm and sanitary sewer facilities, gas, telephone, electric connections and all other public utilities reasonably necessary for the conduct of the business of the Company and the Company Subsidiaries at such Real Property as currently conducted.

(d) Except as set forth on Schedule 2.9, the Company Assets, the Real Property set forth on Schedule 2.10 and the property leased pursuant to the lease agreements set forth on Schedule 2.11 constitute the Real Property and substantially all of the other assets used in the conduct of the businesses of the Company and the Company Subsidiaries as presently conducted or as conducted at any time since January 1, 2001, except for inventory disposed of in the ordinary course and Accounts Receivable pursuant to the Factoring Agreement with Trans-America Commercial Finance Corporation.

This Section 2.10 does not relate to compliance of any Real Property with Law, such items being the subject of Section 2.18, with environmental matters, such items being the subject of Section 2.19 or with health and safety matters, such items being the subject of Section 2.20.

2.11 Leases. Schedule 2.11 contains a list of each written or oral lease of Real Property to which the Company or any Company Subsidiary is a party (as lessee or lessor) and which is in effect as of the date of this Agreement. With respect to each lease to which the Company or any Company Subsidiary is a party (as Lessee or Lessor) and which is in effect on the date of this Agreement, the following statements are true to the extent they apply to the Company and any Company Subsidiary, and are true, to the Knowledge of Vitro, to the extent they apply to any counterparty thereto, as of the date hereof: (a) such lease is in full force and effect and enforceable in accordance with its terms; (b) all rents currently due and payable under such lease have been paid; and (c) there exists no event of default or condition which, with

notice, lapse of time or both, would constitute a default under such lease except defaults or conditions (other than the non-payment of rent or other fees or allocated costs under the lease) that, individually or in the aggregate, are not material. Vitro has made complete copies of each lease listed on Schedule 2.11 available for review by Purchasers or their representatives and provided a complete written description of each oral lease so listed. No material lease contains any provisions requiring the consent of the other party upon a change of control of the Company or any Company Subsidiary.

2.12 Accounts Receivable; Accounts Payable.

(a) To the Knowledge of Vitro, all Accounts Receivable are good and collectable in the ordinary course of business, net of any applicable reserves for doubtful accounts reflected on the most recent Interim Balance Sheets in accordance with GAAP. Except as set forth on Schedule 2.12, and to the Knowledge of Vitro, no Accounts Receivable that exceed $250,000 individually or $1,000,000 in the aggregate is subject to any claim of reduction, customer credit balance, billing adjustment, counterclaim, set-off, prepayment, recoupment or other claim for credit, allowances or adjustment and no obligor with respect to any Accounts Receivable is subject to bankruptcy or similar proceedings.

(b) Except as set forth on Schedule 2.12, the Company and the Company Subsidiaries are current (in accordance with past custom and practice of making payments twice per month) in the payment of their respective Accounts Payable, except such Accounts Payable (i) of less than $25,000 individually provided, that such individual amounts do not exceed $100,000 in aggregate or (ii) that are being contested in good faith and are subject to reserves in accordance with GAAP, as set forth on the Interim Balance Sheets.

(c) The representations contained in this Section 2.12 shall not apply with respect to Accounts Receivable due from, or Accounts Payable owed to, Whirlpool, its Affiliates or the Purchasers.

2.13 Insurance Policies. Schedule 2.13 is a list of all policies of insurance held and maintained by the Company and the Company Subsidiaries. Vitro has made available a complete copy of each policy listed on Schedule 2.13 to Purchasers or their representatives. All premiums currently due and payable with respect to each such policy have been paid and each such policy is in full force and effect.

2.14 Bank Accounts. Schedule 2.14 sets forth the names and locations of each financial institution at which the Company and the Company Subsidiaries have an account or safe deposit box and the names of all persons authorized to draw thereon or have access thereto.

2.15 Employees. Vitro has made available to Purchasers a list of the employees of the Company and the Company Subsidiaries, as of the date of this Agreement indicating the current rate of pay or salary of each such employee. Except as set forth on Schedule 2.15, no union contract or collective bargaining agreement exists with respect to the business of the Company or any Company Subsidiary. To the Knowledge of Vitro, there is no ongoing effort by any other union to enlist any employees of the Company or any Company Subsidiary and there is no request for any other union or collective bargaining representation pending. Except as set forth

on Schedule 2.15, within the last three years, neither the Company nor any of the Company Subsidiaries has experienced any strikes, picketing, boycott or significant and concerted work stoppage or slowdown, or material complaint. Vitro has made available to Purchasers an accurate and complete copy of any employee handbook of and any written work rules pertaining to the Company and the Company Subsidiaries. The Company and the Company Subsidiaries have operated and are currently operating in material compliance with all Laws relating to employment and employment practices, terms and conditions of employment, wages and bonus. Except as set forth on Schedule 2.15, the consummation of the transactions contemplated by this Agreement will not give rise to any obligation to make any payment to any employee or director of the Company or any Company Subsidiary in an amount exceeding $200,000 in the aggregate.

2.16 Material Contracts. Except as set forth on Schedule 2.16, neither the Company nor any Company Subsidiary is a party to:

(a) any Contract (other than employment "at will") with any officer, director or employee of the Company or any Company Subsidiary, including, agreements relating to present or future compensation, severance, pay or stay bonuses (other than as set forth on Schedule 2.15 or 2.17);

(b) any Contract with Vitro or any Affiliate of Vitro of greater than $5,000;

(c) any Contract or arrangement (other than those set forth on Schedule 2.17) which (i) involves an unperformed commitment in excess of $500,000 or (ii) providing for indemnification of any Person in connection with the sale of any current or former business unit, product line or any Company Subsidiary;

(d) any Contract or arrangement pursuant to which the Company or any Company Subsidiary has (i) made or will make loans or advances to any Person other than (A) loans and advances to the Company or a Company Subsidiary, (B) advances to trade partners in the ordinary course of business, (C) de minimis advances to employees in the ordinary course of business, or (D) loans made to employees pursuant to the ASRAC Foundation employee loan program, or (ii) become a guarantor, surety, mortgagor or pledged its assets on or otherwise become responsible with respect to any undertaking or obligation of any Person (other than the Company or a Company Subsidiary);

(e) any Contract under which the Company or any Company Subsidiary has borrowed any money from, or issued any note, bond, debenture, mortgage, security agreement, commitment for financing or guarantee or other evidence of indebtedness to, any Person (other than the Company or any Company Subsidiary);

(f) any agreement or arrangement in which the Company or a Company Subsidiary is a partner in a separate joint venture;

(g) any agreement or arrangement with respect to the business of the Company or any Company Subsidiary, that restricts (i) the geographical area in which the Company or any Company Subsidiary is permitted to operate or (ii) the scope or type of business which the Company or any Company Subsidiary is permitted to operate;

(h) any material Contract or arrangement with a sales representative, manufacturer's representative, distributor, dealer, broker, sales agency, advertising agency or other Person engaged in sales, distributing or promotional activities, (including any Contract to act as one of the foregoing on behalf of any Person, that, grants such Person exclusive rights with respect to a geographic area, particular customer (or category of customer) or product line);

(i) any Contract granting to any Person a right, at such Person's option, to purchase or acquire any material (individually or in the aggregate) asset or property of the Company or any Company Subsidiary (or interest therein)

other than sales of inventory in the ordinary course;

(j) any supplier Contract (including a purchase order) under which the Company or any Company Subsidiary makes aggregate annual purchases of more than $500,000, which involves a key component, service or raw material, is exclusive and not terminable within twelve (12) months after the Closing Date;

(k) any acts of ownership, acts of administration, lawsuits and collections powers of attorney; and

(l) any other Contract to which the Company or any Company Subsidiary is a party or by which the Company, any Company Subsidiary or the Company Assets are individually or in the aggregate bound or otherwise obligated in an amount exceeding US$500,000 dollars per year (including any Contract binding or otherwise obligating the Company and the Company Subsidiaries in their respective capacities as Affiliates of Vitro), to which any of the Vitro Shares or Subsidiary Shares are subject or which otherwise relate to or affect the business or operations of the Company or any Company Subsidiary.

The Contracts described in the forgoing clauses (a) through (l) are referred to as "Material Contracts". Except as set forth on Schedule 2.16, with respect to each Material Contract, the following statements are true as to the Company and any Company Subsidiary, and to the Knowledge of Vitro, as to any counterparty thereto, (i) such Material Contract is in full force and effect and is the legal and binding obligation enforceable in all material respects in accordance to its terms and (ii) there exists no default thereunder or condition (including the purchase of the Vitro Shares hereunder; except as set forth on Schedule 2.5) which, with notice, lapse of time or both, would constitute a default thereunder other than (i) defaults or conditions that do not entitle the counterparty thereto to terminate or accelerate the obligations under the Material Contract or (ii) defaults or conditions that are not material. Vitro has made available to Purchasers or their representatives complete copies of each Material Contract or, in the case of purchase orders or sales orders, their form and an accurate and complete written description of each oral Material Contract.

2.17 Employee Benefit Plans.

(a) Except as set forth on Schedule 2.17(a), neither the Company nor any Company Subsidiary maintains, sponsors, is a party to, participates in, has a commitment to create or has any liability or contingent liability with respect to any employee benefit plan, program, policy or arrangement, including any retirement or deferred compensation plan, incentive compensation plan, stock plan, retention plan or agreement, unemployment compensation plan, vacation pay,

change in control, severance pay, bonus or benefit arrangement, insurance or hospitalization program or any fringe benefit arrangements, for any current or former employee, director, agent, or consultant of the Company or any Company Subsidiary or any other Person.

(b) A true, correct and complete copy of each of the plans, programs, policies, arrangements, and agreements listed on Schedule 2.17(a) (referred to hereinafter as "Employee Benefit Plans"), and all contracts relating thereto, or to the funding thereof, if required, each as in effect on the date of this Agreement, have been made available to Purchasers or their representatives and each such copy reflects all amendments made through the date of this Agreement.

(c) Except as provided on Schedule 2.17(c), as to all Employee Benefit Plans:

(i) All Employee Benefit Plans comply in all material respects and have been administered in form and in operation in all material respects in accordance with their terms and all applicable requirements of Law, and no event has occurred which would reasonably be expected to cause any such Employee Benefit Plan to fail to comply with such requirements in any material respect and no written notice issued by any Governmental Authority questioning or challenging such compliance has been received by the Company or any Company Subsidiary.

(ii) There are no actions or suits or material claims (individually or in the aggregate) (other than routine claims for benefits) pending or, to the Knowledge of Vitro, threatened involving any Employee Benefit Plan or the assets thereof and, to the Knowledge of Vitro, no facts exist which would reasonably be expected to give rise to any such actions, suits or claims (other than routine claims for benefits).

(iii) All material contributions required to be made under the terms of each Employee Benefit Plan have been made, except that in the case of the pension plans, contributions have been accrued in accordance with GAAP and the actuarial calculations made by Mercer Human Resource Consulting, S.A. de C.V. (formerly known as William M. Mercer, S.A. de C.V.).

(iv) There has been no act or omission that would impair the ability of the Company and the Company Subsidiaries (or any successor thereto) to unilaterally amend or terminate any Employee Benefit Plan in accordance with the terms of such Employee Benefit Plan.

(v) There are no unfunded or, in the case of the pension plans, unaccrued liabilities under any Employee Benefit Plan.

2.18 Compliance with Law. Except as provided in Schedule 2.18, from January 1, 2001, no written or, to the Knowledge of Vitro, verbal notice from any Governmental Authority or otherwise has been served upon or conveyed to, Vitro, the Company or any Company Subsidiary claiming any material (individually or in the aggregate) violation of any Law. The

Company and the Company Subsidiaries are in compliance with, and since January 1, 2001, have been in compliance with, all applicable Laws, in each case except where such non-compliance individually or in the aggregate, is not reasonably likely to be material. Except as described on Schedule 2.18, the Company and the Company Subsidiaries hold all of the Permits necessary for the lawful operation of the business of the Company or any Company Subsidiary or the ownership of the Company Assets, other than such Permits the failure of which to hold, individually or in the aggregate, is not material. None of Vitro, the Company or any Company Subsidiary has received any written or, to the Knowledge of Vitro, verbal notice of termination, revocation or modification of any Permit, other than such terminations, revocations or modifications that, individually or in the aggregate, would not be reasonably expected to impair, in any material respect, the conduct of operations by the Company or any Company Subsidiary. Assuming the notices and filings set forth on Schedule 2.5 are made, and the authorizations, exemptions and consents set forth on Schedule 2.5 are received, none of the Permits listed on Schedule 2.18 will be terminated, revoked or limited as a result of the consummation of the transactions contemplated herein, other than such terminations, revocations or limitations that, individually or in the aggregate, would not be reasonably expected to impair, in any material respect, the conduct of operations by the Company or any Company Subsidiary. The Company and the Company Subsidiaries have paid all fees required to be paid for such Permits to enable the Company and the Company Subsidiaries to conduct their business as presently conducted. This Section 2.18 does not apply to environmental matters which are exclusively the subject of Section 2.19 or health and safety matters which are exclusively the subject of Section 2.20.

2.19 Environmental Matters. This Section 2.19 is intentionally left blank as the Parties acknowledge and agree that Vitro is not making any representation or warranty regarding any environmental matter related to the Company or the Company Subsidiaries.

2.20 Health and Safety Matters. Except as disclosed on Schedule 2.20 and except for such individual matters that are not material: (a) the Company and the Company Subsidiaries have all Health and Safety Permits required for the operation of the business of the Company, the Company Subsidiaries or the Company Assets and such Health and Safety Permits are valid and in full force and effect; (b) neither the business of the Company or any Company Subsidiary or the Company Assets violate any applicable Health and Safety Law or Health and Safety Permit and no condition or event has occurred which, with notice,

lapse of time or both, would constitute any such violation; (c) the Company and Company Subsidiaries have filed all reports required to be filed under Health and Safety Laws with respect to the operation of the business of the Company and the Company Subsidiaries; (d) the Company and Company Subsidiaries have generated all required data, documentation and records under any Health and Safety Laws and Health and Safety Permits with respect thereto and have maintained all such data, documentation and records for the periods required under applicable Health and Safety Laws; and (e) neither the Company nor any Company Subsidiary is the subject of any pending litigation or proceedings involving a demand for damages or other potential liabilities with respect to violations of any Health and Safety Laws.

2.21 Litigation. Except as set forth in Schedule 2.21, or that would not be reasonably likely to be material (individually or in the aggregate), (a) there are no actions, suits, disputes, litigations, arbitrations, proceedings or investigations whatsoever pending or, to the Knowledge of Vitro, threatened in writing by, against or affecting (i) the Company or any Company

Subsidiary, (ii) Vitro's ownership of the Vitro Shares, (iii) the Company's ownership of the Subsidiary Shares, (iv) any officers, directors, employees, or shareholders of the Company or any Company Subsidiary in their capacity as such, or (v) the transactions contemplated by this Agreement, and (b) none of the Company, any Company Subsidiary or Vitro is in default of any order, judgment, decree, stipulation or consent of or with any Governmental Authority that affects or may pertain to any of the matters referred to in clause (a) above. This Section 2.21 does not relate to any matters with respect to Taxes, which are the subject of Section 2.22, Environmental Matters, which are the subject of Section 2.19, Health and Safety Matters, which are the subject of Section 2.20, or Intellectual Property, which is the subject of Section 2.30.

2.22 Taxes. Except as disclosed on Schedule 2.22:

(a) The Company and each Company Subsidiary have filed on a timely basis all material Tax Returns as required by any applicable Law, and each such Tax Return is true, correct and complete in all material respects. All Taxes due and owing under such Tax Returns (whether reported or not) have been paid. The Company and the Company Subsidiaries have permitted Purchasers or their representatives access to true and complete copies of all (i) material Tax Returns (together with any revenue agent reports or other government reports) and (ii) material Tax Receipts for: (A) those years for which Tax Returns are due to have been filed and for which the applicable statute of limitations has not expired and (B) any other tax year, if Vitro is in possession of such Tax Receipts and (iii) all other documents required under Law for those years for which the applicable statue of limitations has not expired. All estimated tax payments have been made for the current year Tax Returns and all material Tax Returns have been properly extended and filed.

(b) The amounts provided as a liability on the Financial Statements for all Taxes are reasonably adequate to cover all unpaid liabilities for all material (individually or in the aggregate) Taxes, whether or not disputed, and, that have accrued with respect to or are applicable to the period ended on and including the Closing Date or to the period prior thereto, within which the applicable Tax authority still has the right to assert a claim, and for which the Company or any Company Subsidiary may be liable in its own right or as a transferee of the assets of, or successor to, any Person.

(c) No audits or other administrative proceedings or court proceedings exist or, to the Knowledge of Vitro, are threatened with regard to any Taxes or Tax Returns of the Company or any Company Subsidiary. Neither the Company nor any Company Subsidiary has received any written notice that an audit or other administrative proceeding is pending or threatened with respect to any Taxes due from or with respect to the Company or any Company Subsidiary or any material Tax Return filed by or with respect to the Company or any Company Subsidiary.

(d) All Tax deficiencies which have been claimed, proposed or asserted in writing by a Tax authority against the Company or any Company Subsidiary have been fully paid or finally settled.

(e) All Taxes (other than de-minimis Taxes) that the Company or any Company Subsidiary is required by Law to withhold or collect, including sales

and use taxes, and amounts required to be withheld for taxes of employees and other withholding taxes, have been duly

withheld or collected and, to the extent required, have been paid over to the proper Governmental Authority, and to the extent not paid over to the proper Governmental Authority, are held in a separate bank account for such purpose.

(f) Neither the Company nor any Company Subsidiary has ever owned any United States real property interests (within the meaning of Section 897 of the Code and regulations promulgated thereunder) or any other United States Property (within the meaning of Section 956 of the Code and the regulations promulgated thereunder).

(g) All material Tax assets of the Company and the Company Subsidiaries, including net operating losses, tax credits, payments and prepayments, are accurately stated on the Financial Statements in accordance with GAAP, books and records and Tax Returns of the Company and the Company Subsidiaries.

(h) For purposes of this Section 2.22, "Company Subsidiary" and "Company Subsidiaries" shall mean the entities listed on Schedule 2.4 and all other entities with which the Company or any Company Subsidiary listed on Schedule 2.4 has ever been Affiliated, in each case limited to the period of such Affiliation.

2.23 Debt. Schedule 2.23 lists all outstanding amounts of borrowed money owed or guaranteed by the Company or any Company Subsidiary as of the date of the Interim Financial Statements, including any factored accounts receivable for which the Company or any Company Subsidiary has any obligation (all of the foregoing being collectively, the "Debt"). Except as set forth on Schedule 2.23, with respect to each component of the Debt, (a) there is no event of default in effect or condition that, with notice, lapse of time or both, would constitute such an event of default, and (b) Vitro has made available to Purchasers (i) complete and correct copies of all documents evidencing the Debt and (ii) with respect to any undocumented Debt, an accurate and complete written explanation of such Debt.

2.24 Affiliate Transactions. Except as set forth on Schedule 2.24(a) or as disclosed pursuant to Section 2.16(b), neither Vitro nor any of its Affiliates are a material supplier, customer, lessor or lessee of, licensor or licensee of, provider of services to, or competitor of the Company or any Company Subsidiary.

2.25 Product Warranties; Product Liability; Product Recalls.

(a) In each of the two (2) fiscal years immediately preceding the date of this Agreement, warranty claims for product defects against the Company and the Company Subsidiaries relating to products manufactured and sold by the Company and the Company Subsidiaries have not exceeded 2.5% of the consolidated sales of the Company and the Company Subsidiaries for the fiscal year in question.

(b) Since January 1, 2001 there have been no claims for damages or personal injury exceeding $5,000 individually with respect to any product manufactured or sold by the Company or any Company Subsidiary, excluding any claims filed in the United States. Except as set forth on Schedule 2.25, there are no actions, suits, inquiries, proceedings or investigations pending before any Governmental Authority or, to the Knowledge of Vitro, threatened involving any product sold by the Company or any Company Subsidiary.

(c) Except as disclosed on Schedule 2.25, to the Knowledge of Vitro there exists no production problems or other matters with respect to the products manufactured or sold by the Company and the Company Subsidiaries that could reasonably be expected to lead to a recall (whether voluntary or involuntary) or recurring claims (either in quantity or type of claim) that would be outside the ordinary course of business of the Company and the Company Subsidiaries and material. Except as disclosed on Schedule 2.25 and excluding ordinary or usual customer claims made solely for credit, refund, or

replacement of any products sold by the Company and the Company Subsidiaries, to the Knowledge of Vitro there exist no problems, defects or other matters with respect to the manufacture, or labeling of products sold by the Company and the Company Subsidiaries that could reasonably be expected to lead to a product recall (whether voluntary or involuntary, and whether or not mandated by any Governmental Authority) or recurring claims (either in quantity or type of claim) or Losses that would be outside the ordinary course of business of the Company and the Company Subsidiaries and material.

No recovery shall be permitted under this Section 2.25(c) to the extent that the Loss in question resulted from a defect in the product design or specification supplied by Whirlpool or its Affiliates.

2.26 Customers. Except as set forth on Schedule 2.8 or Schedule 2.26, no Major Customer of the Company or any Company Subsidiary has, during the twelve (12) months immediately preceding the date of this Agreement, discontinued or materially reduced its purchases from the Company or any Company Subsidiary. For purposes of the foregoing, a "Major Customer" is a customer or, to the Knowledge of Vitro, a group of related customers (other than Whirlpool, its Affiliates and the Purchasers) purchasing products or services from the Company or any Company Subsidiary in an amount equal to at least five percent (5%) of the total sales of the Company and the Company Subsidiaries during the 12 month period ended December 31, 2001. During the twelve (12) months immediately preceding the date of this Agreement, none of Vitro, the Company or any Company Subsidiary has received any written notice that, and Vitro has no Knowledge that, any Major Customer intends to discontinue purchasing products or services or reduce any such purchases from the Company or any Company Subsidiary. The representation and warranty contained in this Section 2.26 shall not apply with respect to transactions with Whirlpool, its Affiliates or Purchasers.

2.27 No Other Agreement. Except as set forth on Schedule 2.27, none of Vitro, the Company or any Company Subsidiary has any contract, agreement, arrangement or understanding with respect to the sale or other disposition of the Vitro Shares, any Subsidiary Shares or all or substantially all of the Company Assets.

2.28 Records. Except as set forth on Schedule 2.28, the copies of the articles of incorporation and By-laws of the Company and articles of incorporation and by-laws of each Company Subsidiary that were made available to Purchasers or their representatives are true, accurate and complete and reflect all amendments made through the date of this Agreement. No action that would require stockholder or director approval has been taken without consultation with Whirlpool. Except as set forth on Schedule 2.28, the stock ledgers of the Company and the Company Subsidiaries, as previously made available to the Purchasers, contain accurate and complete records of all issuances, transfers and cancellations of shares of the capital stock of the Company and the Company Subsidiaries.

2.29 Inventories. Schedule 2.29 contains a true and accurate aging schedule of all inventories (other than raw materials) of the Company and each Company Subsidiary with a complete listing of all items that have remained in inventory for over six (6) months. Other than as set forth on Schedule 2.29, none of the inventories, in the aggregate, is subject to material write down or write off or are held on assignment or consignment. All such inventories are fairly reflected in the inventory accounts on the Reference Balance Sheet, including all appropriate reserves. Other than as set forth in Schedule 2.29, neither the Company nor any Company Subsidiary is under any obligation with respect to the return of any material inventories.

2.30 Intellectual Property. Schedule 2.30(a) sets forth a complete and correct list of the patents, copyrights, trademarks, service marks, copyright reserves and internet domain names included in the Intellectual Property and all licenses or similar agreements or arrangements with respect to the Intellectual Property to which the Company or any Company Subsidiary is a party, specifically including the trademarks "Supermatic", "Crolls" and "Acros", and all related service marks and logos owned by the Company and the Company Subsidiaries. Except as set forth in Schedule 2.30(b), (i) the Company, Company Subsidiaries or Vitro and its Subsidiaries (other than the Company and Company Subsidiaries) owns and possesses all right, title and interest in and to, or has a valid and enforceable license to use, the

Intellectual Property used in the operations of the Company and the Subsidiaries as presently conducted or as conducted at any time since January 1, 2001; (ii) to the Knowledge of Vitro, no claim by any third party contesting the validity, enforceability, use or ownership of any of the Intellectual Property is currently outstanding or is threatened; (iii) none of Vitro, the Company or any Company Subsidiary has received any written notices of, and to the Knowledge of Vitro there are no facts which indicate a reasonable likelihood of, any infringement or misappropriation by, or conflict with, any Person with respect to the Intellectual Property set forth on Schedule 2.30(a), including any demand or request that Vitro or the Company or any Company Subsidiary license rights from, or make royalty payments to, any Person; and (iv) neither the Company nor any Company Subsidiary is currently infringing, misappropriating or otherwise conflicting with any proprietary rights of any third parties. All Intellectual Property owned by Vitro or its Subsidiaries is subject to Section 7.19 below.

2.31 Computer Systems. Other than as listed on Schedule 2.31, all software licenses legally required by vendors (other than Whirlpool) for the operation of any Computer Equipment and business applications that are material to the Company or any Company Subsidiary, are in place and paid in accordance with its terms.

2.32 Private Offering. None of Vitro, the Company, the Company Subsidiaries or their Affiliates or representatives has issued, sold or offered any security of the Company or Company Subsidiaries to any person under circumstances that would cause the sale of the Vitro Shares, as contemplated by this Agreement, to be subject to the registration requirements of the Securities Act. Assuming the representations of Purchaser contained in Section 3.5 are true and correct, the sale and delivery of the Vitro Shares hereunder are exempt from the registration and prospectus delivery requirements of the Securities Act or any registration requirement under the Laws of the United Mexican States (including the Mexican Ley de Mercado de Valores).

2.33 No Additional Representations. PURCHASERS ACKNOWLEDGE THAT (i) NONE OF VITRO, THE COMPANY, THE COMPANY SUBSIDIARIES OR ANY OTHER

PERSON HAS MADE ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE COMPANY OR ANY COMPANY SUBSIDIARY OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION REGARDING THE COMPANY AND THE COMPANY SUBSIDIARIES FURNISHED OR MADE AVAILABLE TO PURCHASERS AND THEIR REPRESENTATIVES, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND (ii) PURCHASERS HAVE NOT RELIED ON ANY REPRESENTATION OR WARRANTY FROM VITRO, OR ANY OTHER PERSON IN DETERMINING TO ENTER INTO THIS AGREEMENT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT. THE FOREGOING SHALL NOT OPERATE TO LIMIT OR WAIVE ANY OF THE REPRESENTATIONS, WARRANTIES, COVENANTS OR INDEMNITIES OF VITRO SET FORTH IN THIS AGREEMENT. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT, THE COMPANY ASSETS ARE WITHOUT ANY OTHER WARRANTIES OF ANY NATURE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. FURTHER, THE PARTIES AGREE THAT THE REPRESENTATIONS, WARRANTIES AND REMEDIES GRANTED BY VITRO TO THE PURCHASERS SHALL BE LIMITED TO THOSE SET FORTH IN THIS AGREEMENT AND SHALL NOT INCLUDE ANY OTHER REMEDY CONTEMPLATED AT LAW.

2.34 Purchasers' Acts. Vitro shall not be deemed to have breached any representation or warranty set forth in this Article 2, if such breach results from the acts or omissions of a Purchaser.

Each of the foregoing representations and warranties shall be deemed automatically remade by Vitro on and dated as of, the Closing Date for all purposes of this Agreement, including entitling Purchasers to make a claim under Article 8 for any breach or misrepresentation of, or inaccuracy in, such representations or warranties as remade on the Closing Date, regardless of (and without giving effect to) the certificate delivered pursuant to Section 4.2 and provided, however, that no affirmative acts required to be performed by Vitro under this agreement, including any covenants under Article 7, shall be deemed in a breach of any representations or warranties.

ARTICLE 3.
REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Purchasers represent and warrant to Vitro as follows:

3.1 Due Incorporation. Each Purchaser is a corporation duly organized and validly existing under the laws of the state of its incorporation, with all requisite corporate power and authority necessary to own, lease and operate its properties and to carry on its business as presently conducted.

3.2 Due Authorization. Each Purchaser has the full power and authority to enter into this Agreement and to carry out the transactions contemplated herein, and this Agreement has been duly and validly executed and delivered by Purchasers and constitutes the legal, valid and binding obligation of each Purchaser, enforceable against each Purchaser in accordance with its terms. The execution, delivery and performance by each Purchaser of this Agreement has been

duly and validly approved by all necessary corporate action. The execution, delivery and performance by each Purchaser of this Agreement and the Ancillary Agreements (a) do not violate or conflict with any provision of the articles of incorporation, articles of organization, by-laws, regulations or other governing documents of any Purchaser, and (b) do not violate or constitute a default under any Law or any Contract binding on any Purchaser that, individually or in the aggregate, is materially adverse to the ability of any Purchaser to consummate the transactions contemplated hereby.

3.3 Availability of Funds. Each Purchaser has or will have upon Closing, cash available sufficient to enable it to consummate the transactions contemplated hereby.

3.4 Securities Act. The Vitro Shares purchased by Purchasers pursuant to this Agreement are being acquired for investment only and not with a view to any public distribution thereof, and Purchasers shall not offer to sell or otherwise dispose of the Vitro Shares in violation of any of the registration requirements of the Securities Act.

3.5 Investment Experience, Access to Information. Purchasers (i) are investors experienced in the ownership of businesses similar to the Company and Company Subsidiaries, (ii) have Knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the transactions contemplated by this Agreement, and (iii) have the ability to bear the economic risks of the transactions contemplated by this Agreement. The foregoing shall not operate to limit or waive any of the representations, warranties, covenants or indemnities of Vitro set forth in this Agreement.

3.6 Litigation. As of the date of this Agreement, there are no actions, disputes, litigations, arbitrations, proceedings or investigations pending or, to the knowledge of each Purchaser, threatened against or affecting any Purchaser that, individually or in the aggregate, is materially adverse to the ability of the Purchasers to consummate the transactions contemplated hereby.

3.7 Brokers; Fees and Expenses. Except for the fees to be paid by Whirlpool to Goldman Sachs, no broker, investment banker, financial advisor or other Person is entitled to any broker's, financial advisor's or other similar fee or commission from Whirlpool or any of its Subsidiaries in connection with the transactions contemplated hereby.

3.8 Consents. Except as set forth on Schedule 3.8, no written notice to, filing with, authorization of, exemption by, or consent of any Governmental Authority is required in order to consummate the transactions contemplated hereby, other than such written notices, filings, authorizations, exemptions or consents that the failure to make or obtain, individually or in the aggregate, is not materially adverse to the ability of the Purchasers to consummate the transactions contemplated hereby.

3.9 Knowledge. Purchasers and Whirlpool have no Knowledge that Vitro is in violation of the representations and warranties made in Sections 2.6, 2.16, 2.22, 2.23 and 2.25, provided that this Section 3.9 shall not apply to the representation and warranty at Section 2.16 as it applies to the matters set forth in subsection (e) thereof.

Each of the foregoing representations and warranties (other than the representation and warranties in Section 3.9) shall be deemed automatically remade by Purchasers on, and dated as of, the Closing Date for all purposes of this Agreement, including entitling Vitro to make a claim under Article 8 for any breach or misrepresentation of, or inaccuracy in, such representations or warranties as remade on the Closing Date.

ARTICLE 4.
CONDITIONS PRECEDENT FOR PURCHASERS TO CLOSE

The obligations of Purchasers under Article 1 of this Agreement are subject to satisfaction of the following Conditions Precedent on or before the Closing Date, unless otherwise waived by the Purchasers.

4.1 Consents and Approvals. All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Authority necessary for the consummation of the transactions contemplated by this Agreement shall have been obtained, made or occurred, as the case may be, including clearance from the Federal Competition Commission (Comision Federal de Competencia) and the National Commission of Foreign Investment (Comision Nacional de Inversiones Extranjeras), both of the United Mexican States.

4.2 Compliance. Vitro shall have performed all of its obligations and agreements to be performed or complied with by it on or prior to the Closing Date. The representations and warranties of Vitro, individually and in the aggregate, shall be true and correct in all respects on the date hereof. The representations and warranties in Article 2 (other than those made in Sections 2.2, 2.3 and 2.4) shall be true and correct in all respects on the Closing Date, provided that where a representation or warranty is not already qualified as to materiality, it need only be accurate, true and correct in all material respects as of the Closing Date. The representations and warranties of Vitro at Sections 2.2, 2.3 and 2.4 shall be true and correct in all respects on the Closing Date. Vitro shall have delivered to Purchasers a certificate signed by an authorized officer and dated as of the Closing Date, signed by Vitro certifying satisfaction of the Condition Precedent set forth in this Section 4.2 and Section 4.5 and Section 4.6 and Section 4.7 below.

4.3 Deliveries. All of the other agreements, certificates and instruments to be delivered to Purchasers at the Closing pursuant to Section 6.2 shall have been delivered to Purchasers.

4.4 Actions or Proceedings. No action or proceeding by any Governmental Authority or other party shall have been instituted or threatened which enjoins, restrains or prohibits, or might reasonably result in substantial damages in respect of, this Agreement or the complete consummation of the transactions as contemplated by this Agreement, and no court order shall have been entered in any action or proceeding which enjoins, restrains or prohibits this Agreement or the complete consummation of the transactions as contemplated by this Agreement.

4.5 No Adverse Change. Since the date of this Agreement, there shall not have been a Material Adverse Effect.

4.6 Release. All Encumbrances on the Vito Shares issued on Schedule 2.3 shall have been released and waived in full.

4.7 Waiver. Purchaser shall have received documentation (a) from each lender to the Company or Company Subsidiaries listed on Schedule 2.2, 2.5 or 2.23 confirming that, as of the Closing Date, the defaults listed on Schedules 2.2, 2.5 or 2.23 have been waived (b) from each lender listed on Schedule 2.23, to the extent such loans are in default, confirming that any default resulting (directly or indirectly, through operation of cross defaults or otherwise) from the pledge of Vitro Shares disclosed on Schedule 2.3 have been waived and (c) to the extent required by the loan agreement with such lender,

that such lender consents to the transactions contemplated by this Agreement. Such documentation shall be in form acceptable to Purchasers.

ARTICLE 5.
CONDITIONS PRECEDENT FOR VITRO'S OBLIGATION TO close

The obligations of Vitro under Article 1 of this Agreement are subject to the satisfaction of the following Conditions Precedent on or before the Closing Date, unless otherwise waived by Vitro.

5.1 Consents and Approvals. All authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Authority necessary for the consummation of the transactions contemplated by this Agreement shall have been obtained, made, or occurred, as the case may be, including the clearance from the Federal Competition Commission (Comision Federal de Competencia) and the approval of the National Commission of Foreign Investment (Comision Nacional de Inversiones Extranjeras), both of the United Mexican States.

5.2 Compliance. Purchasers shall have performed all of their obligations and agreements to be performed and complied with by them on or prior to the Closing Date. The representations and warranties of Purchasers shall be true and correct in all respects on the date hereof. The representations and warranties of Purchasers shall be true and complete in all respects on the Closing Date, provided, that, where a particular representation or warranty is not already qualified as to materiality, it need only be accurate, true and correct in all material respects as of the Closing Date. Purchasers shall have delivered to Vitro a certificate signed by an authorized officer and dated as of the Closing Date certifying satisfaction of the Conditions Precedent set forth in this Section 5.2.

5.3 Deliveries. All of the other agreements, certificates and instruments to be delivered to Vitro pursuant to Section 6.3 shall have been delivered.

5.4 Actions or Proceedings. No action or proceeding by any Governmental Authority or other party shall have been instituted or threatened which enjoins, restrains or prohibits, or might reasonably result in substantial damages in respect of, this Agreement or the complete consummation of the transactions as contemplated by this Agreement, and no court order shall have been entered in any action or proceeding that enjoins, restrains, or prohibits this Agreement or the complete consummation of the transactions as contemplated by this Agreement.

ARTICLE 6.
CLOSING

6.1 Closing. The Closing shall take place at the offices of Mayer, Brown, Rowe & Maw, 190 South LaSalle, Chicago, Illinois, 60603-3441 at 9:00 A.M., Chicago time, on the third business day after the date on which all Conditions Precedent set forth in Sections 4.1 and 5.1 have been satisfied or waived by the applicable parties, or on such other date to which Vitro and Purchasers agree in writing. The date on which the Closing occurs shall be referred to as the "Closing Date." None of the Parties hereto may rely on the failure of any Condition Precedent set forth in Articles 4 and 5 to be satisfied if such failure was caused by such Party's failure to act in good faith or to use its reasonable best efforts to cause the Closing to occur.

6.2 Deliveries by Vitro. At the Closing, Vitro will deliver:

(i) certificates evidencing all of the Vitro Shares, which certificates shall be duly endorsed "in property" to (i) Whirlpool or [Whirlpool Holdings], and (ii) any party designated by Purchasers pursuant to Section 1.1, as requested by Purchasers;

(ii) the certificate referred to in Section 4.2;

(iii) confirmation that the Company is in possession of copies of the public instruments ("escrituras publicas") duly recorded with the Public Registry of Commerce, containing the articles of incorporation and By-laws of the Company and each Company

Subsidiary, and any amendments thereof, certified by a Mexican notary public;

(iv) certificates of registration of the Company and each Company Subsidiary, issued by the Public Registry of Commerce;

(v) certificates on non-Encumbrances of the Company and each Company Subsidiary, issued by the Public Registry of Commerce within seven days prior to Closing;

(vi) the stock record book, minute book and any other corporate record or book of the Company and each Company Subsidiary;

(vii) resignations effective as of the Closing Date of all directors, alternate directors, secretaries and other officers of the Company or any Company Subsidiary as designated by Purchasers at least five days prior to the Closing Date;

(viii) the executed Ancillary Agreements, including, in the case of the Escrow Agreement, the execution by the Escrow Agent;

(ix) documentation reasonably acceptable to Purchasers pursuant to which Vitro (on behalf of itself and its Affiliates) releases the Company and the Company Subsidiaries from any claim or liability;

(x) documentation reasonably acceptable to Purchasers terminating the Shareholders Agreement and releasing Purchasers from any claim (past, present or future) arising under the Shareholders Agreement or the By-laws; provided, however, that such release shall not be deemed to waive, limit or release any covenant or obligation of Purchasers under this Agreement;

(xi) a certificate issued by the Secretary of the Company evidencing that the transfer of the Vitro Shares from Vitro to Purchasers has been duly registered in the stock record book of the Company;

(xii) certificates of insurance evidencing the insurance coverage required by Section 7.14 and the insurance coverage reflected on Schedule 2.13;

(xiii) documentation reasonably acceptable to Purchasers terminating any such other agreements between Vitro and the Company or a Company Subsidiary as Whirlpool and Vitro might in good faith mutually agree should be terminated at Closing;

(xiv) documentation and deliveries required by Purchasers, in its discretion, as evidence of the releases described in Section 4.6 herein; and

(xv) the documentation referred to in Section 4.7.

6.3 Deliveries by Purchasers. At the Closing, Purchasers will deliver toVitro:

(i) the payment of the Purchase Price, as required by Section 1.2;

(ii) the payment of the Escrow Amount to the Escrow Agent, as required by Section 1.2;

(iii) documentation reasonably acceptable to Vitro terminating the Shareholders Agreement and releasing Vitro and its Affiliates from any claim (past, present or future) arising under the Shareholders Agreement or the By-laws; provided, however, that such release shall not be deemed to waive, limit or release any covenant or obligation of Vitro under this Agreement, including the covenant at Section 7.7 below;

(iv) the certificate referred to in Section 5.2; and

(v) the executed Ancillary Agreements.

In respect of the Closing deliveries at Section 6.2(x) and Section 6.3(iii), the parties acknowledge and agree that no termination of the Shareholders Agreement, or release therefrom (or from the By-Laws) shall occur unless the appropriate documentation is executed and delivered at Closing. Until such delivery occurs, each of Vitro and Whirlpool retain all of their respective rights and remedies under the Shareholders Agreement, By-Laws and Charter documents of the Company. Nothing in this Agreement shall be deemed to impair, limit or waive any such rights.

ARTICLE 7.
COVENANTS

7.1 Reasonable Best Efforts. On the terms and subject to the Conditions Precedent of this Agreement, each Party shall, acting in good faith, use its reasonable best efforts to cause the Closing to occur as promptly as practicable. Without limiting the generality of the foregoing, Purchasers and Vitro shall each cooperate and use reasonable best efforts to make, or cause to be made, all declarations and filings and to obtain, or cause to be obtained, all authorizations, consents, orders or approvals, in each case necessary or advisable under applicable Law in connection with the transactions contemplated by this Agreement, including cooperation in the preparation and submittal of the filings required under applicable antitrust or competition or foreign investment Laws of the United Mexican States, including the filing before the Federal Competition Commission (Comision Federal de Competencia) and the filing before the National Commission of Foreign Investment (Comision Nacional de Inversiones Extranjeras), both of the United Mexican States or other foreign filings and any amendments to any thereof (it being agreed by the Parties that based on informal advice received from the United States Federal Trade Commission, no filing under the Hart-Scott-Rodino Antitrust Improvements Act or 1976 is required in connection with the transactions contemplated by this Agreement). In addition, if at any time prior to the Closing Date any event or circumstance relating to any Party (or the Company or any of the Company Subsidiaries) occurs that should be set forth in any declaration or filing with a Governmental Authority, or any other authorization, consent, order or approval is required in connection with the transactions contemplated hereby, the discovering Party will promptly inform the other Party of such event or circumstance. Purchasers and Vitro will work together in good faith to finalize the Escrow Agreement with the Escrow Agent.

7.2 Exclusivity. Purchasers and Vitro agree that until the termination of this Agreement, none of the Parties nor any of their respective shareholders, directors, officers, employees, agents or affiliates will solicit, initiate, encourage, respond favorably to, negotiate with respect to inquiries, proposals, bids or other communications from any Person regarding, any matter related to a transaction similar to the transactions herein contemplated or a joint venture similar to the joint venture between Vitro and Whirlpool establishing the Company, or permit the Company or any Company Subsidiary to do any of the foregoing.

7.3 Non-Solicitation. (a) For a period of two (2) years from the Closing Date unless otherwise consented by Whirlpool in writing (which consent shall not be unreasonably withheld), Vitro and its Affiliates shall not hire or solicit for employment or encourage any employee of the Company or any Company Subsidiary to leave the employment of the Company or any Company Subsidiary, provided, that, set forth on Schedule 7.3(b) is a list of employees of the Company and the Company Subsidiaries that are returning to Vitro as of the Closing Date and Vitro shall be permitted to hire such employees and, provided, further, that this Section 7.3(a) shall not prohibit any public advertisement or general solicitation or any hiring pursuant thereto of an employee who responds to such public advertisement or general solicitation for employment. Should Vitro or its Affiliates breach its obligations under this Section 7.3(a), Vitro shall pay to Purchasers, as a contractual penalty and as Purchaser's sole and exclusive remedy, the amount of US$50,000 per breach.

(b) For a period of two (2) years from the Closing Date, Purchasers, the Company, the Company Subsidiaries and their Affiliates shall not hire or solicit for employment or encourage any employee of Vitro or any of its Affiliates (not including the Company or any Company Subsidiary) to leave the employment of Vitro or any such Affiliate; provided, however, that this Section 7.3(b) shall not prohibit any public advertisement or general solicitation or any hiring pursuant thereto of an employee who responds to such public advertisement or general solicitation for employment.

(c) During the period from the date of this Agreement through the Closing Date, neither the Purchasers nor Vitro nor any of their Affiliates shall hire or solicit for employment or other engagement any employee of the Company or the Company Subsidiaries (other than individuals terminated by the Company or any Company Subsidiary or Vitro), or encourage any of their employees, contractors, subcontractors, independent consultants or sales representatives to leave the employment of, or terminate its relationship with, the Company or Company Subsidiary.

7.4 Agreement Not to Compete. (a) Vitro understands that Purchasers shall be entitled to protect and preserve the going concern value of the business of the Company and the Company Subsidiaries to the extent permitted by Law and that Purchasers would not have entered into this Agreement absent the provisions of this Section 7.4. Therefore, Vitro shall not, and shall cause each of its Subsidiaries not to, for a period of five (5) years from the Closing Date engage, directly or indirectly as a shareholder, owner, partner, member, joint venturer or investor (other than a portfolio investment of less than 5% of any entity so engaged), or as a lender, independent contractor, consultant, advisor, sales representative or otherwise, in the Restricted Business in the Restricted Territory, in each case except for sales to parties engaged in a Restricted Business of products on arms length terms in the ordinary course.

(b) Notwithstanding anything to the contrary contained in Section 7.4(a), in the event that during the five (5) year non-competition period Vitro consummates a business combination transaction with an unaffiliated Person that is engaged in the Restricted Business in the Restricted Territory prior to such time, which transaction results in the holders of voting securities of Vitro outstanding immediately prior to the consummation of such transaction owning less than 50% of the voting power of the voting securities of Vitro, the surviving entity in the transaction or any parent corporation of Vitro resulting from the transaction (the surviving entity or such parent entity being an "Acquirer"), nothing contained in Section 7.4(a) shall prevent the Acquirer or any of its Affiliates (other than Vitro and its Subsidiaries, as existing prior to the closing of the change in control transaction) from competing in the Restricted Business in the Restricted Territory. The Parties hereto acknowledge and agree that nothing contained in this Agreement shall be deemed to require Vitro to give notice to or obtain the consent of Purchasers in order to engage in any business combination change of control transaction of the type described in this Section 7.4(b) or otherwise. Vitro acknowledges and agrees that nothing in this Section 7.4(b) shall release or limit the obligations of it or its Affiliates under Section 7.4(a).

(c) Should Vitro or its Affiliates breach its obligations under Section 7.4, Vitro shall pay to Purchasers, as a contractual penalty and Purchaser's sole and exclusive monetary remedy,

the amount of 20% of the gross sales resulting from the conduct of the Restricted Business by Vitro or its Affiliates.

(d) Purchasers agree that, prior to taking any action to enforce this Section 7.4, it will contact Vitro and discuss with Vitro, in good faith, any allegation that Vitro or its Affiliates have breached this Section 7.4. In no circumstance shall Purchasers inform customers of Vitro or its Affiliates of the alleged breach by Vitro or its Affiliates of this Section 7.4. In the event that Vitro is the prevailing party in any action to enforce this Section 7.4, Purchasers shall promptly reimburse reasonable third party legal expenses and reasonable arbitration costs incurred by Vitro or its Affiliates in defending any such enforcement action.

7.5 Confidentiality. (a) Vitro acknowledges that, by reason of its ownership of the Vitro Shares, and by reason of Vitro's provision of

administrative assistance and support to the Company and the Company Subsidiaries, Vitro may have acquired Confidential Whirlpool Information, the use or disclosure of which, after the Closing Date, could cause the Purchasers, the Company, and the Company Subsidiaries and their respective Affiliates substantial loss and damages that could not be readily calculated and for which no remedy at Law would be adequate. Accordingly, Vitro covenants and agrees with the Purchasers that, after the Closing Date, Vitro shall not directly or indirectly use, disclose or publish, or permit its Affiliates to use, disclose or publish, any Confidential Whirlpool Information, unless (i) such information is or becomes known (A) to the general public other than through a breach by Vitro of this Agreement or (B) to Vitro other than through a breach by another person of a duty or obligation of confidentiality to Whirlpool or its Subsidiaries or (ii) disclosure is required by applicable Law or order of a Governmental Authority.

(b) Purchasers acknowledge that, by reason of their purchase of the Company and the Company Subsidiaries, Whirlpool may acquire Confidential Vitro Information, the use or disclosure of which, after the Closing Date, could cause Vitro and its Affiliates substantial loss and damages that could not be readily calculated and for which no remedy at Law would be adequate. Accordingly, Purchasers covenant and agree with Vitro that, after the Closing Date, the Purchasers shall not directly or indirectly use, disclose or publish, or permit their respective Affiliates to use (except as permitted by the license at Section 7.19 below), disclose or publish, any Confidential Vitro Information, unless (i) such information is or becomes known (A) to the general public other than through a breach by the Purchasers of this Agreement or (B) to the Purchasers other than through a breach by another Peron of a duty or obligation of confidentiality to Vitro or its Subsidiaries or (ii) disclosure is required by applicable Law or order of a Governmental Authority.

7.6 Services. Vitro acknowledges that it currently provides administrative services to Crolls Mexicana, S.A. de C.V., Industrias Acros Whirlpool, S.A. de C.V. (previously Supermatic, S.A. de C.V. and Fabricantes de Aparatos Domesticos, S.A. de C.V.) and Commercial Acros Whirlpool, S.A. de C.V. (previously Vitromatic Commercial, S.A. de C.V.) pursuant to the Administrative Services Agreement and that under the terms of the Administrative Service Agreement, such agreement shall be automatically terminated as of the Closing. Following the Closing, Vitro shall make available to Company and the Company Subsidiaries, pursuant to the mutually acceptable terms and conditions of the "Transition Services Agreement", to be executed by the parties: (i) the use of any assets owned by Vitro, its

Affiliates or any other Person that are used in the Company's and Company Subsidiaries' business and (ii) those administrative services previously provided by Vitro and requested by Whirlpool.

7.7 Ordinary Course. Except as otherwise specifically contemplated by this Agreement, Vitro shall cause the Company and each Company Subsidiary to operate only in the usual, regular and ordinary course consistent with past practice and use its reasonable best efforts to preserve its relationships with respective employees and customers. Except as contemplated by this Agreement, Vitro shall comply with its obligations under, and shall cause the Company and the Company Subsidiaries to comply with their respective obligations under, the Shareholders Agreement and the By-Laws, and the parties agree that no liability shall arise under the Shareholders Agreement or By-Laws by performance of the affirmative acts required to be performed hereunder . Vitro shall not effect any changes to the By-Laws.

7.8 Securities Act. None of the Purchasers, the Company or any Company Subsidiary shall offer to sell or otherwise dispose of the Vitro Shares so acquired by it in violation of any of the registration requirements of the Securities Act or the Mexican Ley de Mercado de Valores.

7.9 [Intentionally Omitted]

7.10 Names; Trade or Service Marks. (a) Whirlpool shall, within thirty (30) days after the Closing, cause the name of the Company to be changed to a name selected by Whirlpool but not including or similar to the name or words "Vitromatic", "Vitro" or any variants thereof, excluding "Supermatic" and any variants thereof.

(b) Following the Closing, neither Purchasers nor any of their Affiliates (including the Company and the Company Subsidiaries) shall use or permit their respective distributors to use any names including or similar to "Vitromatic", "Vitro", the V block logo, or any variants thereof (the "Excluded Marks"), excluding "Supermatic" and any variants thereof. The previous sentence notwithstanding, for a period of up to one hundred twenty (120) days from the Closing Date and for only immaterial use thereafter, the Company and Company Subsidiaries shall be entitled to use all inventories of packaging, labels, and sales literature existing as of the Closing Date bearing or reflecting the Excluded Marks, provided that:

(i) such use is strictly the same as existed prior to the Closing Date;

(ii) the services and goods rendered and all goods produced, distributed or sold under the Excluded Marks are of at least equal quality standards as were maintained by the Company and Company Subsidiaries prior to the Closing Date;

(iii) Vitro, through a mutually agreed upon accounting firm or professional inspectors of goods, shall have the right to inspect the Company and Company Subsidiaries' operations and evaluate products to ensure compliance with this Section 7.10(b); and

(iv) Purchasers, the Company, and the Company Subsidiaries shall discontinue the use of such packaging, labels, and sales literature as soon as practicable after the Closing Date.

(c) Purchasers acknowledge that the Excluded Marks are the property of Vitro and agree on behalf of themselves and their Affiliates (including the Company and Company Subsidiaries) that they will (i) not intentionally take any action inconsistent with such ownership, (ii) not attack the Excluded Marks in any way nor use, register or seek to register any trademark or trade name which is the same as or confusingly similar to an Excluded Mark, (iii) identify and use the Excluded Marks in accordance with any applicable international, national, state and local Laws or standards as may be appropriate to protect the validity and strength of the Excluded Marks or as may be reasonably requested by Vitro.

7.11 Enron Power Supply Agreement. After the Closing, Purchasers shall use reasonable efforts to cause Vitro to be removed from the Parent Guaranty, dated as of December 15, 1999, made by Vitro in favor of Enrol Energia Industrial de Mexico S. de R.L. de C.V. (the "Enron Power Supply Agreement"), to the extent that such guaranty pertains to the performance of the Company or the Company Subsidiaries. Such reasonable efforts shall include the execution of a replacement guaranty by Purchasers. Purchasers shall not be required to pay any consideration or incur any third party costs to effect the removal of Vitro from the Enron Power Supply Agreement.

7.12 Tax Matters. (a) Pre-Closing Tax Period Tax Returns. (i) Vitro shall cause the Company and the Company Subsidiaries to prepare and timely file (or cause to be prepared and timely filed) all Tax Returns of the Company and the Company Subsidiaries due on or before the Closing Date, and shall prepare such Tax Returns on a basis consistent with past practices for preparing such Tax Returns and pay Taxes shown as due thereon; provided, however, if any Tax Return is filed for a period after December 31, 2001, Vitro shall cause the Company to deliver the relevant Tax Return to Whirlpool and Whirlpool shall have the right to examine and comment on such Tax Return prior to the filing thereof.

(ii) With respect to Tax Returns of the Company and the Company Subsidiaries which are filed after the Closing Date for tax periods prior to January 1, 2002, Whirlpool shall cause the Company and the Company Subsidiaries to prepare and timely file such Tax Returns in accordance with past practices for preparing such Tax Returns and cause the Company and Company Subsidiaries to pay Taxes due thereon (without affecting the right to indemnify at Section 8.2(a)(iii) below).

(b) Cooperation. Vitro, the Company, Company Subsidiaries and Purchasers shall reasonably cooperate, and shall cause their respective Affiliates,

officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns of Vitro, it Subsidiaries, the Company or the Company Subsidiaries, including maintaining and making available to each other all records necessary in connection with Taxes and in resolving all disputes and audits with respect to all taxable periods relating to Taxes.

(c) Refunds and Credits. 51% of any refund or credit of Taxes of the Company or any Company Subsidiary to which the company or any Company Subsidiary become entitled

before the fifth anniversary of the Closing Date to the extent such refund or credit relates to any portion of a tax period within the Tax Indemnification Period (or that portion of other Taxes for which Vitro has made an indemnification payment under Article 8) other than a refund or credit resulting from a carryback of a loss or credit from a Post-Tax Indemnification Period (as hereinafter defined) shall be for the benefit of Vitro other than: (i) refunds or credits with respect to the Asset Tax lawsuit and the IMSS Recategorization and (ii) any refund or credits included in the Reference Balance Sheet. 100% of any refund or credit of Taxes of the Company or any of its Subsidiaries for any taxable period (or portion thereof) beginning after the Tax Indemnification Period (a "Post-Tax Indemnification Period"), other than refunds or credits of that portion of Taxes for which Vitro has made an indemnification payment under Article 8, shall be for the account of Whirlpool.

(d) Amended Returns. Whirlpool shall first obtain the written consent of Vitro (which shall not be unreasonably withheld or delayed) if the Company or any Company Subsidiary is to file an amended Tax Return for any portion of the Tax Indemnity Period which Tax Return (i) is not consistent with the past practices of the Company or Company Subsidiary, (ii) asserts a tax position which benefits only Whirlpool or its Affiliates (other than the Company or a Company Subsidiary), and (iii) would result in additional liability of Vitro under Section 8.2(a) (i) (as it pertains to Section 2.22) and 8.2(a)(iii). For the avoidance of doubt, no consent shall be required with respect to any amended Tax Return required to comply with Law or the requirements of the Company's auditors. In any case, Purchaser shall cause the Company and Company Subsidiaries to reasonably endeavor to consult with Vitro in good faith before filing any amendment to a material Tax Return. The foregoing sentence shall not be deemed or construed to require Vitro's consent to the filing of any amendment.

7.13 Availability of Records. After the Closing, each Party shall, and shall cause its Subsidiaries to, retain and make available to the other Party during normal business hours as reasonably requested by such other Party, its agents and representatives, or as requested by any taxing authority or any Governmental Authority, all information, records and documents relating to the Company and Company Subsidiaries or their employees for all periods prior to Closing, including all tax returns, tax receipts, audit documents and financial reports, and shall preserve all such information, records and documents, including all tax returns, tax receipts, audit documents and financial reports, until ten (10) years after Closing. Each Party shall, and shall cause its Subsidiaries to, also make available to the other Party, as reasonably requested by such other Party, personnel responsible for preparing or maintaining information, records, and documents, in connection with Tax matters, environmental matters, governmental contracts, litigation or potential litigation, including claims for workers' compensation, product liability, general insurance liability and automobile insurance liability, in each case as such matters relate to the Company or any Company Subsidiary.

7.14 Insurance Policies. (a) Vitro shall maintain all liability and property related policies of insurance for Losses arising out of pre-Closing occurrences through the one-year anniversary of the Closing Date. Vitro shall maintain all casualty and liability policies of insurance for goods manufactured prior to Closing with Losses occurring after the Closing Date through the third anniversary of the Closing Date. Vitro shall name Purchasers (i) as an additional insured to both current and subsequent year casualty and liability policies of insurance [(including a waiver of subrogation against Purchasers)] and (ii) as an additional loss payee with

respect to all current property, crime and cargo transit insurance policies maintained by Vitro for the Company and Company Subsidiaries for Losses that occur prior to the Closing Date. Insurance provided by Vitro shall be primary and non-contributory to any other insurance maintained by Purchasers.

(b) For a period of three (3) years after the Closing Date, (i) Vitro shall maintain in effect the current insurance policies of directors' and officers' liability insurance and fiduciary liability insurance as currently provided by Vitro for the Company and the Company Subsidiaries. The policies shall contain terms and conditions which are, in the aggregate, no less advantageous to the insured in any material respect as the policies maintained prior to the Closing Date with respect to claims arising from facts or events which occurred prior to the Closing Date.

(c) Whirlpool shall, or shall cause the Company and the Company Subsidiaries, to reimburse Vitro reasonable incremental out of pocket third party costs, if applicable, to comply with the insurance endorsements as set forth in this Section 7.14(b). Vitro shall inform Whirlpool of such cost prior to incurring such costs. Whirlpool may, at its discretion, instruct Vitro not to obtain any of the covered required hereunder.

7.15 Access to Information. Vitro shall make available to Purchasers and their representatives all information, documentation and records of the Company and each Company Subsidiary prior to Closing as reasonably requested by Purchasers.

7.16 Pre-Closing Activities. The Parties shall take the following actions:

(a) immediately prior to Closing, Vitro shall pay $1,500,000 to the Company in payment of the Account Receivable relating to the Asset Tax Recovery;

(b) immediately prior to Closing, the parties shall close on the Aeroempessorial Agreement and Vitro shall pay Vitromatic the $800,000 as contemplated therein;

(c) prior to Closing, Vitro and Whirlpool shall cause the Company and Company Subsidiaries to effect a write-down of the fixed assets of the Company and Company Subsidiaries such that the carrying value of such assets on the Company's books is reduced by $16,000,000.

7.17 Employees. After the Closing, Vitro shall be responsible for all costs and expenses arising out of or relating to those employees set forth on Schedule 7.3(b), including any claims arising at any time, for wages, compensation, severance payments, reinstatement, health and welfare benefits, accrued vacation pay, vacation premiums, Christmas bonus, paid weekly days off, paid holidays, overtime, profit distribution, workers' compensation benefits or deferred compensation, or any other labor benefit or obligation in accordance with the Mexican Federal Labor Law, Health and Safety Laws and all other applicable Law.

7.18 Transfer of Ownership and Risk of Loss. The parties agree that since the ownership of the Vitro Shares will only be transferred to Purchasers upon Closing, until the Closing, Vitro shall be the legal and beneficial owner of the Vitro Shares [and Purchasers shall have no risk with respect to the Vitro Shares or the Company or Company Subsidiaries.]

Therefore, under no circumstances shall it be interpreted, construed or inferred that the ownership of the Vitro Shares and the risk of loss have been transferred to Purchasers, unless otherwise agreed to in writing by the Parties.

7.19 License. Subject to Section 7.10, Vitro (on its own behalf and on behalf of its Subsidiaries) hereby grants the Company and each Company Subsidiary a perpetual, irrevocable, non-exclusive, worldwide, non-transferable license to use, copy and modify the Vitro Licensed Material in connection with the operation of the Restricted Business by the Company and

each Company Subsidiary. Neither the Company nor any Company Subsidiary shall have any right to sublicense the Vitro Licensed Material. The parties will in good faith discuss and consider whether, on the first anniversary of the Closing Date, the license granted hereby should terminate with respect to the following items of Vitro Licensed Material: (a) quality program (ast); (b) security program; (c) total losses control program; (d) anti-smuggling program; (e) environmental control program; and (f) TARIK program. At its cost, Vito shall obtain any third party consents necessary for the license granted herein. Additionally, the Company and the Company Subsidiaries shall retain perpetual possession and use of all tangible property of Vitro and its Affiliates that have been used in the business of the Company and the Company Subsidiaries at any time since January 1, 2001. In addition, the parties agree to negotiate in good faith following the Closing regarding the sale of the participation of the Company and Company Subsidiaries in the Cicurvito Trust and the Showroom.

7.20 ASRAC Foundation. The Company and the Company Subsidiaries and their respective employees participate in the employee savings plan arrangement sponsored for Vitro employees by the ASRAC Foundation. After the Closing, Vitro shall cooperate in good faith with the Company and the Company Subsidiaries to transition from the ASRAC Foundation to a separate employee savings plan for the employees of the Company and the Company Subsidiaries. Such cooperation shall include verification of account balances and completion of all necessary actions in connection with the transfer of funds to the Company equal to the amounts to which the employees of the Company and Company Subsidiaries are entitled. In effecting the transfer, the parties will cooperate in good faith to account for outstanding employee loans, as required by the plan documents and applicable law. Vitro acknowledges and agrees that it may take six months after Closing to complete the transition and that the employees of the Company and the Company Subsidiaries shall continue to participate in the ASRAC Foundation during such period.

7.21 Certain Marks. If Vitro shall promptly cause the assignment to Vitromatic of any common law, pending or registered trademark for or incorporating CROLLS, SUPERMATIC or ACROS and not listed on Schedule 2.30(a).

ARTICLE 8.
SURVIVAL; INDEMNIFICATION

8.1 Survival. Vitro's obligations to indemnify Purchasers and the Company and Company Subsidiaries under this Article 8 for breaches of the representations and warranties contained in this Agreement shall be in effect during the following time periods: (i) until the fifth anniversary of the Closing Date, in respect of the representations and warranties set forth in Sections 2.15, 2.17, 2.22 and 2.25; (ii) indefinitely, in respect of the representations and

warranties at Sections 2.2, 2.3 and 2.4; and (iii) until the first anniversary of the Closing Date, in respect of all other representations and warranties contained herein or in any certificate or other writing delivered pursuant hereto.

8.2 Indemnification by Vitro.

(a) Vitro shall indemnify, defend and hold harmless:

(i) each Purchaser and Whirlpool and each of their respective Affiliates (including the Company and the Company Subsidiaries), officers, directors, employees, shareholders, agents (including accountants and attorneys), successors and permitted assigns (all of which, for purposes of this Section 8.2, shall be included in the defined term Purchasers) from and against 51% of any Losses incurred by any Purchaser (including the Company and the Company Subsidiaries) arising out of, relating to or constituting any breach or misrepresentation of, or inaccuracy or false statement in, any representation or warranty set forth in this Agreement provided, that, (A) Purchasers shall be entitled to recover 100% of all Losses under Section 2.2, 2.3 or 2.4, (B) if the Loss arises out of or relates to [any misrepresentation with dolo or bad faith or]a criminally fraudulent breach of any representation or warranty,

Purchaser shall be entitled to recover 100% of such Loss, (C) no recovery shall be permitted for a breach of any representation or warranty in Article 2 for Losses that are subject to the indemnity at clause (iii) of this Section 8.2(a), and (D) no recovery shall be permitted for a breach of Section 2.25 for Losses that are subject to the indemnity at clause (iv) of this Section 8.2(a);

(ii) Purchaser and Whirlpool from and against any Losses incurred by Purchaser and Whirlpool arising out of or relating to any breach by Vitro of any covenant under this Agreement, provided, that, (A) recovery shall be permitted under this Section 8.2(a)(ii) only for material breaches of Section 7.5, (B) the covenants of the Transition Services Agreement shall not be considered to be covenants of this Agreement and (C) the exclusive remedy for a breach of Sections 7.3 and 7.4 shall be as stated in such sections;

(iii) the Company and each Company Subsidiary from and against 51% of any Losses incurred by the Company or any Company Subsidiary arising out of or relating to any Taxes that have become due and payable during, or which are attributable to any period included in, the Tax Indemnification Period and that have not been paid prior to the Closing Date or specifically reflected as Tax liabilities on the Reference Balance Sheets (any Taxes attributable to the operations of the Company and the Company Subsidiaries payable as a result of any audit of any Tax Return shall be allocated to the period to which such Taxes are attributable);

(iv) the Company and each Company Subsidiary from and against 51% of any Losses incurred by the Company or any Company Subsidiary arising out of or relating to any product recalls (whether voluntary or involuntary, and whether or not mandated by any Government Authority) with respect to products manufactured by the Company or any Company Subsidiary: (A) that were sold or shipped by the Company or any Company Subsidiary on or before the Closing Date or (B) that were included in the finished goods inventory of the Company or any Company Subsidiary on the Closing Date to the extent such Losses arise from the manufacture, packaging or labeling of such products; provided, however, the indemnity provided under this Section 8.2(a)(iv) shall not apply to Losses to the extent resulting from (A) any Whirlpool design of the products or specifications by Whirlpool or (B) any matter of which Whirlpool had Knowledge prior to Closing;

(v) Purchasers, the Company and each Company Subsidiary from and against any Losses incurred by either Purchaser, the Company or any Company Subsidiary to the extent arising out of or relating to any claim asserted against, or any liability or obligation of, Vitro or any of its Affiliates (other than the Company and the Company Subsidiaries); and

(vi) any broker, investment banker, financial advisor or other similar fee or commission owed to any broker, finder or financial advisor by Vitro, the Company or any Company Subsidiary in connection with the transactions contemplated hereby.

(b) Vitro's liability under Section 8.2(a) shall be limited as follows:

(i) Vitro shall be liable under clause (i) of Section 8.2(a) only after the aggregate amount of all Losses claimed under such clause exceeds $1,500,000 (after taking into account the percentage interest assigned to Vitro in such clause with respect to such Losses), at which point Purchasers, the Company and the Company Subsidiaries shall be entitled to recover the entire amount of all such Losses from the first dollar (including the first $1,500,000), provided, that, the foregoing threshold shall not apply to claims for Losses under Sections

2.2, 2.3 or 2.4;

(ii) Vitro shall be liable under clause (iv) of Section 8.2(a) with respect to any particular product recall only after the amount of Losses claimed under such clause with respect to such product recall exceeds $250,000 (after taking into account the percentage interest assigned to Vitro in such clause with respect to such Losses) and then only to the extent of such excess per such particular recall;

(iii) Vitro's aggregate liability under clauses 8.2(a)(i) (other than for breaches of Sections 2.2, 2.3 or 2.4), 8.2(a)(ii) (other than for breaches of Section

7.4), 8.2(a)(iii) and 8.2(a)(iv) shall be limited to 40% of the Purchase Price;

(iv) Vitro's aggregate liability under clause 8.2(a)(i) for breaches of Section 2.2, 2.3, or 2.4 shall be limited to the Purchase Price;

(v) Vitro shall have no liability in any manner for any items listed on Schedule 2.0;

(vi) Vitro shall have no liability under clauses (i) of Section 8.2(a) for any claim submitted after any expiration of the representation or warranty in question;

(vii) Vitro shall have no liability under clauses (iii) or (iv) of Section 8.2(a) for any claim submitted after the fifth anniversary of the Closing Date; and

(viii) In addition to the limitations set forth in Section 8.2(b)(iii), Vitro's aggregate liability under clauses 8.2(a)(i), 8.2(a)(ii), 8.2(a)(iii) and 8.2(a)(iv) in all cases shall be limited to the Purchase Price.

(c) Vitro's obligations under clauses (ii), (v) and (vi) of Section 8.2(a) shall be limited only by the relevant statute of limitations.

(d) Vitro guarantees title to and possession of (saneamiento para el caso de eviccion) the Vitro Shares, and Subsidiary Shares, pursuant to Articles 2119 and 2120 of the Mexican Federal Civil Code.

8.3 Indemnification by Purchaser. Purchasers, the Company and the Company Subsidiaries, jointly and severally, shall indemnify, defend and hold harmless:

(a) Vitro and each of its Affiliates, officers, directors, employees, shareholders, agents (including accountants and attorneys), successors and permitted assigns (all of which, for purpose of this Section 8.3 shall be included in the defined term Vitro for purposes of this Section 8.3) from and against any Losses incurred by Vitro arising out of, relating to or constituting any breach or misrepresentation of, or inaccuracy or false statement in, any representation or warranty set forth in Article 3;

(b) Vitro from and against any Losses incurred by Vitro arising out of or relating to any breach by Purchasers of any covenant under this Agreement provided, that (i) recovery shall be permitted under this Section 8.3(b) only for material breaches of Section 7.5 and (ii) the covenants of the Transition Services Agreement shall not be considered to be covenants of this Agreement;

(c) Vitro from and against any Losses incurred by Vitro or its Affiliates arising out of or relating to those guarantees and obligations to assure performance given or made by Vitro with respect to any obligation of the Company or any Company Subsidiary and specifically listed on Schedule 8.3(c) to the extent that the liability under the guarantee arises after the Closing; and

(d) Vitro from and against any Losses incurred by Vitro arising out of or relating to any claim asserted against, or any liability or obligation of, Purchasers, the Company or any Company Subsidiaries.

8.4 Exclusive Remedy. Except as otherwise specifically provided in this Agreement, (including Sections 7.3 and 7.4), the Parties hereto acknowledge that, following the Closing, their sole and exclusive monetary remedy with respect to any and all claims relating to this Agreement and the transactions contemplated hereby, the Company and the Company Subsidiaries and the Company Assets and liabilities shall be pursuant to the indemnification provisions set forth in this Article 8. Notwithstanding the above, nothing in this Section 8.4 shall be construed to prevent a Party from obtaining: (i) specific performance to enforce the terms of this Agreement, (ii) injunctive relief, if available, to prevent violations of Sections 7.3 or 7.4, (iii) monetary relief under Sections 7.3 or 7.4 or (iv) any other remedies available to a Party to the extent Losses result from criminal fraud or misrepresentation with dolo or bad faith. Neither party may seek rescission of this Agreement.

8.5 Procedures. (a) Third Party Claims. In order for a Person (the "indemnified party") to be entitled to any indemnification provided for under Section 8.2 or 8.3 in respect of, arising out of or involving a claim made by any person against the indemnified party (a "Third Party Claim"), such indemnified party must notify the indemnifying party in writing (and in reasonable detail) of the Third Party Claim promptly after receipt by such indemnified party of notice of the Third Party Claim; provided, however, that failure to give such notification shall not affect the indemnification provided hereunder except to the extent the indemnifying party shall have been prejudiced as a result of such failure (except that the indemnifying party shall not be liable for any expenses incurred during the period in which the indemnified party failed to give such notice). Thereafter, the indemnified party shall promptly deliver to the indemnifying party copies of all notices and documents (including court papers) received by the indemnified party relating to the Third Party Claim.

(b) Assumption. If a Third Party Claim is made against an indemnified party, the indemnifying party shall be entitled to participate in the defense thereof. Except for Third Party Claims concerning a product recall, the defense of which shall be controlled solely by Purchasers, the indemnifying party may choose to assume the defense of the Third Party Claim with representatives selected by the indemnifying party; provided, however, that such representatives are not reasonably objected to by the indemnified party. Should the indemnifying party so elect to assume the defense of a Third Party Claim, the indemnifying party shall not be liable to the indemnified party for any legal expenses subsequently incurred by the indemnified party in connection with the defense thereof. If the indemnifying party assumes such defense, the indemnified party shall have the right to participate in the defense thereof and to employ representatives (not reasonably objected to by the indemnifying party), at its own expense, separate from the representatives employed by the indemnifying party, it being understood that the indemnifying party shall control such defense. The indemnifying party shall be liable for the fees and expenses of representatives employed by the indemnified party for any period during which the indemnifying party has not assumed the defense thereof (other than during any period in which the indemnified party shall have failed to give notice of the Third Party Claim as provided above). If the indemnifying party chooses to defend or prosecute a Third Party Claim, all the indemnified parties shall cooperate in the defense or prosecution

thereof. Such cooperation shall include the retention and (upon the indemnifying party's request) the provision to the indemnifying party of records and information that are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Whether or not the indemnifying party assumes the defense of a Third Party Claim, the indemnified party shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party Claim without the indemnifying party's prior written consent, which shall not be unreasonably withheld or delayed, and provided that such consent shall not be required in the case of product recall, product liability or product defect

matters. If the indemnifying party assumes the defense of a Third Party Claim, the indemnified party shall agree to any settlement, compromise or discharge of a Third Party Claim that the indemnifying party may recommend and that by its terms obligates the indemnifying party to pay the full amount of the liability in connection with such Third Party Claim, which releases the indemnified party completely in connection with such Third Party Claim and that would not otherwise adversely affect the indemnified party. Notwithstanding the foregoing, the indemnifying party shall not be entitled to assume the defense of any Third Party Claim (and shall be liable for the reasonable fees and expenses of representatives incurred by the indemnified party in defending such Third Party Claim) if the Third Party Claim seeks an order, injunction or other equitable relief or relief for other than money damages against the indemnified party that the indemnified party reasonably determines, after conferring with its outside representatives, cannot be separated from any related claim for money damages. If such equitable relief or other relief portion of the Third Party Claim can be so separated from that for money damages, the indemnifying party shall be entitled to assume the defense of the portion relating to money damages.

(c) Other Claims. In the event any indemnified party should have a claim against any indemnifying party under Section 8.2 or 8.3 that does not involve a Third Party Claim being asserted against or sought to be collected from such indemnified party, the indemnified party shall promptly notify the indemnifying party in writing of such claim. The failure of the indemnified party to give notice shall not relieve the indemnifying party of its obligations under this Article 8 except to the extent that the indemnifying party shall have been prejudiced thereby (except that the indemnifying party shall not be liable for any expenses incurred during the period in which the indemnified party fails to give such notice). If the indemnifying party does not object in writing to such indemnification claim within thirty (30) calendar days of receiving notice thereof, the indemnified party shall be entitled to promptly recover from the indemnifying party the amount of such claim, and no later objection by the indemnifying party shall be permitted. If the indemnifying party agrees that it has an indemnification obligation but objects that it is obligated to pay only a lesser amount, the indemnifying party shall promptly pay to the indemnified party the lesser amount, without prejudice to the indemnified party's claim for the difference.

(d) Mitigation. Purchasers, Vitro, the Company and Company Subsidiaries shall cooperate with each other in resolving any claim or liability with respect to which one party is obligated to indemnify another party hereunder, including by making reasonable efforts to mitigate or resolve any such claim or liability.

8.6 Subrogation. Upon making any payment to an indemnified party in respect of any Loss, the indemnifying party will, to the extent of such payment, be subrogated to all rights of the indemnified party against any third party in respect of the Losses to which such payment relates. Such indemnified party and indemnifying party will execute upon request all instruments reasonably necessary to evidence or further perfect such subrogation rights.

8.7 Insurance. The amount of any Losses for which indemnification is ultimately paid under this Article 8 shall be net of any amounts actually recovered or recoverable in the ordinary course after the exercise of reasonable efforts (without incurring third party costs) under insurance policies with respect to such Loss. Purchasers shall not be obligated to institute litigation to recover on insurance policies.

8.8 Tax Treatment of Indemnification. For all Tax purposes, Purchasers and Vitro agree to treat (and shall cause each of their respective Affiliates to treat) any indemnity payment under this Agreement as an adjustment to the Purchase Price unless a final determination provides otherwise.

ARTICLE 9.
MISCELLANEOUS

9.1 Expenses. Each party hereto shall bear its own expenses (including Taxes) with respect to this transaction. Vitro shall pay (a) all income Taxes, if any, required to be paid by any Governmental Authority in connection with the transfer of the Vitro Shares pursuant to this Agreement, as well as to

comply with all reporting obligations thereto and (b) all costs, fees and expenses (including any costs, fees or expenses incurred by the Company or any Company Subsidiary) relating to any release of any Encumbrance on the Vitro Shares, and, if Encumbrances exist in breach of Section 2.3(c), the Company Assets or the Real Property, or obtaining the waiver of any lender event of default or the consent or waiver of any third party as required herein (other than Whirlpool).

9.2 Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand or sent postage prepaid, by registered, certified or express mail or internationally recognized overnight courier service and shall be deemed given when received, as follows:

If to Vitro, addressed as follows:

Vitro, S.A. de C.V.
Av. Ricardo Margain No. 400
Col. Valle del Campestre
66250 Garza Garcia, N.L., Mexico
Attention: Luis A. Nicolau
Facsimile: 8335-8319

with copy to:

Vitro Corporativo, S.A. de C.V.
Av. Ricardo Margain No. 400
Col. Valle del Campestre
66250 Garza Garcia, N.L., Mexico
Attention: Francisco Romero
Facsimile: 8863-1372

with a copy to:

Cravath, Swaine & Moore
825 Eighth Avenue
New York, New York 10019
Attention: David Mercado
Facsimile: (212) 474-3700

If to Purchasers, addressed as follows:

Whirlpool Corporation
200 M63 North, MD2200
Benton Harbor, Michigan 49022
Attention: General Counsel
Facsimile: (616) 923-3919

with a copy to:

Mayer, Brown, Rowe & Maw
190 South LaSalle Street
Chicago, Illinois 60603
Attention: T. Mark McLaughlin
Paul M. Crimmins
Facsimile: (312) 701-7711

with a copy to:

Baker & McKenzie
P.T. de la Republica 3304-2
Partido Escobedo
Cd. Juarez, Chihuahua, Mexico
Attention: Carlos Angulo
Facsimile: 01 (656) 629-1399

or to such other individual or address as a party hereto may designate by notice given as herein provided.

9.3 Effect of Investigations; Construction. Except as expressly set forth in this agreement, including as provided on Schedule 2.0, any due diligence review, investigation or inquiry undertaken or performed by or on behalf of Purchasers shall not waive, limit, qualify or modify Vitro's representations, warranties, covenants and indemnities in this Agreement or any of Purchasers' remedies with respect thereto, irrespective of the knowledge and information received (or which should have been received) therefrom by Purchasers. The parties acknowledge that Purchasers are undertaking the transactions contemplated herein in express reliance on such representations, warranties, covenants and indemnities. This Agreement has been reviewed by each party and its counsel and representatives, and any rule of construction interpreting this Agreement against the drafting party shall not apply. No specific representation or warranty shall operate to qualify or limit a more general representation or warranty addressing the same matter. The preamble and recitals are incorporated into and form a part of this Agreement.

9.4 Waivers. The failure of a party hereto to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or any covenant, representation or warranty contained herein shall be effective unless in writing. No waiver in any one instance shall be deemed to be a further or continuing waiver in any other instance or a waiver of any other condition or covenant, representation or warranty.

9.5 Counterparts. This Agreement may be executed simultaneously in counterparts, all of which together shall constitute one and the same instrument. On the date of this Agreement, each Party shall deliver in person or send, by internationally recognized overnight courier, duly executed original signature pages to the other Party.

9.6 Governing Law & Arbitration. (a) Purchasers and Vitro are in agreement that this Agreement is of a commercial nature and as provided in Article 1445 of the Mexican Commercial Code the parties agree that it shall be governed by, and construed in accordance with, the laws of the United Mexican States, without regard to the conflicts of laws provisions thereof, except, that the provisions set forth in Section 1.1, Article 4 and Article 5 hereof shall be governed and construed and enforced in accordance with the laws of the State of New York. All disputes, controversies or claims (hereinafter singularly, a "Controversy" and collectively, "Controversies") derived from, arising out of or related to this Agreement or the transaction contemplated by this Agreement shall be settled by binding arbitration in accordance with Title Four of Book Five of the Mexican Commercial Code on the date of execution of this Agreement and pursuant to the provisions of this Section 9.6.

(b) Applicability. The Parties shall attempt to settle any Controversy arising in connection with this Agreement by mutual consultation in good faith between Purchasers and Vitro as promptly as possible, but in any event within ten (10) days from the date such Controversy started. Failing an amicable settlement within such term, the Controversy shall be settled finally by binding arbitration using as procedural rules, the United Nations Commission on International Trade Law ("UNCITRAL") Arbitration Rules as in effect on the date of execution of this Agreement, except that Article 26.1 of said rules shall be modified to read as follows:

> "At the request of either party, the arbitral tribunal may take any interim measures it deems necessary in respect of the conduct of the business affairs of the parties, including measures to preserve the status of affairs in existence immediately prior to a certain date and measures for the conservation or protection of the assets of the parties."

(c) Exclusive Method. Except as otherwise provided herein, Purchasers and Vitro agree that such arbitration shall be the sole and exclusive method of resolving any and all Controversies. Nothing herein shall preclude any Party from seeking emergency interim relief in any court of competent jurisdiction to prevent irreparable injury that would occur in the absence of such

emergency interim relief.

(d) Request for Arbitration. A Party hereto may at any time serve notice upon the others in accordance with the notice provisions contained in Section 9.2 in the event that there has been a breach of this Agreement or any Controversy. Such notice (the "Request for Arbitration") shall formally request arbitration and shall specify in detail the claims, the amount involved, if any, and the particular remedy sought. The notice shall also list the name of one arbitrator designated by the submitting Party as being qualified in accordance with Section 9.6(g).

(e) Response. The Party that has not requested arbitration shall respond to the Request for Arbitration within twenty-one (21) days of receipt of such notice by delivering a written response in accordance with the notice provisions of Section 9.2. The response shall list the name of a second arbitrator designated by the responding Party as being qualified in accordance with Section 9.6(g). The response shall also describe counterclaims, if any, the amount involved, and the particular remedy sought, if any. If a Party fails to respond within the allotted time to the Request for Arbitration, the arbitrator selected by the party making the Request for Arbitration under Section 9.6 (d), shall resolve the Controversy within [thirty (30)] days of the deadline for such response.

(f) Appointment of Third Arbitrator. If a Party responds to a Request for Arbitration within the allotted time under Section 9.6(e), the two arbitrators shall appoint a third arbitrator who shall be qualified in accordance with Section 9.6(g). Such third arbitrator shall be appointed within twenty-one (21) days of receipt by the Party requesting arbitration of the notice of response provided for under Section 9.6(e). If the two arbitrators fail to appoint a third arbitrator within such term, the third arbitrator shall be appointed by the Parties if they can agree within a period of twenty-one (21) days following the expiration of such term. If the Parties cannot agree within this time period, then either party may request the appointment of such third arbitrator through the intervention of the American Arbitration Association, provided that the other Party shall not raise any question as to the power of the American Arbitration Association to entertain such application and to make such appointment. Notwithstanding the provisions of Sections 9.6(d) and (e) and this Section 9.6(f), the Parties may agree to appoint a sole arbitrator in which case the sole arbitrator shall be appointed by the Parties within a period of twenty-one (21) days of the receipt by the party requesting arbitration of the notice of response provided for under Section 9.6(e), or if they cannot agree on a sole arbitrator within such term, the arbitration shall be conducted by three arbitrators as set forth in Sections 9.6(d), (e) and (f).

(g) Qualified Arbitrator. Any arbitrator selected in accordance with Sections 9.6(d), (e) and (f) above shall be an individual not affiliated with or employed at any time by any Party to the arbitration or any of their Affiliates.

(h) Place of Arbitration. All arbitrations under this Agreement shall be held and conducted in New York, New York, U.S.A.

(i) Arbitration Hearing; Discovery. The arbitration hearing shall commence within ninety (90) days of appointment of the sole arbitrator or third arbitrator as set forth in Section 9.6(f). The arbitrator(s) shall be bound by the UNCITRAL Arbitration Rules and not by any rules of civil procedure or evidence, and may require Purchasers and Vitro to submit some or all of their case by written brief or in such other manner of presentation as the arbitrator(s) may determine to be appropriate. However, it is the intention of Purchasers and Vitro to permit live testimony and cross examination to the extent necessary to insure that each Party receives a fair hearing on significant issues.

(j) Remedies. Subject to Section 9.6(b), in any such arbitration, the arbitrator(s) shall not extend, modify or suspend any of the terms of this Agreement, but shall have the authority to assess damages and losses sustained by reason of any breach of this Agreement. A demand for arbitration shall not operate to stay, postpone or rescind the effectiveness of any termination or other action provided for by this Agreement and Purchasers and Vitro shall be relegated to their remedy as determined by the arbitrator(s). In the event any

Party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such Party by default or otherwise notwithstanding such failure to appear. The decision of the arbitrator(s) shall be final and binding on all Parties.

(k) Language. The arbitration shall be conducted in the English language. However, if judicial intervention is needed in Mexico to enforce the award, all written communications shall be conducted in Spanish, and the arbitral award(s) shall be provided in Spanish by the arbitrator(s) within 10 (ten) days following the date on which any such translation is requested by a party.

(l) Arbitrators' Fees. Each party shall compensate the Arbitrator it designates. The parties shall split the fees and costs of the third arbitrator appointed pursuant to Section 9.6(f) above.

(m) Decision. The arbitration tribunal shall make its award in strict conformity with this Agreement and shall have no power to depart, deviate from or change any of the provisions of this Agreement. The arbitrators' (or arbitrator's) decision shall be made no later than twenty-one (21) days after the conclusion of the arbitration hearing described in Section 9.6(i). The award shall be final and judgment may be entered in any court having jurisdiction thereover. The arbitrator(s) may award specific performance of this Agreement. The arbitrator(s) may also require remedial measures as part of any award.

(n) Performance of the Parties' Obligations. Purchasers and Vitro agree to continue performing their respective obligations under this Agreement while any Controversy is being resolved.

(o) Confidentiality. All matters relating to any arbitration hereunder shall be designated as confidential information and shall be maintained in strict confidence by any and all the arbitrators and the parties hereto.

(p) Jurisdiction. The Parties acknowledge that the courts of the State of New York, United States of America or the courts of the United States of America for the Southern District of New York, United States of America, and the competent Courts of Mexico City, Federal District, Mexico, at the discretion of the party obtaining a favorable arbitral award, have jurisdiction to execute the arbitral award(s) issued pursuant to this arbitral procedure, and hereby expressly waive any jurisdiction that by reason of their present or future domiciles or for any other reason whatsoever may correspond to them.

9.7 English Language. This Agreement shall be executed by Purchasers and Vitro in the English language, and the English language version shall govern.

9.8 Severability. Whenever possible each provision and term of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision or term of this Agreement shall be held to be prohibited by or invalid under such applicable Law, then such provision or term shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provision or term or the remaining provisions or terms of this Agreement, and the prohibited or invalid provision shall be modified to the minimum extent necessary to make it permissible and valid.

9.9 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto. Except as provided in this Agreement, neither party may assign its rights hereunder, by operation of Law or otherwise, to another Person without the written consent of the other parties, which following the Closing shall not be unreasonably withheld or delayed, except that either Purchaser may assign its rights hereunder to an Affiliate or its lenders so long as such Purchaser remains responsible for its obligations hereunder.

9.10 Further Assurance. Upon the reasonable request of a Party, the other Party will execute and deliver to such requesting Party such other documents, assignments and other instruments as may be required to effect the transactions contemplated by this Agreement, including to vest in Purchasers title to each of the Vitro Shares. Without limiting the generality of the

foregoing, with respect to Material Contracts to which Vitro is a party (whether or not the Company nor any Company Subsidiary is party), the Parties hereto shall diligently cooperate in good faith to effect an appropriate assignment or partial assignment of such Material Contract to Whirlpool, the Company or Company Subsidiaries or to make appropriate introductions to the counterparties thereunder to enable Whirlpool, the Company or Company Subsidiaries to enter into appropriate commercial relationships with respect thereto.

9.11 [Intentionally Omitted].

9.12 Termination. Without prejudice of the provisions set forth in Section 9.11, this Agreement may be terminated as follows: (a) with the mutual written consent of Vitro and Purchasers; (b) by Purchasers, if any of the Conditions Precedent provided in Article 4 shall not

have been satisfied on or prior to the Closing Date, and Purchasers shall not have waived, in writing, such failure of satisfaction; (c) by Vitro, if any of the Conditions Precedent provided in Article 5 shall not have been satisfied on or prior to the Closing Date, and Vitro shall not have waived, in writing, such failure of satisfaction; or (d) by either Party on or after August 31, 2002 (the "Termination Date"), if the Closing shall not have taken place on or before the Termination Date; provided, however, that the Party seeking termination pursuant to clause (b) or (c) above is not then in Default or in breach of any of its material obligations; provided, further, however, that the right to terminate this Agreement pursuant to clause (d) above shall not be available to any Party whose Default has been the cause of, or resulted in, the failure of the Closing to occur on or prior to the Termination Date. No termination of this Agreement shall relieve either Party from any Default occurring prior to termination.

9.13 Publicity. Prior to the Closing Date, except as required by Law or the rules of any stock exchange, no public announcement or other publicity regarding the transactions referred to herein shall be made by any Party hereto or any of their respective Affiliates, officers, directors, employees, representatives or agents, without the prior consent of the other Party. In any case where a public announcement is required by Law or the rules of a stock exchange, the Parties shall cooperate to agree to the form, content, timing and manner of distribution or publication and the Party required to make such release or announcement will allow the other Party reasonable time to comment in advance of the release or announcement. Nothing in this Section 9.13 shall prevent such parties from discussing such transactions with those Persons whose approval, agreement or opinion, as the case may be, is required for consummation of such transactions.

9.14 Entire Understanding. This Agreement together with the Ancillary Agreements and the letter agreement of even date herewith regarding the reservation of rights under the Shareholders Agreement and Corporate By-Laws, sets forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby and supersedes all prior agreements, letters, discussions and understandings relating to the subject matter hereof and is not intended to confer upon any other person any rights or remedies hereunder. This Agreement may be amended, modified or supplemented but only in writing signed by all of the parties hereto. The schedules and exhibits attached hereto and referenced herein are incorporated into, and form a part of, this Agreement.

9.15 Interpretation; Exhibits and Schedules; Certain Definitions. (a) The headings contained in this Agreement, any Exhibit or Schedule hereto and in the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein, are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein, shall have the meaning as defined in this Agreement. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this

Agreement. The words "date hereof" shall refer to the date of this Agreement. The term "or" is not exclusive. The word "extent" in phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall

not mean simply "if". The phrase "reasonable best efforts" shall not be construed to require any party to pay or commit to pay any amount to, or incur any obligation in favor of, any person (other than filing or application fees or expenses or obligations imposed by Governmental Authorities) to obtain any consent or agreement which may be required in connection with the transactions contemplated by this Agreement. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date first above written.

WHIRLPOOL CORPORATION

By:_____
Name:_____
Title:_____

WHIRLPOOL HOLDINGS, INC.

By:_____
Name:_____
Title:_____

VITRO, S.A. de C.V.

By:_____
Name:_____
Title:_____

By:_____
Name:_____
Title:_____

EXHIBIT 8.1

LIST OF SUBSIDIARIES

The following is a list of the significant subsidiaries of Vitro, S.A. de C.V., including the name of each subsidiary and its jurisdiction of incorporation:

1. Vitro Plan, S.A. de C.V.
   (Mexico)

2. Auto Cristales de Oriente, S.A. de C.V.
   (Mexico)

3. Cristales Automotrices, S.A. de C.V.
   (Mexico)

4. Cristales Inastillables de Mexico, S.A. de C.V.
   (Mexico)

5. Distribuidora de Vidrio de Mexico, S.A. de C.V.
   (Mexico)

6. Distribuidora de Vidrio y Cristal, S.A. de C.V.
   (Mexico)

7. Distribuidora Nacional de Vidrio, S.A. de C.V.
   (Mexico)

8. Quimica M, S.A. de C.V.
   (Mexico)

9. Vidrio Plano, S.A. de C.V.
   (Mexico)

10. Vidrio Plano de Mexico, S.A. de C.V.
    (Mexico)

11. Vidrios Templados Colombianos, S.A. de C.V.
    (Colombia)

12. Vitro AFG, S.A. de C.V.
    (Mexico)

13. Vitro America, Inc.
    (Delaware)

14. Vitro Automotriz, S.A. de C.V.
    (Mexico)

15. Vitrocar, S.A. de C.V.
    (Mexico)

16. Vitro Chaves-Industria de Vidrio, S.A.
    (Portugal)

17. Vitro Cristalglass, S.A.
    (Spain)

18. Vitro Flex, S.A. de C.V.
    (Mexico)

19. Vitro Flotado Cubiertas, S.A. de C.V.
    (Mexico)

20. Vitro OCF, S.A. de C.V.
    (Mexico)

21. Vitro Vidrio y Cristal, S.A. de C.V.

(Mexico)

22. Vitro Envases Norteamerica, S.A. de C.V.
(Mexico)

23. Compania Vidriera, S.A. de C.V.
(Mexico)

24. Empresas Comegua, S.A.
(Panama)

25. Vitro Packaging, Inc.
(Delaware)

26. Industria del Alcali, S.A. de C.V.
(Mexico)

27. Fabricacion de Maquinas, S.A. de C.V.
(Mexico)

28. Vidriera Los Reyes, S.A. de C.V.
(Mexico)

29. Vidriera Mexico, S.A. de C.V.
(Mexico)

30. Vidriera Monterrey, S.A. de C.V.
(Mexico)

31. Vidriera Guadalajara, S.A. de C.V.
(Mexico)

32. Vidriera Queretaro, S.A. de C.V.
(Mexico)

33. Vidriera Toluca, S.A. de C.V.
(Mexico)

34. Vitro Fibras, S.A. de C.V.
(Mexico)

35. Vitro American Nacional Can, S.A. de C.V.
(Mexico)

36. Vancan, S.A. de C.V.
(Mexico)

37. Servicios Integrales de Envasado
(Mexico)

38. VGD Soluciones Integrales de Diseno
(Mexico)

39. Metalurgica Oriental, S.A. de C.V.
(Mexico)

40. Procesadora de Materias Primas Industrializables, S.A. de C.V.
(Mexico)

41. Vitrocrisa Holding, S. de R. L. de C. V.
(Mexico)

42. Vitrocrisa, S. de R. L. de C. V.
(Mexico)

43. Vitrocrisa Comercial, S. de R. L. de C. V.
(Mexico)

44. Vidrio Lux
(Bolivia)

45. Crisa Industrial, LLC
(Delaware)

46. Crisa Corporation
(Delaware)

47. Crisa Texas Ltd. (dba. Crisa, Ltd.)
(Texas)

48. Plasticos Bosco, S.A. de C.V.
(Mexico)

49. Envases Cuauhtitlan, S.A. de C.V.
(Mexico)

50. Vitro Chemicals, Fibers and Mining, Inc.
(Texas)

51. Fabricacion de Cubiertos, S.A. de C.V.
(Mexico)

52. IP Vitro Fibras, Ltd
(Switzerland)

53. Vitro Global, S.A.
(Switzerland)

54. Vitro Europa, Ltd.
(Switzerland)

55. IP Vitro Vidrio y Cristal, Ltd.
(Switzerland)

56. Distribuidor Vidriero Lan, S.A. de C.V.
(Mexico)

57. Vitro Flotado Veracruz, S.A. de C.V.
(Mexico)

58. Vidrio Plano de Mexicali, S.A. de C.V.
(Mexico)

59. Cristales Centroamericanos, S.A.
(Guatemala)

60. VVP Auto Glass, Inc.
(Delaware)

61. VVP Holding Corp.
(Delaware)

62. VVP Finance Corporation
(Delaware)

63. VVP Funding, Corp.
(Delaware)

64. Super Sky International, Inc.
(Wisconsin)

65. Super Sky Products, Inc.
(Wisconsin)

66. Super Sky Constructors, Inc.
(Wisconsin)

67. VVP Europa Holdings, B.V.

(Netherlands)

68. Tecnologia Vitro Vidrio y Cristal, Ltd.
(Switzerland)

69. Vitro Cristalglass, SL
(Spain)

70. Vitro Cristalglass Galicia, SL
(Spain)

71. Vitro Cristalglass Asturias, SL
(Spain)

72. Vitro Cristalglass Malaga, SL
(Spain)

73. Vitro Cristalglass Valencia, SL
(Spain)

74. Vitrochaves - Industrias de Vidrio, S.A.
(Portugal)

EXHIBIT 12.1

CERTIFICATION PURSUANT TO
18 U.S.C. Section 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 20-F of Vitro, S.A. de C.V., a corporation organized under the laws of the United Mexican States (the "Company"), for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to such officer's knowledge, that:

(i) the report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 30, 2003

/s/ Federico Sada

_____

Federico Sada
President and Chief Executive Officer

Date: June 30, 2003

/s/ Claudio L. del Valle

_____

Claudio L. del Valle
Chief Financial Officer

EXHIBIT 12.2

CERTIFICATION PURSUANT TO
SECTION 302
THE SARBANES-OXLEY ACT OF 2002

I, Federico Sada, certify that:

1. I have reviewed this annual report on Form 20-F of Vitro, S.A. de C.V.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

(c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Federico Sada

Date: June 30, 2003

Federico Sada
President and Chief Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302
THE SARBANES-OXLEY ACT OF 2002

I, Claudio L. del Valle, certify that:

1. I have reviewed this annual report on Form 20-F of Vitro, S.A. de C.V.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

(c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Claudio L. del Valle

Date: June 30, 2003

Claudio L. del Valle
Chief Financial Officer