

## NYSE Corporate Governance Comparison

Pursuant to Section 303A.11 of the Listed Company Manual of the NYSE, the Company is required to provide a summary of the significant ways in which its corporate governance practices differ from those required for U.S. companies under the NYSE listing standards. We are a Mexican corporation with shares listed on the Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law<sup>1</sup>, the General Law of Mercantile Corporations and the regulations issued by the Mexican Securities and Exchange Commission. On annual basis, we file a report with the Mexican Securities and Exchange Commission and the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.

<sup>1</sup> On December 30, 2005, the new Mexican Securities Law was published in the Official Gazette; such law became effective on June 28, 2006. Companies subject to such law had a 180-day period to adjust their respective bylaws to the new requirements of the law.

The table below discloses the significant differences between our corporate governance practices and the NYSE standards.

<u>NYSE Standards</u>	<u>Our Corporate Governance Practices</u>
<b>Director Independence.</b> Majority of board of directors must be independent. §303A.01	Pursuant to the Mexican Securities Law, the Company's shareholders are required to appoint a board of directors of not more than 21 directors, 25% of whom must be independent within the meaning of the Mexican Securities Law, which differs from the definition of independent under the rules of the New York Stock Exchange. Pursuant to the Company's bylaws, shareholders are required to appoint a board of directors of not more than 21 directors and not less than seven.
	Our current board of directors consists of nine directors and four alternate directors. Five of our directors and two of our alternate directors are independent directors within the meaning of the Mexican Securities Law.
	Pursuant to our bylaws and to the Mexican Securities Law, an independent board member must be appointed based on his experience, ability and professional prestige, and cannot be an employee of the Company or have any conflict of interest with the Company. A board member is not considered independent if he has acted as external auditor of the Company in the twelve-months preceding his/her appointment.
A director is not independent if such director is:	Under Article 26 of the New Mexican Securities Law, a director is not independent if such director is:
(i) a person who the board determines has a material direct or indirect relationship with the company, its parent or a consolidated subsidiary;	(i) a director, officer or employee of the Company or of the entities that are part of the corporate group or consortium of which the Company is a part of (one-year cooling off period);

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(ii) the person is, or has been within the last three years, an employee, or an immediate family member is, or has been within the last three years, an executive officer, of the company, its parent or a consolidated subsidiary, other than employment as interim chairman or CEO;		(ii) a person that has significant influence or authority over the Company or over any of the entities that are a part of the corporate group or consortium of which the Company is a part of;
(iii) a person who has received or whose immediate family member has received during any 12-month period in the last three years, more than \$100,000 in direct compensation from the company, its parent or a consolidated subsidiary, other than director and committee fees or deferred compensation for prior service (and other than compensation for service as interim chairman or CEO or received by an immediate family member for service as a non-executive employee);		(iii) a shareholder that is part of the group of persons that has a controlling interest in the Company;
(iv) a person who is a partner with or employed, or whose immediate family member is a partner with or employed in a professional capacity other than tax planning, by the present internal or external auditor of the company or the person or immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the listed company's audit within that time;		(iv) a client, supplier, debtor or creditor (or a partner, director or employee thereof) that is considered significant. A client or supplier is considered significant when the sales of the Company represent more than 10% of the client's or supplier's total sales during the twelve months preceding his appointment. A debtor or creditor is considered significant whenever the aggregate amount of the relevant loan represents more than 15% of the debtor's, creditor's or the Company's aggregate assets;
(v) an executive officer, or an immediate family member of an executive officer, of another company whose compensation committee's membership includes, or included in the last three years, an executive officer of the listed company, its parent or a consolidated subsidiary; or		(v) a "family member" related to any of the persons mentioned above in (i) through (iv). "Family member" includes a person's spouse, concubine or other relative up to the fourth degree of consanguinity or affinity.
(vi) an executive officer or employee of a company, or an immediate family member of a director is an executive officer of a company, that has made payments to, or received payments from, the listed company, its parent or a consolidated subsidiary for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.		
"Immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the person's home. Individuals who are no longer immediate family members due to legal separation, divorce or death (or incapacity) are excluded. §303A.02(b)		

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<p><b>Executive Sessions.</b> Non-management directors must meet regularly in executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03</p>		<p>There is no similar requirement under our bylaws. However, the Mexican Securities Law provides that the Audit and Corporate Practices Committee, within its audit functions, must meet regularly with directors.</p>
<p><b>Audit committee.</b> Audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the more stringent requirements under the NYSE standards is required. §§303A.06, 303A.07</p>		<p>We have an Audit and Corporate Practices Committee composed of four independent directors, one of whom has accounting and related financial management expertise in compliance with NYSE standard 303A.07 and in compliance with the Mexican Securities Law; additionally Mr. Ávalos is considered a financial expert according to the standards set forth in Section 407 of the Sarbanes Oxley Act of 2002. The members of the Audit and Corporate Practices Committee are proposed by the President in accordance with the Mexican Securities Law and are appointed by the Board of Directors. The foregoing notwithstanding, the President of the Audit and Corporate Practices Committee must be appointed and/or removed from his position exclusively by the General Shareholders' Meeting and he must always be an independent director. The President of the Audit and Corporate Practices Committee in no event whatsoever may preside over the Board of Directors.</p>
		<p>Our Audit and Corporate Practices Committee complies with the requirements of the Mexican Securities Law, Article 42, sections I and II and its main responsibilities include, among others:</p>
		<p><b>Audit responsibilities:</b></p>
		<ul style="list-style-type: none"> <li>• Overseeing the accounting and financial reporting processes of the Company; discussing the financial statements of the Company with all parties responsible for preparing and reviewing such statements, and advising the Board of Directors on their approval thereof;</li> </ul>
		<ul style="list-style-type: none"> <li>• Overseeing compliance with legal and regulatory requirements and overseeing audits of the financial statements of the Company;</li> </ul>
		<ul style="list-style-type: none"> <li>• Evaluating the performance of the Company's external auditor and its independent status;</li> </ul>

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		<ul style="list-style-type: none"> <li>Advising the Board of Directors on the compliance of the Company's or any of its subsidiaries' internal controls, policies and in-house auditing, and identifying any deficiencies in accordance with the bylaws of the Company and applicable regulations;</li> </ul>
		<ul style="list-style-type: none"> <li>Providing sufficient opportunity for a private meeting between members of the Company's internal and external auditors and the Audit Committee, who may also request additional information from employees and legal counsel;</li> </ul>
		<ul style="list-style-type: none"> <li>Providing support to the Board of Directors in supervising and reviewing the Company's corporate accounting and disclosure policies and discussing guidelines and policies to govern the process of risk assessment with management;</li> </ul>
		<ul style="list-style-type: none"> <li>Advising the Board of Directors on any audit related issue in accordance with the bylaws of the Company and applicable regulations;</li> </ul>
		<ul style="list-style-type: none"> <li>Assisting the Board of Directors in the selection of the external auditor (subject to approval by vote of the shareholders);</li> </ul>
		<ul style="list-style-type: none"> <li>Reviewing the financial statements and the external auditor's report. The Committee may request that the external auditor to be present when reviewing such reports, in addition to the Committee's mandatory meeting with the external auditor at least once a year;</li> </ul>
		<ul style="list-style-type: none"> <li>Preparing the Board of Director's opinion on the Chairman's annual report and submitting it at the Shareholders Meeting for its approval; and</li> </ul>
		<ul style="list-style-type: none"> <li>Overseeing compliance by the Company's chief executive officer with decisions made at a Shareholders Meeting or a Board of Directors meeting.</li> </ul>
		<b>Corporate Practices responsibilities:</b>
		<ul style="list-style-type: none"> <li>Requesting an opinion from independent experts as the Committee might see fit, in accordance with applicable regulations;</li> </ul>

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		<ul style="list-style-type: none"> <li>• Calling Shareholders Meetings and reviewing the agenda;</li> </ul>
		<ul style="list-style-type: none"> <li>• Supporting the Board of Directors in preparing its reports in accordance with the bylaws of the Company and applicable regulations;</li> </ul>
		<ul style="list-style-type: none"> <li>• Suggesting procedures for hiring the Company's chief executive officer, chief financial officer and senior executive officers;</li> </ul>
		<ul style="list-style-type: none"> <li>• Reviewing human resources policies, including senior executive officers' performance evaluation policies, promotions and structural changes to the Company;</li> </ul>
		<ul style="list-style-type: none"> <li>• Assisting the board in evaluating senior executive officers' performance;</li> </ul>
		<ul style="list-style-type: none"> <li>• Evaluating executive officer's compensation. We are not required under Mexican law to obtain shareholder approval for equity compensation plans. The Company's Board of Directors is required to approve the Company's policies on such compensation plans;</li> </ul>
		<ul style="list-style-type: none"> <li>• Reviewing related party transactions; and</li> </ul>
		<ul style="list-style-type: none"> <li>• Performing any activity set forth in the Mexican Securities Law.</li> </ul>
<p><b>Nominating/corporate governance committee.</b> Nominating/corporate governance committee of independent directors is required. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04</p>		<p>In accordance with the new Mexican Securities Law, the Board of Directors appointed an Audit and Corporate Practices Committee composed of four independent directors.</p>
<p><b>Compensation committee.</b> Compensation committee of independent directors is required, which must approve executive officer compensation. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.05</p>		<p>We do not have a Compensation Committee. Our Audit and Corporate Practices Committee is responsible for evaluating and approving executive officer's compensation.</p>
<p><b>Equity compensation plans.</b> Equity compensation plans require shareholder approval, subject to limited exemptions. §303A.08</p>		<p>We are not required under Mexican law to obtain shareholder approval for equity compensation plans. Our board of directors is required to approve the Company's policies with respect to such compensation plans.</p>

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<p><b>Code of Ethics.</b> Corporate governance guidelines and a code of business conduct and ethics is required, with disclosure of any waiver for directors or executive officers. §303A.10</p>		<p>We have adopted a code of ethics in alignment with U.S. standards, which has been accepted by all of our directors and executive officers and other personnel. We are required by Item 16B of this Form 20-F to disclose any waivers granted to our chief executive officer, chief financial officer, principal accounting officer and persons performing similar functions.</p>
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