Industrias Unidas, S.A. de C.V.

Offer to Exchange
its
Commercial Paper
for
Series B 11.50% Senior Secured Notes Due November 15, 2016

We are a Mexican corporation that intends to restructure up to U.S.$24,500,000.00 of our indebtedness consisting of:

- U.S.$9,500,000.00 of our 9.75% commercial paper due March 26, 2009, issued by us and guaranteed by certain of our subsidiaries (ISIN Code XS0323540095) (the "9.75% Commercial Paper"); and

- U.S.$15,000,000.00 of our 12% commercial paper due August 6, 2009, issued by us and guaranteed by certain of our subsidiaries (ISIN Code XS0383924098) (the "12% Commercial Paper" and together with the 9.75% Commercial Paper, the "Commercial Paper").

For each U.S.$1,000 stated face value of 9.75% Commercial Paper (each, a "9.75% CP Base Amount"), tendering holders of 9.75% Commercial Paper will receive on the Issue Date Series B 11.50% senior secured notes (the "Series B Notes") with a principal amount equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from March 26, 2009 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 9.75% CP Base Amount (the "9.75% CP Restructuring Fee") and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly (the "9.75% CP Exchange Offer").

For each U.S.$1,000 stated face value of 12% Commercial Paper (each, a "12% CP Base Amount"), tendering holders of 12% Commercial Paper will receive on the Issue Date Series B Notes with a principal amount equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from August 6, 2009 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 12% CP Base Amount (the "12% CP Restructuring Fee") and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly (the "12% CP Exchange Offer" and, together with the 9.75% CP Exchange Offer, the "Exchange Offer").

Concurrently with the Exchange Offer, we plan to restructure (i) our 11.50% Senior Series A Notes due November 15, 2016, issued by us, with a principal amount outstanding of U.S.$200,000,000.00 (the "Old Notes") pursuant to the indenture dated as of November 13, 2006, by and among us, the guarantors named therein, The Bank of New York as trustee (the "Old Notes Trustee"), and The Bank of New York (Luxembourg) S.A., as Luxembourg paying agent and Luxembourg transfer agent (the "Old Notes Indenture"), (ii) our U.S.$803,803.38 unsecured loan due 2012 from Espirito Santo Bank - Davis Standard (the "ESBDS Loan" and together with the Old Notes, the "Series A Eligible Debt") ((i) and (ii) together, the "Series A Eligible Debt Restructuring") and (iii) our Copper Debt, which consists of (1) U.S.$145,696,154.54 aggregate principal amount of the promissory notes (*pagarés*) issued pursuant to (a) that certain Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009, and dated as of June 25, 2008, by and among Gerald Metals LLC ("Gerald"), successor-in-interest to Gerald Metals, Inc., IUSA, S.A. de C.V. and us and (b) that certain Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald, IUSA S.A. de C.V. and us ((a) and (b) together, including all annexes and exhibits thereto, and the guaranties issued in respect thereof, the "Copper Contracts"), and (2) the agreed upon copper debt finalization amount of U.S.$155,000.00, plus (3) certain legal and non-legal costs and expenses accrued in connection with the Copper Contracts prior to October 22, 2010 in an aggregate agreed amount of U.S.$2,000,000.00 (the "Agreed Costs") ((1), (2) and (3) collectively, the "Copper Debt" and together with the Commercial Paper, the "Series B Eligible Debt", and, together with the Series A Eligible Debt, the "Eligible Debt") (the "Copper Debt Restructuring", and together with the Exchange Offer and the Series A Eligible Debt Restructuring, the "Restructuring"). The Restructuring will be consummated in accordance with a restructuring agreement (the "Restructuring Agreement") dated as of July 12, 2011 by and among us, the several subsidiary guarantors named therein and the several consenting creditors named therein (the "Consenting Creditors") and attached hereto as Annex A.

We intend to effect the Restructuring through a chapter 11 plan in the cases of Cambridge-Lee Holdings, Inc. ("CLH") and Tubo de Pastejé, S.A. de C.V. ("Tubo", and together with CLH, the "Debtors"), as to which we are a co-proponent and pursuant to which the new Series A 11.50% senior secured notes (the "Series A Notes" and, together with the Series B Notes, the "New Notes") and the Series B Notes would be issued (such a plan, the "U.S. Plan"). Any Exchange Offer, Copper Debt Restructuring and Series A Eligible Debt Restructuring (whether implemented through a U.S. Plan or otherwise) will occur simultaneously, with a condition precedent to the effectiveness of each portion of the restructuring that the other portions close simultaneously. For more details on the Series A Eligible Debt Restructuring and the Copper Debt Restructuring, see the amended and restated Disclosure Statement relating to the U.S. Plan dated July 15, 2011 (the "Disclosure Statement") attached as Annex B hereto.

The Restructuring Fee will be paid on the date on which the notes are issued (the "Issue Date") and is conditioned on the U.S. Court's (as defined below) approval of the U.S. Plan.

No other payments, including in respect of principal (including any interest that has been purportedly capitalized by the Administrative Agent), interest (including default interest) or additional amounts (if any), will be required to be paid to holders of Commercial Paper ("Holders"). The Series B Notes will be issued in minimum denominations of U.S.$1.00 and any integral multiple of U.S.$1.00, and we will not issue any fractional Series B Notes. If the allocation of Series B Notes results, in the aggregate, in the allocation of fractional Series B Notes to a holder of Series B Eligible Debt, the amount of Series B Notes allocated to such holder of Series B Eligible Debt will be rounded up to the nearest U.S. dollar.

We may, in our sole discretion, terminate prior to the Expiration Time (as defined below) the Exchange Offer described herein. Holders that validly tender their Commercial Paper will be deemed to have consented to the Restructuring as part of the tender.

Application has been made to list the Series A Notes and Series B Notes on the Official List of the Luxembourg Stock Exchange and to admit the Series A Notes and the Series B Notes to trading on the Euro MTF.

The Series A and the Series B Notes will mature on November 15, 2016 and are our direct senior obligations. The Series B Notes will be secured by liens on the following property of us and the Credit Group Subsidiaries (other than CLH and its direct and indirect subsidiaries, the "Collateral Group Subsidiaries", and together with us, the "Collateral Group"):

(i) all future and current real property of the Collateral Group, including land and buildings (collectively, the "Real Property Collateral");

(ii) substantially all other future and current unencumbered long-term assets, properties and machinery and equipment owned by the Collateral Group, including, without limitation, all of the capital stock held by the Collateral Group (other than (x) capital stock of subsidiaries and (y) the Excluded Businesses) (collectively, the "Additional Long-Term Collateral");

(iii) 30% of the future and current amounts in the Lockbox Account (the "Lockbox Collateral");

(iv) all Capital Stock of our future and current direct and indirect Mexican Subsidiaries, except the Excluded Businesses (the "Mexican Subsidiary Stock Collateral"); and

(v) the proceeds of each of the assets described in (i) through (iv) above ("Proceeds", and together with the Real Property Collateral, the Additional Long-Term Collateral, the Mexican Subsidiary Stock Collateral and the Lockbox Collateral, the "Joint Collateral").

All of the liens on the Joint Collateral securing the Series B Notes will be first-priority liens (subject to any Collateral Permitted Liens), except for liens on certain of the Real Property Collateral and Additional Long-Term Collateral (the "Issue Date Encumbered Assets") that are encumbered by other liens as of the Issue Date (the "Issue Date Liens"), which will be second-priority liens pursuant to second-priority mortgages (*hipotecas industriales en segundo lugar* and *hipoteca industrial en segundo lugar*). In the event that any of the Issue Date Encumbered Assets becomes unencumbered after the Issue Date, we and the Collateral Group Subsidiaries will cause the liens on such collateral to become first-priority liens. All of the liens on the Joint Collateral will be created in favor of a Mexican banking institution acceptable to the holders as collateral agent (together with any successor collateral agent, the "Joint Collateral Agent") for the benefit of the holders of the New Notes. For more information on the Joint Collateral securing the Series B Notes, see the Description of the New Notes set forth in Annex C hereto.

Interest on the Series B Notes will accrue at the rate of 11.5% per annum and will be payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, commencing on February 15, 2012.

Interest on the Series B Notes will accrue from November 15, 2011 or from the most recent Payment Date on which interest was paid on such Series B Notes, regardless of whether the Issue Date occurs prior to November 15, 2011.

The Series A Notes and the Series B Notes will be substantially similar, except that the Series A Notes will also be secured by a first-priority lien (subject to any Collateral Permitted Liens) on all future and current capital stock of CLH and the proceeds thereof, as were the Old Notes. See the Description of the New Notes set forth in Annex C hereto.

The Series B Notes may be redeemed at our option from time to time, on a *pro rata* basis, without penalty or premium, at par value plus accrued interest in whole or in part, subject to minimum amounts and notice requirements as described in the Description of the New Notes set forth in C hereto. The Series B Notes are also subject to mandatory redemption as described in the Description of the New Notes set forth in Annex C hereto. Such redemptions will be applied *pro rata* among and within each series of the New Notes.

You should carefully consider the risk factors on pages 31 to 47 of this Information Memorandum before deciding whether or not to participate in the Exchange Offer.

The Exchange Offer will expire at 5:00 p.m., New York City Time on August 16, 2011, unless extended by us (the "Expiration Time").

The Information and Exchange Agent for the Exchange Offer is:

Epiq Systems, Inc.

July 19, 2011

We are soliciting Holders to tender their Commercial Paper and, by doing so, consenting to the Restructuring. By exchanging your Commercial Paper, you will be deemed to have both exchanged (or to have agreed to exchange) your Commercial Paper pursuant to the Exchange Offer and to have consented to the Restructuring, and you will acknowledge and agree that we, in our sole discretion, may accept your exchange relating to the Exchange Offer and the Restructuring if the applicable conditions are satisfied.

The Exchange Offer is not being made to persons in any jurisdiction in which it is unlawful to make such offer, or to tender Commercial Paper. The distribution of this Information Memorandum or any part hereof and the Exchange Offer may be restricted by law. Each holder of Commercial Paper must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or exchanges the Commercial Paper and the Series B Notes and must obtain any consent, approval or permission required by any such jurisdiction for such purchase, offer, sale or exchange under the laws and regulations in force in any jurisdiction to which such holder is subject or in which it makes such purchases, offers, sales or exchanges, and we will not have any responsibility therefor. We require persons into whose possession this Information Memorandum comes to inform themselves about and to observe any such restrictions.

As is described in more detail in "The Exchange Offer," the valid exchange of Commercial Paper by holders of Commercial Paper requires delivery to us of a duly executed letter of transmittal ("Letter of Transmittal") or (in the case of a book-entry transfer) an Electronic Exchange Instruction (as defined herein) in accordance with the procedures set forth in the section "Procedures for Holders exchanging Commercial Paper."

If we proceed with the Restructuring, and the U.S. Plan is approved by the United States Bankruptcy Court for the District of Delaware (the "U.S. Court"), all Holders, including those Holders that do not validly exchange their Commercial Paper, may nevertheless be bound by the terms of the U.S. Plan. See "Risk Factors—Risks Related to the Exchange Offer."

QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

These answers to questions that you may have as a holder of our Commercial Paper are highlights of selected information included elsewhere or incorporated by reference in this Information Memorandum. To fully understand the Exchange Offer and the other considerations that may be important to your decision about whether to participate in the Exchange Offer, you should carefully read this Information Memorandum in its entirety, including the section entitled "Risk Factors."

Exchange Offer Terms and Process

What securities are subject of the Exchange Offer?

The securities that are the subject of the Exchange Offer are U.S.$9,500,000.00 of our 9.75% Commercial Paper and U.S.$15,000,000.00 of our 12% Commercial Paper.

What consideration will I receive if my Commercial Paper is accepted in the Exchange Offer?

We are offering to exchange U.S.$1,129.265 aggregate principal amount of our new Series B Notes for each U.S.$1,000 stated face value of 9.75% Commercial Paper and U.S.$1,136.525 aggregate principal amount of our new Series B Notes for each U.S.$1,000 stated face value of 12% Commercial Paper tendered by the Expiration Time, on the terms and subject to the conditions set forth in this Information Memorandum. Both of these figures include the 1.75% restructuring fee.

What will be the key terms of the new Series B Notes?

The Series B Notes will bear interest at a rate of 11.5% per annum payable in cash on a quarterly basis on every February 15, May 15, August 15, and November 15, beginning on February 15, 2012. The new Series B Notes will mature on November 15, 2016. We will have the right to redeem the new Series B Notes at any time at par value plus accrued interest without penalty or premium. Although the Commercial Paper was unsecured, the new Series B Notes will be secured by substantially all of the Company's long term assets that are located in Mexico, including property, plants, and equipment.

When does the Exchange Offer expire?

The Exchange Offer will expire at 5:00 p.m., New York City time, on August 16, 2011 unless extended by us (the "Expiration Time"). If you hold the Commercial Paper through an institution like a bank, brokerage, clearing house, or trust company, you may be a "beneficial owner" rather than a direct owner. If you are a beneficial owner, the holding institution may impose an earlier deadline on you to instruct it whether to tender the Commercial Paper on your behalf before the Expiration Time. Please follow your holding institution's directions and abide by its deadlines if you would like to participate.

Is there a different deadline to receive the 1.75% restructuring fee?

No. You will receive the 1.75% restructuring fee in the form of additional new Series B Notes by participating in the Exchange Offer by the Expiration Time.

When will I receive the exchange offer consideration if I tender my Commercial Paper?

The Series B Notes will be delivered following the Expiration Time, if the Restructuring closes. The issuance of the Series B Notes is contingent upon the approval of the U.S. Plan by the U.S. Court and will be simultaneous with the consummation of the U.S. Plan. A hearing to consider confirmation of the U.S. Plan is currently scheduled for August 25, 2011, and may be adjourned from time to time. The consummation of the U.S. Plan will occur as soon as practicable after the confirmation hearing when the conditions to the closing of the Restructuring, including the U.S. Court's approval, can be met.

How do I tender my Commercial Paper?

If you are a beneficial owner of Commercial Paper that is held for you by a holding institution, you must direct your holding institution to tender your Commercial Paper on your behalf. You would do this by contacting your holding institution and following any instructions and requirements imposed by it. If you own the Commercial Paper directly, you should provide a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantee or an Electronic Exchange Instruction (as defined herein) in lieu of the Letter of Transmittal, and any other required documents, to Epiq Systems, Inc. prior to the Expiration Time. For further information about how to tender your Commercial Paper, see the section of this Information Memorandum entitled "The Exchange Offer—Procedures for Holders exchanging Commercial Paper" or contact Epiq Systems, Inc. at +1(646) 282-2400 or toll-free in the U.S. at (866) 734-9393 (or by e-mail at tabulation@epiqsystems.com) for further instructions.

Who should I call if I have questions about the Exchange Offer?

All inquiries relating to this Information Memorandum and the Exchange Offer should be directed to Epiq Systems, Inc. at +1(646) 282-2400 or toll-free in the U.S. at (866) 734-9393, or by e-mail at tabulation@epiqsystems.com. If you are a beneficial owner, you may also direct questions to your holding institution, especially those relating to how to tender your Commercial Paper. If you hold the Commercial Paper directly, please contact Epiq Systems, Inc. or us.

Exchange Offer Background

Why are we pursing the Exchange Offer?

We defaulted on most of our debt in 2009 and 2010. We believe we cannot repay or refinance our debt on its current terms, so we would like to exchange our defaulted debt, including our Commercial Paper, for New Notes that mature November 15, 2016. We believe that we will be able to pay interest and principal on the New Notes when due.

Who else will be offered New Notes in exchange for their current debt?

We are also offering New Notes to all holders of our 11.5% Notes due 2016 with an aggregate principal amount outstanding of U.S.$200,000,000.00 (the "Old Notes"); our *pagarés* we issued in connection with buying copper, with an aggregate principal amount of U.S.$145,696,154.54, which we call our Copper Loans; and an unsecured loan held by ESBDS with an aggregate principal amount of U.S.$803,803.38.

Are the holders of the Commercial Paper being treated the same as holders of the Old Notes, Copper Loans, and ESBDS Loan?

Holders of the Commercial Paper are to receive substantially similar treatment as the holders of the Old Notes, the Copper Loans and the ESBDS Loan, in exchange for their Commercial Paper. All of the holders will receive Series A Notes or Series B Notes with an initial principal balance equal to (a) the stated face value of our current debt that they tender without discount, plus (b) approximately 41.3% of past due interest on that debt, plus (c) a fee equal to 1.75% of the stated face value of that debt, plus (d) interest on the 1.75% fee from May 31, 2011 to November 15, 2011 accrued at a rate equal to approximately 41.3% of the debt's original interest rate. The amount of New Notes that each group of holders will receive in exchange for each U.S.$1,000 stated face value of debt tendered will vary for two reasons: First, each tranche of our current debt has a different interest rate. Second, we last paid interest on each tranche of our current debt on different dates. As a result of these differences, holders of the Old Notes will receive U.S.$1,143.22 of Series A Notes in exchange for each U.S.$1,000.00 stated face value of Old Notes tendered; holders of the Copper Loans will receive U.S.$1,100.34 to U.S.$1,121.73 of Series B Notes in exchange for each U.S.$1,000.00 stated face value of Copper Loans tendered, depending on the specific series of *pagaré* or loan; and the holder of the ESBDS Loan will receive U.S.$1,036.18 of Series A Notes for each U.S.$1,000.00 stated face value of ESBDS Loan.

What are the differences between the Series A and Series B Notes?

The New Notes are identical except the Series A Notes will additionally be secured by a pledge of the capital stock of CLH, which is an intermediate holding company indirectly owned by us that directly or indirectly owns all of our U.S. subsidiaries.

Why are holders of certain tranches of debt being offered Series A Notes?

Holders of the Old Notes and ESBDS Loan are being offered Series A Notes in exchange for their tendered debt. The Old Notes have a pledge of the capital stock of CLH and the ESBDS Loan is guaranteed by CLH, which currently gives these creditors a priority claim against CLH. The new Series A Notes will have a similar claim against CLH. The holders of Commercial Paper and the Copper Loans currently have no specific claim against CLH or its assets. Therefore, the new Series B Notes will also not have a specific claim against CLH. We believe offering a pledge of the capital stock of CLH to holders of the Old Notes and ESBDS Loan through the new Series A Notes maintains approximately the same relative priority of their new debt as their old debt.

Participating holders will agree not to receive all past due interest. Will the Company do anything in return?

Yes. We have agreed, among other things, to (i) secure the New Notes with liens on substantially all of our long term assets in Mexico, including property, plant, and equipment; (ii) pay each participating holder a restructuring fee equal to 1.75% of the stated face value of the tendered debt plus interest on the restructuring fee; and (iii) have the Company's equity holders contribute U.S.$25,000,000.00 of cash to us to strengthen our business. The equity holders will contribute U.S.$8,333,000.00 at closing, U.S.$5,555,000.00 within 90 days of closing, U.S.$5,555,000.00 within 180 days of closing, and U.S.$5,557,000.00 within 270 days of closing.

Is this exchange contingent upon other lenders participating in the exchange?

Yes. The exchange is contingent upon the completion of the entire Restructuring, which is contingent upon, among other things unless waived, our exchanging all of the Old Notes for new Series A Notes, all of the Copper Loans for new Series B Notes, the ESBDS Loan for new Series A Notes, and at least 95% of the Commercial Paper for new Series B Notes. Exchanging the Old Notes for Series A Notes is contingent upon the U.S. Court's approving the proposed U.S. Plan, which is contingent upon, among other things, approval from at least half of the holders of the Old Notes that vote on the U.S. Plan and who beneficially own at least two-thirds in principal amount of the Old Notes voting on the U.S. Plan.

Have any holders of our debt agreed to exchange their debt for New Notes?

Yes. Holders of 100% of our Copper Loans, 100% of the ESBDS Loan, and approximately 38% of our Old Notes have contractually agreed to exchange their debt for New Notes as proposed, subject to certain terms and conditions. In addition, holders of at least 61% of the Commercial Paper have agreed in principle to exchange their debt for Series B Notes.

What will happen to holders of the Commercial Paper who do not exchange?

Nothing. They will continue to hold their Commercial Paper, which will be effectively subordinated to the New Notes with respect to the collateral, which includes substantially all of the long term assets of the Company that are located in Mexico, including property, plant, and equipment.

Will we pay interest and principal on any Commercial Paper that is not exchanged?

We have contractually agreed to NOT pay interest or principal to holders of any Commercial Paper that is not exchanged pursuant to the Exchange Offer unless such payments are made pursuant to a final and non-appealable court order.

What will happen to my Commercial Paper if I participate, but the restructuring transaction is not completed?

Nothing. We will return all tendered claims to the tendering holders, including yours. We cannot exchange the Commercial Paper for Series B Notes unless the entire Restructuring is completed.

What will be the principal value of New Notes be if the restructuring transaction is completed?

If holders of all of the Commercial Paper, Old Notes, Copper Loans, and ESBDS Loan participate, there will be approximately U.S.$229,476,885 principal value of new Series A Notes and approximately U.S.$189,867,144 principal value of new Series B Notes outstanding after the Restructuring is completed.

Will the New Notes trade?

We do not know whether the New Notes will trade. However, we have applied to list the New Notes on the Official List of the Luxembourg Stock Exchange and admit the New Notes to trading on the Euro MTF. In the event that the New Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF, we will use our reasonable best efforts to maintain such listing. We will also use commercially reasonable efforts to maintain public corporate credit ratings of the New Notes from Moody's or S&P.

Will the New Notes be freely tradable?

We believe most holders will be able to freely trade the New Notes, which will be issued pursuant to section 1145 of the U.S. Bankruptcy Code. Accordingly, the offering, issuance and distribution of the New Notes will be exempt from the registration requirements of the Securities Act and state securities laws. and no registration statement has been filed with the SEC.

The recipients of the new Series B Notes will be able to resell the Series B Notes without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(1) of the Securities Act, unless the holder of such stock is an "underwriter" within the meaning of section 1145(b) of the U.S. Bankruptcy Code. In addition, the New Notes generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. However, the recipients of the Series B Notes issued under the U.S. Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.

What risks should I consider in deciding whether or not to tender my Commercial Paper?

In deciding whether to participate in the Exchange Offer, you should carefully consider the discussion of risks and uncertainties affecting our business and the new Series B Notes that are described in the section of this Information Memorandum entitled "Risk Factors." You should also consider that we have contractually agreed to NOT pay interest or principal to holders of Commercial Paper that is not exchanged pursuant to the Exchange Offer unless such payments are made pursuant to a final and non-appealable court order.

What are the material U.S. federal income tax considerations of my participating in the exchange offer and consent solicitation?

Please see the section of this Information Memorandum entitled "Certain U.S. Federal Income Tax Considerations." You should consult your own tax advisor for a full understanding of the tax considerations of participating in the exchange offer.

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You should rely only on the information contained in this Information Memorandum or to which the Company has referred you. The Company has not authorized anyone to provide you with information that is different. The information in this document may only be accurate on the date of this Information Memorandum.

LEGAL MATTERS

The offering, issuance and distribution of the New Notes will be exempt from the registration requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act") and state securities laws and will be issued pursuant to section 1145 of the U.S. Bankruptcy Code. Accordingly, no registration statement has been filed with the United States Securities and Exchange Commission (the "SEC"). See "Transfers of Series B Notes."

The Exchange Offer has not been approved or disapproved by the SEC, or by any other U.S. federal, state or foreign securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed or passed upon the accuracy or determined the adequacy of this Information Memorandum. Any representation to the contrary is a criminal offense.

ENFORCEMENT OF CIVIL LIABILITIES AGAINST NON-U.S. PERSONS

WE ARE A CORPORATION (*SOCIEDAD ANÓNIMA DE CAPITAL VARIABLE*) ORGANIZED UNDER THE LAWS OF THE UNITED MEXICAN STATES, OR MEXICO. SUBSTANTIALLY ALL OF OUR DIRECTORS AND OFFICERS AND CERTAIN OF THE EXPERTS NAMED HEREIN RESIDE IN MEXICO, AND ALL OR A SIGNIFICANT PORTION OF THE ASSETS OF SUCH PERSONS MAY BE, AND SUBSTANTIALLY ALL OF OUR ASSETS ARE, LOCATED OUTSIDE THE UNITED STATES. AS A RESULT, IT MAY BE DIFFICULT OR IMPOSSIBLE FOR INVESTORS TO EFFECT SERVICE OF PROCESS WITHIN THE U.S. UPON SUCH PERSONS OR TO ENFORCE JUDGMENTS AGAINST THEM, INCLUDING ANY ACTION PREDICATED UPON THE CIVIL LIABILITY PROVISIONS OF THE FEDERAL SECURITIES LAWS OF THE UNITED STATES. WE HAVE BEEN ADVISED BY OUR MEXICAN LEGAL ADVISORS THAT UNDER MEXICAN LAW IT MAY NOT BE POSSIBLE TO ENFORCE, IN ORIGINAL ACTIONS IN MEXICAN COURTS, LIABILITIES PREDICATED SOLELY ON THE UNITED STATES FEDERAL SECURITIES LAWS AND THERE IS DOUBT AS TO WHETHER IT IS POSSIBLE TO ENFORCE, IN MEXICAN COURTS, JUDGMENTS OF U.S. COURTS OBTAINED IN ACTIONS PREDICATED UPON THE CIVIL LIABILITY PROVISIONS OF THE UNITED STATES FEDERAL SECURITIES LAWS. WE HAVE BEEN ADVISED BY MEXICAN COUNSEL THAT NO TREATY IS CURRENTLY IN EFFECT BETWEEN THE UNITED STATES AND MEXICO THAT COVERS THE RECIPROCAL ENFORCEMENT OF FOREIGN JUDGMENTS. IN THE PAST, MEXICAN COURTS HAVE ENFORCED JUDGMENTS RENDERED IN THE UNITED STATES BY VIRTUE OF THE LEGAL PRINCIPLES OF RECIPROCITY AND COMITY, CONSISTING OF THE REVIEW IN MEXICO OF THE UNITED STATES JUDGMENT IN ORDER TO ASCERTAIN WHETHER MEXICAN LEGAL PRINCIPLES OF DUE PROCESS AND PUBLIC POLICY (*ORDEN PÚBLICO*) HAVE BEEN COMPLIED WITH, WITHOUT REVIEWING THE MERITS OF THE SUBJECT MATTER OF THE CASE.

ABOUT THIS INFORMATION MEMORANDUM

This Information Memorandum is being submitted to holders of Commercial Paper for use solely in connection with the consideration of the Exchange Offer.

This Information Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Series B Notes. Each person receiving this Information Memorandum represents that such person's investment decision is based solely on this Information Memorandum and that such person is not relying on any other information it may have received from us except as acknowledged below. Each recipient, by accepting delivery of this Information Memorandum, agrees to the foregoing and, if the offeree is not eligible to participate in the Exchange Offer, to return this Information Memorandum and all such documents delivered herewith to: **Epiq Systems, Inc. at the address set forth on the back cover of this Information Memorandum.**

You should not construe the contents of this Information Memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of the Exchange Offer.

In making an investment decision regarding the Series B Notes offered for exchange hereby, you must rely on your own examination of us, our subsidiaries and the terms of the Exchange Offer, including, without limitation, the merits and risks involved. The Exchange Offer is being made on the basis of this Information Memorandum. Any decision to tender Commercial Paper and provide a Power of Attorney in the Exchange Offer must be based on the information contained herein.

By accepting this Information Memorandum, you agree to hold the information contained or referred to herein and the transactions contemplated hereby in confidence.

All inquiries relating to this Information Memorandum and the Exchange Offer contemplated herein should be directed to Epiq Systems, Inc. Holders may obtain additional information that they may reasonably require in connection with the decision to participate in the Exchange Offer from Epiq Systems, Inc. or from us.

We and other sources we believe to be reliable have furnished the information contained in this Information Memorandum. Nothing contained in this Information Memorandum is or shall be relied upon as a promise or representation, whether as to the past or the future. This Information Memorandum contains summaries that we believe to be accurate of certain terms of certain documents, but reference is made to the actual documents, copies of which may be made available upon request, for the complete information contained therein. All such summaries are qualified in their entirety by this reference.

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. Neither the delivery of this Information Memorandum at any time nor any subsequent commitment to enter into any exchange shall, under any circumstances, create any implications that there has been no change in the information set forth in this Information Memorandum or in our affairs or those of our subsidiaries since the date of this Information Memorandum.

Subject to compliance with applicable securities laws and the terms set forth in this Information Memorandum we expressly reserve the right to extend the Exchange Offer and to waive any condition to the Exchange Offer. Any such extension, waiver or amendment may be made by press release or by such other means as we deem appropriate.

How to Exchange your Commercial Paper

If you hold Commercial Paper you must deliver a duly executed Letter of Transmittal relating to such Commercial Paper to the Information and Exchange Agent or (in the case of a book-entry transfer) an Electronic Exchange Instruction in lieu of the Letter of Transmittal. In addition, prior to the Expiration Time, tendered Commercial Paper must be transferred pursuant to the procedures for book-entry transfer described under "The Exchange Offer—Procedures for Holders exchanging Commercial Paper" (and a confirmation of such tender must be received by the Information and Exchange Agent, including an Electronic Exchange Instruction if the tendering Holder has not delivered a Letter of Transmittal). You should also contact Epiq Systems, Inc. for further instructions as to how to tender your Commercial Paper.

General

We reserve the right to reject any Letter of Transmittal or Electronic Exchange Instruction not received in the appropriate form. Neither Epiq Systems, Inc. nor we assume any responsibility for the failure of you or the Direct Participant that holds your Commercial Paper to deliver the Letter of Transmittal or the Electronic Exchange Instruction on time or in the appropriate form.

THE FORMS OF THE LETTER OF TRANSMITTAL WILL BE AVAILABLE ELECTRONICALLY TO YOU AT EPIQ SYSTEMS, INC.'S WEBSITE. FOR FURTHER INFORMATION YOU MAY CONTACT EPIQ SYSTEMS, INC. AT THE TELEPHONE NUMBERS LISTED ON THE BACK COVER OF THIS INFORMATION MEMORANDUM.

TERMS USED IN THIS INFORMATION MEMORANDUM

- Accounting terms used in this Information Memorandum that are not otherwise defined in this Information Memorandum will have the definitions set forth under MFRS.
- Unless otherwise indicated, sales figures set forth in this Information Memorandum are net of intercompany sales.
- All references in this Information Memorandum to "pesos" or "Ps." are to the lawful currency of the United Mexican States, which we refer to as "Mexico."
- All references to "dollars" or "U.S.$" are to dollars of the United States of America, which we refer to as the "United States" or "U.S."
- All references in this Information Memorandum to tons are to metric tons. One metric ton is equal to 1,000.0 kilograms or 2,204.6 pounds.
- All references to "Clearing System" are to Clearstream Banking, S.A. ("Clearstream") and Euroclear Bank S.A./N.V. ("Euroclear").
- All reference to "CLH" are to Cambridge-Lee Holdings, Inc. and successors and assigns.
- All references to "CLH Entities" are to CLH and its direct and indirect Subsidiaries and their respective successors and assigns.
- All references to "CLI" are to Cambridge Lee Industries, LLC and any of its subsidiaries.
- All references to "Credit Group" are to the Company and its direct and indirect Subsidiaries, excluding the Excluded Businesses.
- All references to "Designated Unrestricted Subsidiaries" are to IUSA-GE, Medidores IUSA, Inversiones IUSA DPM, C.A., Deformaciones Plásticas de Metales, C.A. and their respective successors and assigns or any of them individually.
- All references to "Excluded Businesses" are to, collectively, Meter Co. and the Excluded Subsidiaries.
- All references to "Excluded Subsidiaries" are to, collectively, IUSA-GE, Medidores IUSA, Inversiones IUSA DPM, C.A., Deformaciones Plásticas de Metales, C.A. and future Unrestricted Subsidiaries.
- All references to "Guarantor Group" are to the Company and the New Notes Subsidiary Guarantors.
- All references to "HVACR" are to Heating, Ventilation, Air Conditioning and Refrigeration.
- All references to the "Information and Exchange Agent" are to Epiq Systems, Inc.
- All references to "IUSA-GE" are to IUSA-GE, S. de R.L. de C.V.
- All references to our "Margin Over Metals" or "MOM" are to the MOM of our copper tubing, copper wiring and cable and copper alloys products, which are the products that are priced as a function of the price of copper.
- All references to the "New Notes Subsidiary Guarantors" are to any subsidiary of the Company that guarantees the Company's obligations with respect to the New Notes, which include substantially all of the Company's existing and future direct and indirect Mexican subsidiaries, except for IUSA-GE and the Excluded Subsidiaries.
- All references to the "Old Notes Indenture" are to the Old Indenture dated as of November 13, 2006 among the Company, the Old Notes Subsidiary Guarantors and the Old Notes Trustee.
- All references to the "Old Notes Subsidiary Guarantors" are to any subsidiary of the Company that guarantees the Company's obligations with respect to the Old Notes, i.e., the Restricted Subsidiaries of the

Company except for Cambridge Lee Holdings, Inc., CLI, UCI, Servicios Bionatur, S.A. de C.V., Industrias Bionatur, S.A. de C.V., Centro Comercial y Cultural Pastejé, S.A. de C.V., Convivencia y Educación Infantil Pastejé, S.A. de C.V., Transformadores IUSA, S.A. de C.V., IUSA Comercializadora, S.A. de C.V., Forgamex, S.A. de C.V. and Tubo de Pastejé, S.A. de C.V.

- All references to the "Restricted Subsidiaries" are to all of our consolidated subsidiaries, except for the Unrestricted Subsidiaries.

- All references to "Subsidiary" are to, in respect of any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

- All references to "U.S. Subsidiaries" are to any U.S. direct or indirect subsidiary of the Company.

- All references to "UCI" are to United Copper Industries, Inc. and any of its subsidiaries, except for CLI and UCI Land Development, Inc.

- All references to the "Unrestricted Subsidiary" or "Unrestricted Subsidiaries" are to any of the Designated Unrestricted Subsidiaries and (i) any Subsidiary of the Company that at the time of determination will be designated an Unrestricted Subsidiary by the Company's board of directors in the manner provided in the Description of the New Notes attached hereto as Annex C and (ii) any Subsidiary of an Unrestricted Subsidiary.

- All references to "we," "us," "our," "Company," "Industrias Unidas" or "IUSA" in this Information Memorandum are to Industrias Unidas, S.A. de C.V., a Mexican corporation, and all consolidated subsidiaries of Industrias Unidas, S.A. de C.V., unless the context otherwise requires.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

We publish our financial statements in pesos and prepare our audited consolidated financial statements and our unaudited consolidated financial statements (which, together with our audited consolidated financial statements, are collectively referred to in this Information Memorandum as the "consolidated financial statements") in accordance with Mexican Financial Reporting Standards ("MFRS", individually referred to as *Normas de Información Financiera*, or "NIFs") issued by the *Consejo Mexicano para la Investigación y Desarollo de Normas de Información Financiera* or the Mexican Board for Research and Development of Financial Reporting Standards ("CINIF"), which differs in certain respects from generally accepted accounting principles in the United States, or U.S. GAAP, and generally accepted accounting principles in other countries. Thus, the presentation of Mexican financial statements and the calculation of reported earnings may differ from presentations in other countries. No reconciliation of any of our consolidated financial statements to U.S. GAAP has been prepared for the purposes of this Information Memorandum. Any such reconciliation would likely result in material differences.

The dollar translations provided in this Information Memorandum are, unless otherwise indicated, calculated solely for the convenience of the reader using an exchange rate of Ps.12.365 per dollar, the Banco de Mexico exchange rate on December 31, 2010 reported by the Federal Reserve Bank of New York. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates." For a presentation of operating income as calculated under MFRS and reconciliation to our EBITDA, see "Summary—Summary Financial and Other Information" and "Selected Financial and Other Information."

EXCHANGE RATES

The following table sets forth, for each year in the five-year period ended December 31, 2010, the high, low, average and annual period-end Noon Buying Rates, all expressed in pesos per dollar. No representation is made that the peso or dollar amounts referred to in this Information Memorandum could have been or could be converted into dollars or pesos, as the case may be, at the rates indicated, at any particular rate or at all.

	Noon Buying Rate			
Year ended December 31,	**High**	**Low**	**Average**	**Period-End**
2006	11.46	10.43	10.91	10.80
2007	11.27	10.67	10.93	10.86
2008	13.94	9.92	11.19	13.83
2009	15.37	12.60	13.57	13.05
2010	13.18	12.17	12.63	12.37

Source: The International Monetary Fund

The following table sets forth, for each month in the five-month period ended on May 31, 2011 and the first 22 days of June, the high and low Noon Buying Rates, all expressed in pesos per dollar.

	Noon Buying Rate	
	High	**Low**
January 2011	Ps. 12.33	Ps. 11.98
February 2011	12.17	11.97
March 2011	12.11	11.92
April 2011	11.85	11.50
May 2011	11.76	11.49
June 2011(through June 22)	11.95	11.64

Source: The International Monetary Fund

WHERE YOU CAN FIND MORE INFORMATION

So long as any Series B Notes are outstanding, the Company is required under the New Notes Indenture to make available to the New Notes Trustee, the holders of the Series B Notes and a password-protected website to which the New Notes Trustee, holders of the Series B Notes, prospective investors, broker-dealers, and securities analysts are given access no later than (1) 120 days following the end of each fiscal year, annual audited consolidated MFRS balance sheets, income statements, statements of changes in financial position and cash flow statements with comparison to prior year and a management's discussion and analysis of financial results; (2) 60 days following the end of each successive fiscal quarter beginning with the fiscal quarter ended immediately following the Issue Date, quarterly unaudited consolidated MFRS balance sheets, income statements and statements of changes in financial position with comparison to corresponding period in prior year and a management's discussion and analysis of financial results; and (3) periodic disclosure of material developments similar to those required of companies that are publicly traded in Mexico. The Company will also make available to the New Notes Trustee, the holders of the Series B Notes and on the password-protected website separate CLH quarterly unaudited consolidated financial statements and separate annual CLH financial statements, including income statement, balance sheet and cash flow statements.

We maintain a website at www.iusa.com.mx. Our website is not incorporated by reference into or a part of this Information Memorandum and should not be relied upon in making an investment decision.

The Company will make available to the holders of the Series B Notes, at the corporate trust office of the New Notes Trustee at no cost, copies of the indenture by and among the Company, the subsidiary guarantors named therein and U.S. Bank National Association, as trustee (the "New Notes Trustee") (the "New Notes Indenture") governing the Series B Notes.

Questions and requests for assistance or for additional copies of this Information Memorandum or any other documents (including the above-referenced available information) may be directed to Epiq Systems, Inc. at its address and telephone number set forth on the last page of this Information Memorandum. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee through which they hold the Series B Eligible Debt with questions and requests for assistance.

FORWARD-LOOKING STATEMENTS

This Information Memorandum 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," "goals," "target," "strategy" and similar terms and phrases, and may include references to assumptions. These statements are contained in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other sections of this Information Memorandum.

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 Information Memorandum. The following factors are among those that may cause actual results to differ materially from the forward-looking statements in this Information Memorandum:

- uncertainties relating to the restructuring of the Commercial Paper and our other existing indebtedness, including the possible failure of the Exchange Offer and the rejection of our U.S. Plan by the U.S. Court;
- cost and availability of raw materials, such as copper, gas, electricity, transportation and other supplies and services;
- competition;
- labor relations;
- regulation;
- cost and availability of financing;
- any adverse judicial decision rendered against us;
- Mexican government procurement requirements;
- our production facilities;
- environmental liabilities;
- changes in the Mexican and U.S. residential and commercial construction industry; and
- changes in general economic and political conditions, particularly in Mexico and the United States, including fluctuations in interest rates and foreign currency exchange rates.

Any forward-looking statements in this Information Memorandum 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 position, we do not intend to update any particular forward-looking statements contained in this Information Memorandum.

MARKET AND INDUSTRY DATA

We operate in an industry in which it is difficult to obtain precise industry and market information. Although we have obtained some industry data from third party sources that we believe to be reliable, in many cases, we have based certain statements contained in this Information Memorandum regarding our industry and our position in the industry on certain assumptions concerning our customers and competitors. These assumptions are based on our experience in the industry, conversations with our principal vendors and our own investigation of market conditions. We accept responsibility for the correct extraction and reproduction of this statistical information, but we cannot assure you as to the accuracy of any such assumptions, and such assumptions may not be indicative of our position in our industry. There are no independent market studies published in Mexico analyzing the major products we manufacture. As a result, except for figures relating to market share in the U.S. copper tubing and wire and cable industries, we have based the market share information contained in this Information Memorandum primarily on our own estimates of the production and sales of our competitors. No assurance can be given that independent evaluations would confirm the accuracy of these estimates.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company and many of our New Notes Subsidiary Guarantors are variable capital corporations *(sociedades anónimas de capital variable)* organized under the laws of Mexico. All of our directors and executive officers, and the directors and executive officers of many of our New Notes Subsidiary Guarantors and certain experts named in this Information Memorandum, reside outside the United States (principally in Mexico). All or a substantial portion of our assets and the assets of many of the New Notes Subsidiary Guarantors and of the directors, executive officers and experts referred to in the preceding sentence are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Mexico upon us or upon the New Notes Subsidiary Guarantors, directors, executive officers or experts, or to enforce against such parties judgments of courts located outside Mexico predicated upon civil liabilities under the laws of jurisdictions other than Mexico, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States.

We have been advised by Galicia Abogados, S.C., our Mexican counsel, that no treaty exists between the United States and Mexico for the reciprocal enforcement of foreign judgments. Mexican courts have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, consisting of the review in Mexico of the U.S. judgment to ascertain whether certain basic principles of due process and public policy have been complied with without reviewing the merits of the subject matter of the case. Nevertheless, we have been advised by Galicia Abogados, S.C. that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated in whole or in part on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

SUMMARY

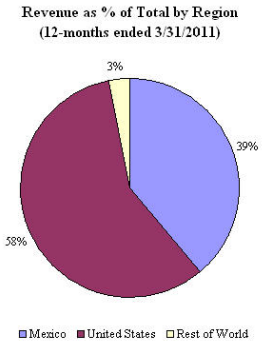
The following summary highlights material information in this Information Memorandum and the Letter of Transmittal, but is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Information Memorandum and the Letter of Transmittal. Holders are urged to read the more detailed information set forth in this Information Memorandum and in the Letter of Transmittal. Capitalized terms used in this Summary and not defined herein have the meanings set forth elsewhere in this Information Memorandum.

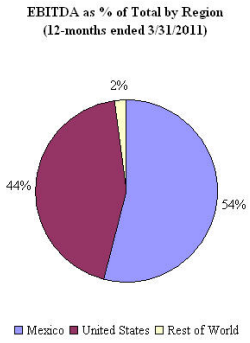
Company Overview

Formed in 1939, we are one of Mexico's largest diversified industrial groups. We manufacture copper-based and electrical products for the housing and electrical power sectors in the United States, Mexico, Europe and Latin America. We offer a broad range of products to over 9,000 customers through operations organized by product line into three business groups: manufacturing, copper tubing and wire and cable. The manufacturing group is divided into five product segments: (a) watt-hour meters, (b) copper alloys, (c) electrical products, (d) valves and controls and (e) diversified assets. We believe we are a market leader in most of our major product lines in Mexico and the United States.

While our company is headquartered in Mexico, our U.S. operations contributed 58% of our consolidated revenues and 44% of our consolidated EBITDA in the twelve months ended March 31, 2011. We believe that we are well-positioned to continue to expand our presence in the U.S. and that the U.S. market presents a growth opportunity for us as the U.S. economy continues to recover.

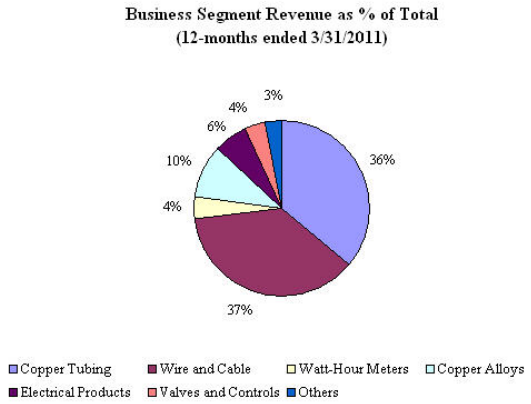
The following charts show our revenues and EBITDA, respectively, by region for the twelve months ended March 31, 2011:

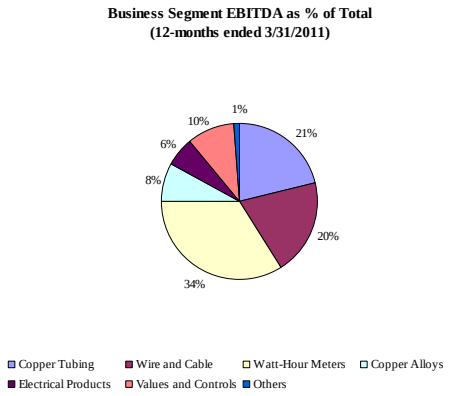




We believe our business is well diversified across product groups, geographic areas and customer bases. The breadth of products we offer allows us to market complete component packages required by our customers for integrated plumbing and heating, ventilation, air conditioning and refrigeration ("HVACR"), electrical and gas needs. We are a low-cost producer with significant cost advantages and a history of consistent and efficient operating improvements. We have manufacturing operations in Mexico and the United States. From a manufacturing standpoint, our vertical integration enables us to maintain quality control, optimize operating efficiencies and utilize just-in-time manufacturing processes.

The following charts show our revenues and EBITDA, respectively, by business segment for the twelve months ended March 31, 2011:





Business Groups Overview

Business Group	Primary Products	% of Revenues for the Twelve Months Ended March 31, 2011	End Markets
Copper Tubing	Copper water tubing, Commercial tubing, Fittings	36%	Residential and Commercial Construction Markets, Original Equipment Manufacturers (“OEMs”)
Wire and Cable	Copper and aluminum wire and cable, Building wire and cable, Magnet wire, Low, medium and high voltage wire	37%	Residential and Commercial Construction Markets, Mexican Electrical Power Utilities
Manufacturing	Electronic watt-hour meters and components, copper alloys, electrical products, valves and controls, and diversified assets	27%	Mexican Electrical Power Utilities, Residential and Commercial Construction Markets, OEMs, Electrical Product Distributors

Business Segment Financial Overview

Revenues by Business Segment[1]

	For the Year Ended December 31,			For the Three Months Ended March 31,		For the Twelve Months Ended March 31,	
	2008	2009	2010	2010	2011	2011	2011
	(millions of constant pesos)			(millions of constant pesos)		(millions of constant pesos)	(millions of dollars)[2]
Segment							
Copper Tubing	Ps. 6,535.9	Ps. 6,150.8	Ps. 6,356.6	Ps. 1,555.5	Ps. 1,528.6	Ps. 6,329.7	$ 532.3
Wire and Cable	10,747.9	5,853.1	6,544.4	1,611.2	1,592.9	6,526.1	548.9
Watt-Hour Meters	822.2	2,019.0	705.4	27.6	5.2	683.0	57.4
Copper Alloys	2,912.9	1,674.2	1,738.7	421.1	531.2	1,848.9	155.5
Electrical Products	856.7	1,043.5	1,129.4	260.7	256.4	1,125.0	94.6
Valves & Controls	641.8	696.8	707.5	195.8	194.2	705.8	59.4
Diversified Assets	844.1	307.2	461.2	116.3	123.7	468.7	39.4
Total	23,361.5	17,744.6	17,643.2	4,188.2	4,232.2	17,687.2	1,487.5

EBITDA by Business Segment[3]

	For the Year Ended December 31,			For the Three Months Ended March 31,		For the Twelve Months Ended March 31,	
	2008	2009	2010	2010	2011	2011	2011
	(millions of constant pesos)			(millions of constant pesos)		(millions of constant pesos)	(millions of dollars)[2]
Segment							
Copper Tubing	Ps. 57.4	Ps. 226.4	Ps. 117.1	Ps. 13.7	Ps. 100.5	Ps.203.9	$ 17.1
Wire and Cable	68.5	119.2	166.9	54.2	97.9	210.6	17.7
Watt-Hour Meters	156.2	306.7	340.5	(47.3)	(50.7)	337.0	28.3
Copper Alloys	(49.8)	63.2	54.6	7.3	32.4	79.6	6.7
Electrical Products	70.4	137.4	98.1	35.5	33.2	95.8	8.1
Valves & Controls	45.1	125.2	75.7	35.7	25.4	65.4	5.5
Diversified Assets	10.0	2.2	0.4	1.5	12.4	11.3	1.0
Total	357.8	980.3	853.3	100.7	251.1	1,003.6	84.4

(1) Excluding intercompany transactions.

(2) Translated into dollars, solely for the convenience of the reader, using an exchange rate of Ps.11.8903 per dollar, the Banco de Mexico exchange rate on March 31, 2011. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates."

(3) EBITDA for any period is defined as consolidated net income (loss) excluding (i) depreciation and amortization, (ii) total net comprehensive financing cost (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other financing costs), (iii) other expenses, net, (iv) income tax and statutory employee profit sharing and (v) equity in income (loss) of associated companies. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with MFRS, or as an indicator of operating performance or to cash flows from operating activity as a measure of liquidity. EBITDA is not a recognized term under MFRS or U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activity as a measure of liquidity.

Manufacturing Group

The manufacturing group comprises our watt-hour meters and components, copper alloys, electrical products, valves and controls, and diversified assets divisions. In 2010, the manufacturing group generated revenues of Ps.4,742.2 million (U.S.$383.5 million) and EBITDA of Ps.569.3 million (U.S.$46.0 million). The Watt-Hour Meter Division is less dependent on the general construction market and anticipates a replacement cycle of existing watt-hour meters over the next several years.

Copper Tubing Group

We are a leading producer of copper water tubing in North America, with an estimated 45% and 27% market share in the Mexican and United States plumbing tube markets, respectively, in 2010. The copper tubing industry in the U.S. is primarily comprised of larger players, including Mueller Industries Inc., Cerro Flow Products, and CMC Howell Metal Company. Together with these larger players, we represent approximately 97% of the copper tubing market share. We believe we offer the broadest product offering of any North American manufacturer of copper tubing. The copper tubing group generated revenues of Ps.6,356.6 million (U.S.$514.1 million) and EBITDA of Ps.117.1million (U.S.$9.5 million) in 2010. Copper tubing operations are principally carried out by the Company in the Pastejé Industrial Complex and by CLI in Reading, Pennsylvania.

Wire and Cable Group

We believe we are the leading producer of building wire in Mexico, with a 33% market share in 2010. Since opening our state-of-the-art wire and cable manufacturing center in Denton, Texas in 1999, we estimate that our share of the U.S. wire building market has risen to 14%. Our wire and cable group (the "WCG") generated revenues of Ps.6,544.4 million (U.S.$529.3 million) and EBITDA of Ps.166.9 million (U.S.$13.5 million) in 2010. Wire and cable operations are principally carried out by us at the Mexico City facility and the Pastejé Industrial Complex and by UCI in Denton, Texas.

Products and Manufacturing

Manufacturing Group

Watt-Hour Meters Division

The Watt-Hour Meters Division (the "WHMD") produces (through a 50.1% owned joint venture with GE) and sells watt-hour meters mainly for the domestic market in Mexico. Since it started operations, the WHMD produced and sold electronic watt-hour meters, both single-phase and poly-phase.

Starting in 2009, the primary product manufactured by the WHMD has been the electronic single-phase watt-hour meter, which accounted for 99% of the WHMD's revenues during 2010. The WHMD also manufactures electronic polyphase watt-hour meters. Single-phase watt-hour meters are typically used in residential buildings while polyphase watt-hour meters are typically installed in commercial buildings and industrial facilities. The WHMD sells all the watt-hour meters it produces to the Mexican government utility *Comisión Federal de Electricidad* (the "CFE"). To date, IUSA and its subsidiaries have been the CFE's sole supplier of electronic meters. There is no assurance that we will continue to supply the CFE as the bidding process is competitive. In addition to the sale of meters, we also own the rights to watt-hour meter related customer billing software used by the CFE. While we have not received any significant revenues from our billing software or pre-paid card payment systems, we hope to do so in the future. If we do, 30% of the gross revenues from the software and pre-paid card payment systems will be deposited into a "lock-box" to be used solely to pay interest and principal on our New Notes.

As of March 2011, CFE statistics record 34.9 million clients in Mexico, the majority of them still using electromechanical watt-hour meters. The CFE has stated that it intends to replace substantially all of these existing electromechanical meters with more sophisticated, electronic watt-hour meters. To date, we have been the sole supplier of electronic meters to the CFE. Electronic meters offer the CFE a number of advantages. For example, electronic meters (i) do not require the CFE to dispatch employees to physically read each meter, (ii) allow the CFE to monitor use at each meter on a real time basis, and (iii) allow the CFE to sell electricity on a prepaid basis and to suspend electricity when the prepaid amount has been used.

During the five years ended December 31, 2008, IUSA sold an average of 2.84 million electromechanical watt-hour meters per year to the CFE. The CFE purchased these meters primarily for new installations and to a lesser extent to replace old watt hour meters in the normal course. IUSA was the sole supplier of electromechanical meters to CFE during those years. The CFE began purchasing electronic meters from us in 2009. The CFE stopped

purchasing electromechanical meters from us in 2010. Since December 31, 2008, the CFE has purchased 5.3 million electronic watt-hour meters. We believe the CFE used the substantial majority of these meters to replace all of the electromechanical watt-hour meters in Mexico. There is no assurance that the CFE will replace all of these meters or that we will remain the CFE's sole supplier of electronic watt-hour meters.

On March 20, 2010, we sold our interest in IUSA-GE to an affiliate. The shares of IUSA-GE will be contributed back to us by the affiliate as part of the Restructuring. We will not pay the affiliate any cash or other consideration for the shares. Had we owned the GE joint venture for all of 2010, we believe that our EBITDA would have been Ps.106 million (U.S.$8.6 million) higher.

Substantially all of the WHMD's sales were derived in Mexico.

Copper Alloys Division

The Copper Alloys Division (the "CAD") consists of core copper and brass manufacturing operations in Mexico as well as the Industrial Metals Division of CLI. The principal products of the CAD include brass bar, brass rod, brass and copper sheet and strip, copper bus bar and brass wire. Bar and rod, strip and wire accounted for approximately 79%, 14% and 7%, respectively, of the CAD's revenues during 2010. Brass bar and rod are used in the production of valves, fittings and pressure regulators used for the transmission of gas, oil and other fluids; brass strip is used in the production of car radiators, electrical connectors and electrical devices in Mexico and in the construction industry in the United States; and brass wire is used in the production of fasteners, springs and zippers in Mexico. The copper alloys division is a key component of our current strategy to achieve greater efficiencies through vertical integration of our manufacturing processes by supplying our needs for copper alloys.

In 2010, 92% of the CAD's sales were derived from the United States, 6% were from Mexico and 2% were from the rest of the world.

Electrical Products Division

The Electrical Products Division (the "EPD") maintains manufacturing operations at the Pastejé Industrial Complex. The primary product lines manufactured by the EPD include ceramic and glass insulators for electricity transmission lines, power and fused cut-outs switches for distribution equipment, watt-hour meter socket bases, lighting and dozens of types of residential wiring devices, including low-voltage switches, light sockets, plugs and receptacles. Ceramic and glass insulators accounted for 39% of the EPD's revenues in 2010.

The EPD also manufactures medium- and high-voltage switches for electrical distribution and transmission, and residential wall switches and receptacles under a technology developed with MR&D Institute, an Italian consultant. The EPD is the main supplier of parts to our Watt-Hour Meter Group and produces transformers used for electrical transmission. In addition, the EPD manufactures high-voltage products with non-ceramic materials in Mexico.

All of the EPD's 2010 sales were derived from Mexico.

Valves and Controls Division

The Valves and Controls Division (the "VCD") maintains manufacturing operations at Forgamex and IUSA in the Guadalajara facility and in the Pastejé Industrial Complex, respectively. The primary product lines manufactured by the VCD include a broad range of thermostats, gas and water-flow valves and pressure regulators.

During 2010 sales of thermostats accounted for 14% of the VCD's revenues. Thermostats are used to control the temperature of consumer appliances such as gas and water heaters, gas stoves, ovens and ranges. The gas flow valves, which constituted 19% of the VCD's revenues during 2010, are used to control gas flow and are used in products such as gas stoves, ovens, water-heaters, portable gas cylinders and stationary tanks. In addition, the VCD manufactures pressure regulators, which allow for a constant, pressurized flow of gas for portable and stationary gas tanks. During 2010, pressure regulators accounted for 27% of the VCD's revenues. The majority of

the VCD's thermostats, valves and pressure regulators are sold to OEMs and, to a lesser extent, to distributors and hardware stores as replacement parts. Substantially all of the VCD's thermostats and pressure regulators and approximately 99.4% of its valves are sold to customers in Mexico. Of the VCD's 2010 sales, 87% were derived from Mexico and 13% were from outside Mexico.

Diversified Assets Division

The Diversified Assets Division (the "DAD") consists of various non-core businesses located in Mexico and the United States including a liquid propane gas distribution business, a plastic containers company and a provider of maintenance and transportation services for many of our other manufacturing groups. Collectively, the DAD accounted for 3% of our 2010 revenues. All DAD sales in 2010 were derived from Mexico.

The DAD provided U.S.$39.4 million of revenue and U.S.$1.0 million of EBITDA for the twelve months ended March 31, 2011 (calculated using an exchange rate of Ps.11.8903 per dollar, the Banco de Mexico exchange rate on March 31, 2011).

The DAD consists of the following businesses:

- Gas Padilla, S.A. de C.V. ("Gas Padilla"), a distributor of liquid propane gas in Mexico; and
- Industrias Unidas de Pastejé, S.A. de C.V., Centro Comercial y Cultural Pastejé, S.A de C.V. and Convivencia y Educación Infantil, S.A. de C.V., all of which are personnel or services providers.

Gas Padilla

Through its wholly owned subsidiary Gas Padilla, the Company holds a license to store, transport and distribute liquid propane gas for residential and commercial purposes in Mexico. Liquid propane gas is the fuel of choice to operate, among other things, furnaces, ovens, and water heaters in Mexico. During 2010, approximately 3% of Gas Padilla's liquid propane gas revenues derived from sales to other manufacturing groups of the Company, primarily to the copper tubing, wire and cable, and electrical products divisions. Gas Padilla obtained the remainder of its revenues from sales to industrial end-users and to residential and commercial retail customers in Mexico.

Copper Tubing Group

The Copper Tubing Group (the "CTG") consists of the copper tubing operations in Mexico as well as the copper tubing operations of CLI in Reading, Pennsylvania. Products manufactured by this group are mainly sold to customers in residential and commercial construction markets, as well as to OEMs.

Copper water tubing, which accounted for 75% of the CTG's revenues during 2010, is used almost exclusively in plumbing installations in new construction, renovation and repair of residential, industrial and commercial properties. Copper water tubing is produced in rigid, straight tubes and flexible coiled tubes, each of which comes in a variety of lengths, wall thicknesses and diameters. Sales of these products are made to national hardware and home-improvement store chains and to wholesalers of plumbing materials. Demand for these products varies significantly according to the level of construction and renovation activity in the United States and Mexico. The CTG's financial performance is largely dependent upon the growth rates of the Mexican and U.S. economies, as well as their construction and electric infrastructure activity. The CTG also manufactures commercial tubing, principally level wound coil, line sets and redraw tube. This type of tubing is typically sold to OEMs for use in air conditioners and refrigeration equipment and refrigeration wholesalers.

The manufacturing process of copper tubing begins with a solid cylindrical shape of copper referred to as a "billet." The copper billet is heated in a furnace to a very high temperature and then placed in an extrusion press. The copper billet is then pierced at its center with a mandrel and then forced through a die to form a seamless copper tube. The copper tube is then transferred to a break down machine and further processed through a series of drawing steps in spinner blocks which stretch the copper tubing to the desired diameter and wall thickness. Depending on

the final product specifications, the copper tube may go through a straightening process or be annealed (heated to restore flexibility) and coiled prior to packaging and shipping.

Of the CTG's 2010 revenues, 76% were derived from sales in the United States, 22% were from Mexico and 2% were from the rest of the world.

Wire and Cable Group

The WCG consists of wire and cable operations in Mexico and its majority-owned U.S. wire and cable manufacturer and distributor, UCI. Products manufactured by this group are mainly sold to customers in residential and commercial construction markets, as well as Mexican electrical power utilities.

Building wire and cable, the primary product line manufactured by the WCG, accounted for 86% of the WCG's net revenues during 2010. Building wire generally consists of copper wire covered by PVC and nylon coating and is used in both residential and commercial construction. Other products manufactured by the WCG include medium and high voltage cable for electricity distribution and transmission, low-voltage copper wire and cable products for electric motors and appliances, aluminum cable for overhead power transmission lines, and copper magnet wire.

The wire manufacturing process, which involves the drawing of copper and aluminum rods into wire of varying diameters for use as an electrical conductor, uses insulating and jacketing lines to produce finished wire products. An insulating line consists of: (i) a wire drawing machine, which draws a copper or aluminum rod through converging dies until the specified diameter is attained; (ii) an annealer, which heats the drawn wire with an electrical current to soften, or anneal, the wire; (iii) an extruder, which coats the wire with PVC; (iv) a second extruder, which adds an additional coat of nylon to the wire; (v) a cooling chamber, in which the heated wire is cooled; and (vi) a coiler, which coils the insulated wire into large baskets. A jacketing line processes two or three insulated wires (with or without a ground wire) into a finished product that has protective coverings and an outer jacket. A jacketing line consists of (i) a payout unit, from which insulated wire and ground wire are fed into the line together with, for some products, a paper protective covering; (ii) an extruder, which jackets the assembled wires with PVC; (iii) a cooling trough, in which the jacketed product is cooled; and (iv) a packaging unit.

Of the WCG's 2010 revenues, 71% was derived from the United States, 28% were from Mexico and 1% were from the rest of the world.

Marketing, Sales and Distribution

Distribution and Sales in Mexico

Our Mexican distribution, marketing and sales activities are managed centrally by the distribution and sales department in Mexico. Marketing activities in Mexico are managed by one general manager, five regional managers and one advertising manager. The marketing personnel are responsible for working in conjunction with the sales personnel, which consist of the general manager and 22 branch sales managers, in order to establish product demand forecasts, to coordinate with our manufacturing groups to ensure that forecasted product demand is met and to centralize and harmonize our distribution, marketing and sales efforts.

For the distribution of products throughout Mexico, we maintain a central warehouse located at the Pastejé Industrial Complex and are reducing the number of regional warehouses in Mexico to four warehouses strategically located throughout Mexico. The central warehouse receives products produced by substantially all our groups as well as product imports from foreign manufacturers. Products initially stored at the central warehouse are distributed to the four regional warehouses as required for further distribution to our customers. We outsource the distribution of our products to third-party transport companies.

The central warehouse and each regional warehouse are connected by a centralized inventory control system which determines optimum inventory levels and controls the distribution and replacement of inventory to each of the regional warehouses. This system provides for the daily transmission of information to the central warehouse and enables us to distribute our products more efficiently and maintain optimum inventory levels.

The majority of our products are maintained in inventory at the central warehouse and the remainder is maintained at the regional warehouses, which enables us to provide better service to our customers since the majority of customers' sales orders can be met in a timely manner. With respect to products that are maintained in inventory, we have a next-day delivery policy.

To facilitate the marketing and selling of products throughout Mexico, the sales branch offices employ a total of 321 persons, including sales representatives and telemarketing agents. Each regional warehouse and sales branch office is connected to the SAP AG Enterprise Platform System ("SAP AG EPS") for handling inventories, purchase orders and invoicing in order to transmit information relating to sales and product requirements. The direct transmission of this information facilitates the forecasting of future product requirements as well as the distribution of products and the maintenance of optimum inventory levels.

Our sales are generated either by our sales force or through the telemarketing system. The sales representatives visit existing and prospective customers on a regular basis to initiate sales orders. The technical service representatives visit existing and prospective customers on a regular basis to determine customer needs and to provide technical assistance and information with respect to the different products. The telemarketing force is responsible for contacting existing customers on a regular basis to initiate sales orders. In addition, customers are able to initiate sales by contacting a telemarketing agent directly. Sales orders generated by the sales representatives or through the telemarketing system are processed through our SAP AG EPS.

Our advertising efforts are currently focused on advertisements in specialty magazines and direct marketing. As part of the promotional activities, we provide plumbing, electrical and construction training which is free of charge to the trainees and is designed to create product awareness and brand loyalty. Going forward, we intend to refine and possibly augment our advertising program on the basis of information which we expect to obtain from the analysis of demographic statistical data of targeted customer groups.

Distribution and Sales outside of Mexico

CLI

CLI manufactures and sells copper tubing and copper alloy products to customers primarily in the United States, as well as certain other markets outside of Mexico. CLI also sells products manufactured by us in Mexico. The volume of product we manufacture in Mexico and sell in the United States has significantly declined, as a result of the anti-dumping tariffs imposed by the United States on November 8, 2010 against all seamless refined copper tubing produced in China and Mexico and sold in the United States. We have optimized the use of the production capacity at CLI's facilities in Reading, Pennsylvania to help meet demand in the United States. We believe average selling prices in the United States may rise as a result of the anti-dumping tariffs. CLI maintains distribution networks mainly in the United States. In the United States, CLI's distribution network consists of one company-owned and -operated warehouse and five leased warehouses and seven public warehouses, which are strategically located to offer prompt service to its customers throughout the continental United States. Of these warehouses, three are dedicated to the distribution of copper tubing, five are dedicated to the distribution of industrial metal products, such as copper alloy products, and the remaining five distribute copper tubing and industrial metal products.

CLI maintains a sales force, including sales support, of 58 people who are located throughout the United States. This sales force is augmented by 24 manufacturer's representatives who are paid a commission on actual sales made. Copper water tubing products are primarily sold to plumbing wholesalers and hardware and home improvement store chains. Commercial tubing products are generally sold to OEMs for use in air conditioning and refrigeration units. Industrial metal products are primarily sold for use in manufacturing and construction applications. CLI has over 1,850 active customers in the United States. CLI ceased operations in Europe in 2010.

UCI

UCI's sales of building wire are distributed throughout the United States using 28 external agencies, principally selling to electrical wholesalers on a fee basis. UCI provides its sales agents with weekly product price

lists, from which discounts are offered based on order size. UCI utilizes one main warehouse (located in Denton, Texas) and four leased regional warehouses (located in Pennsylvania, Georgia, California and Illinois), which enable UCI to cover its customers' needs. UCI's presence is most important in Texas, California and the South Eastern region of the United States, since proximity of the customers to UCI's distribution centers is key to keeping freight costs low and maintaining the price competitiveness of UCI's wire and cable products.

Sales to the Mexican Government

The Mexican government generates most of the electricity used in Mexico, administers its transmission and distribution and oversees the construction and maintenance of the power infrastructure of the country through one utility company, CFE. This agency obtains the materials for its operations from Mexican and international manufacturers. Each year, the Mexican government awards contracts to supply the agency with those materials through national and international public bidding processes. Contracts are generally awarded to the companies offering the lowest price bid with preference generally being given to Mexican-based companies. Marketing activities in Mexico for sales to the Mexican government are managed by one general manager.

We sell a number of our products to CFE by participating in the national and international public bidding processes. Our sales to CFE and other government agencies are subject to the Government Procurement Laws. The Government Procurement Laws specify, among other things, that governmental agencies may only purchase goods or receive services from private contractors pursuant to: (i) public bidding processes, (ii) bids requested from a limited number of suppliers, and (iii) in exceptional cases, direct purchases. Purchases by each respective government agency may only be undertaken if included in the annual budget approved by the Mexican Congress. To participate in the bidding process, each participant is obligated to satisfy different requirements, including a pre-certification by the appropriate agency, meeting the requirements for the relevant bid process, providing bid bonds, not having been declared bankrupt or in suspension of payments, not being suspended by the *Secretaría de la Funcion Pública* (the "Federal Comptroller") to participate in public bids and not having a conflict of interest with the relevant agency or its officials. With respect to supply agreements with governmental agencies, the Government Procurement Laws require that such agreements specify a fixed price and permit the payment of a limited amount of damages in the event that there is a breach of the agreement by the relevant governmental agency. In addition, the Government Procurement Laws grant a special privilege to each governmental agency, enabling it to terminate a supply agreement in an expedited manner in the event that the supplier commits a breach of the terms of the agreement, the relevant bidding process is found to have violated the provisions of the Government Procurement Laws or for reasons of public interest. The Federal Comptroller is the governmental entity in charge of both supervising compliance with the Government Procurement Laws and imposing fines on government officials that fail to comply with their terms.

Currently, we are the largest CFE supplier of electrical components and watt-hour meters. Over the past 18 years, we have consistently won bids to supply the agency with watt-hour meters, medium-voltage wire and cable, glass insulators and cut-out fuses. We compete with a number of Mexican and international companies in bidding for sales of products to these agencies.

Production Facilities

We operate five manufacturing facilities located in Mexico and the United States. In Mexico, we own a portion of and operate the Pastejé Industrial Complex, which consists of manufacturing facilities in Pastejé, and also own and operate manufacturing facilities in Mexico City and Guadalajara. In the United States, we own and operate a manufacturing plant located outside Reading, Pennsylvania and a manufacturing plant in Denton, Texas. Our volume sales from 2008 to 2010, and for the first quarter 2010 and 2011, by business group, is shown in the following table:

Business Group	Sales Volume				
	For the Year Ended December 31,			For the Three Months Ended March 31,	
	2008	2009	2010	2010	2011
Copper Tubing (tons)	76,686	66,005	51,860	13,980	10,286
Wire and Cable (tons)	87,753	71,389	58,426	14,002	12,744
Manufacturing					
Watt-Hour Meters (000 units)	2,267	2,720	3,114	37	0
Copper Alloys (tons)	24,780	17,420	15,322	3,602	3,950
Electrical Products (000 units)	28,980	29,818	28,311	7,405	7,380
Valves & Controls (000 units)	22,375	21,863	18,893	5,449	4,734

Our facilities in each of our five manufacturing centers are as follows:

Pastejé Industrial Complex

Our most important manufacturing site is the Pastejé Industrial Complex, which is approximately 109 kilometers northwest of Mexico City. This complex began operations in 1961 and is a modern manufacturing complex covering 2,900 contiguous acres of land. All of our facilities in the Pastejé Industrial Complex have been awarded ISO 9000 and ISO 9002-2002 certification. The majority of the land on which the Pastejé Industrial Complex is located is owned by the Company and by its affiliate Ganadería Pastejé S. de R.L. ("Ganadería Pastejé").

The manufacturing processes used by all of our copper tubing mills are equal, although the mills vary in age of equipment, capacity, production efficiency and range of products manufactured. We believe that our copper tubing mill, at the Pastejé Industrial Complex, is one of the most modern copper tubing mills in North America and is one of the lowest cost manufacturing facilities of copper tubing in the world.

The WCG manufactures its copper wire and cable products in both the Pastejé Industrial Complex and in Denton, Texas. The WCG in the Pastejé Industrial Complex manufactures copper rods for its own use. Aluminum rods are purchased from third party suppliers in the United States or are imported principally from Venezuela and Canada.

The manufacturing facilities for watt-hour meters, electrical devices and a flat brass and brass wire mill are also located in the Pastejé Industrial Complex, which in addition contains facilities for the assembly of glass insulators, brass mold casting and the production of bases for watt-hour meters, gas valves and water controls. The primary raw materials used by the electrical products division are manufactured by other manufacturing groups. Also located in Pastejé are a reverberatory furnace, a glass foundry, a facility for the continuous casting of copper and brass billets, a brass wire and rod extrusion and drawing press, a copper rod mill, as well as manufacturing facilities for ball valves and a brass forging facility.

The valves and controls division maintains its manufacturing operations in the Pastejé Industrial Complex, where it operates five manufacturing plants, one of which is a large aluminum injection plant for the manufacture of thermostats and regulators. The raw materials used by the valves and controls division, including brass rod and

shapes, brass machined parts, copper tubing, plastic parts and castings are primarily purchased from other Company groups.

The following chart sets forth a summary of the principal operations at the Pastejé Industrial Complex:

Facility	Products Manufactured
Brass Mill	Brass Billets, Brass Wire, Rod, Plates, Strips and Bars and Telurium Copper Bars
Casting Facilities	Copper and Brass Billets, Brass Wire and Rod
Ceramics Plant	Ceramic Insulators
Copper Tubing Plant	Rigid and Flexible Copper Tubing, Level Won Coil and HVACR Tube
Copper Mill	Copper Rod
Electrical Accessories Facilities	Light Sockets, Switches, Fuses, Extension Cords, High Tension Devices, Bases for Watt-Hour Meters
Glass Foundry	Glass Insulators
High Tension Devices Plant	Power Switches, Circuit Breakers, Lightning Arresters
Lumber yard	Wood for Pallets and Crates
Modular Iron Casting Facilities	Cast Iron Machine Parts
Valves and Controls Facilities	Stove Valves, Cylinder Valves, Connections and Regulators
Watt-Hour Meter Factory	Electronic Watt-Hour Meters
Wire and Cable Plant	Wire and Cable

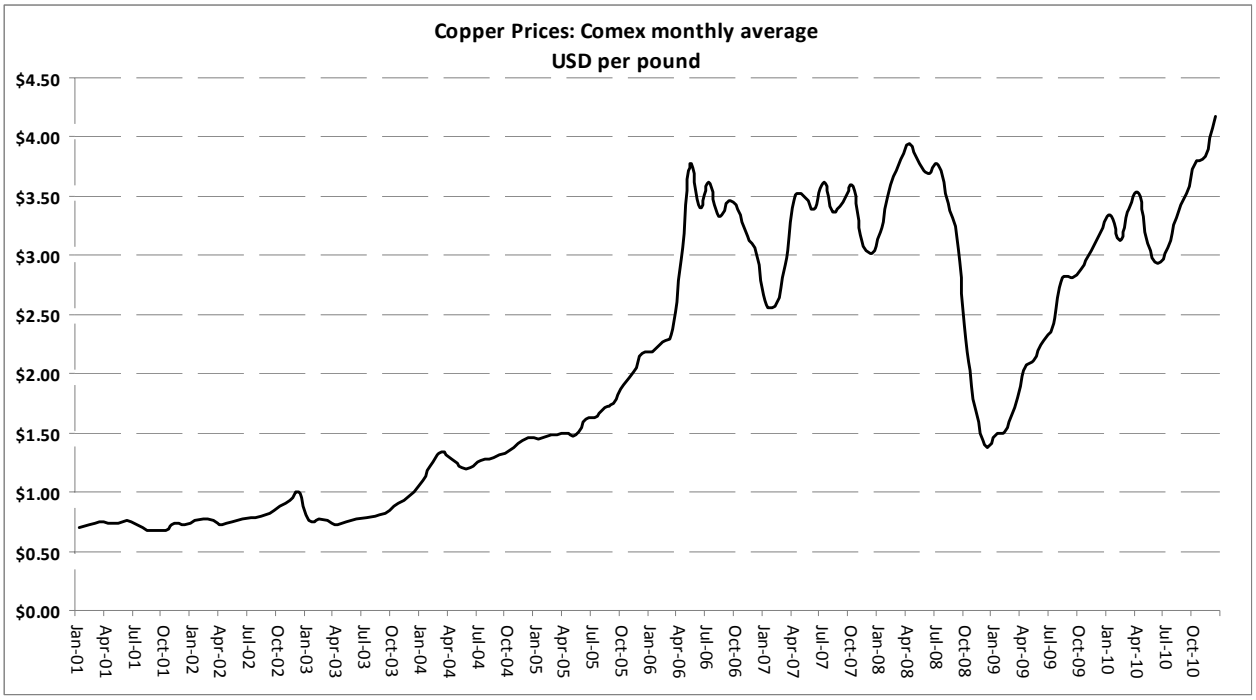
Other Facilities

We also operate a manufacturing site in Reading, Pennsylvania that produces copper water tubing of various dimensions, a manufacturing site in Denton, Texas that produces residential and commercial building wire and cable and two additional facilities in Mexico, including a manufacturing facility in Mexico City and another in Guadalajara. The facility in Mexico City consists of a wire and cable plant that manufactures aluminum cable, an electroceramics plant and a large warehouse that is used to distribute in Mexico City products manufactured both in Mexico City and at the Pastejé Industrial Complex. The facility in Guadalajara manufactures gas regulators and valves.

Copper Prices and Margin Over Metal

We derived 86.5%, 77.1% and 82.8% of our revenues from sales of copper related products in 2008, 2009 and 2010, respectively. EBITDA from copper related products accounted for 21.3%, 41.7% and 39.7% of consolidated EBITDA for 2008, 2009 and 2010, respectively. For these same years, copper purchases accounted for approximately 74%, 79% and 81% of our consolidated cost of goods sold, respectively.

Copper prices are subject to significant market fluctuations in certain periods. The following chart sets forth the closing quarterly COMEX price for a pound of copper since the first quarter of 2000 through October of 2010:



As indicated in the chart above, the average COMEX copper price per pound was U.S.$0.8397 in 2000, U.S.$0.7257 in 2001, U.S.$0.7167 in 2002, U.S.$0.8105 in 2003, U.S.$1.2897 in 2004 U.S.$1.6823 in 2005, U.S.$3.0894 in 2006m U.S.$3.2217 in 2007, U.S.$3.1336 in 2008, U.S.$2.3542 in 2009 and U.S.$3.4251 in 2010.

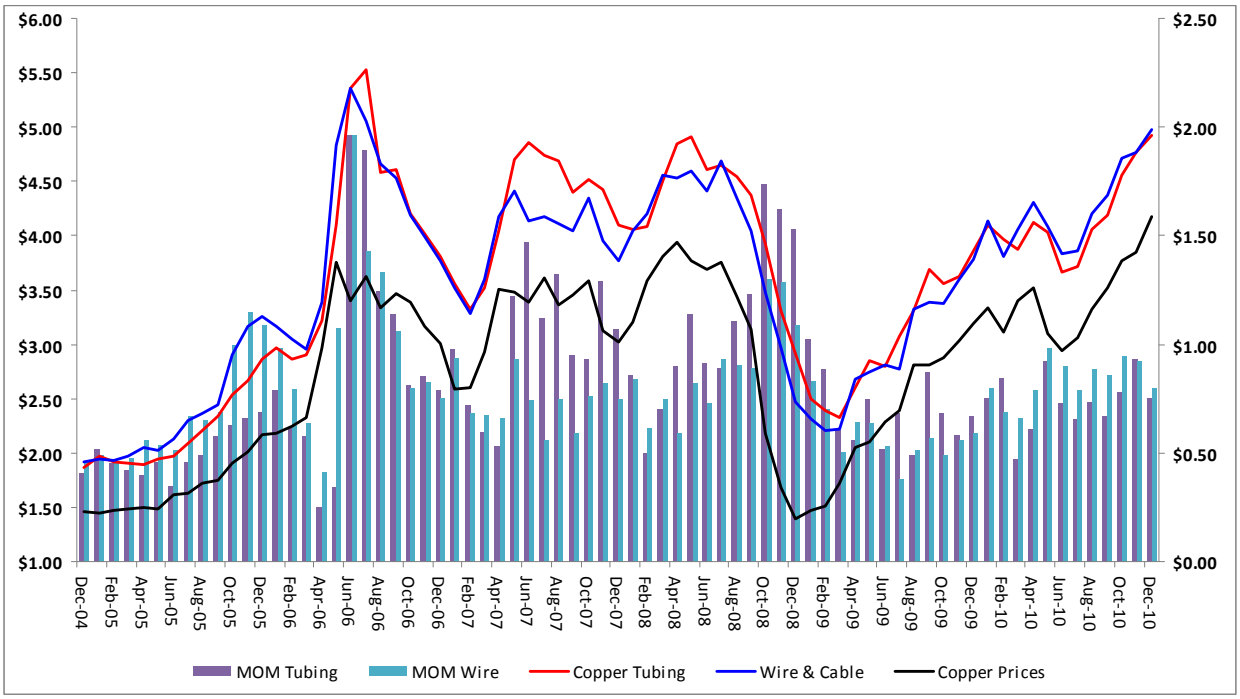
We carefully monitor our inventory levels and purchases of copper. We generally do not use hedging in futures and options markets in connection with our copper related activities in Mexico. Our copper purchases in Mexico are settled at the average COMEX price for the month after the month in which the purchased copper is shipped to us. We invoice our customers on the date of shipment also at the average COMEX price for that month. This enables us to match the market price of our raw material purchases with the price of sale of our finished products, providing us with a natural copper price hedge.

In light of the increasing copper prices in 2008, 2009 and, most importantly, in 2010, revenues and operating margins of the copper tubing group, the wire and cable group and the copper alloys division have been significantly influenced by the extent to which we can maximize our use of less expensive scrap copper and our ability to pass on these copper price increases to customers.

A common measure of financial performance in the copper tubing, wire and alloys industries is the margin-MOM on sales of copper products. The MOM for any given period represents the difference between the average price per pound of the copper product sold and the average COMEX copper price per pound over such period. The MOM reflects the supply and demand conditions prevailing in the market for copper related products such as copper tubing or copper wire and cable.

The following chart illustrates our historical MOM represented by the difference between the average price for copper tubing and wire and cable products and the average monthly COMEX price of copper from December 2004 to December 2010:

Price of Copper Tubing, Wire and Cable and Copper Prices (U.S.$ per pound)



Employees

As part of our overall business strategy of centralized management, we have established a centralized human resources department responsible for hiring and administering and determining the level of compensation for our employees. As of December 31, 2010, we employed 6,167 persons in Mexico and 563 persons in the United States. As of December 31, 2010, approximately 82.2% of our employees were affiliated with labor unions. Our non-unionized wage earners for the Pastejé Industrial Complex and the Mexico City facilities are employed by Industrias Unidas de Pastejé, S.A. de C.V. and Consolidadora IUSA, S.A. de C.V., respectively, both subsidiaries of the Company that receive monthly payments for services rendered by their respective personnel. Unionized employees in the Pastejé Industrial Complex and in the Mexico City facilities are employed by IUSA Pastejé and IUSA Aragón, respectively, both subsidiaries of the Company that also receive monthly payments from the Company for services rendered by their respective personnel. Labor relations in both manufacturing sites in Mexico are governed by a separate collective bargaining agreement executed between us, through a subsidiary, and a union selected by the employees of the relevant facility. While the salary levels under the collective bargaining agreements are renegotiated annually, pursuant to Mexican law, the other terms under such agreements are renegotiated every two years. We have not had any strikes in Mexico that have materially affected our overall operations.

CLI has three collective bargaining agreements with the United Steelworkers of America for its operations at the Reading Facility. Two of these agreements expire in May 18, 2012 and the other in July 31, 2012. Since 1987, there have been no strikes that materially affected our operations in the United States. UCI has no collective bargaining agreements with the employees of the Denton Facility. There have been no strikes at UCI or at the Denton Facility.

While we have successfully renegotiated our labor agreements in the past, we cannot provide any assurance that we will continue to do so. A protracted work stoppage could result in a disruption of our operations.

In 1976, we founded a technical training center located near the Pastejé Industrial Complex for local area residents. This center provides six-month courses on such topics as industrial safety, quality control and basic production methods. Upon graduating from the training center, students generally are placed in our workforce. In 1999, we opened two child care centers, which accommodate the employees' children free of charge.

Governmental Regulations

We are subject to numerous laws and regulations in Mexico relating to products that we manufacture, monopolies and monopolistic practices and the protection of the environment and natural resources. We believe we are in compliance with these laws and regulations.

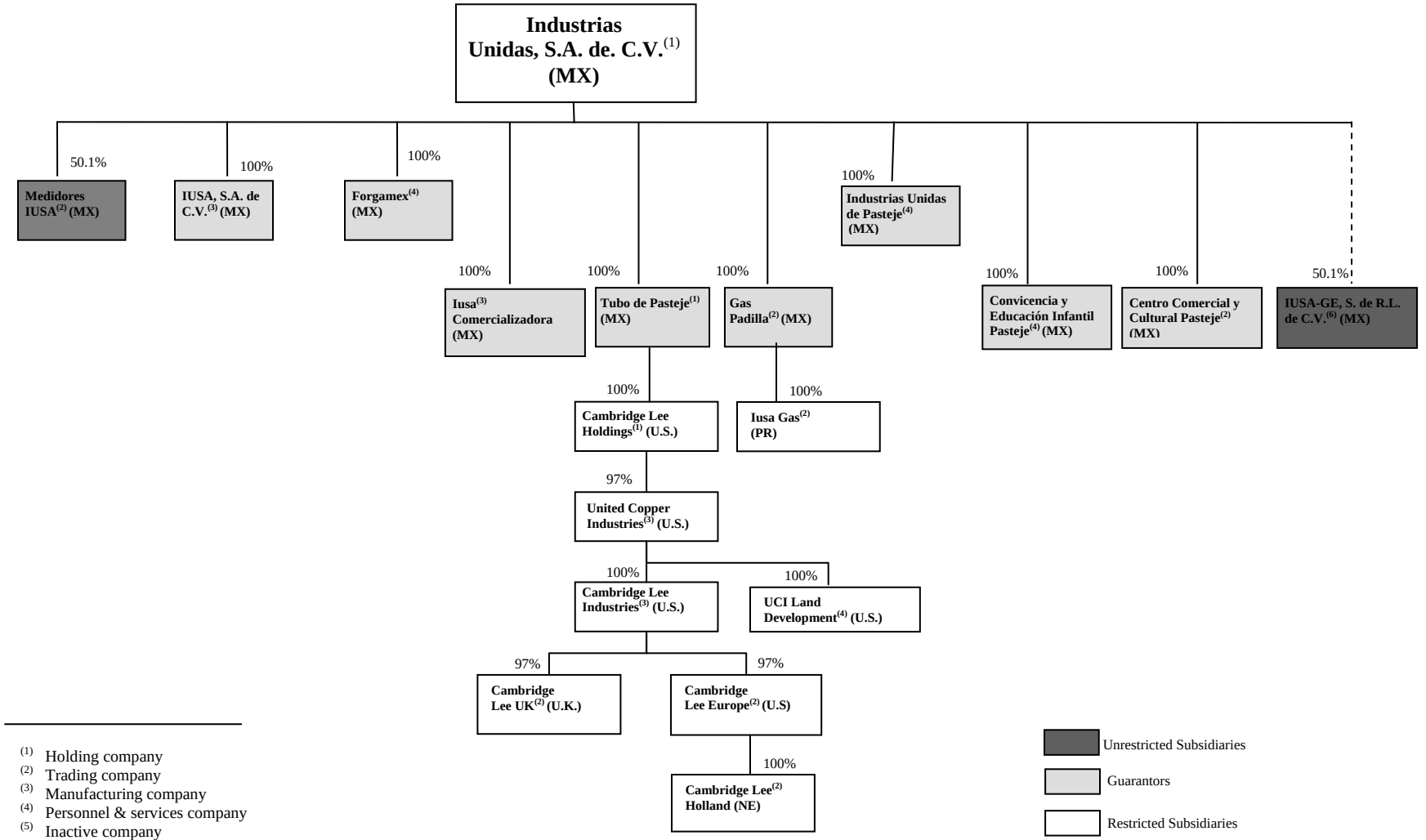
Headquarters

Our principal executive offices are located at Reforma No. 2608-PH, Colonia Lomas Altas, Delegación Miguel Hidalgo, C.P. 11950, Mexico, D.F., Mexico. Our telephone number is 011-5255-5261-8800.

Corporate Structure

As of the date of this Information Memorandum, Administración y Control de Industrias, S.A. de C.V., a wholly owned subsidiary of Organización IUSA, S.A. de C.V. ("Organización IUSA") and Grupo IUSA, S.A. de C.V., owned 95% and 5%, respectively, of the outstanding capital stock of the Company. Organización IUSA is controlled by Mr. Carlos Peralta Quintero, our principal stockholder and members of his family. Shares of our common stock are not publicly traded.

The following chart summarizes our corporate structure as of December 31, 2010.



(1) Holding company
(2) Trading company
(3) Manufacturing company
(4) Personnel & services company
(5) Inactive company
(6) Not a subsidiary as of December 31, 2010. Currently a joint venture with General Electric Company. As part of the Restructuring, the Company has agreed to acquire at least 50.1% of the capital stock of IUSA-GE, S. de R.L. de C.V.

Proposed Restructuring Plan

We propose to effect a restructuring of the Commercial Paper through the Exchange Offer, which is part of the Restructuring described in the Disclosure Statement set forth in Annex B of this Information Memorandum. As part of the Restructuring, we would, among other things, exchange the Commercial Paper for the Series B Notes. The exchange of the Commercial Paper for the Series B Notes pursuant to the Exchange Offer is subject to, among other things, the definitive and unmodifiable approval and consummation of the Restructuring in form and substance reasonably acceptable to us. The exchange of the Commercial Paper for the Series B Notes pursuant to the Exchange Offer is also a condition to effectiveness of the U.S. Plan.

The principal objectives of the Restructuring are to satisfy the Eligible Debt claims against us. We do not have the means to repay or refinance the amounts that are payable under the Eligible Debt. We believe that we are currently not likely to find a material source of financing to fund the interest and principal payments on the Eligible Debt. We believe that the completion of the Restructuring is critical to resolving our liquidity crisis and ensuring our continued viability.

We believe that the proposed Restructuring provides for a fair recovery for Holders in light of our available financial capacity. We also believe that the Exchange Offer would benefit both you and the Company by helping us to avoid contentious litigation that could cause business disruptions or damage to the overall value of our business. See "—Advantages of the Proposed Restructuring" below.

The Restructuring Fee

We are seeking the exchange of Commercial Paper for Series B Notes. If you tender your Commercial Paper in exchange for the Series B Notes, you will be deemed to have consented to the Restructuring.

If the Restructuring is completed, tendering Holders of 9.75% Commercial Paper will receive, for each U.S.$1,000 stated face value of 9.75% Commercial Paper tendered, Series B Notes with a principal amount equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from March 26, 2009 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 9.75% CP Restructuring Fee and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly.

If the Restructuring is completed, tendering Holders of 12% Commercial Paper will receive, for each U.S.$1,000 stated face value of 12% Commercial Paper tendered, Series B Notes with a principal amount equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from August 6, 2009 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 12% CP Restructuring Fee and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly.

Background of the Restructuring

Our Financial Difficulties

The Global Recession and Its Effects on Our Business

The Company has been negatively affected by general economic conditions worldwide, which have depressed spending and the construction industry, which contains major consumers of the products of the Company. In addition, increased volatility in the price of commodities, especially copper, has resulted in increased costs of manufacturing. These adverse macroeconomic trends resulted in the Company and its direct and indirect subsidiaries experiencing deterioration in revenue and profitability in respect of our manufacturing businesses. Despite such unfavorable conditions, the Company maintained its operations and continued to provide high-quality goods and services to its customers. The Company's revenue, however, remained below levels necessary to

maintain liquidity and support current debt levels due to the downturn in construction and the global economy in general.

Interest and Principal Payment Default on the Commercial Paper, Old Notes and Copper Debt

As a result of the cash flow issues described above, the Company failed to pay principal and interest upon maturity under the Commercial Paper on March 26 and August 6, 2009.

In addition, the Company failed to make an interest payment that became due under the Old Notes on November 15, 2009 (the "Technical Default") and failed to make principal, interest and other payments on the Copper Debt beginning in August of 2009. Pursuant to the Old Notes Indenture, there was a grace period for payment of interest which expired in mid-December 2009, which resulted in an event of default under the Old Notes Indenture.

The Restructuring Process

Beginning in 2009 and continuing through 2010, the Company has been exploring a long-term solution for its cash flow problems. Specifically, representatives of the Company initiated discussions with holders of Eligible Debt and BCP Securities, LLC, the dealer and arranger for the Commercial Paper, regarding the default under the Eligible Debt and potential exchange of the Eligible Debt for New Notes and with the Noteholders regarding the Technical Default and a potential restructuring of certain terms of the Old Notes Indenture.

On December 8, 2009 (the "Petition Date"), Tubo and CLH, two subsidiaries of the Company, each filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code in U.S. Court. See the Disclosure Statement attached as Annex B for more details on the U.S. Plan.

Discussions with the Steering Committee for the Old Notes and Holders of the Copper Debt

We have engaged in extensive negotiations with the holders of the Old Notes regarding the terms of the Series A Restructuring and the holders of the Copper Debt regarding the Copper Debt Restructuring. The Disclosure Statement with respect to the U.S. Plan has been approved and the Disclosure Statement and the U.S. Plan are being sent simultaneously herewith to creditors holding claims against Tubo and CLH who are entitled to vote to accept or reject the U.S. Plan. Upon receipt of sufficient votes accepting the U.S. Plan, the plan proponents will seek the U.S. Court's approval of the U.S. Plan. A hearing to consider confirmation of the U.S. Plan is currently scheduled for August 25, 2011, and may be adjourned from time to time. See the Disclosure Statement attached as Annex B for more details on the U.S. Plan. As of the date of this Information Memorandum, we have also entered into the Restructuring Agreement attached hereto as Annex A. The Restructuring Agreement sets forth the terms and conditions for the issuance of the New Notes in exchange for the Eligible Debt, including that the Series B Notes will be issued in settlement of the Exchange Offer simultaneously with the issuance of Series B Notes to the holders of the Copper Debt and the issuance of the Series A Notes to the holders of the Series A Eligible Debt.

Advantages of the Proposed Restructuring

We believe that the primary benefits of the Restructuring to us and to you are:

- improving our ability to continue operating as a going concern and avoiding the risk of an involuntary *concurso mercantil*, the outcome of which would be uncertain;

- enabling us to create a "serviceable" capital structure that will allow us to remain competitive and avoid a subsequent restructuring;

- avoiding contentious litigation to minimize any potential business disruption or any damage to the overall value of our business; and

- providing for a fair recovery for our creditors in light of our available financial capacity and market conditions.

We believe the consummation of the Restructuring is beneficial to you, as a holder of Commercial Paper, because we cannot assure you that an involuntary *concurso mercantil* or bankruptcy (*quiebra*) proceeding in Mexico or a contested U.S. bankruptcy proceeding would result in a more favorable outcome for you. Additionally, we believe that if we are subject to an involuntary *concurso mercantil* or *quiebra* proceeding or contested U.S. bankruptcy proceeding in lieu of the Restructuring, you will receive significantly less consideration for the Commercial Paper than you will receive if the Restructuring is successful. See "—Consequences if the Proposed Restructuring Fails" below.

Adverse Effects of the Proposed Exchange Offer on Holders

In connection with the Exchange Offer, you will receive Series B Notes, which will have a final maturity that is later than the final maturities for the Commercial Paper and an interest rate that is higher than the interest rate for the 9.75% Commercial Paper, but lower than the interest rate for the 12% Commercial Paper. Holding the Series B Notes involves risks, and after the Restructuring, you may still receive less than the full principal amount of the Series B Notes.

For further information, see "Risk Factors—Risk Factors Related to the Exchange Offer—Even if our Exchange Offer is successful, our indebtedness and other obligations could continue to be significant and could contain significant restrictions."

Consequences if the Proposed Restructuring Fails

We did not make certain interest and principal payments described above on the Eligible Debt and, as the payment grace period has expired for such interest and principal payments, the instruments governing the Eligible Debt provide holders of the Eligible Debt with the right to accelerate such debt. We are not currently able to pay the amounts due on the Eligible Debt. There can be no assurance that our creditors will not take additional legal actions against us, including instituting an involuntary *concurso mercantil* proceeding in Mexico.

If we become involved in an involuntary *concurso mercantil*, we could not predict the duration thereof or the ability of holders of Commercial Paper or any other creditor to influence the outcome of such proceedings. A reorganization proceeding is likely to result in significant changes to our existing obligations, including the Commercial Paper, which could include the cancellation or rescheduling of all or part of those obligations. During or after the pendency of any such proceeding, our ability to operate or manage our business, to retain employees, to maintain existing or create new customer relationships, to continue to collect payments for our services or to obtain any type of funding or financing would likely be significantly jeopardized and, as a result, the potential recovery for the Holders could be materially adversely affected.

The Exchange Offer

The Exchange Offer.....	Industrias Unidas, S.A. de C.V. is offering each holder of the Company's outstanding 9.75% commercial paper due March 26, 2009 (the "9.75% Commercial Paper") and each holder of the Company's outstanding 12% commercial paper due August 6, 2009 (the "12% Commercial Paper" and, together with the 9.75% Commercial Paper, the "Commercial Paper"), upon the terms and subject to the conditions set forth in this Information Memorandum, to exchange its outstanding Commercial Paper for 11.5% Senior Notes due 2016, Series B (the "Series B Notes") (the "Exchange Offer"). The Exchange Offer is subject to the terms and conditions set forth in this Information Memorandum and in the accompanying Letter of Transmittal. See "The Exchange Offer." Holders who tender their Commercial Paper in the Exchange Offer will be deemed to have consented to the Company's plan to restructure its (i) 11.50% Senior Series A Notes due November 15, 2016, issued by us, with a principal amount outstanding of U.S.$200,000,000.00 (the "Old Notes") pursuant to the indenture dated as of November 13, 2006, by and among us, the guarantors named therein, The Bank of New York as trustee (the "Old Notes Trustee"), and The Bank of New York (Luxembourg) S.A., as Luxembourg paying agent and Luxembourg transfer agent (the "Old Notes Indenture"), (ii) U.S.$803,803.38 unsecured loan due 2012 from Espirito Santo Bank - Davis Standard (the "ESBDS Loan" and together with the Old Notes, the "Series A Eligible Debt") ((i) and (ii) together, the "Series A Eligible Debt Restructuring") and (iii) Copper Debt, which consists of (1) U.S.$145,696,154.54 aggregate principal amount of the promissory notes (*pagarés*) issued pursuant to (a) that certain Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009, and dated as of June 25, 2008, by and among Gerald Metals LLC ("Gerald"), successor-in-interest to Gerald Metals, Inc., IUSA, S.A. de C.V. and the Company and (b) that certain Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald, IUSA, S.A. de C.V. and the Company ((a) and (b) together, including all annexes and exhibits thereto, and the guaranties issued in respect thereof, the "Copper Contracts"), and (2) the agreed upon copper debt finalization amount of U.S.$155,000.00, plus (3) certain legal and non-legal costs and expenses accrued in connection with the Copper Contracts prior to October 22, 2010 in an aggregate agreed amount of U.S.$2,000,000.00 (the "Agreed Costs") ((1), (2) and (3) collectively, the "Copper Debt" and together with the Commercial Paper, the "Series B Eligible Debt", and, together with the Series A Eligible Debt, the "Eligible Debt") (the "Copper Debt Restructuring", and together with the Exchange Offer and the Series A Eligible Debt Restructuring, the "Restructuring"). The Restructuring will be consummated through a chapter 11 plan in the cases of CLH and Tubo, as to which the Company is a proponent, and in accordance with a restructuring agreement (the "Restructuring Agreement") dated as of July 12, 2011 by and among the Company, the several subsidiary guarantors named therein and the several consenting creditors named therein and attached hereto as Annex A.
Commercial Paper Holder's Consideration for the Exchange Offer	If the Restructuring is completed, tendering Holders of 9.75% Commercial Paper will receive, for each U.S.$1,000 stated value face of 9.75%

	Commercial Paper tendered (each, a "9.75% CP Base Amount"), Series B Notes with a principal amount equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from March 26, 2009 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 9.75% CP Base Amount (the "9.75% CP Restructuring Fee") and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly (the "9.75% CP Exchange Offer"). If the Restructuring is completed, tendering Holders of 12% Commercial Paper will receive, for each U.S.$1,000 stated face value of 12% Commercial Paper tendered (each, a "12% CP Base Amount"), Series B Notes with a principal amount equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from August 6, 2009 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 12% CP Base Amount (the "12% CP Restructuring Fee") and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly (the 12% CP Exchange Offer" and, together with the 9.75% CP Exchange Offer, the "Exchange Offer"). See the Restructuring Agreement attached hereto as Annex A.
Purpose of Restructuring	The purpose of the Restructuring is to restructure the Series A Eligible Debt and Series B Eligible Debt (together, the "Eligible Debt"). See "The Exchange Offer—Background and purpose."
Expiration Time.....	The Exchange Offer will expire at 5:00 p.m., New York City time, on August 16, 2011, unless extended or earlier terminated (such time and date, as the same may be extended or earlier terminated, the "Expiration Time"). See "The Exchange Offer—Expiration Time; Extensions; Termination; Amendments."
Accrued Interest on the Commercial Paper.....	Holders who exchange their Commercial Paper for Series B Notes will receive accrued unpaid interest from the stated maturity date of the Commercial Paper through November 15, 2011, as described in "The Exchange Offer—Commercial Paper Holder's Consideration for the Exchange Offer" above. The first interest payment date on the Series B Notes will be February 15, 2012. See "The Exchange Offer—Terms of the Exchange Offer" in this Information Memorandum and "Description of the New Notes—Principal, Maturity and Interest" attached as Annex C hereto.
Procedures for Holders Exchanging Commercial Paper	The Letter of Transmittal is being circulated to Holders with this Information Memorandum. For a Holder to validly tender Commercial Paper pursuant to the Exchange Offer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantee, or (in the case of book-entry transfer) an Electronic Exchange Instruction in lieu of the Letter of Transmittal, and any other required documents, must be received by the Information and Exchange

	Agent at its address set forth on the back cover of this Information Memorandum prior to the Expiration Time. In addition, prior to the Expiration Time, tendered Commercial Paper must be transferred pursuant to the procedures for book-entry transfer described under "The Exchange Offer—Procedures for Holders exchanging Commercial Paper" (and a confirmation of such tender must be received by the Information and Exchange Agent, including an Electronic Exchange Instruction if the tendering Holder has not delivered a Letter of Transmittal).
Conditions.....	Notwithstanding any other statement in this Information Memorandum, the obligation to accept for exchange any validly exchanged Commercial Paper is conditioned upon, among other things, the satisfaction or waiver of certain conditions on or prior to the Expiration Time. The Expiration Time may be extended at the Company's option and will be extended if required by applicable law. There can be no assurance that such conditions will be satisfied or waived. The Company reserves the right to waive certain of the conditions to the Exchange Offer and, subject to certain limitations, to extend, terminate, cancel or otherwise modify or amend the Exchange Offer in any respect. See "The Exchange Offer—Conditions to the Exchange Offer."
Extensions, Termination and Amendments.....	The Company expressly reserves the right, at any time or from time to time, regardless of whether or not the conditions set forth in "The Exchange Offer—Conditions to the Exchange Offer" shall have been satisfied, subject to applicable law, (a) to extend the Expiration Time, (b) to amend the exchange offer in any respect or (c) to terminate the Exchange Offer prior to the Expiration Time and return the Commercial Paper exchanged pursuant thereto, in each case by giving written notice of such extension, amendment or termination to the Information and Exchange Agent.
Delivery of New Series B Notes to Holders of Commercial Paper	Upon satisfaction or waiver of the conditions to the Exchange Offer, the Company will exchange Commercial Paper, and on the Settlement Date, the Company will issue, or cause to be issued, Series B Notes. See "The Exchange Offer—Terms of the Exchange Offer."
Certain Consequences to Exchanging Holders	See "Risk Factors—Risks Related to the Exchange Offer." For a discussion of certain income tax considerations that may be relevant to holders of Commercial Paper, see "Certain U.S. Federal Income Tax Considerations."
No Appraisal Rights	No appraisal rights are available to holders of Commercial Paper in connection with the Exchange Offer.
Information and Exchange Agent.....	Epiq Systems, Inc. is serving as Information and Exchange Agent in connection with the Exchange Offer.
Further Information	Requests for additional copies of this Information Memorandum, the Letter of Transmittal and any other documents referred to in this Information Memorandum or the Letter of Transmittal should be directed to the Information and Exchange Agent at one of its addresses set forth on the back cover page of this Information Memorandum. The telephone number of the Information and Exchange Agent is +1(646) 282-2400 or

toll-free in the United States (866) 734-9393. The e-mail address of the Information and Exchange Agent is tabulation@epiqsystems.com.

The Series B Notes

The summary below describes the principal terms of the Series B Notes and is not intended to be complete. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the New Notes" attached as Annex C hereto contains a more detailed description of the terms and conditions of the Series B Notes.

Issuer	Industrias Unidas, S.A. de C.V.
Subsidiary Guarantors	All of our existing and future direct and indirect Mexican Subsidiaries (except for the Excluded Businesses), which will guarantee our obligations with respect to the Series B Notes on a senior secured basis.
Series B Notes Offered	Series B 11.50% Senior Secured Notes due November 15, 2016.
Maturity	November 15, 2016.
Interest	11.50% per year (calculated using a 360-day year).
Interest Payment Dates	February 15, May 15, August 15 and November 15 of each year, beginning on February 15, 2012 (each, a "Payment Date"). Interest will accrue from November 15, 2011 or from the most recent Payment Date on which interest was paid on such Series B Notes, regardless of whether the Issue Date occurs prior to November 15, 2011.
Subsidiary Guaranty	Our obligations will be fully and unconditionally guaranteed, jointly and severally, by each of the Subsidiary Guarantors.
Ranking	The Series B Notes will be our senior secured obligations, will rank equally in right of payment with all of our existing and future senior secured indebtedness and will be senior in right of payment to all of our existing and any future subordinated indebtedness. The Series B Notes will be senior to all our existing and any future senior unsecured indebtedness, to the extent of the Joint Collateral. The indebtedness evidenced by the Subsidiary Guarantees will be senior secured obligations of the Subsidiary Guarantors, will rank equally in right of payment with all existing and future senior secured indebtedness of the Subsidiary Guarantors, and will be senior in right of payment to all existing and any future subordinated indebtedness of the Subsidiary Guarantors. The Subsidiary Guarantees will be senior to all existing and any future senior unsecured indebtedness, to the extent of the Joint Collateral. As of December 31, 2010, the outstanding consolidated indebtedness of the Credit Group was approximately Ps.4,783.2 million (U.S.$386.8 million). The Series B Notes and the Subsidiary Guarantees will be junior to any secured indebtedness of the Credit Group to the extent of the currently-encumbered assets securing such indebtedness under existing debt arrangements. As of December 31, 2010, the secured indebtedness outstanding of the Credit Group (excluding the New Notes) was Ps.670.6 million (U.S.$54.2 million). Neither the Company nor any Subsidiary Guarantor has any subordinated indebtedness outstanding.

Collateral	All obligations under the Series B Notes, including the Subsidiary Guarantees, will be secured by liens on the following property of the Company and its subsidiaries that are part of the Credit Group (other than the CLH Entities): • all future and current real property of the Collateral Group, including land and buildings (collectively, the "Real Property Collateral"); • substantially all other future and current unencumbered long-term assets, properties and machinery and equipment owned by the Collateral Group, including, without limitation, all of the Capital Stock held by the Collateral Group (other than (x) Capital Stock of subsidiaries and (y) the Excluded Businesses) (collectively, the "Additional Long-Term Collateral"); • 30% of the future and current amounts in the Lockbox Account (as defined in "Description of the New Notes—Meter Reload Revenue and Royalties" attached as Annex C hereto) (the "Lockbox Collateral"); • all capital stock of the Company's future and current direct and indirect Mexican Subsidiaries, except the Excluded Businesses (the "Mexican Subsidiary Stock Collateral"); and • the proceeds of each of the assets described in each of the bullet points above ("Proceeds", and together with the Real Property Collateral, the Additional Long-Term Collateral, the Mexican Subsidiary Stock Collateral and the Lockbox Collateral, the "Joint Collateral"). All of the Liens on the Joint Collateral securing the New Notes will be first-priority Liens (subject to any Collateral Permitted Liens), except for Liens on certain of the Real Property Collateral and Additional Long-Term Collateral (the "Issue Date Encumbered Assets") that are encumbered by other Liens as of the Issue Date (the "Issue Date Liens"), which will be second-priority Liens pursuant to second-priority mortgages (*hipoteca civil en segundo lugar* and *hipoteca industrial en segundo lugar*). In the event that any of the Issue Date Encumbered Assets become unencumbered after the Issue Date, the Issuer and the Collateral Group Subsidiaries will cause the Liens on such collateral to become first-priority Liens. All of the Liens on the Joint Collateral will be created in favor of a Mexican banking institution acceptable to the holders as collateral agent (together with any successor collateral agent, the "Joint Collateral Agent") for the benefit of the holders of the New Notes. As of the Issue Date, we are unaware of any Liens on the Joint Collateral other than the Issue Date Liens and Collateral Permitted Liens. You should read "Description of the New Notes—Security" attached as Annex C hereto for a more complete description of the security to be granted to the holders of the Series B Notes.
Excess Cash Flow Sweep	Commencing on May 15, 2012 and on each May 15 thereafter during the term of the Series B Notes, we will apply 50% of any Excess Cash Flow from the preceding fiscal year to mandatorily redeem Series B Notes on such date, on a *pro rata* basis. See "Description of the New Notes—

	Excess Cash Flow Sweep" attached as Annex C hereto.
Optional Redemption.....	We may redeem the Series B Notes at our option, without penalty or premium, at par value plus accrued interest at any time in whole or from time to time in part. See "Description of the New Notes—Redemptions—Optional Redemptions" attached as Annex C hereto.
Mandatory Redemption	The Company and its Restricted Subsidiaries will apply 100% of the Net Available Cash from the incurrence of certain indebtedness to redeem the Series B Notes. If the Company or any of its Restricted Subsidiaries make any prepayment in respect of unsecured indebtedness (other than the use of the proceeds of Refinancing Indebtedness to prepay the indebtedness being Refinanced), the Company will redeem a proportion of the Series B Notes equal to the proportion of such unsecured indebtedness being prepaid. See "Description of the New Notes—Redemptions—Mandatory Redemptions" attached as Annex C hereto.
Change of Control Offer.....	If a Change of Control occurs, each holder of Series B Notes will have the right to require that we repurchase such holder's Series B Notes at a purchase price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any. We might not be able to pay you the required price for notes you present to us at the time of a Change of Control, because: • we might not have enough funds at that time; or • the terms of our debt may prevent us from paying. See "Description of the New Notes—Change of Control" attached as Annex C hereto.
Redemption for Tax Reasons.....	Under certain circumstances, we may redeem the Series B Notes in whole but not in part upon not less than 30 and no more than 60 days prior notice at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the date fixed for redemption plus any additional amounts. See "Description of the New Notes—Redemption for Tax Reasons" attached as Annex C hereto.
Certain Indenture Provisions	The indenture governing the Series B Notes will contain covenants that, among other things, limit our ability and the ability of our Restricted Subsidiaries, to, among other things: • incur additional debt; • pay dividends on, redeem or repurchase our capital stock; • issue or sell stock of certain subsidiaries; • make investments; • create certain liens; • transfer and sell assets; • enter into sale and leaseback transactions; • enter into transactions with affiliates; • create unrestricted subsidiaries; • guarantee other debt; and • merge or consolidate with another company.

	If the Series B Notes obtain investment grade ratings from certain rating agencies and for so long as each of such rating agencies maintains its investment grade rating and no default has occurred and is continuing, several of the foregoing covenants will cease to be in effect with the exception of covenants that contain limitations on, among other things, liens and certain consolidations, mergers and transfers of assets. These covenants are subject to a number of other important qualifications and exceptions. See "Description of the New Notes—Certain Covenants" attached as Annex C hereto.
Transfers of Series B Notes.....	Upon consummation of the U.S. Plan, we will rely on section 1145 of the U.S. Bankruptcy Code to exempt the offering, issuance and distribution of the Series B Notes and the Subsidiary Guarantees from the registration requirements of the Securities Act and of any state securities or "blue sky" laws. The recipients of the Series B Notes and Subsidiary Guarantees will be able to resell the Series B Notes and Subsidiary Guarantees without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(1) of the Securities Act, unless the holder of such stock is an "underwriter" within the meaning of section 1145(b) of the U.S. Bankruptcy Code. In addition, the New Notes generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. However, the recipients of the Series B Notes and Subsidiary Guarantees issued under the U.S. Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability. See "Disclosure Statement—Certain Federal and State Securities Law Considerations—Subsequent Transfers of New Securities" attached as Annex B hereto.
Form and Denomination.....	The Series B Notes will be offered in fully registered form without interest coupons attached, only in denominations of U.S.$1.00 and any integral multiple of U.S.$1.00. The Series B Notes initially will be represented by a single permanent global certificate, which will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC, including Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme. Holders of beneficial interests in Series B Notes held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see "Description of the New Notes—Book Entry; Delivery and Form" and "Description of the New Notes—Depositary Procedures" and "Description of the New Notes—Exchange of Book-Entry Notes for Certificated Notes" attached as Annex C hereto.
Risk Factors.....	Investing in the Series B Notes involves substantial risks. See "Risk Factors" for a description of certain of the risks you should consider before investing in the Series B Notes.

Trustee	U.S. Bank National Association
Luxembourg Paying Agent and Transfer Agent	A Luxembourg Paying Agent and Transfer Agent will be named by the Company.
Luxembourg Listing Agent	A Luxembourg Listing Agent will be named by the Company.
Governing Law	The indenture and the Series B Notes will be governed by the laws of the State of New York.

For additional information concerning the Series B Notes, and the definition of certain capitalized terms used above, see “Description of the New Notes” attached as Annex C hereto.

SUMMARY FINANCIAL AND OTHER INFORMATION

The following table provides a summary of our historical consolidated financial data. The summary historical consolidated financial data (i) as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010 have been derived from the audited consolidated financial statements included elsewhere in this Information Memorandum and (ii) as of March 31, 2011 and for the three months ended March 31, 2011 and March 31, 2010 have been derived from the unaudited consolidated financial statements included elsewhere in this Information Memorandum. The results from any interim period are not necessarily indicative of the results that may be expected for a full fiscal year. Information presented below with respect to the Guarantor Group, other than EBITDA, has been derived from the consolidating condensed financial information included in the footnotes to the audited and unaudited consolidated financial statements included elsewhere in this Information Memorandum. Information presented below with respect to the Credit Group and the U.S. Subsidiaries is derived from financial information not included in the consolidated financial statements included elsewhere in this Information Memorandum. The information presented below should be read in conjunction with "Pro Forma Capitalization," "Selected Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements included elsewhere in this Information Memorandum. MFRS varies in significant respects from U.S. GAAP.

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011[5]	2011
	(millions of constant pesos)			(millions of dollars)[1]	(millions of constant pesos)		(millions of dollars)[2]
Consolidated Statement of Operations Data							
Revenues	Ps. 23,361.5	Ps. 17,744.6	Ps. 17,643.2	$ 1,426.9	Ps. 4,188.2	Ps. 4,232.2	$ 355.9
Cost of sales	21,546.0	15,756.6	15,601.9	1,261.8	3,803.7	3,748.9	315.3
Selling and Administrative Expenses	1,950.9	1,803.9	1,802.3	145.8	413.0	380.3	32.0
Income from Operations	(135.4)	184.1	239.0	19.3	(28.5)	102.9	8.7
Total Net Comprehensive Financial Cost:							
Interest Expense	525.3	598.0	716.7	58.0	161.6	166.5	14.0
Interest Income	(101.7)	(80.3)	(49.9)	(4.0)	(11.0)	(12.7)	(1.1)
Net Interest Expense	423.6	517.7	666.8	54.0	150.6	153.8	12.9
Exchange Loss (Gain) – Net	666.6	41.3	(29.7)	(2.4)	(11.6)	(38.3)	(3.2)
Monetary Position (Gain)	(3.3)	(6.2)	0.0	0.0	0.0	0.0	0.0
Other Financing Costs	32.4	90.7	50.9	4.1	18.7	11.6	1.0
Total Net Comprehensive Financial Cost	1,119.3	643.5	688.0	55.7	157.7	127.2	10.7
Other Expense, Net	222.1	362.3	285.4	23.1	86.3	26.7	2.2
Income Tax and Statutory Profit Sharing	44.7	(209.1)	27.4	2.2	73.5	14.8	1.2
Equity in Income (Loss) of Associated Companies	(7.3)	0.2	1.3	0.1	0.5	0.0	0.0
Net Income (Loss)	(1,528.7)	(612.4)	(760.5)	(61.6)	(345.6)	(65.7)	(5.5)
Net Income (Loss) of Minority Stockholders	38.0	14.7	12.4	1.0	3.2	3.4	0.3
Net Income (Loss) of Majority Stockholders	(1,566.8)	(627.1)	(773.0)	(62.5)	(348.9)	(69.2)	(5.8)
Other Consolidated Financial Data:							
Consolidated EBITDA[3]	357.8	980.4	853.2	69.0	100.6	251.1	21.1
Consolidated Depreciation and Amortization	493.2	796.3	614.3	49.7	129.1	148.1	12.5
Consolidated Capital Expenditures	1,044.4	163.1	109.8	8.9	29.0	9.8	0.8
Consolidated Debt	5,673.5	4,881.8	4,783.2	386.8	5,134.1	4,924.7	414.2
Consolidated Total Interest Expense	525.3	598.0	716.7	58.0	161.6	166.5	14.0
Ratio of Debt to EBITDA	15.9x	5.0x	5.6x			5.0x	
Ratio of EBITDA to Total Interest Expense	0.7x	1.6x	1.2x			1.4x	
Other Credit Group Financial Data:							
Credit Group EBITDA[3][4]	Ps. 179.3	Ps. 874.4	Ps. 826.6	$ 66.8	Ps. 86.1	Ps. 251.0	$ 21.1
Credit Group Revenues	22,624.4	17,656.7	17,543.4	1,418.8	4,211.6	4,232.1	355.9
Credit Group Total Debt	5,673.5	4,808.5	4,783.2	386.8	4,960.7	4,924.7	414.2
Credit Group Total Interest Expense	524.4	596.6	713.7	$ 57.7	159.7	166.5	14.0
Ratio of Debt to EBITDA	31.6x	5.5x	5.8x			5.1x	
Ratio of EBITDA to Total Interest Expense	0.3x	1.5x	1.1x			1.4x	
Other Guarantor Group Financial Data:							
Guarantor Group EBITDA[3]	Ps. 271.1	Ps. 428.1	Ps. 560.7	$ 45.3	Ps. 50.4	Ps. 48.5	$ 4.1
Guarantor Group Revenues	13,522.0	10,807.2	7,707.1	623.3	2,020.6	1,616.2	135.9
Guarantor Group Total Debt	3,877.7	3,720.4	3,452.7	279.2	3,518.4	3,259.3	274.1
Guarantor Group Total Interest Expense	354.9	480.6	598.5	48.4	135.9	139.2	11.7
Ratio of Debt to EBITDA	14.3x	8.7x	6.2x			6.1x	
Ratio of EBITDA to Total Interest Expense	0.8x	0.9x	0.9x			0.9x	
Other U.S. Subsidiary Financial Data:							
U.S. Subsidiary EBITDA[3]	Ps. (125.4)	Ps. 524.6	Ps. 292.7	$ 23.6	Ps. 49.7	Ps. 200.9	$ 16.9
U.S. Subsidiary Revenues	13,794.1	9,426.5	11,075.0	895.7	2,617.2	2,876.1	241.9

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011[5]	2011
	(millions of constant pesos)			(millions of dollars) [1]	(millions of constant pesos)		(millions of dollars) [2]
U.S. Subsidiary Total Debt	1,795.7	1,088.2	1,330.5	107.6	1,442.3	1,665.4	140.1
U.S. Subsidiary Total Interest Expense	180.0	116.0	118.6	9.6	24.8	28.0	2.4
Ratio of Debt to EBITDA	(14.3)x	2.1x	4.5x			3.8x	
Ratio of EBITDA to Total Interest Expense	(0.7)x	4.5x	2.2x			3.7x	
Consolidated Balance Sheet Data:							
Cash and Temporary Investments[6]	Ps. 354.3	Ps. 361.2	Ps. 362.7	$ 29.3	Ps. 299.6	Ps. 153.1	$ 12.9
Current Assets	5,460.9	5,340.8	5,863.7	474.2	5,577.4	5,489.0	461.6
Cash Liabilities	6,639.1	8,671.2	8,720.3	705.2	8,884.5	8,779.9	738.4
Working Capital[7]	(1,178.2)	(3,330.4)	(2,856.6)	(231.0)	(3,307.1)	(3,291.0)	(276.8)
Property, Plant and Equipment– Net	6,540.4	5,436.5	4,604.5	372.4	5,036.8	4,297.1	361.4
Total Assets	13,241.8	11,568.8	10,730.8	867.8	11,432.0	10,569.4	888.9
Total Debt[8]	5,673.5	4,881.8	4,783.2	386.8	5,134.1	4,924.7	414.2
Total Liabilities	10,443.6	9,340.0	9,183.2	742.7	9,637.1	9,219.7	775.4
Total Stockholders' Equity	2,798.2	2,228.8	1,547.6	125.1	1,795.0	1,349.7	113.5
Credit Group Total Assets	13,069.0	11,325.7	10,603.8	857.6	10,923.7	10,440.5	878.1
Credit Group Total Liabilities	10,355.3	9,193.4	9,163.2	741.1	9,228.9	9,198.8	773.6
Guarantor Group Total Assets	10,358.3	9,519.1	8,681.1	702.1	8,916.1	8,333.8	700.9
Guarantor Group Total Liabilities	7,689.8	7,442.8	7,287.0	589.3	7,273.0	7,140.9	600.6
EBITDA Calculation:							
Consolidated Net Income	(1,528.8)	(612.4)	(760.5)	(61.6)	(345.6)	(65.7)	(5.5)
Total Net Comprehensive Financial Cost	1,119.3	643.5	688.0	55.7	157.7	127.2	10.7
Equity in Income (Loss) of Associated Companies	(7.3)	0.2	1.3	0.1	0.5	0.0	0.0
Other Expenses – Net	222.1	362.3	285.4	23.1	86.3	26.7	2.2
Income Tax and Statutory Profit Sharing	44.7	(209.1)	27.4	2.2	73.5	14.8	1.2
Depreciation and Amortization	493.2	796.3	614.3	49.7	129.1	148.1	12.5
Consolidated EBITDA[3]	357.8	980.4	853.2	69.0	100.6	251.1	21.1

(1) Translated into dollars, solely for the convenience of the reader, using an exchange rate of Ps.12.365 per dollar, the Banco de Mexico exchange rate on December 31, 2010. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates."

(2) Translated into dollars, solely for the convenience of the reader, using an exchange rate of Ps.11.8903 per dollar, the Banco de Mexico exchange rate on March 31, 2011. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates."

(3) EBITDA for any period is defined as consolidated net income (loss) excluding (i) depreciation and amortization, (ii) total net comprehensive financing cost (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other financing costs), (iii) other expenses, net, (iv) income tax and statutory employee profit sharing and (v) equity in income (loss) of associated companies. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with MFRS, or as an indicator of operating performance or to cash flows from operating activity as a measure of liquidity. EBITDA is not a recognized term under MFRS or U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activity as a measure of liquidity.

EBITDA has been included solely because we believe it is a meaningful indication of our operating performance. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods and with other companies because it excludes the effect of (i) depreciation and amortization, which represents a non-cash charge to earnings, (ii) certain financing costs, which are significantly affected by external factors, including interest rates, foreign currency exchange rates and inflation rates, which have little or no bearing on our operating performance, (iii) income tax and tax on assets and statutory employee profit sharing, which is similar to a tax on income and (iv) other expenses or income not related to the operation of the business. EBITDA is also a useful basis of comparing our results with those of other companies because it presents operating results on a basis unaffected by capital structure and taxes. You should review EBITDA, along with consolidated net income (loss) and net resources generated from (used in) operating activities, investing activities and financing activities, when trying to understand our operating performance. However, companies define EBITDA in different ways and caution must be used in comparing this measurement to EBITDA of other companies. The following table sets forth a reconciliation of EBITDA to net income (loss) under MFRS for each of the periods presented above.

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011	2011
	(millions of constant pesos)			(millions of dollars) [1]	(millions of constant pesos)		(millions of dollars) [2]
Consolidated Net Income (Loss)	Ps.(1,528.8)	Ps. (612.4)	Ps. (760.5)	$ (61.6)	Ps. (345.6)	Ps. (65.7)	$ (5.5)
Total Net Comprehensive Financial Cost	1,119.3	643.5	688.0	55.7	157.7	127.2	10.7
Equity in Income (Loss) of Associated Companies	(7.3)	0.2	1.3	0.1	0.5	0.0	0.0
Other Expense – Net	222.1	362.3	285.4	23.1	86.3	26.7	2.2
Income Tax and Statutory Employee Profit-Sharing (expense) benefit, net	44.7	(209.1)	27.4	2.2	73.5	14.8	1.2
Depreciation and Amortization	493.2	796.3	614.3	49.7	129.1	148.1	12.5
Consolidated EBITDA	Ps. 357.8	Ps. 980.4	Ps. 853.2	$ 69.0	Ps. 100.6	Ps. 251.1	$ 21.1

The following table sets forth a reconciliation of Credit Group EBITDA to net income (loss) under MFRS for each of the periods presented above.

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011	2011
	(millions of constant pesos)			(millions of dollars) [1]	(millions of constant pesos)		(millions of dollars) [2]
Credit Group Net Income (Loss)	Ps.(1,566.7)	Ps. (627.1)	Ps. (773.0)	$ (62.5)	Ps. (348.9)	Ps. (69.2)	$ (5.8)
Total Net Comprehensive Financial Cost	1,123.0	645.7	699.7	56.6	162.0	129.9	10.9
Equity in Income (Loss) of Associated Companies	62.5	47.3	(14.3)	(1.2)	6.6	(1.4)	(0.1)
Other Expense – Net	219.9	360.6	283.3	22.9	83.7	26.7	2.2
Income Tax and Statutory Employee Profit-Sharing (expense) benefit, net	(7.4)	(237.0)	19.3	1.6	69.5	14.0	1.2
Depreciation and Amortization	473.0	779.5	611.6	49.5	126.4	148.1	12.5
Credit Group EBITDA	Ps. 179.3	Ps. 874.4	Ps. 826.6	Ps. 66.8	Ps. 86.1	Ps. 251.0	Ps. 21.1

The following table sets forth a reconciliation of Guarantor Group EBITDA to net income (loss) under MFRS for each of the periods presented above.

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011	2011
	(millions of constant pesos)			(millions of dollars) [1]	(millions of constant pesos)		(millions of dollars) [2]
Guarantor Group Net Income (Loss)	Ps.(1,566.7)	Ps. (627.1)	Ps. (773.0)	$ (62.5)	Ps. (348.9)	Ps. (69.2)	$ (5.8)
Total Net Comprehensive Financial Cost	927.3	530.0	586.1	47.4	136.0	101.0	8.5
Equity in Income (Loss) of Associated Companies	(287.4)	298.4	11.9	1.0	(26.6)	75.9	6.4
Other Expense – Net	219.3	541.4	261.9	21.2	77.1	29.9	2.5
Income Tax and Statutory Employee Profit-Sharing (expense) benefit, net	61.1	(334.9)	20.4	1.7	69.6	(49.6)	(4.2)
Depreciation and Amortization	342.7	617.1	453.3	36.6	89.9	112.2	9.4
Guarantor Group EBITDA	Ps. 271.1	Ps. 428.1	Ps. 560.7	$ 45.3	Ps. 50.4	Ps. 48.5	$ 4.1

The following table sets forth a reconciliation of U.S. Subsidiary EBITDA to net income (loss) under MFRS for each of the periods presented above.

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011	2011
	(millions of constant pesos)			(millions of dollars) [1]	(millions of constant pesos)		(millions of dollars) [2]
U.S. Subsidiary Net Income (Loss)	Ps. (391.0)	Ps. 329.4	Ps. 0.5	$ 0.0	Ps. (19.2)	Ps. 75.6	$ 6.4
Total Net Comprehensive Financial Cost	195.7	115.7	113.6	9.2	26.0	28.9	2.4
Equity in Income (Loss) of Associated Companies	7.5	0.0	0.0	0.0	0.0	0.0	0.0
Other Expense – Net	0.7	(180.8)	21.4	1.7	6.6	(3.2)	(0.3)
Income Tax and Statutory Employee Profit-Sharing (expense) benefit, net	(68.5)	97.9	(1.2)	(0.1)	(0.1)	63.6	5.3
Depreciation and Amortization	130.3	162.4	158.3	12.8	36.5	35.9	3.0
U.S. Subsidiary EBITDA	Ps. (125.4)	Ps. 524.6	Ps. 292.7	$ 23.7	Ps. 49.7	Ps. 200.9	$ 16.9

(4) The term "Credit Group EBITDA" means EBITDA of the Credit Group.

(5) Ratios have been calculated based upon financial information as of and for the 12 months ended March 31, 2011. Credit Group EBITDA for the 12 months ended March 31, 2011 was Ps.973.9 million (U.S.$81.9 million), Guarantor Group EBITDA for the 12 months ended March 31, 2011 was Ps.542.5 million (U.S.$45.6 million) and U.S. Subsidiary EBITDA for the 12 months ended March 31, 2011 was Ps.442.5 million (U.S.$37.2 million).

(6) Includes restricted cash.

(7) Net working capital for any period means total current assets less total current liabilities.

(8) The term "Total Debt" for any period means the sum of short-term debt and long-term debt. The term "short-term debt" for any period means notes payable to financial institutions plus the current portion of long-term debt. The term "long-term debt" excludes the current portion of long-term debt.

RISK FACTORS

You should carefully consider the following risk factors, as well as all of the other information presented in this Information Memorandum, including our consolidated financial statements and the notes thereto. In general, investing in the securities of issuers in emerging market countries such as Mexico involves certain risks not typically associated with investing in securities of U.S. companies.

The risks and uncertainties described below are not the only risks and uncertainties affecting us or the Series B Notes. Additional risks and uncertainties that we do not know about or that we currently think are immaterial also may impair our business operations or our ability to make payments on the Series B Notes and under other existing indebtedness.

This Information Memorandum also contains forward-looking statements that involve risks. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including risks faced by us describing this section, and under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." See also cautionary statements regarding "Forward-Looking Statements."

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.

RISKS RELATED TO THE EXCHANGE OFFER

A Holder's decision to exchange their Commercial Paper for Series B Notes exposes such Holder to the risk of nonpayment for a longer period of time.

The 9.75% Commercial Paper became due on March 26, 2009 and the 12% Commercial Paper became due on August 6, 2009. The Series B Notes will mature in 2016. If, following the maturity date of a Holder's Commercial Paper but prior to the maturity date of the Series B Notes, we were to become subject to a bankruptcy or similar proceeding, the Holders who did not exchange their Commercial Paper for Series B Notes could have been paid in full and there would exist a risk that Holders who exchanged their Commercial Paper for Series B Notes would not be paid in full, if at all. A Holder's decision to exchange Commercial Paper should be made with the understanding that the lengthened maturity of the Series B Notes exposes such Holder to the risk of nonpayment for a longer period of time.

You may not receive Series B Notes in the Exchange Offer if the procedure for the Exchange Offer is not followed.

We will issue the Series B Notes in exchange for each Holder's Commercial Paper only if such Holder tenders the Commercial Paper and delivers a properly completed Letter of Transmittal (or facsimile(s) thereof), duly executed by the Holder thereof, with any required signature guarantee(s), the Commercial Paper to be exchanged and any other documents required to be included with the Letter of Transmittal under the terms and subject to the conditions thereof and of this Exchange Offer; or confirmation of book-entry transfer, including an Electronic Exchange Instruction to the Information and Exchange Agent's account at the Clearing System for Commercial Paper tendered electronically pursuant to the procedures for book-entry tender before expiration of the Exchange Offer. If the Holder is the beneficial owner of Commercial Paper that is registered in the name of such Holder's broker, dealer, commercial bank, trust company or other nominee, and such Holder wishes to exchange their Commercial Paper in the Exchange Offer, such Holder should promptly contact the person in whose name such Holder's Commercial Paper is registered and instruct that person to exchange on such Holder's behalf.

You should allow sufficient time to ensure timely delivery of the necessary documents. Neither the Information and Exchange Agent nor we are under any duty to give notification of defects or irregularities with respect to the exchange of Commercial Paper for Series B Notes.

The consummation of the Exchange Offer may be delayed or may not occur.

We are not obligated to complete the Exchange Offer under certain circumstances and unless and until certain conditions are satisfied, as described more fully below in "The Exchange Offer—Conditions to the Exchange Offer." Even if the Exchange Offer is completed, it may not be completed on the schedule described in this Information Memorandum. Accordingly, Holders participating in the Exchange Offer may have to wait longer than expected to receive their Series B Notes, during which time those Holders will not be able to effect transfers of their Commercial Paper tendered in the Exchange Offer.

The consideration to be received in the Exchange Offer does not reflect any valuation of the Commercial Paper or the Series B Notes and is subject to market volatility.

Our board of directors has made no determination that the consideration to be received in the Exchange Offer represents a fair valuation of either the Commercial Paper or the Series B Notes. We have not obtained a fairness opinion from any financial advisor about the fairness to us or to you of the consideration to be received by Holders. Accordingly, none of us, our board of directors, the Information and Exchange Agent, the New Notes Trustee or any other person is making any recommendation regarding the Exchange Offer, and each of the Holders have to make their own decision as to whether to exchange Commercial Paper for Series B Notes.

If the Exchange Offer is not consummated, we may not be able to pay the principal or interest on the Commercial Paper.

We are in default under our financial instruments governing the Commercial Paper, and our future is dependent upon our ability to restructure our debt and other financial instruments. We believe that we are currently not likely to find a source of financing to fund the interest and principal payments due on the Commercial Paper and therefore we will not be able to cure the existing events of default under the financial instruments governing the Commercial Paper if the Exchange Offer is not consummated.

We did not make scheduled payments of principal and interest due on March 26, 2009 and August 6, 2009 on an aggregate principal amount of approximately U.S.$35 million of our Commercial Paper.

We do not have the means to repay or refinance the amounts that are due and payable under our financial instruments governing the Commercial Paper. Our future is dependent on our ability to restructure our obligations under our financial instruments governing the Eligible Debt, which will involve a significant reduction of the claims of the Holders of our Commercial Paper and other financial instruments. If we are able to enter into consensual arrangements with our financial creditors, as part of that process we would undergo a prepackaged reorganization of the debt of Tubo and CLH pursuant to U.S. bankruptcy laws. If we are unable to enter into consensual arrangements with our financial creditors, we could be forced to seek relief through filings under Mexican and U.S. bankruptcy laws, which could force us to operate in an involuntary bankruptcy (c*oncurso mercantil*) for an extended period of time, which could materially adversely affect the relationships between us and our customers, suppliers and employees, and may result in a liquidation of the Company.

We believe the consummation of the Restructuring is beneficial to you, as a holder of Commercial Paper, because we cannot assure you that an involuntary *concurso mercantil* or bankruptcy (*quiebra*) proceeding in Mexico or a contested U.S. bankruptcy proceeding would result in a more favorable outcome for you. Additionally, we believe that if we are subject to an involuntary *concurso mercantil* or *quiebra* proceeding or contested U.S. bankruptcy proceeding in lieu of the Restructuring, you will receive significantly less consideration for the Commercial Paper than you will receive if the Restructuring is successful. See "Summary—Consequences if the Proposed Restructuring Fails."

If the Exchange Offer is not consummated, we may be subject to an involuntary Mexican or U.S. reorganization related proceeding.

Since we have defaulted on our Commercial Paper, some of our creditors have already taken legal action against us. Some or all of our other creditors may also take legal action against us, including instituting an involuntary *concurso mercantil* in Mexico or filing an involuntary petition against us in the United States under the

U.S. Bankruptcy Code. If we become involved in an involuntary proceeding in Mexico or the United States, we could not predict the duration thereof or the ability of holders to influence the outcome of such proceedings. A reorganization proceeding is likely to result in significant changes to our existing obligations, including the Commercial Paper, which could include the cancellation or rescheduling of all or part of those obligations. During the pendency of any such proceeding, our ability to operate or manage our business, to retain employees, to maintain existing or create new customer relationships, to continue to collect payments for our services or to obtain any type of funding or financing would likely be materially adversely affected.

We may have insufficient liquidity to repay our existing obligations and meet our capital requirements.

We may not have the means to repay or refinance the amounts that are payable under our Eligible Debt and believe that we are currently not likely to find a material source of financing to fund the interest and principal payments on the Eligible Debt. We believe that the completion of the Restructuring is critical to resolving our liquidity crisis and ensuring our continued viability.

Even if our Exchange Offer is successful, our indebtedness and other obligations could continue to be significant and could contain significant restrictions.

Even if we are successful in restructuring our obligations under our Commercial Paper, we could continue to have a significant amount of indebtedness and other obligations. Our ability to make scheduled interest and principal payments on the restructured debt will depend upon our ability to achieve profitability levels to support our new debt, which may be dependent upon an improvement in the current economic environment in the industries we operate. Our net interest expense on debt for the year ended December 31, 2010 was Ps.666.8 million (U.S.$53.9 million), while our operating income was Ps.238.9 million (U.S.$19.3 million).

The amount of our interest payment requirements could adversely affect our business in a number of ways, including but not limited to, the following:

- we may have less cash available to expand and improve our business, since we are required to dedicate a significant portion of our cash flow from operations to the payment of interest on our debt;

- our ability to obtain additional debt financing may be limited and the terms on which such financing is obtained may be negatively affected; and

- our ability to compete effectively against better-capitalized competitors and to withstand downturns in our business may be affected since a significant portion of our cash flow from operations is required to be dedicated to making interest payments. As a result, we may lose market share and experience lower sales, which, in turn, could result in a material adverse effect on our financial condition, results of operations and liquidity.

The New Notes Indenture governing the Series B Notes is expected to contain restrictive covenants that are customary to similar indebtedness, including restrictions on the incurrence of additional debt, the payment of dividends, the granting of liens and the making of investments, and may require us to dedicate significant portions of our cash flow from operations to the payment of principal and interest on our indebtedness.

RISK FACTORS RELATING TO THE SERIES B NOTES AND GUARANTEES

The Company is a holding company and will rely on dividends and advances from its subsidiaries to meet its obligations under the Series B Notes.

The Company is a holding company with no significant operating assets other than through its ownership of shares of its subsidiaries. The Company, along with certain of the New Notes Subsidiary Guarantors, receives substantially all of its operating income from advances and dividends from subsidiaries. Accordingly, in paying the principal of, premium, if any, interest on, and Additional Amounts (as defined under “Description of the New Notes—Additional Amounts” in the Description of the New Notes attached as Annex C hereto), if any, with respect

to the Series B Notes, the Company will rely solely on income from cash dividends and advances from our subsidiaries, and, if necessary, from the disposition of one or more subsidiaries.

In general, Mexican corporations may pay dividends only out of retained earnings after establishing mandatory legal reserves and upon approval of such payment by stockholders. In addition, the ability of our subsidiaries to pay such dividends or make such distributions will be subject to, among other factors, applicable laws and, under certain circumstances, restrictions contained in certain joint-venture agreements and debt instruments to which we or any of our subsidiaries is a party. Our subsidiaries, CLI and UCI, are subject to restrictions under the terms of their credit facilities from distributing dividends to their parent companies and paying fees to affiliates. Certain of our existing joint-venture agreements require, and future joint-venture agreements may require, the consent of all joint-venture participants for certain significant operating and management decisions, including the payment of dividends.

We may be unable to service our debt, access credit or pursue business opportunities because we and our subsidiaries are highly leveraged.

We are highly leveraged. As of December 31, 2010, we had an aggregate of Ps.4,783.2 million (U.S.$386.8 million) in principal amount of indebtedness outstanding, of which 16.5% was secured indebtedness.

The degree to which we and our subsidiaries are leveraged could have an adverse impact on us and, therefore, have significant consequences to holders of the Series B Notes, such as:

- increasing our vulnerability and limiting our flexibility in planning for or reacting to adverse general economic and industry conditions, including those resulting from a devaluation of the Mexican currency against the dollar;

- affecting our ability to internally fund or obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes, or to refinance maturing indebtedness; and

- requiring the dedication of a substantial portion of our cash flow from operations to the payment of principal and interest on our indebtedness, thereby reducing funds available for operations and future business opportunities.

Our ability to make scheduled payments on our indebtedness depends significantly on our financial and operating performance, which is subject to prevailing economic conditions, exchange rates and financial, business, legislative, regulatory and other factors, some of which are outside our control. We cannot be certain that our cash flow from operations will be sufficient for the repayment of our indebtedness.

If we cannot generate sufficient cash flow from operations to meet our obligations (including payments on the Series B Notes at their maturity), then our indebtedness (including the Series B Notes) may have to be refinanced. There can be no assurance that any such refinancing could be effected successfully or on terms that are acceptable to us. In the absence of such refinancings, we could be forced to dispose of assets in order to make up for any shortfall in the payments due on our indebtedness, including interest and principal payments due on the Series B Notes, under circumstances that might not be favorable to realizing the best price for such assets. Further, there can be no assurance that any assets could be sold quickly enough, or for amounts sufficient, to enable us to make any such payments.

You may not be able to enforce the Subsidiary Guarantees.

The Subsidiary Guarantors are Mexican corporations. The note guarantees provide a basis for a direct claim against the New Notes Subsidiary Guarantors; however, it is possible that the note guarantees may not be enforceable. We have been advised by Galicia Abogados, S.C., our Mexican counsel, that the laws of Mexico do not prevent their respective note guarantees from being valid, binding and enforceable against such New Notes Subsidiary Guarantors in accordance with their terms. In the event that such a New Notes Subsidiary Guarantor is

declared bankrupt, however, the note guarantee may be deemed to have been a fraudulent transfer and declared void if such New Notes Subsidiary Guarantor failed to receive fair consideration or reasonably equivalent value in exchange for such note guarantee. In addition, under Mexican bankruptcy law, if any of the New Notes Subsidiary Guarantors that are located in Mexico are judicially declared bankrupt, each of such New Notes Subsidiary Guarantor's obligations under its note guarantee will be subordinated to secured creditors and certain statutorily preferred creditors, such as those holding labor, tax and social security related claims, which will have preference over any other claims, including claims by any investor with respect to such note guarantees.

The measure of insolvency for purposes of the preceding paragraphs will vary depending upon the law of the jurisdiction being applied. Generally, however, an entity would be considered insolvent if the sum of its debts is greater than all of its property (including collection rights) at a fair valuation or if the present fair salable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts as they become absolute and matured. If the entity on a cash flow basis is unable to pay its obligations as they become due, this may provide a rebuttable presumption that the entity is insolvent for purposes of the fraudulent transfer laws.

If the note guarantees become unenforceable under the conditions described above, the Series B Notes would effectively be subordinated to all liabilities, including trade payables and accrued liabilities, of the New Notes Subsidiary Guarantors. On December 31, 2010, the Guarantor Group had total balance sheet liabilities of Ps.7,287.0 million (U.S.$589.3 million).

The provisions of the New Notes Indenture governing the Series B Notes generally do not apply to our Unrestricted Subsidiaries and therefore their ability to incur debt, encumber their assets and make payments and distributions, among other matters, is not limited thereby and your right to receive payment on the Series B Notes is structurally subordinated to claims of all creditors of our subsidiaries that do not guarantee the Series B Notes.

Generally, the covenants and events of default included in the New Notes Indenture do not apply to the Unrestricted Subsidiaries. See Description of the New Notes attached as Annex C hereto. As a result, the New Notes Indenture imposes no limitations on the ability of the Unrestricted Subsidiaries to incur debt, make restricted payments, pledge their assets, make asset sales, permit restrictions on their ability to pay dividends or make other distributions to us or issue their stock to third parties. The Unrestricted Subsidiaries are, however, restricted in their ability to enter into transactions with our affiliates.

Moreover, our Unrestricted Subsidiaries and Restricted Subsidiaries that are not Subsidiary Guarantors will not guarantee the Series B Notes. Thus, the Series B Notes will effectively be subordinated to all obligations, including indebtedness and trade payables, of our Unrestricted Subsidiaries. As a result, when evaluating our credit risk and making an investment decision with respect to the Series B Notes, you should not expect that the assets or cash flow, if any, or our equity interest in, the Unrestricted Subsidiaries or those Restricted Subsidiaries will be available to repay the principal of, or pay interest on, the Series B Notes. Any right that the Company or the New Notes Subsidiary Guarantors have to receive assets of any of the non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of Series B Notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors and holders of debt of that subsidiary. As of December 31, 2010, the Unrestricted Subsidiaries' total assets and total debt (including debt owed to the Company or to the Restricted Subsidiaries) were Ps.235.1 million (U.S.$19.0 million) and Ps.0 (U.S.$0), respectively. In 2010, the Unrestricted Subsidiaries generated net revenues and EBITDA of Ps.100.8 million (U.S.$8.2 million) and Ps.26.6 million (U.S.$2.2 million), respectively. These amounts include our proportionate interest (which is 50.1%) in the Watt-Hour Meter Subsidiaries. Subject to the limitations described under "Description of the New Notes—Certain Covenants—Negative Covenants—Limitation on Restricted Payments" in the Description of the New Notes attached as Annex C hereto, we will be permitted to designate new or existing subsidiaries as Unrestricted Subsidiaries.

In addition, payments to us by our subsidiaries may be subject to local restrictions on repatriation of earnings or currency exchange. Furthermore, under Mexican law, our obligations under the Series B Notes will be subordinated to certain statutory preferences, including claims for salaries, wages, labor claims, social security taxes, and other taxes.

The New Notes Indenture governing the Series B Notes and current and future agreements relating to our debt contain strict covenants and other restrictions which significantly limit or prohibit our ability to engage in certain activities and may prevent us from capitalizing on business opportunities.

The terms of the Series B Notes, of our New Notes Subsidiary Guarantors' existing debt and of debt that we may incur in the future, imposes or will impose significant operating and financial restrictions. These restrictions will affect, and in many respects significantly limit or prohibit, the ability of the Guarantor Group and the Credit Group to, among other things,

- incur additional debt;
- pay dividends on, redeem or repurchase our capital stock;
- issue or sell stock of certain subsidiaries;
- make investments;
- create certain liens;
- transfer and sell assets;
- enter into sale and leaseback transactions;
- enter into transactions with affiliates;
- create unrestricted subsidiaries;
- guarantee other debt; and
- merge or consolidate with another company.

The ability of the Company and the ability of our Restricted Subsidiaries to comply with such covenants and restrictions may be affected by events beyond our control, including prevailing economic, financial, legislative, regulatory and industry conditions, and there can be no assurance that the Company or our Restricted Subsidiaries will be able to comply with such covenants and restrictions in the future. In the past we have sought and obtained waivers and amendments from our lenders because of defaults on various instruments. We cannot assure you we will not need to obtain waivers in the future or that if we need to do so, we will be successful.

Certain material assets of our Restricted Subsidiaries are pledged to lenders under certain credit facilities. If these lenders foreclose on such collateral we could lose control of these assets.

Our Restricted Subsidiaries CLI and UCI have pledged substantially all their assets, including our facilities in Reading, Pennsylvania and Denton, Texas, pursuant to certain credit facilities. See the Disclosure Statement attached as Annex B hereto and note 10 to our consolidated financial statements. These Restricted Subsidiaries are not guarantors of the Series B Notes. If we are unable to comply with the several covenants and other obligations set forth in such agreements and the lenders exercise their rights over their collateral, we could lose control over these assets which could have a material adverse effect on our financial condition and results of operations.

We may not be able to finance the repurchase of all of the Series B Notes should there be a change of control offer.

If there is a change of control, as defined under "Description of the New Notes—Change of Control" in the Description of the New Notes attached as Annex C hereto, for any reason, we would have the obligation to offer to repurchase the Series B Notes at 101% of their principal amount, plus accrued and unpaid interest, if any. The source of funds for any repurchase of the Series B Notes and any such other payments due upon the occurrence of a change of control will be our available cash or cash equivalents, if any, dividends from our subsidiaries or other sources. We cannot assure you, however, that we will have access to sufficient funds to purchase all the Series B Notes that might be delivered by holders of the Series B Notes seeking to accept the offer to purchase, as well as all such other amounts that may be due and payable at such time.

We may not be able to make payments in dollars as a result of restrictions and limitations imposed by the Mexican government.

In the past, the Mexican economy has experienced balance of payments deficits, shortages in foreign exchange reserves and other events that have resulted in restrictions on obtaining foreign currencies in exchange for

pesos. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert pesos to foreign currencies, or to dollars in particular, 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 implement a restrictive exchange control policy in the future. Any such restrictive exchange control policy could prevent or restrict our access to dollars to meet our dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations.

U.S. Holders of the Series B Notes may recognize income in the Exchange Offer.

A U.S. Holder (as defined under "Certain U.S. Federal Income Tax Considerations") that exchanges Commercial Paper for the Series B Notes will be subject to U.S. federal income tax on any gain resulting from the exchange. Also, the terms of the Series B Notes may subject the Series B Notes to the original issue discount rules, which include certain rules applicable to contingent payment debt instruments. The application of these rules can result in potentially significant adverse tax consequences, including U.S. Holders being required to include amounts in taxable income in advance of the receipt of cash payments on the Series B Notes. See the discussion herein under the heading "Certain U.S. Federal Income Tax Considerations" for a discussion of the tax consequences of the exchange of the Commercial Paper for the Series B Notes.

The U.S. federal income tax consequences associated with exchanging Commercial Paper for the Series B Notes and owning the Series B Notes are very complex. U.S. Holders should consult their own tax advisors as to the U.S. federal income tax consequences to them of the exchange and of the ownership and disposition of the Series B Notes, including the application of the tax considerations discussed in this Information Memorandum to their particular situations, as well as the application of state, local, foreign or other tax laws.

There is no established trading market for the Series B Notes and holders of Series B Notes may not be able to sell the Series B Notes at the price that holders paid, or at all.

There is no established trading market for the Series B Notes. As a result, we can make no assurances as to the liquidity of any trading market for the Series B Notes.

Application has been made to list the Series A Notes and the Series B Notes on the Official List of the Luxembourg Stock Exchange and to admit the Series A Notes and the Series B Notes to trading on the Euro MTF.

We also can make no assurances that holders of Series B Notes will be able to sell their Series B Notes at a particular time or that the prices that such holders receive when they sell the Series B Notes will be equal to or more than the prices they paid for the Series B Notes. Future trading prices of the Series B Notes will depend on many factors, including:

- our operating performance and financial condition;
- the level, direction and volatility of market interest rates generally;
- the time remaining to maturity of the Series B Notes;
- the liquidity of the Series B Notes generally and the interest of securities dealers in making a market in the Series B Notes;
- the market for similar securities; and
- general economic and political conditions.

Various provisions of Mexican law may make it difficult for holders of Series B Notes to convert payments they receive in pesos into dollars or may make it difficult for holders of Series B Notes to recognize the full value of payments to them.

We are required to make payments of amounts owed on the Series B Notes in dollars. However, under the *Ley Monetaria de los Estados Unidos Mexicanos*, which we refer to as the "Mexican Monetary Law," obligations to make payments in Mexico in foreign currency, whether by agreement or upon enforcement of a judgment, may be discharged in pesos at the exchange rate for pesos prevailing at the time and place of payment. This rate is currently determined by the Mexican Central Bank every business day in Mexico and published the next business day in Mexico's Daily Official Gazette of the Federal Government. Accordingly, we will be legally entitled to make payment of amounts due on the Series B Notes in pesos if payment of the Series B Notes is sought in Mexico through the enforcement of a non-Mexican judgment or otherwise. If we elect to make payments due on the Series B Notes in pesos in accordance with the Mexican Monetary Law, we can make no assurances that the amounts paid may be converted by the payee into dollars or that, if converted, such amounts would be sufficient to purchase dollars equal to the amount of principal, interest or additional amounts due on the Series B Notes.

You may not be able to effect service of process on us, our non-U.S. subsidiaries, our directors or our officers or to enforce in Mexican courts judgments obtained against us in the United States.

We are a corporation (*sociedad anónima de capital variable*) organized under the laws of Mexico. Almost all of our directors and officers reside outside the United States. Substantially all of the assets of such persons are located outside the United States. A substantial portion of our assets are located (and a majority of our resources are derived from sources) in Mexico. As a result, it may not be possible for investors to effect service of process within the United States or in any other jurisdiction outside of Mexico upon us, our non-U.S. subsidiaries, our directors or our officers or to enforce against us, our non-U.S. subsidiaries, our directors or our officers in any jurisdiction outside of Mexico judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the U.S. federal and state securities laws. We have been advised by Galicia Abogados, S.C., our Mexican counsel, that there is uncertainty as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities arising under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon the U.S. federal and state securities laws.

RISKS RELATING TO THE COLLATERAL

The value of the Joint Collateral securing the Series B Notes may not be sufficient to satisfy our obligations under the Series B Notes.

The Series B Notes will be secured by first-priority liens on the Joint Collateral (as defined under "Description of the New Notes—Security" attached hereto as Annex C) (other than liens on Issue Date Encumbered Assets, which will be second-priority liens), some of which will be in place at the closing of this Exchange Offer and some of which will be created and perfected after the closing of this Exchange Offer. Regardless of whether any additional Joint Collateral is added after the closing, the Series B Notes will share a security interest in the Joint Collateral *pro rata* with the Series A Notes. In the event of a foreclosure on the Joint Collateral, we would be required to pay certain fees and other amounts prior to distribution of any amount in respect of the Series B Notes and the other obligations secured by the Joint Collateral, which amounts would then be shared on a *pro rata* basis among the Series B Notes and the Series A Notes. In addition, certain other permitted liens may exist on the Joint Collateral which may have priority over the liens securing the Series B Notes. We can provide no assurance as to the amount that would be distributed in respect of the Series B Notes upon any foreclosure or otherwise, or that the proceeds from the sale of the Joint Collateral would be sufficient to satisfy our obligations under the Series B Notes.

The value of the Joint Collateral and any amount to be received at foreclosure will depend upon many factors including, among others, the condition of the Joint Collateral, changes in our industry, the ability to sell the Joint Collateral in an orderly sale, the availability of buyers, the flexibility given by the Mexican courts to sell the Joint Collateral, our ability to create and perfect first-priority liens on our existing and future real estate or other existing and future Joint Collateral after the closing of this Exchange Offer, the condition of the Mexican and U.S. economies and exchange rates. Given our competitive position in the Mexican market, there may not be any buyer

willing and able to purchase a significant portion of our assets in the event of foreclosure. In addition, since we are not pledging all of our assets, it may not be possible to sell our business as a going concern upon foreclosure. The Joint Collateral consists of a substantial majority, but not all, of our tangible assets (including permits necessary to conduct our business); in particular, our inventory and accounts receivable do not form part of the Joint Collateral. Each of these factors could reduce the likelihood of a foreclosure as well as reduce the amount of any proceeds in the event of foreclosure and thus cash available to Holders of the Series B Notes.

We have significant obligations after the closing of this Exchange Offer related to the creation and perfection of liens on our real property for the benefit of the Series B Notes.

We have agreed to create first-priority liens (subject to Collateral Permitted Liens) on the Real Property Collateral on the Issue Date and to use our reasonable best efforts to perfect such first-priority liens within 120 days of the Issue Date. In order to be perfected and enforceable against third parties, the mortgages on the Real Property Collateral in Mexico will require registration in the public registry of property in Mexico where the real property is located.

If any mortgages on Real Property Collateral owned by the Company or a Collateral Group Subsidiary on the Issue Date is not perfected within 120 days of the Issue Date, an Event of Default will occur. See "Security–The Collateral" and "Defaults" in the Description of the New Notes attached hereto as Annex C.

Impediments exist to any foreclosure on the Joint Collateral, which may adversely affect the proceeds of any foreclosure.

Almost all of the documents that create liens on the Joint Collateral for the benefit of the Series B Notes (the "Joint Collateral Documents") will be governed by the laws of Mexico, and almost all of the Joint Collateral is located in Mexico. Any foreclosure would therefore be required to comply with Mexican legal and procedural requirements, which require that foreclosure only be permitted upon receipt of a judicial order, and differ substantially from those in the United States. In particular, Mexican law does not allow for self-executing mechanisms or expedited foreclosure proceedings with respect to these types of liens. Any proceeding against the Joint Collateral in Mexico would be required to be initiated in a Mexican court, and could involve significant delays. A Mexican court is likely to require a judgment regarding the existence of an event of default under the New Notes Indenture from a U.S. court prior to any foreclosure. We may also have available to us defenses under Mexican law not available under U.S. law to any foreclosure proceeding. In addition, foreclosure proceedings would need to be brought under U.S. law with respect to certain of the Joint Collateral. These delays could result in a deterioration of the Joint Collateral and a decrease in the value that would otherwise be realizable upon foreclosure. During this period, the cash proceeds from any sales of assets that we are not required to hold in a segregated account with the Collateral Agent, if any, may become commingled with our other cash assets and therefore not be identifiable.

Although we have agreed as described herein to file mortgages that create liens in respect of the Joint Collateral in Mexico and to use our reasonable best efforts to cause perfection of such liens within 120 days after the Issue Date, there can be no assurance that the registration of such liens will be properly or timely made. In particular, mortgages on real property will be perfected and enforceable against third parties only after the mortgages are registered in the applicable public registries of property. The time periods for registration vary between public registries, and we can provide no assurance as to our ability to perfect first-priority security interests on the Collateral Group's real property. In the absence of such registration, the liens on such Joint Collateral in Mexico would not be enforceable against third parties.

Third parties' rights may affect the ability of the Collateral Agent to foreclose on the Joint Collateral and the priority of the Series B Notes with respect to the Joint Collateral.

Third parties may have rights and be entitled to remedies that diminish the ability of the Collateral Agent to foreclose upon the Joint Collateral or that affect the priority of the notes with respect to the Collateral. Under Mexican law, amounts owed to employees or, with some limited exceptions, to tax authorities, must be paid by a debtor prior to the satisfaction of any other claims, including secured claims. In addition, under the terms of the notes, certain third-party liens in the Joint Collateral may be senior to the liens securing the Series B Notes. See "Security" in the Description of the New Notes attached hereto as Annex C.

Foreclosure of the Mexican Subsidiary Stock Collateral may require the approval of the Mexican Federal Competition Commission, the U.S. Federal Trade Commission, the U.S. Department of Justice, the Surface Transportation Board or other regulatory authorities in Mexico or the U.S.

The rights and remedies to which third parties are entitled may limit the ability of the Collateral Agent to foreclose on the Joint Collateral or may otherwise reduce the proceeds available to satisfy our obligations under the Series B Notes. We are unaware of any material liens on any of the Joint Collateral (other than the Issue Date Encumbered Assets) as of the date of issuance of the Series B Notes (including Joint Collateral with respect to which we have agreed to create liens after the date of issuance of the Series B Notes).

A bankruptcy may limit the ability of the Collateral Agent to realize value from the Joint Collateral.

The right of the Collateral Agent to foreclose on the Joint Collateral upon the occurrence of an event of default under the New Notes Indenture is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy proceeding were to be commenced by or against us before the Collateral Agent could foreclose on the Joint Collateral.

Under Mexican bankruptcy law, or the *Ley de Concursos Mercantiles*, the Collateral Agent may be prevented from foreclosing or selling all or any part of the Joint Collateral prior to our liquidation. A proceeding under Mexican bankruptcy law is divided into stages: an initial mediation stage and a second bankruptcy stage. The initial stage cannot last more than one year, and during this stage, a mediator (*conciliador*) is to be appointed within five days of the initial court ruling initiating a *concurso mercantil*. The mediator has certain powers to protect the enterprise as a going concern and initiate bankruptcy proceedings. During the second bankruptcy stage, a receiver (*síndico*) is appointed to proceed with the sale of assets. The receiver has additional powers to protect the enterprise. Neither the mediator nor the receiver, however, is specifically required to protect the rights of secured creditors. No proceeds would be distributed in respect of the notes prior to this sale of assets, and any amounts owed to our employees would be paid prior to the distribution of any amounts in respect of the Series B Notes. Generally, claims for taxes would also rank senior to the Series B Notes, other than with respect to certain portions of the Joint Collateral to the extent perfected and recorded prior to notification of a federal tax claim.

In addition, significant uncertainties are inherent in a Mexican bankruptcy proceeding that may result in further delays that could adversely impact the value of the Joint Collateral. The Ley de Concursos Mercantiles was enacted in 2000, and only a few companies have completed a *concurso mercantil* under the amended law. There have been a limited number of final judicial decisions under this law relating to critical bankruptcy issues such as the relative treatment and priority of debts, criteria for recognition of claims, the filing of the petition for reorganization, the role of the creditors in overseeing business operations during insolvency proceedings, criteria for court approval of a reorganization plan and the effect of the process on subsidiaries. Creditors' rights in a bankruptcy proceeding are therefore not well-established in Mexico, and this may result in substantial delays beyond those contemplated by the Ley de Concursos Mercantiles as well as the inability of the mediator and the receiver to exercise the remedies and powers granted to them. Delays in proceedings, the inadequacy of available remedies and the inability of the mediator or receiver to exercise available remedies could result in a substantial deterioration of the Joint Collateral during the pendency of any such proceeding.

Similar and additional factors may limit the ability of the Collateral Agent to realize value from the Joint Collateral under applicable U.S. federal bankruptcy law.

The value of the Joint Collateral may decrease because of obsolescence, impairment or certain casualty events.

We can provide no assurances that the value of the Joint Collateral will not be adversely affected by obsolescence, changes in the technology in our industry, other changes in equipment or certain casualty events. The Joint Collateral Documents may not require us to improve the Joint Collateral. Although we will be obligated under the Joint Collateral Documents to maintain insurance with respect to the Joint Collateral, we can provide no assurances that the proceeds of such insurance will be sufficient to repurchase adequate replacement Joint Collateral or will equal the fair market value of the damaged Joint Collateral. Our insurance policies also do not cover all events that may result in damage to the Joint Collateral.

RISK FACTORS RELATING TO OUR BUSINESS

If copper prices increase further or the supply of copper decreases, we could have difficulty purchasing sufficient raw materials to meet our production requirements or be subject to substantial increases in raw material costs, which could have a significant negative impact on our results of operations and financial condition.

In the year ended December 31, 2010 we derived 83.0% of our consolidated revenues from sales of copper-related products and approximately 81% of our cost of sales represented raw copper purchases. Currently, we purchase all of our copper cathode requirements from one supplier pursuant to written contracts. We cannot be certain that we will be able to purchase sufficient quantities of copper to meet our production requirements during times of tight supply. Our cash flow from operations and operating margins are significantly influenced by world market prices for raw copper, as quoted by the Commodity Metal Exchange ("COMEX") and the London Metal Exchange ("LME"), particularly to the extent we are unable to pass along price increases to our customers on a timely basis. Copper prices are subject to significant market fluctuations. Recently, copper prices increased significantly from an average COMEX price of U.S.$3.1877 per pound in 2009 to U.S.$4.1697 in 2010, an increase of approximately 30.8%. We generally do not use hedging in futures and options markets in connection with any of our copper-related activities in Mexico or the United States. No assurances can be given that the recent sharp increases in copper prices or any future copper price fluctuations might not have an adverse effect on our cash flows and results of operations.

A decrease in the Margin Over Metal on sales of copper products could have an important negative impact on our results of operations and financial condition.

A common measure of financial performance in the copper tubing, wire and alloys industries is the Margin Over Metal ("MOM") (commonly referred to as "net spread") on sales of copper products. The MOM for any given period represents the difference between the average price per pound of the product sold and the average monthly COMEX price per pound over such period. We calculate our MOM based upon the weighted average for our consolidated sales. The MOM reflects the supply and demand conditions prevailing in the market for copper-related products such as copper tubing or copper wire and cable.

Our MOM increased approximately 27% from U.S.$0.64 per pound for December 2009 to $0.81 per pound for December 2010, while average COMEX copper prices increased approximately 31% in that same period. However, at certain times in the past, despite rising copper prices, producers of copper-related products have increased the availability of such products in the marketplace, resulting in decreases in the price and MOM for those products. Such market driven decreases in the MOM have had in the past, and could have in the future, a substantial negative impact on our results of operations and financial condition. Although the MOM is generally related to the margins of our copper products businesses, the MOM may not always be reflected in our margins, which will also vary based upon the actual cost of the inventory we sell in the period. To the extent we are unable to pass along price increases to our customers or experience delays in doing so, our MOM will be negatively affected which may result in an adverse change in our financial condition and results of operations.

A large part of our financial performance is dependent upon the Mexican and U.S. economies and construction and electric infrastructure activity. Events having an adverse effect on any such economies and/or industries could result in an adverse effect on our financial condition and results of operation.

Most of the industries in which we operate are cyclical. The financial condition, cash flows and results of operations of companies in such industries are generally affected by general economic conditions and other factors in the countries in which their products are sold, including fluctuations in GDP, related market demand, global production capacity, raw materials prices and other factors beyond their control. The demand for, and prices of, our products are directly affected by such fluctuations. We cannot be certain that events having an adverse effect on the industries in which we operate may not occur or continue, such as decreases in levels of construction and electric infrastructure activity or unfavorable currency fluctuations. We are highly dependent on the housing market, both in Mexico and the United States, which has historically been highly cyclical and significantly affected by changes in general and local economic conditions. The homebuilding industry in the United States has not undergone an economic down cycle in a number of years. Further, during 2009, land and home prices in the United States rose significantly. This has led some people to assert that the prices of land and new homes may be inflated and may

decline if the demand for land and new homes weakens. A decline in the prices for land and new homes could adversely affect the U.S. homebuilding industry which could result in a decrease in demand for our products. In addition, we are also dependent on electrical power infrastructure development activity, especially in Mexico, which may be subject to budgetary constraints or policies of the Mexican government as well as general economic conditions. A slowdown in either the housing sector or a slowdown in the development of electrical power infrastructure in Mexico or the United States could result in an adverse effect on our results of operations and financial condition.

A material portion of our sales are made to a Mexican government agency and a decrease in such sales could adversely impact our results of operation and financial condition.

Sales of certain products to various agencies of the Mexican government, including the CFE, represented approximately 8.5% of our consolidated net revenues in 2010. Sales by our Watt Hour Meter business division contributed 3.9% of our revenue in 2010 but contributed 37.8% of our total EBITDA for the same period. Sales to the CFE constituted 92% of this division's sales for that period. In addition to watt-hour meters, we also sell to the CFE glass insulators, wire and cable and other electrical distribution equipment. Contracts for these sales are auctioned by the Mexican government through domestic and international bidding processes and are generally awarded to the bidder offering the lowest price. Participants in any such public auctions must be previously certified by CFE or other competent governmental authorities or agencies, and must meet certain qualifications set forth in several Mexican laws and regulations, including, principally, the *Ley de Adquisiciones, Arrendamientos y Servicios del Sector Público* and the *Ley de Obras Públicas y Servicios Relacionados con las Mismas* (together, the "Government Procurement Laws").

Under Mexican law, CFE or any other government agency may terminate an agreement entered into with us in an expedited manner in the event that we commit a breach under the terms of the agreement, the relevant bidding process is found to have violated the provisions of the Government Procurement Laws or for reasons of public interest. In addition, sales to such agencies may be affected by a number of factors, including political developments (which may give priority to other sectors of the economy), annual governmental budget approval, lack of financing for public projects and fluctuations in currency and exchange rates as well as monetary and economic policies. Any such event could have an adverse effect on our results of operations and financial condition.

We face increasing competition, which may reduce our sales and profits.

Many of the businesses in which we operate in both Mexico and the United States are subject to intense competition. This is particularly true in the copper tubing and wire and cable industries in the United States, as well as in the valves and controls, electrical products and copper alloys industries in Mexico. Our products are generally made to common specifications and therefore, may be fungible with competitors' products. Many of our competitors have greater financial resources and access to capital markets than we do. In addition, in certain instances, the products produced by competitors in other developing countries such as China and Korea may be subsidized by their governments. Accordingly, decisions by these producers may be influenced to a greater degree by political considerations rather than market conditions.

In Mexico, as a result of increased domestic and international competition, we cannot be certain that in future public auctions we will continue to win contracts to supply watt-hour meters, glass insulators, wire and cable and other electrical distribution equipment to CFE. In addition, the Mexican electricity sector is being gradually liberalized and, as a result, the Mexican government and CFE are increasingly entering into turnkey arrangements with domestic and foreign companies to build electric power stations and facilities, and allowing for co-generation and self-generation projects involving private sector companies. As a result, we are facing a change in our customer base in Mexico for glass insulators, wire and cable and other electrical transmission and transformation equipment from government entities to private companies. Such companies may have preexisting or preferred relationships with competitors of ours, and we cannot be certain that we will win contracts to supply the new, diversified customer base.

The North American Free Trade Agreement ("NAFTA"), which became effective on January 1, 1994, has as of this date effectively eliminated the duties on most products imported into Mexico from the United States and Canada, including products that compete with our main product lines. NAFTA has resulted in increased competition

from producers in the United States and Canada, which has affected our operating margins. Prior to the ratification of NAFTA, duties on imports into Mexico from the United States and Canada ranged from 10% to 20% for most of the copper products we sold. Under NAFTA, duties on copper products were abolished on January 1, 2002.

In July 2000, the free trade agreement signed by Mexico and the European Union became effective. Although no assurances can be given, the free trade agreement with the European Union could mean greater and more competitive access for our products in the member states of the European Union. However, the free trade agreement with Europe could result in the lifting of Mexican import duties for products manufactured in Europe and, therefore, generate greater competition for our products in the Mexican market.

Our principal stockholder controls us and his interests may conflict with your interests.

The Chairman of our Board of Directors, Carlos Peralta Quintero, a prominent Mexican industrialist controls, directly or indirectly, 90.0% of our outstanding capital stock. See "Management." As a result, our principal stockholder has and is expected to continue to have, directly or indirectly, the power to elect the majority of our directors and to determine the outcome of most actions requiring stockholder approval including, without limitation, changing our core business, causing us to engage in transactions with affiliated companies, causing or restricting the sale of our assets, causing mergers or spin-offs, controlling our dividend policy and making certain other fundamental corporate decisions. Currently, two out of the five members of our Board of Directors, Mr. Peralta and his son, Juan Carlos Peralta, are members of Mr. Peralta's immediate family. See "Management."

Mexican antitrust law may limit our ability to expand through acquisitions or joint ventures or generally to conduct our business.

A federal antitrust law, the *Ley Federal de Competencia Económica*, and its regulations, the *Reglamento de la Ley Federal de Competencia Económica*, which took effect on June 23, 1993, as amended (the "Antitrust Law"), regulate monopolies and monopolistic practices in Mexico and require prior notification and subsequent approval by the Mexican government of certain mergers, acquisitions and joint ventures. We believe that we are currently in compliance with the Antitrust Law. However, because we are a large, highly integrated manufacturer that has a significant market share of the markets in Mexico for some of our products, the Mexican government may subject us to closer regulatory antitrust scrutiny in the future. For example, the *Comisión Federal de Competencia* (the "Mexican Federal Antitrust Commission") may prohibit us from engaging in potential business acquisitions or joint ventures with competitors, or even force us to divest some of our assets or operations or change our marketing or distribution practices. We may also be subject to fines if the Mexican Federal Antitrust Commission determines that we have engaged in anticompetitive practices.

Because there are no independent market studies in Mexico relating to the major products we manufacture, estimates relating to market share of such products in Mexico are our estimates.

Except for figures relating to market share in the U.S. copper tubing and U.S. building wire industries, all statements relating to market share in this Information Memorandum are based on our estimates. In the United States, the Copper Development Association publishes statistical data about the copper tubing industry and the National Electrical Manufacturers Association (NEMA) publishes statistical data about the building wire industry from which we are able to estimate our market share in the United States. There are, however, no independent market studies published in Mexico analyzing the major products that we manufacture. Therefore, unless otherwise indicated, we determined the market share information contained in this Information Memorandum based on our own estimates of the production and sales of our competitors and certain other assumptions. Neither we nor the initial purchaser can assure you that such information is accurate.

Potential acquisitions or new joint ventures may change our financial position or results of operations.

We analyze from time to time various strategic opportunities to acquire complementary businesses or enter into joint ventures in the United States as well as in Mexico. While we have not identified any acquisitions or new joint ventures to date that we would consider, such acquisitions or joint ventures could be made in the future. Any

material acquisitions or new joint ventures could increase our level of indebtedness and a failure to successfully integrate any new businesses could adversely affect our results of operations.

We are subject to strict environmental laws which expose us to the risk of liabilities and claims which may require us to incur costs or suspend operations.

We and our subsidiaries in Mexico, Venezuela and the United States are subject to laws and regulations relating to protection of the environment and natural resources including, among other things, the management of hazardous substances and wastes, air emissions, water discharges, remediation of contaminated sites and workplace safety. Although we have made and will continue to make significant expenditures related to our environmental compliance obligations, we cannot be certain that we are or will be in compliance with such requirements at all times. Moreover, the nature of our existing and historical operations exposes us to the risk of complaints from citizens' groups and other third parties, liabilities (including fines and penalties) and claims relating to on-site and off-site releases and emissions of hazardous substances and wastes, including third-party property or personal injury claims relating to such releases or emissions, and non-compliance with environmental requirements. Such complaints, liabilities or claims could require us to incur material costs or suspend or scale back operations temporarily or permanently. In addition, environmental laws are complex, change frequently and have tended to become more stringent over time. Changes in existing environmental requirements or their enforcement or the discovery of presently unidentified environmental liabilities associated with our historical or current operations could have an adverse effect on our business, results of operations cash flows or financial condition.

Under certain U.S. laws and regulations, we could be held strictly, jointly and severally liable for cleanup costs associated with contaminated properties, including currently or formerly owned or operated properties, or third-party waste disposal sites. We have been named by U.S. federal or state agencies as a potentially responsible party or received notifications by third parties of potential liability at a number of off-site disposal locations. We believe that we will not incur material costs with respect to these sites, based on available information for each site regarding total estimated cleanup costs, the existence of other responsible parties and our estimated allocated liability. However, the costs associated with these or other sites, or costs associated with future environmental requirements or liabilities or currently unknown conditions, could have an adverse effect on our business, results of operations, cash flows or financial condition.

We prepare our financial statements under MFRS, which is different from U.S. GAAP.

We prepare our financial statements in accordance with MFRS, which differs in certain respects from U.S. GAAP and generally accepted accounting principles in other countries. In particular, MFRS requires recording the effects of inflation in the financial statements. Thus, the presentation of MFRS financial statements and the calculation of reported earnings may differ from presentations in other countries. If a reconciliation to U.S. GAAP were prepared, it could result in significant quantitative differences between the amounts presented under MFRS and the amounts presented under U.S. GAAP.

RISK FACTORS RELATING TO ECONOMIES IN WHICH WE PARTICIPATE

Economic developments in the United States, Mexico, Europe and the rest of Latin America affect our business.

Economic conditions in the United States, Mexico, Europe and the rest of Latin America may negatively affect our financial condition and results of operations. The global economy has recently experienced a crisis during which the United States and other countries around the world experienced deteriorating economic conditions. Global consumer confidence eroded amidst concerns over declining asset values, inflation, energy costs, geopolitical issues, the availability and cost of credit, rising unemployment, and the stability and solvency of financial institutions, financial markets, businesses and sovereign nations.

The housing and construction markets in the United States have been seriously affected by the sub-prime mortgage crisis, which has also affected the economy overall. The growth in housing sales and construction financed by credit played a large role in the economy's expansion by lifting other sectors of the economy. Losses on sub-prime mortgages have negatively affected not only the housing and construction markets but other sectors and the availability of credit generally. Increased foreclosures could generate increased inventory on the housing market

which could affect our residential and commercial construction sales. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The global economic slowdown in general, and the U.S. economic slowdown in particular, have had, and may continue to have, a negative impact on the Mexican economy as well as on our business, financial condition, results of operations and prospects. The majority of our manufacturing facilities are located in Mexico. Our consolidated net sales resulting from sales to parties located within Mexico were 44%, 44%, 46% and 39% for each of the years ended December 31, 2007, 2008, 2009 and 2010, respectively. Thus, the current recession in Mexico could affect our operations to the extent that we are unable to reduce our costs and expenses in response to falling demand. These factors could result in a decrease in our sales and revenues.

Even though the economy in Mexico has shown signs of recovery in 2010 according to the Instituto Nacional de Geografía y Estadística (INEGI) figures, with a Gross Domestic Product (GDP) growth of 5.4% in 2010, and 4.6% in the first quarter of 2011, some of our markets are still experiencing contraction and excess capacity. In Mexico for 2011 the government annual growth rate estimate is 3.8%.

In the United States, according to the figures of the Bureau of Economic Analysis, the Real GDP growth for the year 2010 was 2.9% and 1.9% in the first quarter of 2011. Residential fixed investment has been negative for the last four years although with an erratic trend: double-digit decreases in 2008 and 2009 and single-digit reductions in 2010 and 2011. Non residential fixed investment grew 5.7% in 2010 and 2.0% in the first quarter of 2011. The recovery of our main markets and sectors that are demand drivers for our sales are slower than expected.

In terms of revenues, our sales in Mexico have decreased 31% in the period 2007 to 2010. Our sales in Mexico to third parties were Ps.9,865 million in 2007, Ps.5,772 million in 2008, Ps.8,498 million in 2009 and Ps.6,797 million in 2010.

Future economic declines in or affecting Mexico, the United States or Europe could adversely affect us and our ability to obtain financing.

Foreign currency exchange rate fluctuations may have an adverse effect on our operating income and our total comprehensive financial result.

Our total comprehensive financing result is impacted by changes in the value of the peso relative to the dollar. Foreign currency exchange gains or losses included in our total financing cost result primarily from the impact of changes in the dollar-peso exchange rate on our Mexican subsidiaries' dollar-denominated monetary liabilities (such as dollar-denominated debt and accounts payable arising from imports of raw materials and equipment) and assets (such as dollar-denominated cash, cash equivalents and accounts receivable). Because historically our dollar-denominated liabilities have exceeded our dollar-denominated monetary assets, the devaluation and appreciation of the peso resulted in exchange losses and gains, respectively. The closing exchange rate of 2009, Ps.13.082 per one dollar, compared with the closing exchange rate of 2008, Ps.13.815 per one dollar, showed an appreciation of the peso of 5.3%. This appreciation reflected an exchange gain in our financial statement. As of December 31, 2010 the exchange rate was Ps.12.365 per one dollar, an appreciation of 5.5% compared with the closing exchange rate of Ps.13.082 in December 31, 2009. Accordingly, during the year ended December 31, 2010 the appreciation of the peso relative to the dollar resulted in foreign currency exchange gains. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Impact of Inflation and Exchange Rate Fluctuations an Our Financial Condition and Results of Operations."

Changes in the value of the peso to the dollar also have an effect on our results of operations. In general, a devaluation of the peso results in an increase of our operating margins, and an appreciation of the peso results in a decrease in our operating margins, in each case, when measured in pesos. This is because the aggregate amount of our consolidated net sales denominated in or linked to the dollar exceeds the aggregate amount of our costs of goods sold and our general, administrative and selling expenses denominated in or linked to the dollar.

A substantial portion of the sales generated by our Mexican subsidiaries and U.S. subsidiaries are either denominated in or linked to the dollar. The prices of a significant number of the products we sell in Mexico,

particularly tubing, wire and cable and copper alloys, are linked to the dollar. In addition, substantially all of our export sales are invoiced in dollars and subsequently translated into pesos using the exchange rate in effect at the date of the transaction.

Further, a strong peso relative to the dollar makes the Mexican market more attractive for importers and competitors that might not otherwise sell in the Mexican market. A strong peso relative to the dollar also makes our products with prices denominated in or affected by the value of the dollar less competitive or profitable. With respect to such products, when the peso appreciates we must either increase our prices in 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 appreciation of the peso relative to the dollar in the past.

Moreover, 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 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 or any other government in countries in which we operate will not institute a restrictive currency exchange control policy in the future. Such restrictive foreign currency exchange control policies could prevent or restrict access to dollars and limit our ability to service our dollar-denominated debt.

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

As is the case with respect to securities of issuers from other emerging markets, the market value of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other emerging market countries. Although economic conditions in these countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in any of these other countries may have an adverse effect on the market value of securities of Mexican issuers. In recent years, for example, prices of both Mexican debt securities and Mexican equity securities dropped substantially as a result of developments in Russia, Asia and Brazil.

During recent years, Venezuela, Colombia and certain European Union markets have shown instability related to certain political and economic troubles (e.g., sovereign debt problems in Greece, Spain and Portugal). In the countries in which we operate, we are subject to government protectionist measures, anti-dumping regulation, actions aimed at imposing controls on capital and other such practices that may adversely affect our business.

In addition, the correlation between economic conditions in Mexico and the United States has sharpened as a result of NAFTA and increased economic activity between the two countries. As a result of the slowing economy in the United States and the uncertainty it could have on the general economic conditions in Mexico and the United States, our financial condition and results of operations could be adversely affected. In addition, due to recent developments in the international credit markets, capital availability and cost could be significantly affected and could restrict our ability to obtain financing or refinance our existing indebtedness on favorable terms, if at all.

Political, economic and social events in Mexico could affect Mexican economic and regulatory policy and adversely affect us.

We are incorporated in Mexico and substantially all of our assets and operations are located in Mexico. As a result, we are subject to political, economic, legal and regulatory risks specific to Mexico and may be affected by economic, political or social developments in Mexico, including, among other things, any political or social instability, changes in the rate of economic growth or contraction, changes in the exchange rate between the peso and the dollar, an increase in Mexican inflation or interest rates, changes in Mexican taxation and any amendments to existing Mexican laws and regulations. The Mexican federal government has exercised, and continues to exercise, significant influence over the Mexican economy. Accordingly, Mexican federal governmental actions and policies concerning the economy, state owned enterprises and state controlled, funded or influenced financial institutions could have a significant impact on private sector entities in general and on us in particular, and on

market conditions, prices and returns on Mexican equity securities. We cannot assure you that changes in Mexican federal governmental policies will not adversely affect our business, financial condition and results of operations.

Presidential elections in Mexico occur every six years, with the most recent election occurring in July 2006 and the next election taking place in July 2012. Currently, no single party has succeeded in securing a majority in the senate or the *Cámara de Diputados* (House of Representatives), and the absence of a clear majority by a single party could continue, which may results in government gridlock and political uncertainty due to the Mexican congress's potential inability to reach consensus on the structural reforms required to modernize certain sectors of and foster growth in the Mexican economy. We cannot provide any assurance that the current political situation or any future political developments in Mexico will not have a material adverse effect on our results of operations and financial condition.

Security issues and social instability in Mexico could adversely affect us.

High incidences of crime throughout Mexico, including kidnappings and drug trafficking, could have an adverse effect on our business as foreign investors may be less likely to invest in Mexico, which could negatively impact our domestic economy. Social instability in Mexico or adverse social or political developments in or affecting Mexico could adversely affect us and our ability to obtain financing. The possibility of having similar or other incidents in the future could adversely affect our business and operations.

We face risks related to health epidemics and other outbreaks.

In April 2009, an outbreak of A H1N1 virus occurred in Mexico and the United States, followed by cases in Asia and Europe. A future occurrence of A H1N1 virus or other adverse public health developments in Mexico, or in the countries where we operate, may have a material adverse effect on our business operations. Our operations may be impacted by a number of health-related factors, including, among other things, quarantines or closures of our facilities that could disrupt our operations, and a general slowdown in the Mexican economy. Any of the foregoing events or other unforeseen consequences of public health problems could adversely affect our business and results of operations.

Our operations may be adversely affected by earthquakes, hurricanes or some other natural disaster that could have an effect on our service to clients.

Our operations may be impacted in the future by a number of natural disasters or their consequences, including, among other things, flood, damage to roads, highways and/or bridges, and interruption of water, electricity and natural gas supply, which could disrupt our operations and impact our service to our clients.

USE OF PROCEEDS

We will not realize any proceeds from the exchange offer.

PRO FORMA CAPITALIZATION

The following table sets forth, as of March 31, 2011, the cash and cash equivalents and total capitalization on a consolidated basis for the Company and its consolidated subsidiaries. The capitalization data in the following table has been adjusted to give effect to the Restructuring. Except as set forth herein, there has been no material change in our capitalization since March 31, 2011.

	As of March 31, 2011			
	Actual	As Adjusted	Actual	As Adjusted
	(millions of constant pesos)		(millions of dollars)[1]	
Cash and Cash Equivalents	Ps. 153.1	Ps. 153.1	$ 12.9	$ 12.9
Short-Term Debt (Including Current Portion of Long-Term Debt):				
U.S. Subsidiary Debt	Ps. 1,656.1	Ps. 1,656.1	$ 139.3	$ 139.3
Other Non-Guarantor Subsidiary Debt	0.0	0.0	0.0	0.0
Secured Guarantor Debt	365.0	347.6	30.7	29.2
Unsecured Guarantor Debt[2]	5,315.5	0.0	447.0	0.0
Total Short-Term Debt	7,336.6	2,003.7	617.0	168.5
Long-Term Debt:				
U.S. Subsidiary Debt	9.3	9.3	0.8	0.8
Other Non-Guarantor Subsidiary Debt	0.0	0.0	0.0	0.0
Series A Notes	0.0	2,728.2	0.0	229.4
Series B Notes	0.0	2,257.6	0.0	189.9
Other Secured Guarantor Debt	229.9	226.7	19.3	19.1
Unsecured Guarantor Debt	0.0	0.0	0.0	0.0
Total Long-Term Debt	239.2	5,221.8	20.1	439.2
Total Short-Term and Long-Term Debt	7,575.8	7,225.4	637.1	607.7
Stockholders' Equity				
Majority Stockholders' Equity	1,192.9	1,490.2	100.3	125.3
Minority Stockholders' Equity	156.7	156.7	13.2	13.2
Total Stockholders' Equity	1,349.7	1,646.9	113.5	138.5
Total Capitalization[3]	Ps. 8,925.5	Ps. 8,872.4	$ 750.6	$ 746.2

(1) For the convenience of the reader only, the amounts presented in dollars are translations from their respective peso amounts using an exchange rate of Ps.11.8903 to U.S.$1.00, which was the Banco de Mexico exchange rate on March 31, 2011. These translations should not be understood to mean that the peso amounts actually represent such dollar amounts or that they could have been or could be converted into dollars at the rate indicated or at any other rate.

(2) Includes Ps.2,647 million (U.S.$222.5 million) of: (i) Copper debt (U.S.$146 million), (ii) Accrued interest as of March 31, 2011 for: 2006 bond issue (U.S.$49.9 million), Commercial Paper (U.S.$5.5 million) and Copper Debt (U.S.$21.1 million).

(2) Includes short-term debt, long-term debt and total stockholders' equity.

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set forth selected financial information and other data for the Company and its consolidated subsidiaries for the periods indicated and are qualified by reference to, and should be read in conjunction with, the consolidated financial statements, including the notes thereto, included elsewhere in this Information Memorandum.

We have derived the balance sheet data and the statement of operations data set forth below (i) as of December 31, 2009 and 2010 and for the years ended December 31, 2008, 2009 and 2010, from our audited consolidated financial statements, which are presented elsewhere in this Information Memorandum and which you should read in conjunction with such selected consolidated financial information and (ii) as of March 31, 2011 and for the three months ended March 31, 2011 and March 31, 2010 from the unaudited consolidated financial statements included elsewhere in this Information Memorandum. Information presented below with respect to the Guarantor Group, other than EBITDA, has been derived from the consolidating condensed financial information included in the footnotes to the audited and unaudited consolidated financial statements included elsewhere in this Information Memorandum. Information presented below with respect to the Credit Group and the U.S. Subsidiaries is derived from financial information not included in the consolidated financial statements included elsewhere in this Information Memorandum.

The consolidated financial statements have been prepared in accordance with MFRS, which differs in certain respects from U.S. GAAP. See "Risk Factors—Risk Factors Relating to Our Business—We prepare our financial statements under MFRS, which is different from U.S. GAAP."

The dollar translations provided in this Information Memorandum are, unless otherwise indicated, calculated solely for the convenience of the reader using an exchange rate of Ps.12.365 per dollar, the exchange rate on December 31, 2010 reported by the Banco de Mexico. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates."

Selected Financial and Other Information

	For the Year Ended December 31,				For the Three Months Ended March 31,		
	2008	2009	2010	2010	2010	2011	2011
	(millions of constant pesos)			(millions of dollars)[1]	(millions of constant pesos)		(millions of dollars)[2]
Consolidated Statement of Operations Data							
Revenues	Ps. 23,361.5	Ps. 17,744.6	Ps. 17,643.2	$ 1,426.9	Ps. 4,188.2	Ps. 4,232.2	$ 355.9
Cost of sales	21,546.0	15,756.6	15,601.9	1,261.8	3,803.7	3,748.9	315.3
Selling and Administrative Expenses	1,950.9	1,803.9	1,802.3	145.8	413.0	380.3	32.0
Income from Operations	(135.4)	184.1	239.0	19.3	(28.5)	102.9	8.7
Total Net Comprehensive Financial Cost:							
Interest Expense	525.3	598.0	716.7	58.0	161.6	166.5	14.0
Interest Income	(101.7)	(80.3)	(49.9)	(4.0)	(11.0)	(12.7)	(1.1)
Net Interest Expense	423.6	517.7	666.8	54.0	150.6	153.8	12.9
Exchange Loss (Gain) – Net	666.6	41.3	(29.7)	(2.4)	(11.6)	(38.3)	(3.2)
Monetary Position (Gain)	(3.3)	(6.2)	0.0	0.0	0.0	0.0	0.0
Other Financing Costs	32.4	90.7	50.9	4.1	18.7	11.6	1.0
Total Net Comprehensive Financial Cost	1,119.3	643.5	688.0	55.7	157.7	127.2	10.7
Other Expense, Net	222.1	362.3	285.4	23.1	86.3	26.7	2.2
Income Tax and Statutory Profit Sharing	44.7	(209.1)	27.4	2.2	73.5	14.8	1.2
Equity in Income (Loss) of Associated Companies	(7.3)	0.2	1.3	0.1	0.5	0.0	0.0
Net Income (Loss)	(1,528.7)	(612.4)	(760.5)	(61.6)	(345.6)	(65.7)	(5.5)
Net Income (Loss) of Minority Stockholders	38.0	14.7	12.4	1.0	3.2	3.4	0.3
Net Income (Loss) of Majority Stockholders	(1,566.8)	(627.1)	(773.0)	(62.5)	(348.9)	(69.2)	(5.8)
Other Consolidated Financial Data:							
Consolidated Depreciation and Amortization	493.2	796.3	614.3	49.7	129.1	148.1	12.5
Consolidated Capital Expenditures	1,044.4	163.1	109.8	8.9	29.0	9.8	0.8
Consolidated Debt	5,673.5	4,881.8	4,783.2	386.8	5,134.1	4,924.7	414.2
Consolidated Total Interest Expense	525.3	598.0	716.7	58.0	161.6	166.5	14.0
Consolidated Balance Sheet Data:							
Cash and Temporary Investments[3]	Ps. 354.3	Ps. 361.2	Ps. 362.7	$ 29.3	Ps. 299.6	Ps. 153.1	$ 12.9
Current Assets	5,460.9	5,340.8	5,863.7	474.2	5,577.4	5,489.0	461.6
Cash Liabilities	6,639.1	8,671.2	8,720.3	705.2	8,884.5	8,779.9	738.4
Working Capital[4]	(1,178.2)	(3,330.4)	(2,856.6)	(231.0)	(3,307.1)	(3,291.0)	(276.8)
Property, Plant and Equipment– Net	6,540.4	5,436.5	4,604.5	372.4	5,036.8	4,297.1	361.4
Total Assets	13,241.8	11,568.8	10,730.8	867.8	11,432.0	10,569.4	888.9
Total Debt[5]	5,673.5	4,881.8	4,783.2	386.8	5,134.1	4,924.7	414.2
Total Liabilities	10,443.6	9,340.0	9,183.2	742.7	9,637.1	9,219.7	775.4
Total Stockholders' Equity	2,798.2	2,228.8	1,547.6	125.1	1,795.0	1,349.7	113.5
Credit Group Total Assets	13,069.0	11,325.7	10,603.8	857.6	10,923.7	10,440.5	878.1
Credit Group Total Liabilities	10,355.3	9,193.4	9,163.2	741.1	9,228.9	9,198.8	773.6
Guarantor Group Total Assets	10,358.3	9,519.1	8,681.1	702.1	8,916.1	8,333.8	700.9
Guarantor Group Total Liabilities	7,689.8	7,442.8	7,287.0	589.3	7,273.0	7,140.9	600.6

(1) Translated into dollars, solely for the convenience of the reader, using an exchange rate of Ps.12.365 per dollar, the Banco de Mexico exchange rate on December 31, 2010. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates."

(2) Translated into dollars, solely for the convenience of the reader, using an exchange rate of Ps.11.8903 per dollar, the Banco de Mexico exchange rate on March 31, 2011. These translations should not be construed as a representation that peso amounts actually represent such dollar amounts or that such peso amounts could have been or could be converted into dollars at the indicated rate or at any rate. See "Exchange Rates."

(3) Includes restricted cash.

(4) Net working capital for any period means total current assets less total current liabilities.

(5) The term "Total Debt" for any period means the sum of short-term debt and long-term debt. The term "short-term debt" for any period means notes payable to financial institutions plus the current portion of long-term debt. The term "long-term debt" excludes the current portion of long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to help you understand and assess the significant changes and trends in the historical results of our operations and financial condition and factors affecting our financial resources. You should read this section in conjunction with the consolidated financial statements, including the notes to those consolidated financial statements, which are included elsewhere in this Information Memorandum. The consolidated financial statements have been prepared in accordance with MFRS, which is different in certain respects from U.S. GAAP. See "Risk Factors—Risk Factors Relating to Our Business—We prepare our financial statements under MFRS, which is different from U.S. GAAP." The following discussion 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 those set forth in "Cautionary Statements Regarding Forward-Looking Statements" and "Risk Factors."

Introduction

We were formed in 1939 and are one of Mexico's largest diversified industrial groups. We manufacture a wide range of copper-based and electrical products for the housing and electrical power sectors in the United States, Mexico, Europe and the rest of Latin America. We offer a broad range of products to over 9,000 customers. We believe we are a market leader in our major product lines in Mexico and the United States. In the year ended December 31, 2010, approximately 63.4% of our revenues were from sales to customers outside of Mexico, principally in the United States, and 36.6% were from sales to customers in Mexico.

Basis of Preparation of Financial Statements

We maintain our financial records in Mexican pesos. Pursuant to Bulletin B-10, "Recognition of the Effects of Inflation on Financial Information," Bulletin B-12, "Statement of Changes in Financial Position," and Bulletin B-15, "Foreign Currency Transactions and Translation of Financial Statements of Foreign Operations," of MFRS, our financial statements are reported in period-end Mexican pesos to adjust for the inter-period effects of inflation. The presentation of financial information in period-end, or constant, currency units is intended to eliminate the distorting effect of inflation on the financial statements and to permit comparisons across comparable periods in comparable monetary units. We restate non-monetary assets, non-monetary liabilities and the components of stockholders' equity using a factor that incorporates the effects of inflation in Mexico for our Mexican operations using the NCPI and inflation and currency exchange rate fluctuations in countries in which we have foreign subsidiaries. Financial data for all periods included in this Information Memorandum have been restated in constant pesos (having the same purchasing power for each period indicated taking into account inflation) as of December 31, 2010.

In reporting under MFRS and in accordance with Bulletin B-10, we are required to quantify all financial effects of operating and financing the business under inflationary conditions. For presentation purposes, "net comprehensive financing cost" refers to combined financial effects of:

- interest expense,
- interest income,
- net exchange gains or losses,
- net gains or losses on monetary position, and
- discount granted to clients for advance payments and commissions paid to banks.

Net exchange gains or losses reflect the impact of changes in foreign exchange rates on monetary assets and liabilities denominated in currencies other than Mexican pesos. A foreign exchange loss arises if a liability is

denominated in a foreign currency which appreciates relative to the Mexican peso to reflect an increase in the amount of Mexican pesos which must be exchanged to repay the foreign currency liability. The gain or loss on monetary position represents the effects of inflation on our net monetary assets or liabilities. For example, a gain on monetary position results from having a net monetary liability position in Mexican pesos during periods of inflation.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with MFRS. As such, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions. Our significant accounting policies are described in Note 3 to our consolidated financial statements. On an on-going basis, we evaluate our estimates and judgments, and we believe our most critical accounting policies that imply the application of estimates and/or judgments 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 assure you 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.

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.

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 of MFRS 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 an 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. 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 do not believe that continued compliance with these environmental laws will have an 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 is 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.

Income Taxes

We recognized deferred tax assets and liabilities based on the differences between the financial statements carrying amounts and the tax bases of assets and liabilities. We regularly review our deferred tax assets for recoverability and establish a valuation allowance based on historical taxable income, projected future taxable income and the expected timing of the reversals of existing temporary differences. If these estimates and related assumptions change in the future, we may be required to record additional valuation allowances against deferred tax assets resulting in additional income tax expense.

Impact of Inflation and Exchange Rate Fluctuations on Our Financial Condition and Results of Operations

The devaluation or appreciation of the peso and any resulting inflation or changes in general economic conditions have had, and may have, an impact on our financial condition and results of operations, primarily as a result of the following factors:

- The real depreciation of the peso will, in general, result in lower operating margins while the real appreciation of the peso will result in higher operating margins. In 2010, the peso appreciated 5.5% against the U.S. dollar in real terms. In 2010, approximately 62.8% of our consolidated net sales were denominated in U.S. dollars, and approximately 80% of our total consolidated costs were denominated in U.S. dollars.

- Peso devaluations and any resulting inflation cause a significant decrease in the purchasing power of Mexican consumers, resulting in a decrease in the demand for our products in Mexico. However, peso devaluations have the effect of making our exports more competitive and may increase the demand for our products in foreign markets, mitigating the impact of lower domestic demand.

- Due to competitive market conditions and the overall state of the Mexican economy we are not always able to increase our prices in line with any significant inflation in the economy.

- Significant inflation may lead to an upward restatement of our assets and result in an increase in depreciation and amortization expense, which has an adverse impact on our earnings.

- Following this exchange offer, substantially all of our indebtedness will be denominated in dollars. In the event of a peso devaluation, the Mexican peso-carrying amount of such debt increases to reflect the additional Mexican pesos required to service such liabilities.

- The devaluation of the Mexican peso may result in a non-cash foreign exchange loss which has an adverse impact on our earnings. Conversely, the appreciation of the Mexican peso may result in a non-cash exchange gain which will favorably impact our earnings.

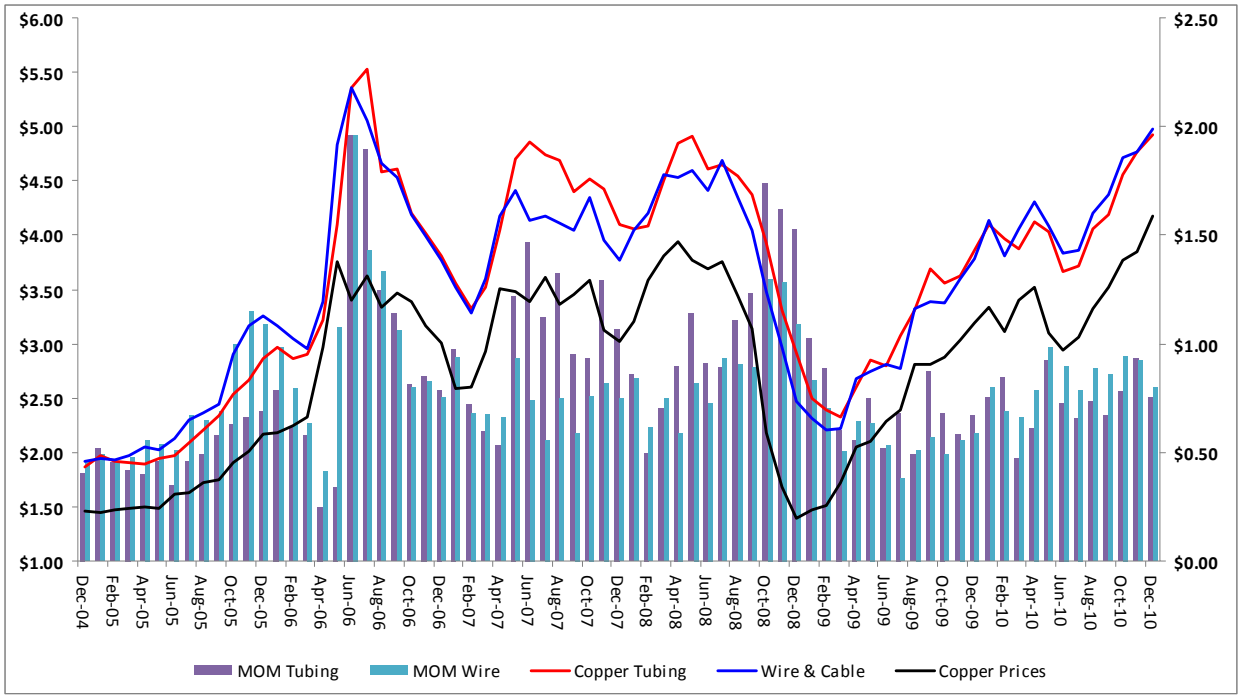
Margin over Metal

The revenues and operating margins of our copper businesses are significantly influenced by world market prices for copper, and may be adversely affected when unexpected fluctuations in copper prices occur. Copper raw material purchases accounted for approximately 81% of our costs of goods sold in the year ended December 31, 2010. A common measure of financial performance in the copper tubing, wire and alloys industries is the MOM on sales of copper products. The MOM for any given period represents the difference between the average price per pound of the product sold and the average COMEX price per pound over such period. We calculate our MOM based upon the weighted average for our consolidated sales. Although the MOM is generally related to the margins of our copper product businesses, the MOM may not always be reflected in our margins, which will also vary based upon market conditions and the actual cost of the inventory we sell in the period. In the case of an unexpected price increase, we may be unable to pass the increase on to our customers, and in the case of an unexpected price decrease, our sales may decline as our customers seek to reduce higher cost inventories and their exposure to further copper price declines. To the extent we are unable to pass along price increases to our customers or experience delays in doing so, our MOM will be negatively affected.

Our MOM increased approximately 27% from U.S.$0.64 per pound in December 2009 to U.S.$0.81 per pound in December 2010, while average COMEX copper prices increased approximately 31% from U.S.$3.1877 dollars per pound in December 2009 to U.S.$4.1697 per pound in December 2010. See "Risk Factors—Risk Factors Relating to Our Business—If copper prices increase further or the supply of copper decreases, we could have difficulty purchasing sufficient raw materials to meet our production requirements or be subject to substantial increases in raw material costs."

The MOM reflects the supply and demand conditions prevailing in the market for copper-related products such as copper tubing or copper wire and cable. In the past, despite rising copper prices, producers of copper-related products have increased the availability of such products in the marketplace, resulting in decreases in the price and MOM for those products. These market conditions impact our ability to pass copper prices on to our clients and increase our MOM. Recently, however, the supply for copper-related products has remained stable due to consolidation in the industry as a result of higher copper prices which adversely impacted smaller producers. Meanwhile, demand has continued to grow driven by the construction industry. This has resulted in an increase in the prices and MOM that we have been able to charge for these products.

The following chart illustrates our historical MOM represented by the difference between the average price of our copper tubing and wire and cable products and the average monthly COMEX price of copper from December 2004 to December 2010:



Revenues

Our revenues consist principally of sales of copper-based products and electrical products. Sales of copper-based products represented 77.1% of our revenues in 2009 and sales of electrical products represented the remaining 22.9%. In 2009, we derived 52.1% of our revenues from sales to customers outside Mexico, predominantly in the United States, and 47.9% from sales to customers in Mexico. Approximately 35.6% of our 2009 revenues were from products manufactured in the United States, 63.8% were from products manufactured in Mexico and 0.6% were from products manufactured in Venezuela. Our sales are primarily to customers engaged in commercial and residential construction, and renovation and development of electrical power generation, transmission and distribution facilities.

Components of Certain Expense Items

Selling and Administrative Expenses

Selling and administrative expenses consist primarily of distribution costs, marketing and advertising expenses, commissions and benefits for sales personnel, administrative expenses, rental payments and travel expenses.

Net Comprehensive Financing Cost

Net comprehensive financing cost is comprised of the interest expense we pay on our debt and certain accounts payable, interest income we receive on our cash balances, exchange gains and losses, monetary position gains and losses, discount granted to our clients for advance payments and commissions paid to banks.

Taxes and Statutory Employee Profit Sharing

We calculate our taxes on a consolidated basis. In accordance with Mexican tax law, we are subject to income tax Impuesto Sobre la Renta ("ISR") and Impuesto Empresarial a Tasa Unica ("IETU"). ISR is computed taking into consideration the taxable and deductible effects of inflation, such as depreciation calculated on restated asset values.

The Company and its Mexican subsidiaries file ISR and IETU tax returns on an individual entity basis and the related tax results are combined in the consolidated financial statements.

Our Mexican businesses are required under Mexican law to pay a statutory employee profit sharing of 10% of their net income for employee statutory profit sharing purposes, as defined under Mexican tax law. We also recognize deferred statutory employee profit-sharing that is derived from temporary differences between the accounting result and income for statutory employee profit sharing purposes and is recognized only when it can be reasonably assumed that they will generate a liability or benefit, and there is no indication that this situation will change in such a way that the liabilities will not be paid or benefits will not be realized. The effects of inflation do not affect the determination of deferred statutory employee profit sharing because they qualify as permanent differences.

On October 1, 2007, the IETU Law was published in the Federal Gazette, to be applied as a new income tax beginning January 1, 2008, to the sale of goods, the provision of independent services and the granting of temporary use of goods, less certain authorized deductions. Payable IETU is calculated by subtracting certain tax credits from the tax determined.

Revenues, as well as deductions and certain tax credits, are determined based on cash flows generated beginning January 1, 2008. The IETU rate in 2010 and 2011 is 17.5%.

Consolidated Results of Operations

For figures given as of March 31, 2011 and for the quarter ended March 31, 2011, the exchange rate used for conversion from Pesos to USD is 11.8903, the rate published by Banco de Mexico, the country's central bank on March 31, 2011.

Three Months Ended March 31, 2011 Compared to Three Months Ended March 31, 2010

The following table summarizes our results of operations for the first three months of 2011 and 2010:

	(Figures in Millions of Pesos)	
	For the three months ended March 31,	
	2010	**2011**
Revenues	4,188.2	4,232.2
Cost of Sales	3,803.7	3,748.9
Selling and Administrative Expenses	413.0	380.3
Operating Income	-28.5	103.0
Other Expenses - Net	86.3	26.7
Comprehensive Financing Result	157.8	127.2
Taxes and Statutory Employee Profit Sharing	73.5	14.8
Equity in Income (Loss) of Associated Companies	0.5	0.0
Consolidated Net Income (Loss)	-345.6	-65.7
EBITDA 1/	100.7	251.1
D&A	129.2	148.1

(1) EBITDA for any period is defined as consolidated net income (loss) excluding i) depreciation and amortization, ii) total net comprehensive financing result (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other Financing costs), iii) other expenses net, iv) income tax and statutory employee profit sharing and v) equity in income (loss) of associated companies. EBITDA should

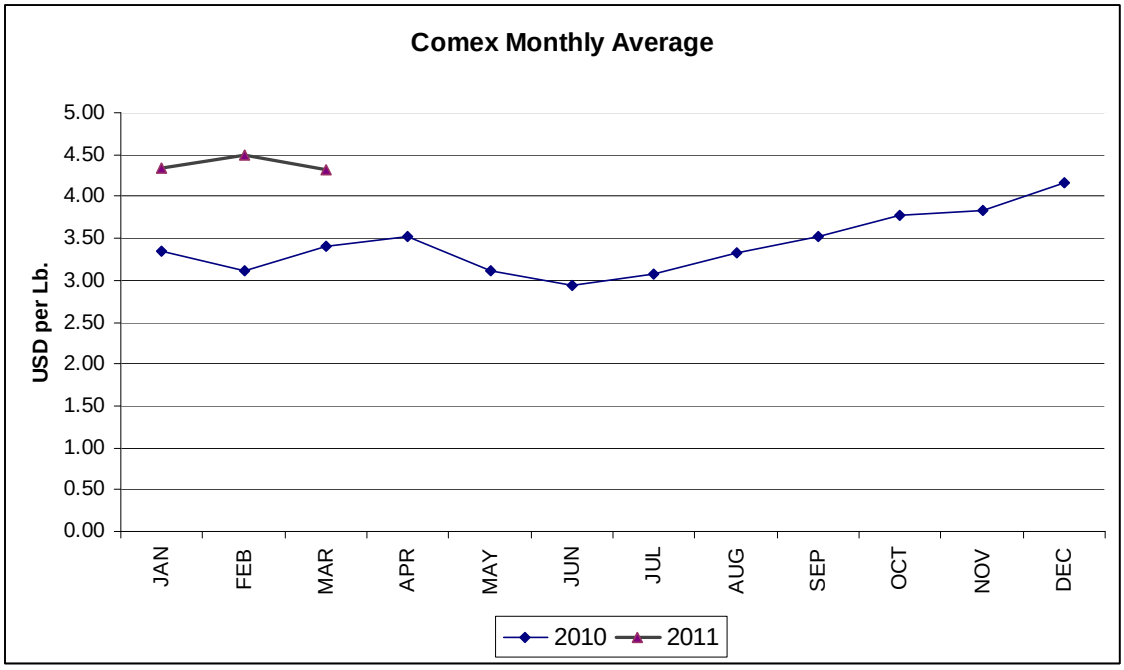
not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with MFRS, or as an indicator of operating performance or to cash flows from operating activity as a measure of liquidity. EBITDA is not a recognized term under MFRS or U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activity as a measure of liquidity.

Our consolidated net loss in the first three months of 2011 was Ps.65.7 million (or U.S.$5.5 million) that is 1.6% of total revenues, compared to a net loss of Ps. 345.6 million in the same period of 2010, due basically to the positive Operating Income and lower Other Expenses Net (those not related to operations), Taxes and Comprehensive Financing Result.

Revenues

Our net revenues for the first three months of 2011 increased 1% to Ps.4,232.2 million from Ps.4,188.2 million in the same period of 2010. This increase was the combination of the lower volume sales and the increase in the price of copper.

Our costs and revenues follow very closely copper prices since the market practice is to pass on to the buyer changes in raw material price. As can be seen in the next graph, prices of copper during January-March 2011 were above the corresponding months in 2010.



Our sales are primarily to customers engaged in the commercial, industrial and residential construction, and their corresponding maintenance and renovation activities. We also sell to customers engaged in electrical power generation, transmission and distribution facilities, and to the sector of gas, water and air conduction in the HVACR.

Our revenues consist mainly of sales of copper-based products (tubing, wire & cable, alloys) and electrical products. Sales of copper-based products represented 86.3% of revenues in the first three months of 2011 and sales of electrical products, valves and controls and other diversified products represented the remaining 13.7%.

By country of production, approximately 70% of our revenues in the first three months of 2011 came from products manufactured in the United States and 30% from products manufactured in Mexico.

In terms of sales by region during the first three months of 2011 we derived approximately 67.2% from sales to customers in the United States, 32.2% from customers in Mexico and 0.6% from the rest of the world (ROW).

In terms of volume, consolidated sales of copper products in the first three months of 2011 showed a 15% decrease versus the same period of 2010:

Copper Products Volume Sales 2/	For the three months March 31,		
(Metric tons)	2010	2011	Change %
USA	22,065	20,370	-8%
México	7,635	6,419	-16%
ROW	1,884	191	-90%
Total	31,584	26,979	-15%

2/ Includes aluminum wire and cable

Cost of sales

Our cost of sales in the first three months of 2011 decreased by 1% to Ps.3,748.9 million from Ps.3,803.7 million in the same period of 2010. As percentage of revenues, cost of sales decreased to 89% in the first three months of 2011 from 91% in the first three months of 2010.

Copper raw material purchases accounted for approximately 78% of our cost of goods sold in the first three months of 2011.

The Company continues to reduce its cost base through several initiatives, including plant scheduling, raw material handling, and overall manufacturing overhead costs. According to MFRS and to our accounting policies, the Company makes an inventory valuation at month end an if original purchase price of metal is above current market prices, the difference is accounted for as cost. Hence in a declining price environment the Company records an immediate non cash effect on results, depending on inventories held and copper price variations. On the contrary if copper prices are rising, there is no mark up or positive inventory effect, since the gain will only be recorded when goods are sold.

Gross Profit

Our gross profit in the first three months of 2011 increased 26% to Ps. 483.3 million from Ps.384.5 million in the same period of 2010, mainly due to higher copper prices and lower volume sales. As percentage of sales, gross profit increased to 11% from 9% in the corresponding periods.

Selling and Administrative Expenses

Our selling and administrative expenses in the first three months of 2011 decreased 8% versus the same period of 2010 and amounted to Ps.380.3 million.

Operating Income

Our operating income in the first three months of 2011 was Ps.103.0 million compared to and operating loss of Ps.-28.5 million in the first three months of 2010, a five times reduction. This was the result of the decrease in cost of sales and SG&A. As percentage of total revenue, operating income was increased to 2% from -1% in the corresponding periods.

EBITDA

In the first three months of 2011 EBITDA was Ps.251.1 (or U.S.$21.1 million), a 2 times increase versus the Ps.100.7 in the same period of 2010. The corresponding depreciation and amortization figures are Ps.148.1 million for January to March 2011 and Ps.129.2 million for January to March 2010.

Comprehensive Financing Result

The following table shows our comprehensive financing result for the three months ended March 31, 2010 and 2011:

	(Figures in Millions of Pesos) For the three months March 31,	
	2010	**2011**
Interest Expense	161.6	166.5
Interest Income	-11.0	-12.7
Exchange (Gain) Loss - Net	-11.5	-38.2
Monetary Position Gain	0.0	0.0
Other Financing Costs	18.7	11.6
Comprehensive Financing Result	157.8	127.2

Our comprehensive financing result decreased 19% in the first three months of 2011 to Ps.127.2 million from U.S.$157.8 million in the same period of 2010. This was explained mainly by the combined effect of higher Exchange gain and lower Other financing costs.

Taxes and Statutory Employee Profit Sharing

The provision for income taxes and statutory employee profit sharing in the first three months of 2011 was a cost of Ps.14.8 million compared to a cost of Ps.73.5 in the same period of 2010, due to the effect of past years losses carryovers and the difference in income tax rates in the U.S. and Mexico mainly.

Consolidated Net Income (Loss)

Our consolidated net loss in the first three months of 2011 was Ps.65.7 (or U.S.$5.5 million), compared to Ps.345.6 million in the same period of 2010, mainly the result of positive operating income and lower amounts in Other Expenses Net, Taxes, and Comprehensive Financing Result.

Summary of Business Segment Results

The following summary of Business segment results is based on the segment data included in our unaudited consolidated financial statements for different legal entities, and prepared to conform to past operations reports of the Company. Hence we classified our operations into the following seven business segments: (i) Copper tubing; (ii) Wire and cable; (iii) Watt-hour meters; (iv) Copper alloys; (v) Electrical products; (vi) Valves and controls; and (vii) Diversified assets.

Revenues by Business Segment 3/	(Figures in Millions of Pesos) For the three months March 31,	
Segment	**2010**	**2011**
Copper Tubing	1,555.5	1,528.6
Wire and Cable	1,611.2	1,592.9
Watt-hour Meters	27.6	5.2
Copper Alloys	421.1	531.2
Electrical Products	260.7	256.4
Valves and Controls	195.8	194.2
Diversified Assets	116.3	123.7
TOTAL	4,188.2	4,232.2

3/ Excluding intercompany transactions

EBITDA by Business Segment	(Figures in million of pesos)	
	For the three months ended March 31,	
Segment	**2010**	**2011**
Copper Tubing	13.7	100.5
Wire and Cable	54.2	97.9
Watt-hour Meters	-47.3	-50.7
Copper Alloys	7.3	32.4
Electrical Products	35.5	33.2
Valves and Controls	35.7	25.4
Diversified Assets	1.6	12.4
TOTAL	100.7	251.1

Volume Sales	(Figures in Metric Tons)	
	For the three months March 31,	
Segment	**2010**	**2011**
Copper Tubing	13,980	10,286
Wire and Cable 4/	14,002	12,744
Watt-hour Meters '000 units	37	0
Copper Alloys	3,602	3,950
Electrical Products '000 units	7,405	7,380
Valves and Controls '000 units	5,449	4,734
Average Comex Copper Price (Dls. per Lbs)	3.2841	4.3852

4/ Includes aluminum W&C

Liquidity and Capital Resources

Liquidity

As of March 31, 2011, we had cash and cash equivalents for Ps.153.1 million (or U.S.$12.9 million). Our policy is to invest available cash in short-term instruments issued by Mexican and U.S. banks as well as in securities issued by the governments of Mexico and the U.S. Our combined financial results show a positive cash position over the past three years.

Our cash flow from operations and operating margins are significantly influenced by world market prices for raw copper, as quoted by COMEX and the London Metal Exchange (LME). Copper prices are subject to significant market fluctuations: average copper prices increased 34% in the first three months of 2011 to U.S.$4.3852 per pound from U.S.$3.2841 in the same period of 2010.

We obtain short-term financing from various sources, including Mexican and international banks. Short-term financing consists in part of lines of credit denominated in pesos and dollars. As of March 31, 2011, our outstanding short-term debt, including the current portion of long-term debt totaled Ps.4,852.6 million (U.S.$408.1 million), of which approximately 88% was dollar-denominated. On the same date, our outstanding consolidated long-term debt, excluding current portion thereof, totaled Ps.72.1 million (U.S.$6.1 million), approximately 16% of which was dollar-denominated.

Accounts receivable from third parties increased 7% to Ps.2,820.6 million (U.S.$237.2 million) as of March 31, 2011 from Ps.2,630.5 million as of December 31, 2010. Days outstanding in the domestic private customers channel were 37 as of March 31, 2011 and 40 days as of December 31, 2010. The Company did not change credit terms to reduce days outstanding, the lower days were the result of sales mix and better collection efforts.

Another item that affected cash generated from working capital was inventories of raw material, work-in-process and finished goods, that increased 7% to Ps.2,411.8 million (U.S.$202.8 million) as of march 31, 2011 from Ps.2,251.3 million as of December 31, 2010.

Debt Obligations

The following table summarizes the Company's debt as of December 31, 2010 and March 31, 2011:

Figures in MXP

	Dec 2010	March 2011
U.S. Subsidiaries debt	1,330.5	1,665.4
Mexico debt	3,452.7	3,259.3
Total	4,783.2	4,924.7

Banking debt increased by Ps.141.5 million (U.S.$11.9 million) as of March 31, 2011 versus December 2010, that is 3% in peso terms.

Capital Expenditures

For the first three months ended March 31, 2011, we invested Ps.9.8 million (U.S.$0.8 million) in capital expenditure projects, mainly maintenance. That is 66% less than the previous similar period.

In the first three months of 2011 our capital expenditures were allocated by segments as follows: 36% to copper tubing, 16% to wire and cable, 13% to valves and controls, 5% to electrical products and the remaining 30% to other divisions. By geographic region 62% of total Capex was invested in our Mexican facilities and the remaining 38% in the U.S.

You should read this document in conjunction with the unaudited consolidated financial statements as of March 31, 2011.

Consolidated Results of Operations

The following discussion is based on our consolidated results of operations and financial condition and generally does not present or distinguish between our consolidated results of operations or financial condition of the Company and its Restricted Subsidiaries, on the one hand, and its Unrestricted Subsidiaries, on the other hand.

The following table summarizes our results of operations for 2008, 2009 and 2010.

	For the Year Ended December 31,		
	2008	2009	2010
	(millions of constant pesos)		
Revenues	Ps. 23,361.5	Ps. 17,744.6	Ps. 17,643.2
Cost of Sales	21,546.0	15,756.6	15,601.9
Selling and Administrative Expenses	1,950.9	1,803.9	1,802.3
Operating Income (Loss)	(135.4)	184.1	239.0
Net Comprehensive Financing Cost	1,119.3	643.5	688.0
Other Expenses – Net	222.1	362.3	285.4
Taxes and Statutory Employee Profit Sharing	44.7	(209.1)	27.4
Equity in Income (Loss) of Associated companies	(7.3)	0.2	1.3
Consolidated Net Income (Loss)	(1,528.8)	(612.4)	(760.5)
EBITDA	Ps. 357.8	Ps. 980.4	Ps. 853.2

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

Revenues

Our net revenues in 2010 decreased by 0.6% to Ps.17,643.2 million from Ps.17,744.6 million in 2009. This decrease was primarily driven by lower sales volume, partially offset by higher copper prices we charged for our copper tubing, copper wiring and cable and copper alloy products in 2010 as compared to 2009. In 2010, sales volume of copper products in Mexico and the United States decreased to 21,895 and 90,867 tons, respectively, which represents a decrease of 33.1% and 8.6%, respectively, from 2009. In Europe, Central America and South America, sales volume of copper products decreased to 6,236 tons, representing a 40% decrease compared to 2009. These decreases were primarily the result of a reduction in the demand for our products resulting from the increases in the prices we charged due to the increase in the price of copper, and the closing of some of our sales subsidiaries in Europe and South America.

Cost of Sales

Our cost of sales in 2010 decreased by 1.0% to Ps.15,601.9 million from Ps.15,756.6 million in 2009. This decrease was due to lower production level. The cost of sales of copper in 2010 represented 81% of the total cost of sales in 2010.

Gross Profit

Our gross profit in 2010 increased by 2.7% to Ps.2,041.3 million from Ps.1,988.0 million in 2009. As a percentage of revenues, gross profit for 2010 was unchanged from 2009.

Selling and Administrative Expenses

Our selling and administrative expenses in 2010 decreased slightly to Ps.1,802.3 million from Ps.1,803.9 million in 2009, primarily due to lower operations level in 2010. As a percentage of revenues, selling and administrative expenses in 2010 was unchanged from 2009.

Operating Income

Our operating income in 2010 increased 29.8% to Ps.239.0 million from Ps.184.1 million in 2009 due primarily to lower cost of sales and lower selling, general and administrative expenses. As a percentage of revenues, operating income in 2010 remained unchanged from 2009.

Net Comprehensive Financing Cost

The following table sets forth our net comprehensive financing cost for the year ended December 31, 2009 and 2010:

	For the Year Ended December 31,	
	2009	2010
	(millions of constant pesos)	
Interest expense	Ps. 598.0	Ps. 716.7
Interest income	(80.3)	(49.9)
Exchange (gain) loss — net	41.3	(29.7)
Monetary position gain	(6.2)	0.0
Other financing costs	90.7	50.9
Net comprehensive financing cost	Ps. 643.5	Ps. 688.0

Our net comprehensive financing cost in 2010 increased by 6.9% to Ps. 688.0 million from Ps.643.5 million in 2009. This increase was due to the change in the net interest expense.

Equity in Income of Associated Companies

Equity in income of associated companies in 2010 increased to Ps.1.3 million from Ps.0.2 million in 2009, mainly from the earnings of USA Gas San Juan, S.A. de C.V., an entity that sales LP type gas and started operations in 2010. Equity in income of associated companies does not represent dividends paid to us or our Restricted Subsidiaries, but rather our pro rata share of the investees' net income or loss.

Other Expense

Other expenses in 2010 decreased by 21.2% to Ps.285.4 million, compared to Ps.362.3 million in 2009. The decrease was primarily due to one-time expenses incurred in 2009, such as a write-off of certain obsolete inventories and uncollectible accounts receivables.

Taxes and Statutory Employee Profit Sharing

The provision for income taxes and statutory employee profit sharing in 2010 was a gain of Ps.27.4 million compared to an expense of Ps.209.1 million in 2009. This change is primarily due to our positive operating income for 2010 as well as for cash taxes we expect to pay as a result of having used all of our tax loss carry forwards in 2009 in our U.S. subsidiaries.

Consolidated Net Income (Loss)

Our consolidated net loss in 2010 was Ps.760.5 million, compared to a net loss of Ps.612.4 million in 2009. This decrease was due to lower tax carry forwards that we were able to utilize in 2010 as compared to 2009.

Consolidated Results of Operations

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The comparison of the year ended December 31, 2009 to the year ended December 31, 2008 is unfavorable, as a result of the continuing world financial and economic crisis.

The following table summarizes our results of operations for the twelve months ended December 31, 2008 and 2009:

	For the year ended December 31, (Figures in Millions of Pesos)	
	2008	**2009**
Revenues	23,361.5	17,744.6
Cost of Sales	21,546.0	15,756.6
Selling and Administrative Expenses	1,950.9	1,803.9
Operating Income (Loss)	(135.3)	184.0
Other Expenses - Net	222.1	362.3
Comprehensive Financing Result	1,119.3	643.5
Taxes and Statutory Employee Profit Sharing	44.7	(209.1)
Equity in Income (Loss) of Associated Companies	(7.3)	0.2
Consolidated Net Income (Loss)	(1,528.7)	(612.3)
EBITDA[1]	357.8	980.3

[1] EBITDA for any period is defined as consolidated net income (loss) excluding i) depreciation and amortization, ii) total net comprehensive financing result (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other Financing costs), iii) other expenses net, iv) income tax and statutory employee profit sharing and v) equity in income (loss) of associated companies. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from

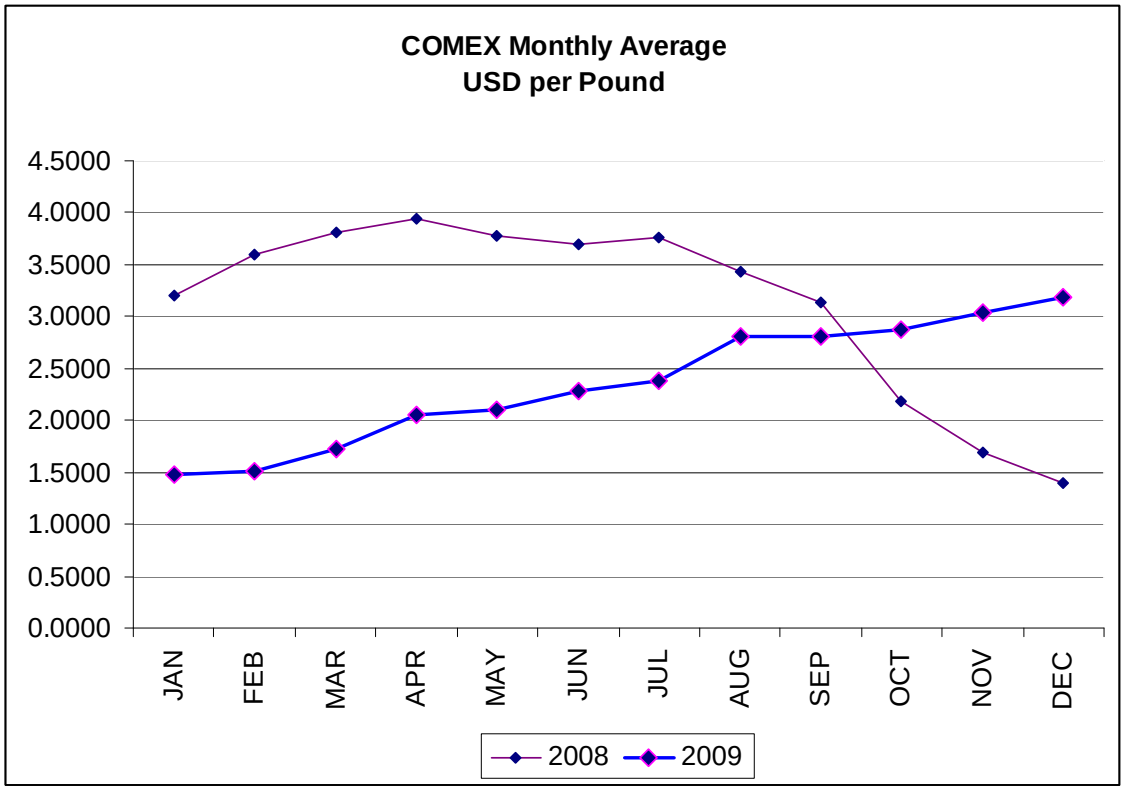
statements of operations prepared in accordance with MFRS, or as an indicator of operating performance or to cash flows from operating activity as a measure of liquidity. EBITDA is not a recognized term under MFRS or U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activity as a measure of liquidity.

Our consolidated net loss in 2009 was Ps. 612.3 million (or U.S.$46.8 million), which was 3.5% of total revenues, compared to a net loss of Ps.1,528.7 million (or U.S.$116.9 million, and 6.5% of total revenue) in the same period of 2008, primarily the result of a positive Operative Income, combined with the effect of Other Expenses and the Comprehensive Financing Result, compared to 2008.

Revenues

Our net revenues for FY 2009 decreased 24% to Ps. 17,744.6 million from Ps.23,361.5 million in 2008. This decrease was primarily driven by the combination of the decline in the price of copper and by lower volume sales.

Our costs and revenues follow very closely copper prices since the market practice is to pass on to the buyer changes in raw material price. As can be seen in the graph below, prices of copper in 2009 were lower than in 2008, except for the last quarter.



Our sales are primarily to customers engaged in the commercial, industrial and residential construction, and their corresponding maintenance and renovation activities. We also sell to customers engaged in electrical power generation, transmission and distribution, and the HVACR sector.

Our revenues consist mainly of sales of copper-based products and electrical products. Sales of copper-based products represented 77.1% of revenues in 2009 and sales of electrical products, valves and controls and other diversified products represented the remaining 22.9%.

By country of production, approximately 63.8% of our revenues in 2009 came from products manufactured in Mexico, 35.6% from products manufactured in the United States and the remaining 0.6% from products

manufactured in Venezuela. This mix is part of the Company's cost-efficient strategy of supplying the markets it serves with products from our local plants, which helps to balance labor costs and raw material conditions to end markets.

In terms of sales by region during 2009, we derived approximately 48.8% from sales to customers in the United States, 47.9% from customers in Mexico and 3.3% from other regions.

In terms of volume, consolidated sales of copper products in 2009 showed an 18% decrease versus the same period of 2008:

Copper Products Volume Sales[2]			
(Metric tons)	**FY 2008**	**FY 2009**	**Change %**
USA	128,493	99,428	-23%
México	46,446	45,076	-3%
ROW	14,280	10,310	28%
Total	189,219	154,814	-18%

[2] Includes aluminum wire and cable

Cost of sales

Our cost of sales in 2009 decreased by 27% to Ps.15,756.6 million from Ps.21,546.0 million in 2008. As percentage of revenues, cost of sales decreased to 89% in 2009 from 92% in 2008.

Copper raw material purchases accounted for approximately 74% of our cost of goods sold in 2009.

The Company continues to reduce its cost base through several initiatives, including plant scheduling, raw material handling, and overall manufacturing overhead costs. According to MFRS and to our accounting policies, the Company makes an inventory valuation at month end, and if original purchase price of metal is above current market prices, the difference is accounted for as cost. Hence in a declining price environment the Company records an immediate non cash effect on results, depending on inventories held and copper price variations. On the contrary, if copper prices are rising, there is no mark up or positive inventory effect, since the gain will only be recorded when goods are sold.

Gross Profit

Our gross profit in 2009 increased 9.5% to Ps. 1,987.9 million from Ps.1,815.5 million in 2008, mainly due to the decline in Cost of Sales. As percentage of sales, there was an improvement to 11% from 8% in the corresponding years.

Selling and Administrative Expenses

Our selling and administrative expenses in 2009 decreased 7.5% versus the same period of 2008 and amounted to Ps.1,803.9 million. This figure shows the achievements from the initiatives to reduce operating expenses, among others, a 20% headcount reduction in non blue collar positions, wage reductions, negotiations with suppliers of goods and services to hold price increases, reduction of travel related expenses, as well as strict cost and expense control measures.

Operating Income

Our operating income turned around in 2009 to Ps.184.0 million compared to an operating loss of Ps.135.4 million in 2008, a good result in the difficult environment described earlier.

Other Expenses

Other expenses increased 63.1% to Ps.362.3 in 2009, from Ps.222.1 in 2008. Around two thirds of these expenses is comprised of the write off from our books of obsolete, non-used or deteriorated fixed assets mainly as an impairment of assets that is a general item derived from the Mexican Financial Reporting Standard (bulletin C15), which relates to the loss of value of long lasting assets, estimated by our external auditors to be Ps.107.3 million. Among the main items written off, which combined accounted for around 72.4% of total other expenses, were a copper refinery owned by Cobre de Pastejé for Ps. 80.5 million, the unfinished building for a tile floor plant for Ps. 53.9 million, the deteriorated building of a closed plant owned by IUSA Footwear International for Ps. 20.7 million,.

Another 7.5% of total other expenses related to restructuring costs, mainly legal and advisory fees and expenses, 6.5% related to non-cash effect for the consolidation of Cambridge-Lee Industries, 5.1% related to the write off of Intercompany accounts over 7 years old and the remaining 8.5% related to diverse expenses.

EBITDA

In 2009 EBITDA was Ps.980.3 (or U.S.$74.9 million), a 174% increase in peso terms, versus the Ps.357.8 in 2008. The corresponding depreciation and amortization figures are Ps.796.3 million for 2009 and Ps.493.2 million for 2008.

Comprehensive Financing Result

The following table shows our comprehensive financing result for the twelve months ended December 31, 2008 and 2009:

	For the year ended December 31, (Figures in Millions of Pesos)	
	2008	**2009**
Interest Expense	525.3	598.0
Interest Income	(101.7)	(80.3)
Exchange (Gain) Loss - Net	666.7	41.3
Monetary Position Gain	(3.3)	(6.2)
Other Financing Costs	32.4	90.7
Comprehensive Financing Result	1,119.3	643.5

Our comprehensive financing result decreased 42.5% in 2009 to Ps.643.5 million from U.S.$1,119.3 million in 2008. The decrease is primarily a result of a lower exchange loss, mainly due to the policy change in the functional currency used for the Company's accounting of its operations and the effect of the Mexican Peso appreciation against the U.S. Dollar throughout most of 2009.

Taxes and Statutory Employee Profit Sharing

The provision for income taxes and statutory employee profit sharing in FY 2009 was a benefit of Ps.209.1 million, compared to a cost of Ps.44.7 million in the same period of 2008.

Consolidated Net Income (Loss)

Our consolidated net loss in the year 2009 was Ps.612.3 (or U.S.$46.8 million), compared to Ps.1,528.7 million (U.S.$116.9 million) in 2008, mainly the result of the Comprehensive Financing Result and Taxes.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

The following discussion is based on our consolidated results of operations and financial condition and generally does not present or distinguish between the consolidated results of operations or financial condition of the issuer and the guarantors of the Senior Unsecured Notes due 2016, on the one hand, and the non-guarantor subsidiaries, on the other.

The following table summarizes our results of operations for the twelve months of 2007 and 2008.

	For the year ended December 31, (Figures in Millions of Pesos)	
	2007	**2008**
Revenues	27,005.8	23,361.5
Cost of Sales	24,736.0	21,546.0
Selling and Administrative Expenses	2,114.3	1,950.9
Operating Income (Loss)	155.5	(135.3)
Other Expenses - Net	75.1	222.1
Comprehensive Financing Result	500.1	1,119.3
Taxes and Statutory Employee Profit Sharing	228.7	44.7
Equity in Income (Loss) of Associated Companies	0.2	(7.3)
Consolidated Net Income (Loss)	(648.2)	(1,528.7)
EBITDA[1]	648.8	357.8

[1]EBITDA for any period is defined as consolidated net income (loss) excluding (i) depreciation and amortization, (ii) total net comprehensive financing cost (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other financing costs), (iii) other expenses, net, (iv) income tax and statutory employee profit sharing and (v) equity in income (loss) of associated companies. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with MFRS, or as an indicator of operating performance or to cash flows from operating activity as a measure of liquidity. EBITDA is not a recognized term under MFRS or U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activity as a measure of liquidity.

Our consolidated net loss in 2008 was Ps. 1,528.7 million (or U.S.$110.7 million), compared to a net loss of Ps. 648.2 million in 2007, primarily the results of the following one-time effects:

1) The decline in the price of copper, which impacted the Company results by Ps. 526 million, or U.S.$38.1 million.

2) The net effect of the Mexican peso devaluation of Ps. 667 million, or U.S.$48.3 million.

3) The write-off of the below mentioned discontinued operations, for Ps. 202 million, or U.S.$14.6 million.

Excluding these elements, reported net loss of the Company would have been Ps. 134 million, or U.S.$9.7 million. This compares favorably with the net loss of Ps. 648.2 million experienced by the Company in 2007.

Revenues

Our net revenues in 2008 decreased 13.5% to Ps.23,362 million from Ps. 27,006 million in 2007. This decrease was primarily driven by lower volume sales, mainly in the U.S. market and the decrease in copper prices, partially compensated by better Margins over Metal.

Our revenues consist principally of sales of copper-based products and electrical products. Sales of copper-based products represented approximately 82.1% of our revenues in 2008 and sales of electrical products, valves and controls and diversified products represented the remaining 17.9%. In terms of sales by region in 2008, we derived

approximately 75.3% of our revenues from customers outside Mexico, predominantly in the United States, and approximately 24.7% from sales to customers in Mexico.

By country of production, approximately 53.5% of our revenues in 2008 came from products manufactured in the United States, approximately 45.9% came from products manufactured in Mexico and the remaining 0.6% from products manufactured in Venezuela. Our sales are primarily to customers engaged in commercial, industrial and residential construction, and their corresponding maintenance and renovation activities. We also sell to customers engaged in electrical power generation, transmission and distribution facilities, and gas, water and air conduction in the HVACR sector.

The adverse economic scenario faced by the Company in 2008 resulted in the tightening of credit and slow-down in construction activity in all the markets it serves. As a consequence, the Company has focused on reducing pressure on volume sales and improving margins in these markets. We have succeeded in this aspect in our tube group and are beginning to have a beneficial impact in our wire and cable group. A direct consequence of this policy has been that products dedicated to residential construction have been cut back, and those dedicated to commercial construction have become more significant in our product mix. The reductions in sales volumes have the added benefit of reducing the exposure to price volatility by reducing inventories and will also tend to reduce debt levels (price of copper being equal) in the U.S., where most financing is through lines of credit as opposed to fixed debt.

By volume, consolidated sales of copper products decreased overall by 16.9% in 2008 versus 2007:

Copper Products Volume Sales			
(Metric tons)	**FY 2007**	**FY 2008**	**Change %**
USA	164,421	129,396	-21.3%
México	50,538	46,446	-8.1%
ROW	13,932	14,280	2.5%
Total	228,892	190,122	-16.9%
Includes aluminum wire and cable			

In general, volume decreases resulted from lower demand due to the effects of lower economic activity in the U.S. and, to a lesser degree, in Mexico.

Margin over Metal ("MOM")

Copper raw material purchases accounted for approximately 74% of our costs of goods sold in 2008.

Our average MOM in 2008 increased 18% to U.S.$1.04 per pound from U.S.$0.88 per pound in 2007, while average COMEX copper prices decreased 2.7% to U.S.$3.1336 per pound in 2008 from U.S.$3.2217 per pound in 2007.

Cost of Sales

Our cost of sales in 2008 decreased by 12.9% to Ps 21,546 million from Ps 24,736 million in 2007. As a percentage of revenues, cost of sales in 2008 was 92.2%, a slight increase from 91.6% in 2007.

Cost of sales in 2008 was negatively affected by the severe decline in the price of copper, mainly in the latter part of the year, when Comex price for copper moved from U.S.$3.75 per Lb. in July, to U.S.$1.39 per Lb. in December. Excluding the impact of the decline price of copper in the mark-to-market of our inventories, cost of sales would have totaled Ps. 21,020, or 90.0% of sales, a 1.6 percentage point improvement versus 2007.

According to MFRS and to our accounting policies, the Company makes an inventory valuation at month end, and if original purchase price of metal is above current market prices, the difference is accounted for as a cost. Hence in a declining price environment the Company records a non cash effect on results, depending on inventories

held and copper price variations. On the contrary, if copper prices are rising there is no mark up or positive inventory effect, since gain will be recorded when goods are sold.

Gross Profit

Our gross profit in 2008 decreased 20.0% to Ps. 1,816 million from Ps. 2,270 million in 2007. As a percentage of revenues, gross margin in 2008 decreased to 7.8% from 8.4% in 2007, primarily as a result of the copper price impact. The impact of the decline in the price of copper was Ps. 526 million. Excluding this effect, gross profit in 2008 would have been 10.0% of sales.

Selling and Administrative Expenses

Our selling and administrative expenses in 2008 decreased 7.7% as compared to 2007 and amounted to Ps.1,950.9 million, representing 8.4% of revenues, compared to the 7.8% of sales in 2007. In addition to the measures taken by the Company to reduce operating expenses in 2008, important actions were implemented in the first quarter of 2009 to bring operating expenses further down.

Operating Income (Loss)

Our operating loss in 2008 was Ps.135.3 million compared to an income of Ps.155.5 million in 2007. Excluding the U.S.$526 million impact mentioned above, operating income for 2008 would have been Ps. 391 million, or a significant 152% increase as compared to the 2007 level of Ps. 155 million.

EBITDA

EBITDA in 2008 decreased 45% to Ps. 357.8 Million, from Ps.648.8 million in 2007. The corresponding depreciation and amortization figures are Ps.493.2 million for January to December 2008 and Ps.493.3 million for January to December 2007.

As mentioned above, EBITDA was affected by the Ps. 526 million negative effect that the declining price of copper had on the Company results. Excluding this impact, EBITDA for 2008 would have reached Ps. 884 million (or U.S.$64.0 million), which represents a 36% increase versus reported EBITDA in 2007.

Other Expenses

Other expenses in 2008 were Ps.222.1 million, compared to Ps.75.1 million in 2007. Expenses in 2008 included primarily the non cash impact of the write-off of assets or project investments no longer being used by the Company. These include the copper refinery (Ps. 113.5 million), a cancelled investment for the production of ceramic tiles (Ps. 42.3 million), and others.

Comprehensive Financing Result

The following table sets forth our comprehensive financing result for the twelve months ended December 31, 2007 and 2008:

	For the year ended December 31, (Figures in Millions of Pesos)	
	2007	**2008**
Interest Expense	588.5	525.3
Interest Income	(136.0)	(101.7)
Exchange (Gain) Loss - Net	60.5	666.6
Monetary Position Gain	(138.8)	(3.3)
Other Financing Costs	126.0	32.4
Comprehensive Financing Result	500.1	1,119.3

Our comprehensive financing result in 2008 increased 124% to Ps.1,119 million from Ps.500 million in 2007.

Interest expense for 2008 was Ps. 525.3 million, or an 11% decline as compared to 2007. This decrease was entirely attributable to the decline in the Company‘s total debt, which was not offset by the Mexican peso devaluation. Total debt of the Company as of December 31, 2008 was U.S.$410.8 million, a U.S.$65.3 million reduction (or 14%) as compared to December 31, 2007, and a U.S.$165.5 million reduction (or 29%), as compared to December 31, 2006.

The devaluation of the Mexican peso resulted in a significant charge to the Company’s financial expenses. The Mexican peso devalued from Ps. 10.8 per U.S.$1 at the end of 2007, to Ps. 13.8 per U.S.$1 at the end of 2008, or a 27% increase.

The net impact of the Mexican peso devaluation was Ps.667 million, or U.S.$48.3 million.

Taxes and Statutory Employee Profit Sharing

The provision for income taxes and statutory employee profit sharing in 2008 was an expense of Ps.44.7 million compared to Ps.228.7 million in 2007.

Consolidated Net Income (Loss)

Our consolidated net loss in 2008 was Ps. 1,528.7 million (or U.S.$110.7 million), compared to a net loss of Ps. 648.2 million in 2007, primarily the results of the following one-time effects:

1) The decline in the price of copper, that impacted the Company’s results by Ps. 526 million, or U.S.$38.1 million.

2) The net effect of the Mexican peso devaluation of Ps. 667 million, or U.S.$48.3 million.

3) The write-off of the above mentioned discontinued operations, for Ps. 202 million, or U.S.$14.6 million.

Excluding these elements, reported net loss of the Company would have been Ps. 134 million, or U.S.$9.7 million. This compares favorably with the net loss of Ps. 648 million experienced by the Company in 2007.

Summary of Business Segment Results

The following summary of business segment results is based on the segment data included in our consolidated financial statements. Information regarding our business segments was prepared in accordance with the provisions of Bulletin B-5, "Financial Information by Segments" of MFRS. These standards require us to identify our business segments according to our internal organizational structure and reporting systems. In accordance with these standards we currently classify our operations into the following seven business segments (i) copper tubing, (ii) wire and cable, (iii) watt-hour meters, (iv) copper alloys, (v) electrical products, (vi) valves and controls and (vii) diversified assets.

The following tables set forth the revenues and EBITDA information for each of our business segments for the periods indicated:

Revenues by Business Segment[1]	**For the twelve months ended Dec 31,**		
	(Figures in Millions of Pesos)		
Segment	**2008**	**2009**	**2010**
Copper Tubing	6,535.9	6,150.8	6,356.6
Wire and Cable	10,747.9	5,853.1	6,544.4
Watt-hour Meters	822.2	2,019.0	705.4
Copper Alloys	2,912.9	1,674.2	1,738.7
Electrical Products	856.7	1,043.5	1,129.4
Valves and Controls	641.8	696.8	707.5
Diversified Assets	844.1	307.2	461.2
TOTAL	23,361.5	17,744.6	17,643.2
[1] Excluding intercompany transactions			

EBITDA by Business Segment[2]	**For the twelve months ended Dec 31,**		
	(Figures in Millions of Pesos)		
Segment	**2008**	**2009**	**2010**
Copper Tubing	57.4	226.4	117.1
Wire and Cable	68.5	119.2	166.9
Watt-hour Meters	156.2	306.7	340.5
Copper Alloys	-49.8	63.2	54.6
Electrical Products	70.4	137.4	98.1
Valves and Controls	45.1	125.2	75.7
Diversified Assets	10.0	2.2	0.4
TOTAL	357.8	980.4	853.3

2 EBITDA for any period is defined as consolidated net income (loss) excluding (i) depreciation and amortization, (ii) total net comprehensive financing cost (which is comprised of net interest expense, exchange gain or loss, monetary position gain or loss and other financing costs), (iii) other expenses, net, (iv) income tax and statutory employee profit sharing and (v) equity in income (loss) of associated companies. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with MFRS, or as an indicator of operating performance or to cash flows from operating activity as a measure of liquidity. EBITDA is not a recognized term under MFRS or U.S. GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activity as a measure of liquidity.

The following table sets forth selected sales volume information by segment and average copper prices as quoted on COMEX:

Volume Sales	For the twelve months ended Dec 31,		
	(Figures in Metric Tons)		
Segment	2008	2009	2010
Copper Tubing	76,686	66,005	51,860
Wire and Cable[3]	87,753	71,389	58,426
Watt-hour Meters '000 units	2,267	2,720	3,114
Copper Alloys	24,780	17,420	15,322
Electrical Products '000 units	28,980	29,818	28,311
Valves and Controls '000 units	22,375	21,863	18,893
Average Comex Copper Price (Dls. per Lbs)	3.1336	2.3542	3.4251
[3] Includes aluminum W&C			

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

Copper Tubing Segment

Revenues of the copper tubing segment in 2010 increased 3.3% compared to 2009, with an amount of Ps.6,356.6 million in 2010 as compared to Ps.6,150.8 in 2009. This level of revenues primarily resulted from increased prices for copper, offset by the decrease in sales volume. Copper tubing sales volume in 2010 decreased by 21% to 51,860 metric tons, compared to 66,005 metric tons in 2009. This decrease is the effect of the reduced demand in our main markets as a result of lower construction levels and economic activity, as well as the tendency to maintain lower inventories and utilization from customers as a result of higher prices.

Operating loss for the copper tubing segment in 2010 was Ps.140.7 million compared to operating loss of Ps.81.3 million in 2009. Operating income as a percentage of net revenues was -2.3% in 2010 compared to -1.3% in 2009.

Wire and Cable Segment

Revenues of the wire and cable segment increased 11.8% to Ps.6,544.4 million in 2010 from Ps.5,853.1 million in 2009. This increase in revenues primarily resulted from increased prices for wire and cable due to higher raw material prices. Wire and cable segment volume sales decreased by 18% in 2010 to 58,426 metric tons from 71,389 metric tons in 2009.

Operating loss for the wire and cable segment in 2010 was Ps.4.0 million compared to an operating loss of Ps.88.8 million in 2009. Our operating loss as a percentage of net revenues was -0.1% in 2010 compared to -1.5% in 2009.

Watt-Hour Meter Segment

Revenues of the watt-hour meter segment decreased by 65.1% in 2010 to Ps.705.4 million from Ps.2,019.0 million in 2009. This decrease resulted primarily from the administrative change of the bidding company in sales to the Mexican government.

Operating income for the watt-hour meter segment increased by 13.7% in 2010 to Ps.329.0 million from Ps.289.3 million in 2009. This increase was the result of higher sales volume in Mexico. As a percentage of net revenues operating income increased to 46.6% in 2010 from 14% in 2009.

Copper Alloys Segment

Revenues of the copper alloys segment increased by 3.9% in 2010 to Ps.1,738.7 million from Ps.1,674.2 million in 2009. This increase in revenues resulted primarily from a decrease in sales volume combined with higher prices we charged for our products due to higher copper prices.

Operating income for the copper alloys segment increased in 2010 to Ps.12.6 million from an operating loss of Ps. 9.8 million in 2009. As a percentage of net revenues operating income increased to 0.7% in 2010 from -0.6% in 2009.

Electrical Products Segment

Revenues of the electrical products segment increased by 8.2% in 2010 to Ps.1,129.4 million from Ps.1,043.5 million in 2009. This increase in revenues resulted primarily from an increase in private sector sales volume in Mexico partially offset by a decrease in sales to the Mexican government.

Operating income for the electrical products segment decreased by 27.3% in 2010 to Ps.45.7 million from Ps.62.9 million in 2009. This decrease was the result of higher production cost in 2010 as compared to 2009. As a percentage of net revenues operating income decreased to 4.0% in 2010 from 6.0% in 2009.

Valves and Controls Segment

Revenues of the valves and controls segment increased by 1.5% in 2010 to Ps.707.5 million from Ps.696.8 million in 2009.

Operating income for the valves and controls segment decreased by 30% in 2010 to Ps.39.7 million from Ps.56.7 million in 2009. This decrease was the result of lower sales volume in 2010 as compared to 2009. As a percentage of net revenues operating income decreased to 5.6% in 2010 from 8% in 2009.

Diversified Assets Segment

Revenues of the diversified assets segment increased by 50.2% in 2010 to Ps.461.2 million from Ps.307.1 million in 2009. This increase was due to sales of services to affiliated companies.

Operating loss for the diversified assets segment decreased by 4.2% in 2010 to Ps.43.0 million from Ps.44.9 million in 2009. The decrease in operating loss was a result of lower margins in the machinery division.

Liquidity and Capital Resources

Liquidity

Our net interest expense on debt for the year ended December 31, 2010 was Ps. 666.8 million (U.S.$53.9 million) and our total comprehensive financing cost was Ps. 688.0 million (U.S.$55.6 million), while our operating income was Ps. 239.0 million (U.S.$19.3 million). As of December 31, 2010, our total consolidated indebtedness was Ps. 4,783.2 million (U.S.$386.8 million), of which Ps. 4,698.0 million (U.S.$379.9 million) is short-term debt including the current portion of long-term debt. As of December 31, 2009 and December 31, 2010, our unrestricted cash and cash equivalent balances were Ps. 361.2 million (U.S.$29.2 million) and Ps. 362.7 million (U.S.$29.3 million), respectively.

We are in default under our Commercial Paper, Old Notes Indenture and other financial instruments, and our future is dependent upon our ability to restructure our debt and other financial instruments. Given the amount of such obligations and the level of our cash and operating income, we do not currently have sufficient liquidity to service our debt.

Our ability to continue operations while we restructure our business also depends on our ability to achieve financing on reasonable terms.

Our cash flow from operations and operating margins are significantly influenced by world market prices for raw copper, as quoted by COMEX and the LME, particularly to the extent we are unable to pass along price increases to our customers on a timely basis. Copper prices are subject to significant market fluctuations. Recently, copper prices increased significantly from an average monthly COMEX price of 3.1877 dollars per pound in December 2009 to 4.1697 dollars per pound in December 2010, an increase of 31%. Although we are generally able to pass copper price increases along to our customers, we require additional working capital in order to finance the purchase of copper for our operations. Copper raw material purchases accounted for approximately 81% and 79% of our consolidated costs of goods sold in the year ended December 31, 2010 and the year ended December 31, 2009, respectively. For the year ended December 31, 2010 our cost of goods sold was Ps.15,601.9 million as compared to Ps.15,756.6 million in the year ended December 31, 2009. Our net resources generated from (used in) operating activities was Ps.4.1 million in 2010, compared to Ps.469.4 million in 2009.

Favorable market conditions in 2010 as compared to prior years have enabled us to pass the increases in the price of copper on to our customers and have allowed us to increase our MOMs. We calculate our MOM based upon the weighted average for our consolidated sales. Our weighted MOMs increased 27% from U.S.$0.64 per pound for December 2009 to U.S.$0.81 per pound for December 2010, while copper prices increased 31% in that same period. As a result, we have generated cash flows (defined as EBITDA minus capital expenditures) of Ps.686.6 million in 2008, Ps.817.2 million in 2009 and Ps.743.4 million in 2010.

We obtain short-term financing from various sources, including Mexican and international banks. Short-term financing consists in part of lines of credit denominated in pesos and dollars. As of December 31, 2010, our outstanding short-term debt, including the current portion of long-term debt, totaled Ps.4,698.0 million (U.S.$379.9 million), approximately 90% of which was dollar-denominated. At December 31, 2010, our outstanding consolidated long-term debt, excluding the current portion thereof, totaled Ps.85.2 million (U.S.$6.9 million), approximately 98% of which was dollar- and Euro-denominated.

Our working capital is also influenced by our outstanding accounts receivable and trade payables. Accounts receivable increased by Ps.640.5 million, or 25.3%, in 2010 primarily due to an increase in the price of copper. Days outstanding decreased from 50 to 40 over the same period as a result of our collection efforts and the implementation of tighter credit policies. We decreased the amounts outstanding under supply arrangements with our suppliers by 2.6%. See, “Interest Rate Risks.”

Capital Expenditures

For the year ended December 31, 2010, we invested Ps.109.8 million (U.S.$8.9 million) in capital expenditure projects, including projects aimed at developing new capacity to produce value-added products in our copper tubing, wire and cable, copper alloys, valves and controls and electrical product facilities and in projects intended to improve product quality at various facilities. Capital expenditures in 2010 have been primarily incurred in connection with the completion of certain projects started in 2009, such as our investments in capacity to produce tube (52%), wire and cable (7%) and electrical devices (7%), among others. By country, the company dedicated 61% of its capital expenditures to Mexican facilities and the remaining 39% to U.S. facilities.

Indebtedness

The following table sets forth the aggregate amounts of our outstanding short-term and long-term debt as of December 31, 2010.

As of December 31, 2010, we were in default related to our long-term debt obligations; therefore, substantially all of our long-term debt is now presented as short-term debt. We are currently in payment default under our Commercial Paper, Old Notes, Copper Debt and other financial instruments.

	As of December 31, 2010	
	(Ps. millions)	(U.S.$ millions)[1]
Short-term debt[2][3]	Ps. 4,698.0	U.S.$ 379.9
Long-term debt[4][5]	85.2	6.9

(1) Peso amounts have been translated into U.S. dollars, solely for the convenience of the reader, at a rate of 12.3650 Mexican pesos per U.S. dollar, the Exchange Rate on December 31, 2010.
(2) Includes the current portion of our long-term debt, which was Ps. 4,528.6 million (U.S.$366.2 million) as of December 31, 2010.
(3) 90% and 10% of the aggregate amount of our short-term debt as of December 31, 2010 was denominated in U.S. dollars and Mexican pesos, respectively.
(4) Excludes the current portion of our long-term debt. If the current portion of our long-term debt were included, the aggregate amount of outstanding long-term debt as of December 31, 2010 would be Ps. 4,613.8 million (U.S.$373.1 million).
(5) 98% and 2% of the aggregate amount of our long-term debt as of December 31, 2010 was denominated in U.S. dollars and Mexican pesos, respectively.

Short-Term Debt—Our short-term debt consists primarily of (i) long-term debt obligations which were reclassified due to defaults and are now presented as short-term obligations, (ii) unsecured and secured borrowing arrangements with Mexican and foreign banks denominated in Mexican pesos and U.S. dollars and (iii) accounts receivable financing programs. 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 365 days and have interest rates ranging from 1.5% to 8% above LIBOR for the U.S. dollar-denominated loans, and have fixed and floating market rates for the Mexican peso-denominated loans.

Long-term debt reclassified to short-term due to defaults:

Facility	Outstanding Principal Amount as of December 31, 2010	Interest Rate and Payment Dates	Final Amortization/ Maturity
9.75% Commercial Paper *Issuer:* IUSA *Guarantors:* Substantially all of IUSA's existing and future direct and indirect Mexican subsidiaries (except for IUSA-GE and the Excluded Subsidiaries)	$9.5 million	*Interest Rate:* 9.75% per annum. *Interest Payment Dates:* Semiannually on March 1 and September 1 of each year.	March 26, 2009
12% Commercial Paper *Issuer:* IUSA *Guarantors:* Substantially all of IUSA's existing and future direct and indirect Mexican subsidiaries (except for IUSA-GE and the Excluded Subsidiaries)	$15.0 million	*Interest Rate:* 12% per annum. *Interest Payment Dates:* At maturity.	August 6, 2009
2016 Notes *Issuer:* IUSA *Guarantors:* Substantially all of IUSA's existing and future direct and indirect Mexican subsidiaries (except for IUSA-GE and the Excluded Subsidiaries)	$200.0 million	*Interest Rate:* 11.5% per annum. *Interest Payment Dates:* Semiannually on May 15 and November 15 of each year.	November 15, 2016
Copper Debt *Borrower:* IUSA *Guarantor*: IUSA, S.A. de C.V.	$145.9 million	Interest Rate: Libor + 6.5%	Several dates ranging from July 27, 2009 to February 10, 2010

Long-Term Debt—The following is a brief summary of our significant long-term indebtedness outstanding as of December 31, 2010:

Long-term debt:

Facility	Outstanding Principal Amount as of December 31, 2010	Interest Rate and Payment Dates	Final Amortization/ Maturity
Espirito Santo Bank – Davis Standard Term Loan *Borrower:* IUSA	$800,000	*Interest Rate:* 6-Month LIBOR + 1.5% *Interest Payment Dates:* Semianually, on May 1 and November 8 of each year	November 8, 2012

(1) See "—Indebtedness."

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

Commercial Paper. On September 26, 2007 and August 14, 2008, we completed the offering of U.S.$20.0 million of 9.75% commercial paper due March 26, 2009 and U.S.$15.0 million of 12% commercial paper due

August 6, 2009, respectively. The Commercial Paper is the general unsecured obligation of the Company. The Commercial Paper is guaranteed by certain of our subsidiaries.

Old Notes. On November 6, 2006, we completed the offering of U.S.$200.0 million of 11.50% Senior Series A Notes due November 15, 2016. The Old Notes are general secured obligations of the Company. The Old Notes Indenture contains certain customary restrictive covenants, including, but not limited to, restrictions on the ability of the Company and certain of its subsidiaries to (i) incur additional indebtedness, (ii) pay dividends and make other restricted payments, (iii) grant certain liens on assets, (iv) make certain investments, (v) engage in transactions with affiliates and (vi) take part in certain merger, consolidation and asset sale activities. The Old Notes are guaranteed by substantially all of the Company's existing and future direct and indirect Mexican subsidiaries. The Old Notes are also secured by a pledge of the capital stock of CLH.

We are currently in payment default with respect to the indebtedness described above. See "Summary—Background of the Restructuring—Our Financial Difficulties—Interest and Principal Payment Default on the Commercial Paper, Old Notes and Copper Debt."

MANAGEMENT

Directors and Executive Officers

Our Board of Directors currently consists of five directors. Our Board of Directors is responsible for the management of our business and is elected at the annual stockholders' meeting for a renewable term of one year. The Chairman of our Board of Directors is Mr. Carlos Peralta Quintero, who is our principal stockholder.

Although our most important production, marketing and financing policies are established by our Board of Directors, each of our business groups has a great deal of discretion with respect to daily operations and business planning. Each of our business groups is headed by a director who reports directly to the Chief Executive Officer, except for the directors of the various businesses that constitute the Diversified Assets Division, which report directly to the Board of Directors due to the non-core nature of their respective businesses. Each business is supported by our centralized administrative and corporate departments, including finance and accounting, legal, human resources, purchasing, sales, marketing and strategic planning.

Board of Directors of the Company

Our current members of the Board of Directors and their positions are as follows:

Name	Age	Position
Carlos Peralta Quintero	59	Chairman
Juan Carlos Peralta del Río	35	Director
José Luis Olivera Novara	62	Director
Carlos Mochón Sacal	37	Director and Secretary
Rafael Davila Olvera	53	Director

Officers of the Company

Our current officers and their principal positions are as follows:

Name	Age	Position
Carlos Peralta Quintero	59	President
Juan Carlos Peralta Del Río	35	Chief Executive Officer
Carlos Mochón Sacal	37	General Counsel
Juan José Ochoa Rentería	38	Chief Operating Officer
Rafael Davila Olvera	53	Chief Financial Officer
Juan Manuel de la Rosa	54	Comptroller-Mexico
Thomas Andy Blanchard	52	President and Chief Executive Officer – UCI
Edward Kerins	63	Chief Executive Officer - CLI
Charles Banham	59	Comptroller UCI
Andrea Funk	41	Chief Financial Officer - CLI

Board of Directors

Carlos Peralta Quintero has been a member of the Board of Directors of the Company since October 1988 and, upon the death of his father, Alejo Peralta y Díaz Ceballos on April 8, 1997, became Chairman of the Board. Mr. Peralta Quintero has served as President of the Company since April 1997. Prior to this appointment, Mr. Peralta Quintero served, since 1968, in a variety of capacities with the Company and with Grupo IUSA. Mr. Peralta Quintero serves as a member of the board of directors of a number of companies, and as Chairman of the Board of Directors of IUSA GE, Fundación Alejo Peralta y Díaz Ceballos I.A.P., CLI and UCI. In January 2000, Mr. Peralta received an honorary Doctorate Degree in Literature and Humanities from Newport University.

Juan Carlos Peralta del Río has been a member of the Board of Directors of the Company since May 1997. Mr. Peralta has also served as Chief Executive Officer since January 2008, prior to that, Mr. Peralta served as Marketing Director since January 2002.

Carlos Mochón Sacal has been a member of the Board of Directors and Secretary of the Company since April 2001. In addition, Mr. Mochón has served as General Counsel and Secretary of all our subsidiaries and other affiliated companies since April 2001. From 1994 through the first half of 1998 and from the second half of 1999 through March 2001, Mr. Mochón was an Associate in the law firm Franck, Galicia y Robles, S.C. From the second half of 1998 through the first half of 1999, Mr. Mochón was employed as a Foreign Associate in the New York offices of Shearman & Sterling. Mr. Mochón holds a Law Degree from the Escuela Libre de Derecho.

José Luis Olivera Novara has served as Corporative Comptroller of Grupo IUSA from January 1995. For more than 23 years, he was employed by Grupo CIFRA (now Wal Mart de Mexico), where he served in a number of accounting and financial management positions in different subsidiaries in Mexico. His last position was as sub-director of the retail stores. Mr. Olivera is a member of the Board of Directors of Consorcio Inmobiliario Lomas and Hilaturas Parras. Mr. Olivera holds an undergraduate degree in Accounting from the Universidad del Valle de Mexico.

Rafael Dávila Olvera has been Chief Financial Officer of IUSA since January 2009. Prior to that, he was the Chief Financial Officer for two companies controlled by Mr. Peralta (Alma de México and Consorcio Inmobiliario Lomas) from 2001 to 2008. From 1995 to 2000, he was the Chief Financial Officer for the Company. Prior to that, Mr. Dávila was Director of Planning and Treasury from 1990 through 1993 of Grupo Gamesa, S.A. de C.V. and Director of Planning and Treasury from 1988 through 1990 of Sabritas, S.A. de C.V. Both Grupo Gamesa, S.A. de C.V. and Sabritas, S.A. de C.V. are subsidiaries of the snack foods division of PepsiCo. Mr. Dávila holds an undergraduate degree in actuarial science from the Universidad Anáhuac, a Masters in Business Administration degree from the Instituto Tecnológico y de Estudios Superiores de Monterrey and also graduated from the Executive Development Program of Northwestern University.

Executive Officers

Juan Jose Ochoa has been a member of IUSA for the last 12 years and has served as Chief Operations Officer since January 2008. He was previously the Chief Logistics Officer for more than 6 years and before that, Chief Purchasing Director. His has experience working in the appliances industry and been involved with (MABE – GE), Distribution Operations (FAPRODE) and several operations projects. His professional background is focused on manufacturing, operations, distribution, logistics and management. Mr. Ochoa received a degree in Mechanical and Administrative Engineering from the Instituto Tecnologico y de Estudios Superiores de Monterrey, a masters degree in Industrial Engineering in Manufacturing from Universidad Iberoamericana and several diplomas for Logistics and Operations.

Charles Banham joined UCI as Controller in October 1998. For more than 20 years prior to his employment with UCI, Mr. Banham served in a number of accounting and financial management positions in England and the U.S., with different Marconi subsidiaries of the UK-based General Electric PLC. From 1987 up to his joining UCI, Mr. Banham served as Controller and Treasurer of Marconi Instruments, Inc. headquartered in Northern New Jersey for many years, and in the DFW Metroplex since 1996, following a relocation of the company. Mr. Banham has an undergraduate degree in Industrial Engineering from the University of Hertfordshire in England and a Business Administration degree from Ramapo College of New Jersey. He qualified as a CPA (NJ) in 1992.

Juan Manuel de la Rosa Davila has served as Comptroller of IUSA since December 1995. He previously worked in the automobile industry (Mercedes-Benz) where he served in different positions in the financial and accounting areas, culminated as Operative Comptroller from 1986 to 1994. Prior to that, Mr. De la Rosa was General Controller of CEMEX from 1974 to 1984 and Comptroller assistant in Sears Roebuck de Mexico from 1971 to 1974. Mr. De la Rosa received a Degree in Accounting from the Universidad Autonoma de Tamaulipas.

Thomas Andy Blanchard joined UCI in August 2010, prior to that he has served in top executive leadership positions within the metals, welding and tire industries over the past 25 years. In addition to his current position, he

has served as President and CEO of ESAB North America, Group President of the Processed Metals Group of Gibraltar Industries, and the Global Senior Account Executive for the Ford Motor Company account for Michelin Tire. Mr. Blanchard invested in and served as President and CEO of RevWires, a green-field manufacturing start-up company. Mr. Blanchard graduated from The United States Military Academy with a Bachelor of Science degree in Engineering. He earned a Masters of Science degree in Systems Management from University of Southern California and a Masters in Business Administration degree from Michigan State University. Andy served in the United States Army for five and half years, attaining the rank of Captain.

Edward Kerins has served as General Manager of CLI since June 1996. In this capacity, he is responsible for United States and Middle East sales and distribution of all tubing products. From 1974 until 1996, Mr. Kerins served CLI in the sales and marketing of commercial and plumbing tube products. Prior to joining CLI, Mr. Kerins served in the United States Air Force. Mr. Kerins holds a Bachelors Degree in Economics from The University of Massachusetts and a Masters of Business Administration from Northeastern University.

Andrea Funk joined CLI as Chief Financial Officer in December 2010. For her 19 years prior to joining CLI, Ms. Funk held various accounting and financial senior management positions, most recently with Carpenter Steel Technology based in Reading, PA. Ms. Funk has an undergraduate degree in Accounting from Villanova University, and a Masters in Business Administration degree from the Wharton School of Business at the University of Pennsylvania. She was qualified as a CPA (PA) in 1993.

Statutory Auditor

Under our by-laws (*estatutos sociales*) and in accordance with Mexican law, our stockholders elect a statutory auditor (*comisario*) at their general annual ordinary stockholders' meeting. The primary role of the statutory auditor is to generally review the affairs of the Company and to report to the stockholders of the Company at the general annual ordinary stockholders' meeting on the adequacy and accuracy of the financial information presented to such stockholders by the Board of Directors. The statutory auditor is also authorized (i) to call stockholders' meetings, (ii) to place items on the agenda for the Board of Directors' and general stockholders' meetings and (iii) to attend stockholders' meetings and meetings of the Board of Directors (without having the right to vote). The statutory auditor receives monthly reports from the Board of Directors regarding material aspects of our affairs, including its financial condition. The statutory auditor is elected for a renewable term of one year at the general annual ordinary stockholders' meeting. At present, Marco Antonio Mayorquín Ruiz is the statutory auditor for the Company.

Executive Compensation

The aggregate amount of compensation paid by the Company to its executive officers and business group directors as a group, including performance-based bonuses and Management Fees (as defined in the Restructuring Agreement) paid to certain officers, in the fiscal year ended 2010 was approximately Ps.114.8 million (U.S.$9.3 million). The members of the Board of Directors of the Company receive no compensation for their services in such capacity.

THE EXCHANGE OFFER

Background and purpose

We propose to effect a restructuring of the Commercial Paper through the Exchange Offer, which is part of the Restructuring described in the Disclosure Statement set forth in Annex B of this Information Memorandum. As part of the Restructuring, we would, among other things, exchange the Commercial Paper for the Series B Notes. The exchange of the Commercial Paper for the Series B Notes pursuant to the Exchange Offer is subject to, among other things, the definitive and unmodifiable approval and consummation of the Restructuring in form and substance reasonably acceptable to us. The exchange of the Commercial Paper for the Series B Notes pursuant to the Exchange Offer is also a condition to effectiveness of the U.S. Plan.

The principal objectives of the Restructuring are to satisfy the Eligible Debt claims against us. We do not have the means to repay or refinance the amounts that are payable under the Eligible Debt. We believe that we are currently not likely to find a material source of financing to fund the interest and principal payments on the Eligible Debt. We believe that the completion of the Restructuring is critical to resolving our liquidity crisis and ensuring our continued viability.

We believe that the proposed Restructuring provides for a fair recovery for Holders in light of our available financial capacity. We also believe that the Exchange Offer would benefit both you and the Company by helping us to avoid contentious litigation that could cause business disruptions or damage to the overall value of our business. See "Summary—Advantages of the Proposed Restructuring."

You should carefully review the information included under "Risk Factors." You should understand that an investment in the Series B Notes issued pursuant to the Exchange Offer involves a high degree of risk, including the significant possibility of loss of a significant portion of your investment in the Series B Notes.

Terms of the Exchange Offer

Upon the terms and subject to the conditions forth in this Information Memorandum and the accompanying Letter of Transmittal, the Company is hereby offering to holders of Commercial Paper to exchange (1) for each U.S.$1,000 stated face value of 9.75% Commercial Paper tendered, a principal amount of the Series B Notes equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from March 26, 2009 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 9.75% CP Base Amount and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly; and (2) for each U.S.$1,000 stated face value of 12% Commercial Paper tendered, a principal amount of the Series B Notes equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from August 6, 2009 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 12% CP Base Amount and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly. The Series B Notes will be issued on the Issue Date.

The Exchange Offer is conditioned on, among other things, the satisfaction or waiver of certain conditions. For more information about conditions to the Exchange Offer, see "—Conditions to the Exchange Offer."

Interest on the Series B Notes will accrue from November 15, 2011 or from the most recent Payment Date on which interest was paid on such Series B Notes, regardless of whether the Issue Date occurs prior to November 15, 2011. Interest accrued on the Series B Notes will be payable in cash in arrears on each Payment Date and all subsequent interest payment dates will be payable in cash. Interest on the Series B Notes will accrue at the rate of 11.5% per annum and will be payable quarterly in arrears on February 15, May 15, August 15 and November 15, beginning on February 15, 2012. See "Description of the New Notes – Principal, Maturity and Interest" attached as Annex C hereto.

The Expiration Time may be extended at the Company's option and will be extended if required by applicable law. There can be no assurance that such conditions will be satisfied or waived. The Company reserves the right to waive certain of the conditions to the Exchange Offer and, subject to certain limitations, to extend, terminate, cancel or otherwise modify or amend the Exchange Offer in any respect.

Holders who want to participate in the Exchange Offer must tender their Commercial Paper. The Series B Notes will be delivered in exchange for outstanding Commercial Paper accepted in the Exchange Offer on the Issue Date. If you tender your Commercial Paper in exchange for the Series B Notes, you will be deemed to have consented to the Restructuring.

The Commercial Paper may be tendered and will be accepted for exchange only in denominations of U.S.$10,000 principal amount and integral multiples of U.S.$10,000 in excess thereof. The Company will be deemed to have accepted validly tendered Commercial Paper in the Exchange Offer when, as and if they have given oral or written notice thereof to the Information and Exchange Agent. The Information and Exchange Agent will act as agent for the tendering Holders for the purposes of receiving Series B Notes. In the event the consideration offered for the Commercial Paper in the Exchange Offer is increased, such increased consideration will be paid with regard to all Commercial Paper accepted in the Exchange Offer, including those accepted before the announcement of such increase. The Series B Notes will be delivered in exchange for Commercial Paper accepted in the Exchange Offer on the Settlement Date.

The deadline by which the Information and Exchange Agent must receive Holders' properly completed and executed Letter of Transmittal with respect to the Commercial Paper, or an Electronic Exchange Instruction in lieu thereof, is the Expiration Time.

The Exchange Offer will expire at the Expiration Time. We may, in our sole discretion, terminate prior to the Expiration Time the Exchange Offer described herein. See "—Expiration Time; Extensions; Termination; Amendments." If the conditions to the Exchange Offer are satisfied or waived, the Company will accept validly tendered Commercial Paper for exchange pursuant to the Exchange Offer on the date on which the Expiration Time occurs and settle the Exchange Offer on the Settlement Date.

As of the date of this Information Memorandum, U.S.$9,500,000 aggregate principal amount of the 9.75% Commercial Paper and U.S.$15,000,000 of the 12% Commercial Paper was outstanding.

Although there is no obligation to do so, whether or not this Exchange Offer is consummated, the Company or any of its respective affiliates reserves the right in the future to seek to acquire Commercial Paper, other than pursuant to this Exchange Offer, by means of open market purchases, privately negotiated acquisitions, subsequent exchange or tender offers, redemptions or otherwise, at prices or on terms that may be higher or lower or more or less favorable than those in this Exchange Offer.

Holders who tender in the Exchange Offer will not be required to pay brokerage commissions or, subject to the instructions in the Letter of Transmittal or the Electronic Exchange Instruction in the case of book-entry transfer, transfer taxes with respect to the exchange of Commercial Paper pursuant to the exchange offer. Holders who tender their Commercial Paper through a broker, dealer, commercial bank, trust company or other nominee may be required to pay a commission or a service charge. The Company will pay all fees, charges and expenses, other than such commissions or service charges and certain applicable taxes, in connection with the exchange offer. See "—Fees and expenses".

No appraisal rights are available to Holders in connection with the Exchange Offer.

If you wish to tender your Commercial Paper into the Exchange Offer, you must follow the procedures described under "—Procedures for Holders exchanging Commercial Paper" below. If your Commercial Paper is registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact that institution to exchange your Commercial Paper.

This Information Memorandum and the Letter of Transmittal contain various terms and conditions that are part of the Exchange Offer. Accordingly, Holders should read this Information Memorandum and the Letter of Transmittal carefully.

Expiration Time; Extensions; Termination; Amendments

The Exchange Offer will expire at 5:00 p.m., New York City time, on August 16, 2011, unless extended or earlier terminated (such time and date, as the same may be extended or earlier terminated, the "Expiration Time"). The Company reserves the right to extend the Exchange Offer, from time to time, at its discretion, in which event the term "Expiration Time" shall mean the latest time and date at which the Exchange Offer, as so further extended, shall expire. The Expiration Time may be extended at the Company's option and will be extended if required by applicable law. The Company shall notify the Information and Exchange Agent of any extension by oral or written notice and shall make a public announcement thereof, as described herein.

The Company expressly reserves the right, at any time or from time to time, regardless of whether or not the conditions set forth in "—Conditions to the Exchange Offer" shall have been satisfied, subject to applicable law,

(a) to extend the Expiration Time,

(b) to amend the Exchange Offer in any respect (in accordance with the conditions set forth in the Restructuring Agreement set forth as Annex A hereto),

(c) waive all unsatisfied conditions, or

(d) to terminate the Exchange Offer prior to the Expiration Time,

in each case by giving written notice of such extension, amendment or termination to the Information and Exchange Agent.

There can be no assurance that the Company will exercise its right to extend the Expiration Time. Any extension, amendment or termination will be followed as promptly as practicable by a public announcement thereof, with the announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Time. Without limiting the manner in which the Company may choose to make any public announcement, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

New Series B Notes issued in the Exchange Offer will be issued in denominations of U.S.$1.00 principal amount and integral multiples of U.S.$1.00 thereof.

Conditions to the Exchange Offer

The Exchange Offer is conditioned upon:

- the relevant parties shall have agreed upon and entered into and delivered signature pages to (as applicable) execution versions of all documentation necessary to effectuate the Restructuring; provided, that, subject to Section 2.4 of the Restructuring Agreement attached as Annex A hereto, the documentation and agreements referred to in Section 2.2 and Section 2.4 of the Restructuring Agreement shall be in form and substance acceptable to each of the relevant parties;

- all conditions precedent specified in the U.S. Plan, the Exchange Offer, and the definitive documentation governing the New Notes, including the delivery of any legal opinions, shall have been satisfied;

- the orders approving the Disclosure Statement and confirming the U.S. Plan shall have been entered by the U.S. Court and neither order will be subject to any stay, motion for reconsideration, motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, or appeal, and the versions authorized or entered by the U.S. Court shall have no changes from the forms attached as Exhibit B, Exhibit L and Exhibit C to the Restructuring Agreement attached as Annex A hereto, respectively, except as the same may be amended, modified or supplemented consistent with Sections 11.1 and 2.4 of the Restructuring Agreement;

- not less than 95% of the holders of the outstanding Commercial Paper shall have validly tendered (and not withdrawn) their debt in the Exchange Offer;

- a cash equity contribution of U.S.$8,333,000 shall have been made on or prior to the Issue Date to the Company by the controlling shareholders of the Company;

- the Company shall have caused (i) the financial information specified in Exhibit I-1 of the Restructuring Agreement to be publicly available via press release issued via Bloomberg, and (ii) the financial information specified in Exhibit I-2 of the Restructuring Agreement on a website on the terms specified in such exhibit, in each case in form and substance reasonably satisfactory to a Majority of Consenting Creditors (as defined in the Restructuring Agreement);

- all necessary regulatory and contractual consents and approvals to the Restructuring, if any are required, including, without limitation, any necessary consents from General Electric Capital Corporation or the counterparties to any Eligible Debt, shall have been obtained;

- the liens and pledges on collateral contemplated to be in effect on the Issue Date (including the pledge of the capital stock of any entity) in accordance with the Description of the New Notes shall have been satisfactorily granted and perfected, and the mortgages on the Real Property Collateral shall be subject to a preventive notice (*aviso preventivo*) in favor of the Joint Collateral Agent prior to the Issue Date, and the Company has delivered customary legal opinions from its U.S. and Mexican counsel regarding such matters and the transactions referred to herein;

- the Company's auditor shall have confirmed that (i) the aggregate outstanding debt balances of the Company and any other entities in the Credit Group are not different (other than the accrual of interest and fees) than they were on April 27, 2010, and (ii) the Company is in compliance with its obligations in Section 4.6(b) of the Restructuring Agreement attached as Annex A hereto;

- certain secured debt set forth in Schedule 2 of the Restructuring Agreement attached as Annex A hereto shall have been restructured pursuant to Section 4.8 of the Restructuring Agreement attached as Annex A hereto;

- the intercompany claims by and among entities in the Credit Group (except claims or indebtedness solely between or among CLH and its direct and indirect subsidiaries) as identified by the Company on Schedule 5 of the Restructuring Agreement attached as Annex A hereto shall have been satisfactorily documented through the execution by the Company of a revolving credit agreement with each of such entities in the Credit Group providing for the subordination thereof and the granting of a third party beneficiary right (*estipulación a favor de tercero*) in favor of the Collateral Agent;

- at least 50.1% of the capital stock of IUSA-GE shall be owned by the Company or a Subsidiary Guarantor;

- the Company will have paid all accrued fees and expenses due (i) to advisors to the Consenting Creditors pursuant to Section 4.3 of the Restructuring Agreement attached as Annex A hereto and (ii) to the Old Notes Trustee under the Old Notes Indenture; provided that, in each case, any such advisor and the Old Notes Trustee will have delivered to the Company a reasonably detailed invoice at least three (3) Business Days prior to the Issue Date (with reasonable estimates of fees and expenses through the Issue Date);

- any pleadings necessary for the dismissal of the Copper Debt Note Litigation (as defined in the Restructuring Agreement attached as Annex A hereto) pursuant to Section 3.5 of the Restructuring Agreement shall have been executed and duly authenticated in the manner required for filing by all parties in accordance with Section 3.5 of the Restructuring Agreement; and

- no court of competent jurisdiction or governmental agency or authority shall have issued or entered any injunction or other order (whether temporary, preliminary or permanent) that is in effect and has the effect of restraining or prohibiting consummation of the transactions contemplated by the Restructuring

Agreement;

provided that the consummation of the U.S. Plan and the issuance of the Series B Notes shall occur simultaneously.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances (including any action or inaction by the Company) giving rise to such condition or may be waived in whole or in part at any time and from time to time, subject to the terms and conditions in the Restructuring Agreement attached as Annex A hereto.

The issuance of the Series B Notes is contingent upon the approval of the U.S. Plan by the U.S. Court and will be simultaneous with the consummation of the U.S. Plan. A hearing to consider confirmation of the U.S. Plan is currently scheduled for August 25, 2011, and may be adjourned from time to time. The consummation of the U.S. Plan will occur as soon as practicable after the confirmation hearing when the conditions to the closing of the Restructuring, including the U.S. Court's approval, can be met.

Procedures for Holders exchanging Commercial Paper

Procedure for exchanging Commercial Paper

For a Holder to validly tender Commercial Paper pursuant to the Exchange Offer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantee, or (in the case of a book-entry transfer) an Electronic Exchange Instruction (as defined below) in lieu of the Letter of Transmittal, and any other required documents, must be received by the Information and Exchange Agent at its address set forth on the back cover of this Information Memorandum prior to the Expiration Time. In addition, prior to the Expiration Time, tendered Commercial Paper must be transferred pursuant to the procedures for book-entry transfer described below (and a confirmation of such tender must be received by the Information and Exchange Agent, including an Electronic Exchange Instruction if the tendering Holder has not delivered a Letter of Transmittal).

The term "Electronic Exchange Instruction" means a message, transmitted to Euroclear/Clearsteam and relayed to the Information and Exchange Agent and forming a part of a book-entry confirmation, which states that Euroclear/Clearsteam has received an express acknowledgment from the tendering participant, which acknowledgment states that such participant has received and agrees to be bound by the Letter of Transmittal and that the Company may enforce such Letter of Transmittal against such participant.

Tender through Electronic Exchange Instruction

As soon as practicable after the date of this Information Memorandum, the Information and Exchange Agent will seek to establish an account with respect to the Commercial Paper at Euroclear/Clearstream for purposes of the Exchange Offer. Any financial institution that is a participant in the Euroclear/Clearstream system may submit an Electronic Exchange Instruction into the Information and Exchange Agent's account in accordance with Euroclear/Clearstream's procedure for such transfer.

Holders who are tendering by Electronic Exchange Instruction to the Information and Exchange Agent's account at Euroclear/Clearstream may execute their tender through Euroclear/Clearstream by transmitting their acceptance via Electronic Exchange Instruction to Euroclear/Clearstream in accordance with Euroclear/Clearstream's procedures. Euroclear/Clearstream will then verify the acceptance, and send a corresponding instruction to the Information and Exchange Agent. Delivery of the corresponding instruction by Euroclear/Clearstream will satisfy the terms of the Exchange Offer in lieu of execution and delivery of a Letter of Transmittal by the participant identified in the Electronic Exchange Instruction. Accordingly, the Letter of Transmittal need not be completed by a Holder tendering through an Electronic Exchange Instruction.

General

The exchange of Commercial Paper pursuant to the Exchange Offer by one of the procedures set forth above will constitute (a) an agreement among the tendering Holder and the Company in accordance with the terms and subject to the conditions to the Exchange Offer and (b) the consent of the tendering Holder to the Restructuring.

Holders may not exchange their Commercial Paper by guaranteed delivery

There is no provision for Holders to exchange their Commercial Paper via guaranteed delivery. Delivery of the Electronic Exchange Instruction must be made by the Expiration Time.

Information and Exchange Agent

Epiq Systems, Inc. has been appointed as Information and Exchange Agent for the Exchange Offer. Questions and requests for assistance, and all correspondence in connection with the Exchange Offer, or requests for additional copies of the Letter Transmittal and any other required documents, may be directed to the Information and Exchange Agent at one of its addresses and telephone numbers set forth on the back cover of this Information Memorandum. The Information and Exchange Agent will also assist with the dissemination of this Information Memorandum and related materials to Holders, respond to inquiries of and provide information to Holders in connection with the Exchange Offer, and provide other similar services as the Company may request from time to time.

Subject to the terms and conditions set forth in the agreement between the Company and the Information and Exchange Agent, dated as of March 30, 2011, the Company has agreed to pay the Information and Exchange Agent customary fees for its services in connection with the Exchange Offer. The Company has also agreed to reimburse the Information and Exchange Agent for its reasonable out-of-pocket expenses and to indemnify it against certain liabilities.

Fees and Expenses

As stated above, the Company will pay the Information and Exchange Agent reasonable and customary fees for its services (and will reimburse it for its reasonable out-of-pocket expenses in connection therewith), and will pay brokerage houses and other custodians, nominees and fiduciaries their reasonable out-of-pocket expenses incurred in connection with forwarding copies of this Information Memorandum and related documents to the Holders. In addition, the Company will indemnify the Information and Exchange Agent against certain liabilities in connection with its services, including liabilities under the U.S. federal securities laws.

The total cash expenditures to be incurred by the Company in connection with the Exchange Offer, including printing, accounting and legal fees, and the fees and expenses of the Information and Exchange Agent, but excluding restructuring fees, are estimated to be approximately U.S.$12 million.

Miscellaneous

Other than with respect to the Information and Exchange Agent, none of the Company or any of its affiliates has engaged, or made any arrangements for, and authorized any person to provide any information or to make any representations in connection with the Exchange Offer, other than those expressly set forth in this Information Memorandum, and, if so provided or made, such other information or representations must not be relied upon as having been authorized by the Company, or any of its affiliates. The delivery of this Information Memorandum shall not, under any circumstances, create any implication that the information set forth herein is correct as of any time subsequent to the date hereof.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion summarizes certain U.S. federal income tax consequences of the exchange of the Commercial Paper for Series B Notes. This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), final, temporary and proposed Treasury regulations promulgated thereunder, Internal Revenue Service ("IRS") rulings and pronouncements and judicial decisions in effect as of the date of this document, all of which may change, possibly with retroactive effect. This discussion applies only to Holders that hold Commercial Paper, and will hold the Series B Notes, as capital assets. This discussion does not address the U.S. federal income tax consequences of the Series A Eligible Debt Restructuring or the Copper Debt Restructuring. Holders of Series A Eligible Debt or Copper Debt, or persons that will hold the Series A Notes, are urged to contact their own tax advisors regarding the U.S. federal income tax consequences of the U.S. Plan.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to U.S. Holders, as defined below, in light of their particular circumstances, such as holders to whom special tax treatment applies, including (1) banks, regulated investment companies, real estate investment trusts, insurance companies, employee stock ownership plans, brokers, dealers in securities or currencies, subchapter S corporations, entities treated as partnerships for U.S. federal income tax purposes, beneficial owners of pass-through entities and tax exempt organizations, (2) persons who hold Commercial Paper or who will hold the Series B Notes as part of a straddle, hedge, conversion transaction or other integrated investment, (3) persons whose functional currency is not the U.S. dollar, (4) persons who use a mark to market method of accounting and (5) persons who, for U.S. federal income tax purposes, are or will be considered as owning 10% or more, directly, indirectly or by attribution, of our stock. In addition, this discussion does not address alternative minimum taxes or state, local or non-U.S. taxes. Furthermore, this discussion does not address any aspects of U.S. federal tax law (such as the estate tax, gift tax or the Medicare tax on net investment income) other than U.S. federal income tax law. This discussion assumes that the Commercial Paper is, and the Series B Notes will be, respected as debt for U.S. federal income tax purposes and none of the Commercial Paper has "original issue discount" ("OID") within the meaning of the Tax Code.

The U.S. federal income tax consequences of the exchange are complex and are subject to significant uncertainties. No opinion of counsel has been sought or obtained with respect to any U.S. tax consequences of the exchange and no tax opinion is given by this discussion. No rulings or determination letters from the IRS or any other taxing authorities have been obtained or sought with respect to the exchange, and the description below is not binding upon the IRS or such other taxing authorities. Accordingly, it is possible that the IRS may disagree with the description below of the tax consequences, and there can be no certainty that the IRS would not prevail in any challenge it may decide to make in this regard.

FOR THE FOREGOING REASONS, ALL HOLDERS OF COMMERCIAL PAPER ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES (U.S. FEDERAL, STATE, LOCAL AND NON-U.S.) OF THE EXCHANGE TO THEM. WE ARE NOT MAKING ANY REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE EXCHANGE AS TO ANY SPECIFIC HOLDER, NOR ARE WE RENDERING ANY FORM OF LEGAL OPINION AS TO SUCH TAX CONSEQUENCES.

For purposes of this discussion, the term "U.S. Holder" means a holder of Commercial Paper who is a beneficial owner of such instrument and that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or of any state of the United States or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (A) a court within the United States is able to exercise primary

supervision over the administration of the trust and at least one U.S. person has authority to control all substantial decisions of the trust or (B) it has a valid election in effect to be treated as a U.S. person.

Tax Consequences of the Exchange

The exchange of the Commercial Paper for the Series B Notes should be a taxable exchange for U.S. Holders. Therefore, a U.S. Holder should recognize taxable gain (or loss) in an amount equal to the excess (or deficit) of (x) the issue price of the Series B Notes (other than any Series B Notes treated as paid in respect of accrued interest on the Commercial Paper (described below)) less (y) the holder's tax basis in the Commercial Paper surrendered. See below for a discussion of the determination of the issue price of the Series B Notes. In general, subject to the discussion below regarding accrued market discount, any such gain or loss will be capital gain or loss, and such capital gain or loss will be long-term capital gain or loss if the U.S. Holder held the Commercial Paper surrendered for more than one year. Furthermore, a U.S. Holder's tax basis in the Series B Notes received pursuant to the exchange will be equal to the issue price of those notes and the holding period for the Series B Notes received will begin the day after the exchange.

A U.S. Holder that acquired Commercial Paper subsequent to its original issuance with more than a *de minimis* amount of market discount will be subject to the market discount rules under the Tax Code. Under those rules, assuming that a U.S. Holder has made no election to include market discount in income on a current basis, any gain recognized on the exchange will be characterized as ordinary income to the extent of the accrued market discount as of the date of the exchange.

Notwithstanding the discussion above, a U.S. Holder of Commercial Paper will be treated as receiving an interest payment to the extent that a portion of the principal amount of Series B Notes is treated as paid in respect of accrued interest on the Commercial Paper. Any such amounts will be treated as ordinary taxable income for a U.S. Holder that had not previously included such accrued interest in income. A U.S. Holder should recognize a loss to the extent of accrued interest previously included in income that is not paid in full. A U.S. Holder's tax basis in any Series B Notes that are received in respect of accrued interest on Commercial Paper generally will be equal to the issue price of such Series B Notes, and the holding period of such notes generally will begin on the day after the exchange.

Tax Consequences of Owning Series B Notes

Interest and OID

If the "issue price" of the Series B Notes is less than their "stated redemption price at maturity" by more than a *de minimis* amount (1/4 of 1 percent of a debt instrument's stated redemption price at maturity multiplied by the number of complete years or, in certain cases, weighted average life, to the instrument's stated maturity), the Series B Notes will be treated as having OID.

The issue price of debt instruments issued for property depends on whether (i) a substantial amount of the debt instruments issued is treated as "traded on an established market" within the meaning of the applicable Treasury regulations or (ii) a substantial amount of the debt instruments is issued for property treated as so traded. Debt instruments and other property are treated as "traded on an established market" if, among other things, the debt or other property appears on a quotation medium that satisfies certain criteria, or if price quotations are readily available from dealers, brokers or traders. If neither property surrendered nor debt received in an exchange is treated as traded on an established market, the issue price of the debt received will generally equal the principal amount of the debt if the debt provides for adequate stated interest.

If the Series B Notes are treated as "traded on an established market," the issue price of the Series B Notes would be their fair market value on the date of the exchange. If the Series B Notes are not so traded but the Commercial Paper is, the issue price of the Series B Notes would be equal to the fair market value of the Commercial Paper surrendered in exchange for the Series B Notes. The following discussion assumes that, under the above rules for determining whether property is traded on an established market, the Series B Notes will be treated as so traded or a substantial amount of the Series B Notes will be issued for Commercial Paper that is treated as so traded. If this is not the case (or, if it is the case, but the issue price of the Series B Notes equals their stated redemption price at maturity), then rules that are substantially different from those discussed below would apply to

the Series B Notes and the tax consequences to holders of Series B Notes would differ significantly from the consequences discussed below. Proposed regulations were recently published that would modify the determination of when property is treated as traded on an established market. If the regulations, as proposed, are adopted as final regulations before the issuance of the Series B Notes, it is less likely that the Series B Notes would be treated as traded on an established market or a substantial amount of the Series B Notes would be issued for Commercial Paper that is treated as so traded.

If a substantial amount of the Series A Eligible Debt and the Series B Eligible Debt is owned by the same person, it is possible that the Series A Notes could be treated as part of the same "issue" as the Series B Notes for U.S. federal income tax purposes. If the Series A Notes and the Series B Notes are part of the same issue, the Series A Notes will have the same issue price as the Series B Notes. We cannot currently determine whether a substantial amount of the Series A Eligible Debt and the Series B Eligible Debt is owned by the same person. U.S. Holders are urged to consult their own tax advisors as to the issue price of the Series B Notes if they are treated as part of the same issue as the Series A Notes for U.S. federal income tax purposes.

The stated redemption price at maturity of a debt instrument is the sum of all payments due under the instrument other than payments of qualified stated interest. "Qualified stated interest" includes stated interest, calculated as the product of a single fixed rate of interest and the outstanding principal amount of the instrument, that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually.

For purposes of determining whether a note has OID where the note has a period of a teaser rate, interest holiday or other interest shortfall, thus causing later payments that would otherwise be qualified stated interest to not be treated as such, a special rule applies for calculating the stated redemption price at maturity. For purposes of calculating whether such a note has OID, the stated redemption price at maturity of such note will be equal to the issue price of the note plus the greater of (i) the amount of additional stated interest that would be required to be payable in order for all interest on the note to be qualified stated interest and (ii) the excess of the note's stated principal over such note's issue price. If the issue price of such note is less than the note's so calculated stated redemption price at maturity by more than a *de minimis* amount, as described above, such note will be treated as issued with OID.

If the Series B Notes are issued prior to November 15, 2011, the absence of an interest accrual until November 15, 2011 may be viewed as a teaser rate, interest holiday or other interest shortfall with the result that the stated redemption price at maturity will be calculated as described in the immediately preceding paragraph for purposes of determining whether the Series B Notes have OID. To the extent required to take a position, we intend to calculate the stated redemption price at maturity of the Series B Notes by treating any period during which there is no interest accrual as qualifying for the exceptions for teaser rates, interest holidays or other interest shortfalls and, by exchanging the Commercial Paper for Series B Notes, each U.S. Holder agrees to take no contrary position. However, the issue price of the Series B Notes will not be known prior to the closing of this Exchange Offer, so the amount of additional interest that would need to be payable on a Series B Note through February 15, 2012, if any, in order for all interest on the notes to be qualified stated interest, is not known. Therefore, the greater of the two amounts described in the immediately preceding paragraph cannot currently be determined.

Subject to the discussion below with respect to "contingent payment debt instruments" ("CPDIs"), if the Series B Notes are treated as issued with OID, a U.S. Holder of a note must include such OID as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting and the timing or amount of any actual payments. In general, the amount of OID included in income by a U.S. Holder of a note issued with OID is the sum of the daily portions of OID with respect to the note for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder held the note. The daily portion of OID on any note issued with OID is determined by allocating to each day in an accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be of any length and may vary in length over the term of the note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day or first day of an accrual period. The amount of OID allocable to each accrual period generally is equal to the difference between (i) the product of the note's "adjusted issue price" at the beginning of the accrual period and the note's yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted

issue price" of a note issued with OID at the beginning of any accrual period is the sum of the issue price of the note plus the amount of OID allocable to all prior accrual periods minus the amount of any prior payments on the note that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of OID in successive accrual periods.

In the event that, among other things, the Series B Notes have an issue price that differs from their stated redemption price at maturity, certain terms and conditions of the Series B Notes involving contingent payments, including certain mandatory prepayments, could result in the Series B Notes being treated as CPDIs, which are subject to special rules under the Treasury regulations governing instruments issued with OID. If (i) the Series B Notes are treated as CPDIs and (ii) as discussed above, the Commercial Paper is treated as traded on an established market or the Series B Notes are so treated, the OID regulations applicable to CPDIs that are traded on an established market or that are exchanged for property that is so traded ("Publicly Traded CPDIs") would apply to the Series B Notes. The application of these regulations can result in potentially significant adverse tax consequences, including the inclusion of amounts in gross income, regardless of whether a holder is a cash or accrual basis taxpayer, in advance of receipt of corresponding cash payments on a Publicly Traded CPDI, the potential treatment of amounts that might otherwise be viewed for non-tax purposes as returns of principal as payments of interest and the treatment of any gain from the disposition of a Publicly Traded CPDI as ordinary income.

In general, under the regulations applicable to Publicly Traded CPDIs, interest on a Publicly Traded CPDI accrues on the entire issue price of the debt instrument at a rate equal to the yield on a comparable noncontingent debt instrument, and this approach is called the "noncontingent bond method." Under the noncontingent bond method, the amount of interest taken into account for each accrual period is determined by constructing a projected payment schedule for the debt instrument that reflects expected contingent payments and adjusted to reflect the comparable yield. Adjustments are made if the actual amount of a contingent payment differs from the projected amount. The issuer of a Publicly Traded CPDI is required to prepare the projected payment schedule and any amendments thereto, and, subject to certain exceptions, a holder of a Publicly Traded CPDI generally is required to report accrual of OID and adjustments in a manner consistent with the issuer's schedule of projected payments. A holder generally can procure a projected payment schedule and any amendments thereto by submitting a written request to the issuer after the issuance of the debt instrument.

The regulations applicable to Publicly Traded CPDIs are reserved with respect to the treatment of certain timing contingencies, including those related to prepayments. Accordingly, there is some uncertainty as to the application of the OID regulations to Publicly Traded CPDIs with timing contingencies. Application of the rules in the OID regulations to prepayments may lead to distortive noneconomic results with potentially significant adverse tax consequences to holders and/or issuers of CPDIs. The rest of this discussion assumes that the Series B Notes are not treated as CPDIs. However, U.S. Holders of Commercial Paper are strongly urged to consult their tax advisors as to the application and effect of the OID regulations pertaining to Publicly Traded CPDIs to the reporting of income with respect to the Series B Notes they receive.

Bond Premium

If a U.S. Holder has a tax basis in a Series B Note that exceeds the note's stated redemption price at maturity, the note has bond premium to the extent of that excess, and the holder will not be required to include OID, if any, on a Series B Note in income. A U.S. Holder generally may elect to amortize the premium using the constant yield to maturity method as a reduction of the U.S. Holder's non-OID interest income from the note. Once made, the election to amortize premium on a constant yield to maturity method applies to all debt obligations held or subsequently acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. Premium on a note held by a U.S. Holder that does not make such election will decrease the gain or increase the loss otherwise recognized on the sale, exchange, redemption, retirement or other taxable disposition of a note.

Dispositions of Series B Notes

A U.S. Holder will generally recognize taxable gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a Series B Note in an amount equal to the difference between the amount realized upon such sale, exchange, redemption, retirement or other taxable disposition (reduced by any amounts attributable

to accrued but unpaid qualified stated interest, which will be taxable as ordinary interest income) and such U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a Series B Note will be determined in the manner described above and (i) increased by the amount of any OID required to be included in the U.S. Holder's gross income with respect to the note and (ii) reduced by the amount of any payments received with respect to the note that are not payments of qualified stated interest. Such gain or loss will generally be long-term capital gain or loss if the Note is held for more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential tax rates in respect of long-term capital gain. The deductibility of capital losses by U.S. Holders is subject to limitations.

Mexican Withholding Taxes and Foreign Tax Credits

Payments on the Series B Notes potentially may be subject to withholding tax imposed by Mexico, and the rest of this discussion assumes the imposition of such withholding tax. In the event of a payment on the Series B Notes that is subject to Mexican withholding tax, U.S. Holders will be treated as having received the payment in full and as then paying over the withheld tax to Mexico. Pursuant to the terms of the Series B Notes, we will be required to pay additional amounts in respect of such withholding so that, subject to certain exceptions, the net amount received by each U.S. Holder will equal the amounts that would have been received in the absence of such withholding. Although not free from doubt, such additional amounts should be taxable to the U.S. Holder as ordinary interest income at the time they are paid or accrue in accordance with the U.S. Holder's method of accounting for tax purposes.

Subject to numerous limitations, U.S. Holders may receive a foreign tax credit with respect to Mexican withholding taxes imposed on payments made on the Series B Notes. Any amounts attributable to interest or additional amounts paid in respect of Series B Notes generally will be treated as foreign source passive category income or, in some cases, general category income, for U.S. foreign tax credit limitation purposes.

If any foreign income tax is withheld on the sale or other taxable disposition of a Series B Note, the amount realized by a U.S. Holder will include the gross amount of the proceeds of that sale or other taxable disposition before deduction of such tax. The rules regarding the availability of foreign tax credits with respect to foreign taxes withheld or, alternatively, deductions of foreign income taxes, and sourcing of gain (or loss) on sales or dispositions are complex. U.S. Holders should consult their own tax advisors regarding the application and effect of these rules in their particular circumstances, taking into account the United States-Mexico Income Tax Convention, in connection with any sale or taxable disposition of the Series B Notes.

Non-U.S. Holders

For purposes of the following discussion a "Non-U.S. Holder" means a beneficial owner of Commercial Paper that is not, for U.S. federal income tax purposes, a U.S. Holder or a partnership (or an entity or arrangement classified as a partnership for such purposes). Subject to the discussion below regarding backup withholding, a Non-U.S. Holder will generally not be subject to U.S. federal income or withholding tax on:

(a) interest (including OID) and any additional amounts paid in respect of the Series B Notes, unless those payments are effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment); and

(b) gain realized on the exchange of Commercial Paper for Series B Notes or the sale, exchange, redemption, retirement or other taxable disposition of the Series B Notes, unless (i) that gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment) or, (ii) in the case of gain realized by an individual Non-U.S. Holder, the Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

Information Reporting and Backup Withholding

In general, U.S. tax information reporting requirements may apply to payments made with respect to the Series B Notes and the proceeds of sale of such notes by holders other than certain exempt persons. Backup withholding of U.S. federal income tax may apply at applicable rates to payments with respect to the Series B Notes and the proceeds of sale of the Series B Notes, if the holder fails to provide a correct taxpayer identification number or certification of exempt status or, with respect to certain payments, if a holder fails to report in full all interest and dividend income and the IRS notifies the payor of the holder's underreporting. Any amounts withheld under the backup withholding rules from a payment to a holder will generally be allowed as a refund or credit against the holder's federal income tax liability provided the required information is timely furnished to the IRS.

Recently enacted legislation requires certain investors to report information with respect to their investment in certain "foreign financial assets" not held through a custodial account with a U.S. financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. U.S. Holders are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on the Series B Notes received in the exchange.

TRANSFERS OF SERIES B NOTES

Exemption From Registration Requirements For Series B Notes

Upon consummation of the U.S. Plan, the Company will rely on section 1145 of the U.S. Bankruptcy Code to exempt the offering, issuance and distribution of the Series B Notes and the Subsidiary Guarantees from the registration requirements of the Securities Act and of any state securities or "blue sky" laws. Section 1145 of the U.S. Bankruptcy Code exempts from registration the offer or sale of securities of the debtor, an affiliate participating in a joint plan with the debtor, or a successor to a debtor under a chapter 11 plan if such securities are offered or sold in exchange for a claim against, an equity interest in, or a claim for an administrative expense in a case concerning, the debtor or such affiliate under the U.S. Plan. The Company believes that it and each of the Subsidiary Guarantors are affiliates of the Debtors participating in the U.S. Plan for purposes of section 1145 of the U.S. Bankruptcy Code and that the offer and sale of the Series B Notes and the Subsidiary Guarantees under the U.S. Plan satisfies the requirements of section 1145 of the U.S. Bankruptcy Code and, therefore, the Series B Notes and Subsidiary Guarantees are exempt from the registration requirements of the Securities Act and state securities laws.

Subsequent Transfers Of Series B Notes

The recipients of the Series B Notes and Subsidiary Guarantees will be able to resell the Series B Notes and Subsidiary Guarantees without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(1) of the Securities Act, unless the holder of such stock is an "underwriter" within the meaning of section 1145(b) of the U.S. Bankruptcy Code. In addition, the New Notes and the Subsidiary Guarantees generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. However, the recipients of the Series B Notes and Subsidiary Guarantees issued under the U.S. Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.

Section 1145(b) of the U.S. Bankruptcy Code defines "underwriter" as one who: (i) purchases a claim with a view to distribution of any security to be received in exchange for such claim; (ii) offers to sell securities issued under a plan for the holders of such securities; (iii) offers to buy securities issued under a plan from persons receiving such securities, if the offer to buy is made with a view to distribution; or (iv) is an "issuer" of the relevant security, as such term is used in section 2(11) of the Securities Act. Under section 2(11) of the Securities Act, an "issuer" includes any "affiliate" of the issuer, which means any person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with the issuer.

To the extent that the recipients of the Series B Notes and Subsidiary Guarantees under the U.S. Plan, are deemed to be "underwriters," the resale of the Series B Notes and Subsidiary Guarantees by such persons would not be exempted by section 1145 of the U.S. Bankruptcy Code from registration under the Securities Act or other applicable laws. Persons deemed to be underwriters may, however, be permitted to sell such Series B Notes and Subsidiary Guarantees pursuant to Rule 144 under the Securities Act. This rule permits the public resale of securities received by "underwriters" if current information regarding the issuer is publicly available and if certain volume limitations and other conditions are met.

GIVEN THE COMPLEX NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER WITH RESPECT TO THE SERIES B NOTES AND SUBSIDIARY GUARANTEES, THE COMPANY MAKES NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE THE SERIES B NOTES UNDER THE U.S. PLAN. THE COMPANY RECOMMENDS THAT HOLDERS CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES WITHOUT REGISTRATION UNDER THE SECURITIES ACT.

Listing

Application has been made to list the Series A Notes and the Series B Notes on the Official List of the Luxembourg Stock Exchange and to admit the Series A Notes and the Series B Notes to trading on the Euro MTF .

ANNEX A

RESTRUCTURING AGREEMENT

RESTRUCTURING AGREEMENT

by and among

Industrias Unidas, S.A. de C.V.,

The Several Subsidiary Guarantors Party Hereto,

and

The Several Consenting Creditors Party Hereto

dated as of

July 12, 2011

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RESTRUCTURING AGREEMENT

This Restructuring Agreement (the "Agreement") is entered into, as of July 12, 2011, by and among Industrias Unidas, S.A. de C.V. (the "Company"), those certain subsidiaries of the Company set forth on Exhibit A that are guarantors of the Company's indebtedness (the "Subsidiary Guarantors"), and each of those certain holders of the Eligible Debt (as defined herein) (each, a "Consenting Creditor" and, collectively, the "Consenting Creditors"). The Company, the Subsidiary Guarantors and the Consenting Creditors are each referred to herein as a "Party", and collectively, as the "Parties." Capitalized terms used herein shall have the meaning ascribed to such terms in Article I (*Definitions*).

RECITALS

WHEREAS, the Company issued certain 11.5% Senior Secured Notes due 2016 with a principal amount outstanding of U.S.$200,000,000 pursuant to an indenture dated as of November 13, 2006 (the "Existing Indenture" and the notes issued thereunder the "2016 Notes") entered into by and among the Company, the guarantors named therein and The Bank of New York as trustee (the "Trustee");

WHEREAS, the Company and its subsidiaries have additional indebtedness consisting of: (i) (1) U.S.$145,696,154.54 aggregate principal amount of the promissory notes (*pagarés*) (the "Copper Debt Notes") issued pursuant to (A) the Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009 and dated as of June 25, 2008, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc. ("Gerald"), IUSA, S.A. de C.V. ("IUSA") and the Company, as amended, including all annexes and exhibits thereto, and the guarantee issued by the Company in respect thereof, and (B) the Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald, IUSA and the Company, as amended, including all annexes and exhibits thereto, and the guarantees issued by the Company and IUSA in respect thereof (together, the "Copper Contracts") (each of which such promissory note (*pagarés*), for the avoidance of doubt, includes any Copper Debt Note that was originally issued in connection with any such Copper Contract, whether such Copper Debt Note is currently held by the original holder thereof or a subsequent holder thereof) and (2) the agreed upon August 2009 finalization amount of U.S.$155,000.00 (the "August 2009 Finalization Amount"); and (ii) certain legal and non-legal costs and expenses accrued in connection with the Copper Contracts prior to October 22, 2010 in an aggregate agreed amount of U.S.$2,000,000 (the "Agreed Costs" and collectively with the Copper Debt Notes and the August 2009 Finalization Amount, the "Copper Debt");

WHEREAS, Schedule 1 sets forth (i) the Copper Debt Notes held by each holder of Copper Debt; (ii) the August 2009 Finalization Amount allocated to Gerald; and (iii) the portion of the aggregate Agreed Costs allocated to each holder of Copper Debt, as such schedule may be amended from time to time pursuant to the terms hereof;

WHEREAS, the Company issued certain 9.75% commercial paper with a principal amount outstanding of U.S.$9,500,000 due March 26, 2009, which is guaranteed by certain of its subsidiaries (the "9.75% Commercial Paper");

WHEREAS, the Company issued certain 12% commercial paper with a principal amount outstanding of U.S.$15,000,000 due August 6, 2009, which is guaranteed by certain of its subsidiaries (the "12% Commercial Paper" and together with the 9.75% Commercial Paper, the "Commercial Paper" and the documentation in respect thereof, the "Commercial Paper Documentation");

WHEREAS, the Company is party to a certain Credit Agreement dated as of August 29, 2007, with a principal amount outstanding of U.S.$803,803.38 entered into by the Company, IUSA, Cambridge-Lee Holdings, Inc. ("CLH") and Espirito Santo Bank, and held by the Export-Import Bank of the United States (the loan thereunder, the "ESBDS Loan" and, together with the 2016 Notes, the Copper Debt and the Commercial Paper, the "Eligible Debt");

WHEREAS, the 2016 Notes are secured by that certain pledge and security agreement dated as of November 16, 2006 pursuant to which the Company's wholly-owned subsidiary, Tubo de Pastejé, S.A. de C.V. ("Tubo") granted, in favor of the Trustee for the benefit of the 2016 Notes, a non-recourse pledge of the capital stock of CLH;

WHEREAS, on November 15, 2009, the Company failed to make an interest payment that was due on the 2016 Notes and, on December 8, 2009, Tubo and CLH (the "Debtors" and each a "Debtor") commenced proceedings (the "Chapter 11 Cases") under section 11 of title 11 of the United States Code (the "Bankruptcy Code") before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, the Company has determined that the Restructuring of the Eligible Debt pursuant to the terms hereof is in the best interests of the Company, its stakeholders and Affiliates;

WHEREAS, the Company and its subsidiaries have outstanding that certain secured debt set forth on Schedule 2 attached hereto (the "Old Secured Debt"), which shall be restructured in connection with the Restructuring as provided herein;

WHEREAS, the Parties have engaged in good faith negotiations with the objective of reaching an agreement with respect to the Restructuring in accordance with the terms set forth in this Agreement and the exhibits attached hereto;

WHEREAS, the Company intends to, and intends to cause its subsidiaries to (other than the Debtors and their subsidiaries as to which it intends to use its commercially reasonable efforts to cause such entities to), implement the Restructuring pursuant to the terms and conditions set forth in this Agreement, through, *inter alia*: (i) the exchange of the ESBDS Loan and the 2016 Notes (collectively the "Series A Eligible Debt") for new Series A notes (the "New Series A Notes") pursuant to the Debtors' and the Company's amended and restated joint coordinated disclosure statement (the "Disclosure Statement"), amended and restated reorganization plan (the "Chapter 11 Plan") and proposed confirmation order (the "Confirmation Order") as approved by the Bankruptcy Court with no material changes from the versions attached hereto as Exhibit B, Exhibit C and Exhibit L respectively; (ii) the consensual out-of-court exchange of the Copper Debt and the Commercial Paper (collectively the "Series B Eligible Debt") for new Series B notes (the "New Series B Notes" and, together with the New

Series A Notes, the "New Notes") pursuant to this Agreement; and (iii) an exchange offer with respect to the Commercial Paper pursuant to the form of exchange offer in the form attached hereto as Exhibit D (the "Exchange Offer");

WHEREAS, the New Series A Notes and the New Series B Notes will (i) be issued pursuant to the Chapter 11 Plan, this Agreement and the Exchange Offer subject to the terms and conditions set forth herein and therein and (ii) contain the terms in the description of the New Notes attached hereto as Exhibit E (the "Description of Notes");

WHEREAS, the Company intends, within the time frames set forth herein, to (i) file and use commercially reasonable efforts to cause the Debtors to file the Chapter 11 Plan and Disclosure Statement with the Bankruptcy Court and (ii) use commercially reasonable efforts to cause the Debtors to obtain (A) approval by the Bankruptcy Court of the Disclosure Statement and (B) confirmation by the Bankruptcy Court of the Chapter 11 Plan, in each case with no material changes from the versions attached hereto as Exhibit B and Exhibit C, respectively;

WHEREAS, each of the holders of Series A Eligible Debt that is a party hereto (the "Consenting Noteholders") and the holders of Series B Eligible Debt that is a party hereto (the "Consenting Lenders") desires to restructure their Eligible Debt pursuant to and subject to the terms and conditions set forth herein; and

WHEREAS, subject to (i) execution of definitive documentation, (ii) the satisfaction of the terms and conditions set forth herein, in the Chapter 11 Plan and in the Offering Documents, and (iii) as required, appropriate approvals by the Bankruptcy Court of the Disclosure Statement and the Chapter 11 Plan, the Parties wish to consummate the Restructuring and the other transactions contemplated hereunder.

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. When used in this Agreement, the following capitalized terms have the meanings ascribed to them below.

"12% Commercial Paper" shall have the meaning set forth in the recitals hereto.

"2016 Notes" shall have the meaning set forth in the recitals hereto.

"9.75% Commercial Paper" shall have the meaning set forth in the recitals hereto.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person, and with respect to the Company or any entity in the Credit Group, shall include (i) directors and officers of such Person, (ii) any shareholder thereof and (iii) any spouse or relative

(by blood or otherwise to the fourth degree of consanguinity), trust or other similar legal entity created for the benefit of any Affiliate or the estate of any of the foregoing.

"Agreed Accrual Rate" shall mean the applicable interest rate set forth opposite the Eligible Debt listed on Schedule 3.

"Agreed Costs" shall have the meaning set forth in the recitals hereto.

"Agreement" shall have the meaning set forth in the preamble hereto.

"Applicable Date" shall mean (i) the applicable date of the last payment made by the Company with respect to each holder of 2016 Notes, ESBDS Loan, 12% Commercial Paper and 9.75% Commercial Paper, as set forth opposite such Eligible Debt listed on Schedule 3 and (ii) (A) with respect to Copper Debt represented by a Copper Debt Note and the allocated amount of the Agreed Costs, as set forth opposite such Eligible Debt listed on Schedule 3 and (B) with respect to the August 2009 Finalization Amount, August 31, 2009.

"Auditor" means Galaz, Yamazaki, Ruiz, Urquiza S.C., member of Deloitte Touche Tohmatsu.

"August 2009 Finalization Amount" shall have the meaning set forth in the recitals hereto.

"Bankruptcy Code" shall have the meaning set forth in the recitals hereto.

"Bankruptcy Court" shall have the meaning set forth in the recitals hereto.

"Business Day" means any day other than a Saturday or Sunday, or a day on which banking institutions in The City of New York or Mexico City are authorized or required by law, regulation or executive order to remain closed.

"Chapter 11 Cases" shall have the meaning set forth in the recitals hereto.

"Chapter 11 Plan" shall have the meaning set forth in the recitals hereto.

"CLH" shall have the meaning set forth in the recitals hereto.

"Closing Date" shall have the meaning set forth in Section 7.1 (*Conditions Precedent to Closing*).

"Collateral Agent" shall have the meaning set forth in the Description of Notes.

"Commercial Paper" shall have the meaning set forth in the recitals hereto.

"Commercial Paper Documentation" shall have the meaning set forth in the recitals hereto.

"Company" shall have the meaning set forth in the preamble hereto.

"Confirmation Order" shall have the meaning set forth in the recitals hereto.

"Consenting Creditors" shall have the meaning set forth in the preamble hereto.

"Consenting Copper Debt Holder" shall mean a holder of Copper Debt that is a party hereto.

"Consenting Lenders" shall have the meaning set forth in the recitals hereto.

"Consenting Noteholders" shall have the meaning set forth in the recitals hereto.

"Copper Contracts" shall have the meaning set forth in the recitals hereto.

"Copper Debt" shall have the meaning set forth in the recitals hereto.

"Copper Debt Note Litigation" shall mean the litigation in respect of the Copper Debt Notes described on Schedule 4.

"Copper Debt Notes" shall have the meaning set forth in the recitals hereto.

"Credit Group" shall have the meaning set forth in the Description of Notes.

"Debtors" shall have the meaning set forth in the recitals hereto.

"Defaulting Consenting Creditor" shall mean any Consenting Creditor that (i) shall breach any of its material obligations herein and such breach shall continue unremedied for a period of ten (10) calendar days after the earlier of (A) discovery of such breach by such Consenting Creditor or (B) written notice of such breach is given to such Consenting Creditor (which period shall be extended for an additional five (5) calendar days if such breach is unremedied after the end of such ten (10)-day period and such Consenting Creditor is diligently pursuing a remedy of such breach) or (ii) shall make or shall have made any representation or warranty herein (or in certifications delivered hereunder) that shall prove to be inaccurate or incorrect in any material respect and the circumstances giving rise to such inaccuracy shall not have been remedied within ten (10) calendar days after the earlier of (A) discovery of such inaccuracy by such Consenting Creditor or (B) written notice of such inaccuracy is given to such Consenting Creditor.

"Description of Notes" shall have the meaning set forth in the recitals hereto.

"Disclosure Statement" shall have the meaning set forth in the recitals hereto.

"Effective Date" shall have the meaning set forth in Section 6.1 (*Conditions Precedent to Effectiveness*).

"Electronic Watt-Hour Meter Business" means the manufacture, marketing and sale of components and semi-finished and finished watt-hour meters for customers in Mexico.

"Electronic Watt-Hour Meter Business Assets" shall have the meaning set forth in Section 5.2(e)(i) (*Company Ownership of Electronic Watt-Hour Meter Business*).

"Eligible Debt" shall have the meaning set forth in the recitals hereto.

"ESBDS Loan" shall have the meaning set forth in the recitals hereto.

"Exchange Offer" shall have the meaning set forth in the recitals hereto.

"Existing Debt Documentation" shall mean, collectively, the Existing Indenture, the Copper Debt Notes, the Commercial Paper Documentation and the ESBDS Loan.

"Existing Indenture" shall have the meaning set forth in the recitals hereto.

"Gerald" shall have the meaning set forth in the recitals hereto.

"HL Engagement Letter" means that certain engagement letter dated as of December 14, 2009, by and among IUSA, Cambridge Lee Industries, LLC, Consolidadora Iusa, S.A. de C.V., Gas Padilla, S.A. de C.V., IUSA, S.A. de C.V., Industrias Unidas de Aragón, S.A. de C.V., Industrias Unidas de Pastejé, S.A. de C.V., Servicios Administrativos Iusa, S.A. de C.V. and Houlihan Lokey Howard & Zukin Capital, Inc.

"Impact Determination" shall have the meaning set forth in Section 2.4(b) (*Documentation Acceptable to Consenting Copper Debt Holders*).

"Indebtedness" shall have the meaning set forth in the Description of Notes.

"Initial Review Period" shall have the meaning set forth in Section 2.4(b) (*Documentation Acceptable to Consenting Copper Debt Holders*).

"IUSA" shall have the meaning set forth in the recitals hereto.

"IUSA-GE" shall have the meaning set forth in Section 4.6(a) (*Further Covenants*).

"Joint Collateral Agent" shall have the meaning set forth in the Description of Notes.

"Joint Dismissal Pleadings" means any pleadings necessary for the dismissal of the Copper Debt Note Litigation pursuant to Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*).

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Lockbox Account" shall have the meaning set forth in the Description of Notes.

"Majority of Consenting Creditors" shall mean both (i) a Majority of Consenting Copper Debt Holders and (ii) a Majority of the Consenting Noteholders, in each case, as of the applicable reference date.

"Majority of Consenting Copper Debt Holders" shall mean a majority in outstanding principal amount of Copper Debt of the Consenting Lenders as of the applicable reference date.

"Majority of the Consenting Noteholders" shall mean a majority in outstanding principal amount of 2016 Notes and the ESBDS Loan of the Consenting Noteholders as of the applicable reference date.

"Management Fee Cap" shall have the meaning set forth in Section 4.6(b) (*Further Covenants*).

"Management Fees" shall mean any cash or other non-cash compensation (whether in the form of payments, salary, in-kind transfers, dividends, distributions or otherwise) paid by members of the Credit Group to an Affiliate not in the Credit Group (i) in exchange for management, accounting, legal, database and/or other services or (ii) in respect of debt or equity securities or other interests; it being understood that Management Fees shall not include the reasonable and documented fees, at cost, for (a) management, accounting, legal, database, or similar services provided by individuals that are not Affiliates (who may, however, be employed as an officer of a member of the Credit Group or both a member of the Credit Group and an Affiliate), (b) management, accounting, legal, database, or similar services provided by third parties that are not Affiliates and invoiced directly, with a detailed and itemized invoice with respect to any such amount in excess of U.S.$10,000, to a member of the Credit Group with no markup or allocation for overhead, administrative costs, or similar amounts, or (c) SAP computer services provided by the Company pursuant to computer services or similar agreements.

"Mortgages" shall have the meaning set forth in the Description of Notes.

"New Notes" shall have the meaning set forth in the recitals hereto.

"New Series A Notes" shall have the meaning set forth in the recitals hereto.

"New Series B Notes" shall have the meaning set forth in the recitals hereto.

"Offering Documents" shall mean, collectively, the Disclosure Statement and the Exchange Offer.

"Old Secured Debt" shall have the meaning set forth in the recitals hereto.

"Parties" shall have the meaning set forth in the preamble hereto.

"Permitted Liens" shall have the meaning set forth in the Description of Notes.

"Person" shall have the meaning set forth in the Description of Notes.

"Pro Rata Share" means: (i) with respect to the share of New Series A Notes to be issued to holders of Series A Eligible Debt pursuant to the Chapter 11 Plan, New Series A Notes with a face amount equal to the aggregate of (x) the principal amount outstanding of Series A Eligible Debt held by such holder as of the Closing Date plus (y) unpaid and accruing interest on such principal amount compounded quarterly from the Applicable Date through November 15, 2011

at the applicable Agreed Accrual Rate, plus (z) the Series A Restructuring Fee; and (ii) with respect to the share of New Series B Notes to be issued to a holder of Series B Eligible Debt, New Series B Notes with a face amount equal to the aggregate of (x) the face amounts outstanding of Series B Eligible Debt held by such holder as of the Closing Date, plus (y) unpaid and accruing interest on each component of such face amounts compounded quarterly from the relevant Applicable Date through November 15, 2011 at the applicable Agreed Accrual Rate, plus (z) the Series B Restructuring Fee.

"Real Property Collateral" shall have the meaning set forth in the Description of Notes.

"Reimbursement Amount" shall have the meaning set forth in Section 4.3 (*Payment of Fees and Expenses*).

"Restructuring" shall mean the restructuring of the Eligible Debt pursuant to the terms hereof, including any and all transactions contemplated pursuant to this Agreement, the Offering Documents and the Chapter 11 Plan.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Section 2.4(b) Document" shall have the meaning set forth in Section 2.4(b) (*Documentation Acceptable to Consenting Copper Debt Holders*).

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Series A Eligible Debt" shall have the meaning set forth in the recitals hereto.

"Series A Restructuring Fee" means a restructuring fee in the amount of 1.75% of the face amount of the Series A Eligible Debt held by a Consenting Noteholder, which shall be paid in kind on the Closing Date pursuant to the terms hereof and the Chapter 11 Plan; provided that the Series A Restructuring Fee shall compound quarterly from (and including) May 15, 2011 through (but excluding) November 15, 2011, at the applicable Agreed Accrual Rate; and provided, further, that such restructuring fee shall not be due or payable in the event the Closing Date does not occur.

"Series B Eligible Debt" shall have the meaning set forth in the recitals hereto.

"Series B Restructuring Fee" means a restructuring fee in the amount of 1.75% of the face amount of the Series B Eligible Debt held by a Consenting Lender (including the August 2009 Finalization Amount, but excluding for purposes of this calculation the amount of any Agreed Costs attributable to such Consenting Lender), which shall be paid in kind on the Closing Date; provided that the Series B Restructuring Fee shall compound quarterly from (and including) May 15, 2011 through (but excluding) November 15, 2011 at the applicable Agreed Accrual Rate; and provided further, that such restructuring fee shall not be due or payable in the event the Closing Date does not occur; and provided, further, that, such Series B Restructuring Fee shall be due and payable on the Closing Date to any holder of Series B Eligible Debt who became a Consenting Lender by executing this Agreement and who does in fact tender for exchange the Series B Eligible Debt held by such Person for its Pro Rata Share of the New Series B Notes through compliance with the provisions of Section 3.4 (*Additional Commitments of the*

Consenting Copper Debt Holders Regarding the Tender and Exchange of Series B Eligible Debt) and Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*), as applicable to a Consenting Copper Debt Holder, notwithstanding the fact that the obligations of such holder of Series B Eligible Debt under this Agreement may have been terminated with respect to such Person, for any reason, prior to the Closing Date, whether through the exercise of such Person's termination rights pursuant to Section 8.1(a) (*Termination Events*) or otherwise.

"Subsidiary Guarantors" shall have the meaning set forth in the preamble hereto.

"Termination Event" shall have the meaning set forth in Section 8.1 (*Termination Events*).

"Transfer" shall have the meaning set forth in Section 3.1(c) (*Commitments of Each Consenting Creditor*).

"Trustee" shall have the meaning set forth in the recitals hereto.

"Tubo" shall have the meaning set forth in the recitals hereto.

"U.S. Dollars" and "U.S.$" each means lawful currency of the United States.

1.2 Interpretation.

(a) The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction or interpretation of any term or provision hereof.

(b) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(c) The words "hereof", "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified.

(d) The words "or" and "nor" shall not be exclusive.

(e) All Exhibits or Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein.

(f) The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(g) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(h) A reference to a "majority" of the holders of Eligible Debt shall be understood to mean the holders of a majority of the principal amount outstanding of the referenced Eligible Debt as of the date of determination.

(i) Unless the context shall otherwise require, any reference to any contract, instrument, statute, rule or regulation is a reference to it as amended, supplemented or modified from time to time (and, in the case of a statute, rule or regulation, to any successor provision).

(j) This Agreement is the product of negotiations of the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

(k) Unless otherwise specified, all payments and adjustments under this Agreement shall be made in U.S. Dollars.

ARTICLE II

GENERAL OBLIGATIONS

2.1 General Obligations. Each of the Parties covenants and agrees, so long as this Agreement remains in effect with respect to such Party in accordance with the terms hereof, that it will use commercially reasonable efforts to take or cause to be taken all further actions, and to execute and deliver any other further documents that are reasonably necessary, to confirm and consummate the Restructuring pursuant to the terms and conditions set forth in this Agreement, the Chapter 11 Plan and the Exchange Offer, as applicable.

2.2 Negotiation of Restructuring Documentation. Without limiting the foregoing, each of the Parties shall negotiate in good faith and seek to complete within forty-five (45) calendar days of the Effective Date of this Agreement the following documentation (all such documentation to be in form and substance reasonably satisfactory to each of the Parties, other than the pledge of the capital stock of CLH, which shall be in form and substance reasonably satisfactory to the Consenting Noteholders and the Company): forms of the indenture and supplemental indentures for the issuance of the New Notes; forms of collateral documents, including with respect to mortgages on the assets and properties owned by the Credit Group, the pledge of the capital stock of CLH, the pledge of the capital stock of the Company's current and future Mexican subsidiaries, and the lien on the applicable portion of the Lockbox Account; forms of guarantees; form of intercompany indebtedness pledge and subordination agreement; form of non-possessory pledge agreements; form of revolving credit agreement to document intercompany claims (including provisions for the subordination of, and a third party beneficiary right (*estipulación a favor de tercero*) in connection with, such intercompany claims); forms of documentation, if any, to effect the transactions contemplated by Section 4.6(a) (*Further Covenants*); the Joint Dismissal Pleadings; and such other documentation as may be necessary or

advisable in the reasonable judgment of the Parties in relation to the New Notes to be issued pursuant to the Restructuring.

2.3 Extent of Obligations. The Parties agree that (i) any representations and warranties made by, and any covenants and obligations applicable to, the Consenting Creditors shall be applicable severally and not jointly, and (ii) any representations and warranties made by, and any covenants and obligations applicable to, the Company and the Subsidiary Guarantors shall be applicable on a joint and several basis.

2.4 Documentation Acceptable to Consenting Copper Debt Holders. Notwithstanding anything to the contrary in this Agreement:

(a) with respect to any form of document or agreement attached as an exhibit hereto, including the Offering Documents and the Chapter 11 Plan, any amendment, supplement or modification to each such document or agreement must be in form and substance reasonably acceptable to each of the Consenting Copper Debt Holders, if such proposed amendment, supplement or modification would contain any change or modification (other than immaterial changes or modifications) from the form of such documentation attached as an exhibit hereto as of the date such Consenting Copper Debt Holder executed this Agreement, including, without limitation, any change or modification that would (i) affect the treatment of any Series B Eligible Debt or constitute a change in the relative treatments of the Series A Eligible Debt and the Series B Eligible Debt in a manner that is inconsistent with this Agreement or the terms set forth in the Description of Notes and the Chapter 11 Plan attached hereto as of the date such Consenting Copper Debt Holder executed this Agreement or (ii) adversely impact, or could be reasonably expected to impact, in any material respects, the rights and interests of such Consenting Copper Debt Holder; and

(b) with respect to any court order, final or otherwise, issued in connection with the Chapter 11 Cases, and each other document that may be necessary or advisable in furtherance of the consummation of the Restructuring and the Exchange Offer and confirmation and implementation of the Chapter 11 Plan (other than the documents set forth in Section 2.2 (*Negotiation of Restructuring Documentation*) or Section 2.4(a)) (any such document being a "Section 2.4(b) Document"), the Company shall deliver, or cause to be delivered, drafts of such Section 2.4(b) Document (or, to the extent such document has not been drafted or proposed by the Company or an Affiliate of the Company, the final or filed version of such document) to each of the Consenting Copper Debt Holders and their respective U.S. and Mexican counsel. Within three (3) Business Days following the receipt of any draft of a Section 2.4(b) Document (the "Initial Review Period"), each Consenting Copper Debt Holder shall, in the exercise of its reasonable discretion, determine whether all or any part of such Section 2.4(b) Document could (i) affect the treatment of any Series B Eligible Debt or constitute a change in the relative treatments of the Series A Eligible Debt and the Series B Eligible Debt in a manner that is inconsistent with this Agreement or the terms set forth in the Description of Notes and the Chapter 11 Plan attached hereto as of the date such Consenting Copper Debt Holder executed this Agreement or (ii) adversely impact, or could be reasonably expected to impact, in any material respects, the rights and interests of such Consenting Copper Debt Holder (any such determination being an "Impact Determination") and shall notify the Company if it has made an Impact Determination and the general basis therefor. If a Consenting Copper Debt Holder makes

an Impact Determination with respect to a Section 2.4(b) Document, then as promptly as reasonably practicable after the receipt such draft, but not necessarily within the Initial Review Period, each Consenting Copper Debt Holder shall provide comments, if any, on such draft to the Company or notify the Company that it has no comments. If the Company disagrees with the Impact Determination made by a Consenting Copper Debt Holder, such parties shall negotiate, in good faith, to resolve such disagreement, provided, that, if such parties are unable to come to an agreement, the Impact Determination made by such Consenting Copper Debt Holder shall stand. In connection with the delivery of a draft of any Section 2.4(b) Document pursuant to the foregoing, if the Company notifies the Consenting Copper Debt Holders that, due to exigent circumstances, the Company is required to file the subject Section 2.4(b) Document with the Bankruptcy Court prior to the expiry of the Initial Review Period, unless waived in writing by each of the Consenting Copper Debt Holders, such document will be deemed to be the subject of an Impact Determination by each Consenting Copper Debt Holder. With respect to any Section 2.4(b) Document, if any Consenting Copper Debt Holder has made, or is deemed to have made, an Impact Determination, then the final form of such Section 2.4(b) Document, for execution or filing or otherwise, must be in form and substance reasonably satisfactory to each of the Consenting Copper Debt Holders.

ARTICLE III

CONSENTING CREDITORS' COMMITMENTS REGARDING THE RESTRUCTURING

3.1 Commitments of Each Consenting Creditor. Each of the Consenting Creditors hereby covenants and agrees that, so long as this Agreement remains in effect with respect to such Consenting Creditor in accordance with the terms hereof, it shall:

(a) not (i) object to, delay, impede, commence, continue any proceeding (except to the extent required or permitted by Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*)) or take any other action to interfere, directly or indirectly, in any material respect with the implementation of the Restructuring, (ii) encourage or support any person or entity to do any of the foregoing, or (iii) seek or solicit, propose, file, support, encourage, vote for, consent to, instruct, or engage in discussions with any person or entity concerning any restructuring, workout, plan of reorganization, dissolution, winding up, or liquidation of the Company and its Affiliates, other than the Restructuring and the other transactions contemplated by this Agreement;

(b) from the Effective Date through the earlier of the termination of this Agreement and the Closing Date, subject to the terms and conditions herein (including clause (a) above), agree to forbear from exercising any rights and remedies that such Consenting Creditor may have pursuant to the Existing Debt Documentation against the Company and the various subsidiary guarantors specified therein as a result of the Company's breach thereof, it being understood that this Section 3.1(b) shall not apply to the Copper Debt Litigation, which shall be subject to the terms and conditions of Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*); and

(c) for the period commencing as of the Effective Date until this Agreement is terminated by or with respect to such Consenting Creditor pursuant to the terms hereof, not sell, assign, transfer, hypothecate or otherwise dispose of, directly or indirectly (each, a "Transfer"), any Eligible Debt, unless the transferee(s) of such claim is a Party to this Agreement or agree(s) to be bound by this Agreement and a joinder to this Agreement in the form attached hereto as Exhibit F is executed, duly notarized and delivered to the Company within three (3) Business Days of such Transfer; provided, however, that each Consenting Creditor may (i) Transfer any Eligible Debt or any interest in any Eligible Debt and may assign its rights and obligations hereunder, in whole or in part, to any Party to this Agreement or any Affiliate, subsidiary, direct or indirect participant in such Eligible Debt, or designee thereof, and (ii) effect any of the following transactions: (A) sales of participation interests in the Eligible Debt; (B) sales of interests in the Eligible Debt pursuant to repurchase agreements entered into by such Consenting Creditor (or any Affiliate thereof) with counterparties with which such Consenting Creditor (or such Affiliate) may enter into such type of repurchase transactions in the ordinary course of business; or (C) pledges of interests in the Eligible Debt pursuant to swap agreements entered into by such Consenting Creditor (or any Affiliate thereof) with counterparties with which such Consenting Creditor (or such Affiliate) may enter into such type of swap transactions in the ordinary course of business; provided, however, that any such Affiliate, subsidiary, direct or indirect participant, designee or counterparty agrees in writing to be bound by the terms of this Agreement if it is not already a Party to this Agreement.

3.2 Transfer Process.

(a) The Company shall promptly acknowledge any Transfer in compliance with Section 3.1(c) (*Commitments of Each Consenting Creditor*) in writing and provide a copy of such acknowledgment to the transferor; provided that the Company's failure to do so shall have no effect upon such Transfer. Any Transfer that does not comply with Section 3.1(c) (*Commitments of Each Consenting Creditor*) shall be deemed void *ab initio* and shall have no effect whatsoever as to any applicable law and the transferor(s) shall remain subject to and liable under this Agreement, and neither the Company nor any of its subsidiaries shall be bound to recognize or acknowledge in any manner such Transfer or to recognize or acknowledge any person or entity as a creditor or beneficiary of the Company. Upon the consummation of any Transfer in compliance with Section 3.1(c) (*Commitments of Each Consenting Creditor*), (i) any person or entity that is a transferee shall be fully bound by this Agreement as a "Consenting Creditor," "Consenting Lender," or "Consenting Noteholder," as applicable, and shall be a "Party" hereto and (ii) the transferor shall no longer be bound by this Agreement and the obligations hereunder with respect to the Eligible Debt that has been transferred.

(b) This Agreement shall in no way be construed to preclude any Consenting Creditor from acquiring additional Eligible Debt; provided, however, that any such additional Eligible Debt so acquired shall automatically be deemed to be Eligible Debt and shall be subject to the terms of this Agreement, including Section 3.1(a) (*Commitments of Each Consenting Creditor*).

3.3 Additional Commitments of the Consenting Noteholders. Each of the Consenting Noteholders hereby further covenants and agrees that, so long as this Agreement remains in effect with respect to such Consenting Noteholder in accordance with the terms hereof, it shall:

(a) subject to Section 11.12 (*Acknowledgement*), use commercially reasonable efforts to facilitate confirmation of the Chapter 11 Plan, including, in the event that (i) the Disclosure Statement is approved by the Bankruptcy Court with no material changes from the version attached as Exhibit B hereto (as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*)) and (ii) such Consenting Noteholder has been properly solicited pursuant to sections 1125 and 1126 of the Bankruptcy Code, to vote in favor of the Chapter 11 Plan;

(b) solely with respect to Consenting Noteholders holding 2016 Notes, instruct the Trustee in writing to not object to confirmation of the Chapter 11 Plan if each of the conditions set forth in Section 6.1 (*Conditions Precedent to Effectiveness*) is satisfied; provided, however that the Parties acknowledge that such an instruction will not control the Trustee and does not constitute a guarantee that the Trustee will not in fact not object to confirmation of the Chapter 11 Plan;

(c) with respect to any of its claims against the Company or its subsidiaries, not vote in favor of acceptance of, or consent to, or otherwise support, either directly or indirectly, any plan of reorganization or liquidation other than the Chapter 11 Plan;

(d) not object to, oppose or otherwise interfere with, or cause any of its affiliates (as defined in the Bankruptcy Code) to object to, oppose or otherwise interfere with, the confirmation in the Bankruptcy Court and implementation of the Chapter 11 Plan or the consummation of the Exchange Offer; and

(e) on the Closing Date, subject to the satisfaction of the conditions set forth in Section 7.1 (*Conditions Precedent to Closing*) and to the terms of the Chapter 11 Plan and this Agreement, and in exchange for the Consenting Noteholder's Pro Rata Share, surrender to the Company any certificate or other instrument evidencing an entitlement to the Series A Eligible Debt in accordance with the procedures set forth in the Chapter 11 Plan.

3.4 Additional Commitments of the Consenting Copper Debt Holders and the Company Regarding the Tender and Exchange of Series B Eligible Debt. Each of the Consenting Copper Debt Holders hereby further covenants and agrees that, so long as this Agreement remains in effect with respect to such Consenting Copper Debt Holder in accordance with the terms hereof, on the Closing Date subject to the satisfaction of the conditions set forth in Section 7.1 (*Conditions Precedent to Closing*), it shall, subject to the terms and conditions of this Agreement, exchange the Series B Eligible Debt held by such Consenting Copper Debt Holder for its Pro Rata Share of the New Series B Notes through (a) the delivery to the Company of each Copper Debt Note or other instrument evidencing its Series B Eligible Debt marked "canceled" (or similarly annotated) or a lost note indemnity letter in the form of Exhibit G or (b) irrevocable and unconditional instructions to the applicable court, contained in the Joint Dismissal Pleadings attached hereto as Exhibit N, to release the applicable Copper Debt Note to the Company or the applicable Subsidiary Guarantor upon and in connection with the dismissal of the applicable proceeding as set forth in Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*). The Company hereby further covenants and agrees that, so long as this Agreement remains in effect with respect to such Party in accordance with the terms hereof, on the Closing Date subject to the

satisfaction of the conditions set forth in Section 7.1 (*Conditions Precedent to Closing*), it shall, subject to the terms and conditions of this Agreement, issue and deliver to each Consenting Copper Debt Holder (or an Affiliate of such Consenting Copper Debt Holder that may be designated by such Consenting Copper Debt Holder prior to the Closing Date) such Consenting Copper Debt Holder's Pro Rata Share of the New Series B Notes (and cause the issuance and delivery of the associated guarantees) in exchange for the Series B Eligible Debt held by such Consenting Copper Debt Holder through the delivery of New Series B Notes (and associated guarantees) to such Consenting Copper Debt Holder (or such designated Affiliate) pursuant to the delivery mechanisms set forth in the Description of Notes.

3.5 Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors. Each of the Consenting Copper Debt Holders, on the one hand, and the Company and the Subsidiary Guarantors, on the other hand, hereby further covenants and agrees that, so long as this Agreement remains in effect with respect to such Party in accordance with the terms hereof, on the Closing Date, each such Party shall, in connection with the exchange of debt contemplated by Section 3.4 (*Additional Commitments of the Consenting Copper Debt Holders Regarding the Tender and Exchange of Series B Eligible Debt*) and, if applicable, the Joint Dismissal Pleadings contemplated by this Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*), (a) execute and deliver a mutual release in the form of Exhibit K attached hereto and (b) jointly submit the Joint Dismissal Pleadings attached hereto as Exhibit N in each of the Copper Debt Note Litigations and take all such other actions as may be required to dismiss such proceedings with prejudice. Each of the Consenting Copper Debt Holders, on the one hand, and the Company and the Subsidiary Guarantors, on the other hand, hereby further covenants and agrees that, so long as this Agreement remains in effect with respect to such Party in accordance with the terms hereof, in respect of each of the Copper Debt Note Litigations applicable to such Party, each such Party shall take such actions as may be required to stay or suspend such proceedings; provided, however, that prior to the Closing Date, any Party to any such Copper Debt Note Litigation may take such other actions in respect of such Copper Debt Note Litigation as such Party determines to be necessary or appropriate in its sole discretion, based upon the written advice of counsel, to protect and preserve its legal rights and remedies in such Copper Debt Note Litigation.

3.6 Additional Commitments of Affiliates with respect to Eligible Debt. Each Affiliate of the Company or any entity in the Credit Group that is a party hereto hereby covenants and agrees that it shall (a) tender all Eligible Debt beneficially owned by it to the Exchange Offer within ten (10) Business Days of its commencement and (b) not withdraw such tender at any time prior to the closing or termination of the Exchange Offer.

ARTICLE IV

THE COMPANY'S COMMITMENTS REGARDING THE RESTRUCTURING

4.1 Consummation of the Restructuring. The Company and each Subsidiary Guarantor shall, and shall cause its subsidiaries (other than the Debtors and their subsidiaries) to, and shall use commercially reasonable efforts to cause the Debtors and their subsidiaries to: (i) take all actions reasonably necessary or desirable to consummate the Restructuring in accordance

with the terms of this Agreement; (ii) implement and use commercially reasonable efforts to cause the Debtors to implement all steps that are reasonably necessary or desirable to obtain orders of the Bankruptcy Court (A) approving the Disclosure Statement and (B) confirming the Chapter 11 Plan with no material changes from the versions attached hereto as Exhibit B and Exhibit C (as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*)), respectively; and (iii) take no actions, directly or indirectly, or encourage any other Person to take any actions, that are inconsistent with the Restructuring or the other transactions contemplated by this Agreement or the timely approval, confirmation and consummation of the Chapter 11 Plan in accordance with the terms and conditions of this Agreement. Distributions of the New Series B Notes shall be made by the Company in a method that in form and substance is reasonably acceptable to each of the Consenting Copper Debt Holders and the Company.

4.2 Most Favorable Terms.

(a) The Company and each Subsidiary Guarantor (i) shall not, and shall cause its subsidiaries (other than the Debtors and their subsidiaries) not to, and shall use commercially reasonable efforts to cause the Debtors and their subsidiaries not to, enter into any agreement to or pay any forbearance, lock-up, support or similar fee to any creditor or holders of Indebtedness of the Company, any Subsidiary Guarantor or any of their respective Affiliates (other than Permitted Indebtedness (set forth on Exhibit M hereto), trade Indebtedness, or unsecured Indebtedness with a principal amount less than U.S.$1,000,000) other than as provided under this Agreement and (ii) shall provide prompt written notice to each Consenting Creditor if it becomes aware that (x) the aggregate amount of the Eligible Debt held by the Consenting Creditors bound by this Agreement is reduced in any material respect or (y) the obligations of any Consenting Creditor under this Agreement are terminated at any time prior to the consummation of the Restructuring.

(b) To the extent that, in violation of this Section 4.2, the Company or any Subsidiary Guarantor offers any creditor or holder of any Eligible Debt a forbearance, lock-up, support or similar agreement on terms and conditions that are more favorable than those offered to the Consenting Creditors, this Agreement shall be promptly amended without further action to include such more favorable terms; provided, that, the operation of this provision shall not be construed as a cure of any breach of Section 4.2 and each Consenting Creditor shall continue to have all rights and remedies in respect of such breach by the Company or any Subsidiary Guarantor.

(c) Notwithstanding the foregoing, holders of Commercial Paper may become parties to this Agreement after the Effective Date without the consent of any Consenting Creditor; provided, that, neither the Company nor any Subsidiary Guarantor or any Affiliate thereof shall make any payments to, or enter into any settlements with, any holder of Commercial Paper prior to the Closing Date, except any payments made pursuant to a final and non-appealable court order.

4.3 Payment of Fees and Expenses. The Company shall: (i) reimburse, on a monthly basis and within ten (10) Business Days following the delivery of invoices, the reasonable and documented fees and expenses incurred by Cleary Gottlieb Steen & Hamilton LLP and Heather

& Heather, S.C. in accordance with the terms of the agreements entered into with such firms, whether incurred before or after the date hereof and regardless of whether the transactions contemplated herein are actually consummated or the documentation related to the New Notes and the Restructuring is executed; (ii) reimburse Gerald on behalf of the holders of Copper Debt on a monthly basis and within ten (10) Business Days following the delivery of invoices, for the reasonable and documented fees and expenses of Stroock & Stroock & Lavan LLP and Guerra Gonzalez y Asociados S.C. incurred in connection with the Restructuring during the period from October 22, 2010 through the Closing Date up to an aggregate amount of U.S.$325,000 (such aggregate amount, including as it may be increased as set forth below, the "Reimbursement Amount"), regardless of whether the transactions contemplated herein are actually consummated or the documentation related to the Restructuring is executed; provided that invoices relating to the Reimbursement Amount (up to the aggregate Reimbursement Amount) may be submitted no more often than once per month; and provided, further, that if the Closing Date has not occurred on or before April 30, 2011, then the Reimbursement Amount will be increased by an additional amount of U.S.$60,000 per month starting in May 2011 through the Closing Date; (iii) promptly pay or reimburse the agreed fees and expenses, whether incurred before or after the date hereof of (A) Houlihan Lokey Howard & Zukin Capital, Inc., as financial advisor to the holders of the 2016 Notes, and (B) CRG Partners, as financial advisor to the holders of the Copper Debt, in each case, in accordance with the terms of the agreements entered into with such firms; and (iv) promptly pay or reimburse the Trustee for any reasonable and documented fees and out-of-pocket costs and expenses as provided under the Existing Indenture.

4.4 Securities Registration.

(a) The Company shall, and shall use commercially reasonable efforts to cause the Debtors to have (i) the Chapter 11 Plan as approved by the Bankruptcy Court provide for the issuance of the New Series B Notes and (ii) the Confirmation Order provide that the New Series B Notes are exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code, and to be otherwise reasonably satisfactory, in form and substance, to U.S. counsel to the Consenting Copper Debt Holders and to U.S. counsel to the Consenting Noteholders.

(b) Upon written request of a Majority of Consenting Copper Debt Holders, the Company shall, and shall use commercially reasonable efforts to cause the Debtors to, seek a no-action letter from the SEC regarding the application of section 1145 of the Bankruptcy Code to the issuance of the New Series B Notes; provided, however, that the Company may decline to seek such no-action letter if the Company reasonably believes (after consultation with U.S. counsel to the Consenting Noteholders) that the application for a no-action letter, in and of itself, may be reasonably expected to have a material adverse effect on (i) the timing or cost of the Restructuring or (ii) if the request is to seek a no-action letter prior to the consummation of the Chapter 11 Plan, the interests of the holders of the 2016 Notes; provided, further, that none of the solicitation, confirmation or consummation of the Chapter 11 Plan shall be delayed by, or on account of, such request or the Company's application for such no-action letter.

4.5 Existing Eligible Debt Obligations.

(a) Prior to the Closing Date, and other than in connection with actions expressly contemplated by this Agreement, the Company shall, and shall cause its subsidiaries (other than the Debtors and their subsidiaries, as to which the Company shall use its commercially reasonable efforts to cause the Debtors and their subsidiaries to), continue to comply with all of the covenants set forth in the Existing Debt Documentation, except for any principal or interest payment obligations under the Existing Debt Documentation.

(b) Without limiting the foregoing, in addition to complying with the covenants in the Existing Debt Documentation as provided in clause (a) above, the Company shall, and shall cause its subsidiaries (other than the Debtors and their subsidiaries) and IUSA-GE to, operate in the ordinary course of business consistent with past practice, other than in connection with actions expressly contemplated by this Agreement. As of the Effective Date, other than in connection with actions expressly contemplated by this Agreement, in furtherance of this clause (b), the Company shall not, and shall cause its subsidiaries (other than the Debtors and their subsidiaries, as to which the Company shall use its commercially reasonable efforts to cause them) not to:

(i) create, incur or assume any Indebtedness for borrowed money or guarantee or otherwise assure any person or entity against loss with respect to any Indebtedness for borrowed money, other than Indebtedness incurred in an aggregate amount not to exceed U.S.$5,000,000;

(ii) sell, lease, transfer or otherwise dispose of any assets or grant any other option or right to purchase, lease or otherwise dispose of any assets other than: (i) sales or assignments of inventory, receivables and post-dated checks, in each case in the ordinary course of business and for cash; and (ii) sales of other assets resulting in net proceeds of no more than U.S.$1,000,000 (or its equivalent in other currency) in the aggregate;

(iii) encumber or allow to be created any Lien on any material assets of the Credit Group other than Permitted Liens; or

(iv) pay any dividends, except as permitted pursuant to Section 4.6(b) (*Further Covenants*).

4.6 Further Covenants.

(a) In connection with the Electronic Watt-Hour Meter Business, the Company will, on or prior to the Closing Date, cause IUSA or a Subsidiary Guarantor to acquire at least 50.1% of the capital stock of IUSA-GE, S. de R.L. de C.V. ("IUSA-GE").

(b) From October 1, 2010 through the Closing Date, the Company shall not, and shall cause the Subsidiary Guarantors not to, pay Management Fees in excess of U.S.$1,083,000 per month (the "Management Fee Cap"), of which no more than half of such amount may be paid by CLH and its direct and indirect subsidiaries. The Company shall not, and shall cause the Subsidiary Guarantors not to, pay any mark-up or allocation for overhead, administrative costs or similar amounts in respect of any amounts referred to in clauses (i) and (b) in the definition of "Management Fees."

4.7 Consultation on Chapter 11 Plan Documentation. Without in any way limiting the rights of the Consenting Copper Debt Holders referred to in Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*), the Company shall not, and shall use commercially reasonable efforts to cause the Debtors to use commercially reasonable efforts not to, file, amend, modify or supplement the Disclosure Statement or the Chapter 11 Plan with any changes from the versions attached hereto (as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*)), or file any motion or draft order related thereto, including the Confirmation Order, unless and until they have given the U.S. counsel to the Consenting Noteholders, and, if any proposed change to the Disclosure Statement or the Chapter 11 Plan (or any motion or proposed order related thereto, including the Confirmation Order) affects the treatment of any Series B Eligible Debt or constitutes a change in the relative treatments of the Series A Eligible Debt and the Series B Eligible Debt in a manner inconsistent with this Agreement or the terms set forth in the versions of the Disclosure Statement and the Chapter 11 Plan attached hereto, the U.S. counsel to the Consenting Copper Debt Holders, a reasonable period of time (which shall in no event be less than three (3) Business Days) to review the documents to be filed and to provide comments thereon. Without in any way limiting the rights of the Consenting Creditors referred to in Section 8.1 (*Termination Events*), any comments provided by the Consenting Creditors to the draft Disclosure Statement or the draft Chapter 11 Plan (or any motion or draft order related thereto, including the proposed Confirmation Order) shall be considered in good faith by the Company.

4.8 Restructuring of Old Secured Debt. On or prior to the Closing Date, the Company may restructure the Old Secured Debt on the terms and conditions set forth in Exhibit H, or on such other terms and conditions as otherwise acceptable to a Majority of Consenting Creditors.

4.9 Certain Taxes. The Company shall bear and pay all transfer, stamp or other similar taxes (to the extent not exempted under section 1146 of the Bankruptcy Code) imposed in connection with the issuance of the New Notes.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Parties. Each of the Company and the Subsidiary Guarantors represents and warrants jointly and severally, and each of the Consenting Creditors represents and warrants severally and not jointly, to each of the other Parties that the following statements are true and correct as of the date hereof and as of the date of the consummation of the Restructuring:

(a) Existence. It is duly organized, validly existing, and in good standing under the laws of the state or country of its organization.

(b) Power and Authority. It has all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under this Agreement.

(c) Authorization; Execution. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized and all necessary action taken on its part, with the exception of obtaining, where necessary, Bankruptcy Court approval of any actions to be taken by the Debtors. This Agreement has been duly executed and delivered by it.

(d) Binding Obligation. This Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, *concurso*, *quiebra*, or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(e) No Conflicts. The execution, delivery, and performance of this Agreement by it do not and will not (i) violate any provision of law, rule, or regulation applicable to it or its certificate of incorporation or by-laws (or other organizational documents) or (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party or under its certificate of incorporation or by-laws (or other organizational documents).

(f) Governmental Consents. The execution, delivery and performance by it of this Agreement do not and will not require any registration or filing with, consent or approval of, or notice to, or any other action to, with, or by, any federal, state, or other governmental authority or regulatory body, except any filings in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and the confirmation of the Chapter 11 Plan.

(g) Proceedings. Other than the Copper Debt Note Litigations and the Chapter 11 Cases, no litigation or proceeding before any court, arbitrator, or administrative or governmental body is pending against it that would adversely affect its ability to enter into this Agreement or perform its obligations hereunder.

5.2 Additional Representations and Warranties of the Company and the Subsidiary Guarantors. Each of the Company and the Subsidiary Guarantors represents and warrants jointly and severally to each of the Consenting Creditors that:

(a) Accuracy of Statements. The information, reports, financial statements, certificates, memoranda and schedules furnished (or to be furnished) in writing by or on behalf of the Company in connection with the negotiation, preparation, or delivery and performance of this Agreement, including but not limited to all statements in the Disclosure Statement, the Exchange Offer and Chapter 11 Plan, whether included herein or delivered pursuant hereto, when taken individually or as a whole, do not, as of the time they were made, contain any untrue statement of any material fact or omit to state any material fact necessary to make such information, reports, financial statements, certificates, memoranda and schedules, in light of the circumstances under which they were made and as of the time at which they were made, not misleading.

(b) Limits on Indebtedness. As of the date hereof and as of the Closing Date, the Company and its subsidiaries have no Indebtedness (direct or indirect, whether pursuant to

guarantees or otherwise) other than (i) the Eligible Debt, (ii) the Indebtedness and the intercompany obligations set forth in Schedule 5 hereto, (iii) the Old Secured Debt, (iv) existing credit facilities between the Company, U.S. Subsidiaries and Bank of America, N.A., General Electric Capital Corporation, and Residential Funding Corporation, or any refinancing thereof; provided, that such refinancing is a market refinancing and does not exceed the greater of (A) U.S. $180,000,000 and (B) the sum of (1) 65% of the value of eligible inventories and (2) 85% of the value of eligible accounts collectively owed to CLH and its subsidiaries, and (v) any Indebtedness incurred as permitted under Section 4.5(b)(i) and Section 4.5(b)(ii) (*Existing Eligible Debt Obligations*).

(c) Ownership of Indebtedness. As of the date hereof and as of the Closing Date, (i) neither the Company nor any of its Affiliates or subsidiaries, beneficially owns or controls, directly or indirectly, any of its Indebtedness and (ii) neither it nor any of its Affiliates or subsidiaries, beneficially owns or controls, directly or indirectly, any Indebtedness of the Subsidiary Guarantors or the Debtors, in each case, except as set forth on Schedule 6 attached hereto.

(d) No Transfer of Assets. Except as listed on Schedule 12, as of the date hereof and the Closing Date, no assets, properties, rights, cash or securities of the Company or any entity in the Credit Group shall have been transferred to any entity that is not part of the Credit Group.

(e) Company Ownership of Electronic Watt-Hour Meter Business.

(i) As of the Closing Date: (i) the Company (or a Subsidiary Guarantor) will own, free and clear of any Lien, at least a 50.1% equity interest in IUSA-GE; (ii) IUSA-GE is the sole operator of the Electronic Watt-Hour Meter Business; (iii) the Company and IUSA-GE (A) are the sole owners, free and clear of any Lien, of all assets, property and rights (excluding intellectual property rights) related to the Electronic Watt-Hour Meter Business (the "Electronic Watt-Hour Meter Business Assets") and (B) have the right, on a perpetual, royalty-free basis, to use the intellectual property required to conduct the Electronic Watt-Hour Meter Business; (iv) the Electronic Watt-Hour Meter Business Assets are sufficient to operate the Electronic Watt-Hour Meter Business in the ordinary course of business consistent with past practice; and (v) the Company shall be, from the Closing Date onward, the sole bidding party with respect to, and sole marketer to, all past, existing and future Mexican customers of the Electronic Watt-Hour Meter Business, including the Mexican *Comisión Federal de Electricidad*.

(ii) As of the Closing Date, other than (A) as set forth on Schedule 10 or (B) any Transfer in the ordinary course of business, the Electronic Watt-Hour Meter Business Assets are identical in all material respects to the Electronic Watt-Hour Meter Business Assets owned by IUSA-GE prior to the Company's transfer of its 50.1% equity interest in IUSA-GE to Grupo CPQ S.A. de C.V.

(iii) As of the Closing Date, other than (A) as set forth on Schedule 11 or (B) those liabilities incurred in the ordinary course of business, IUSA-GE has no more liabilities than it did prior to the Company's transfer of its 50.1% equity interest in IUSA-GE to Grupo CPQ S.A. de C.V.

(iv) The transfer of the capital stock of IUSA-GE contemplated by Section 4.6(a) will not create or give rise to any liabilities of the Company or any member of the Credit Group.

(f) Assets. As of the date hereof and as of the Closing Date, Schedule 7 sets forth a true and complete list of (i) all assets, properties, rights, cash and securities of the Credit Group that are currently subject to a Lien to any third party and (ii) all unencumbered assets, properties, rights, cash and securities of the Credit Group that are either material to the business or have a book value greater than U.S.$1,000,000.

(g) Projections. The projections set forth on Schedule 8 and furnished in writing by or on behalf of the Company to each of the Parties in connection with this Agreement have been or shall be prepared in good faith on a reasonable basis taking into account all relevant facts and circumstances known to the Company at the time such projections were or are prepared.

(h) Deemed Representation. Any representation or warranty made, or deemed made, by the Company or any Subsidiary Guarantor in any Offering Document or in any document referenced in or by Section 2.2 (*Negotiation of Restructuring Documentation*) shall be deemed to be made to each Consenting Creditor as if such representation or warranty was included herein.

(i) Intercompany Claims. As of the date hereof and as of the Closing Date, Schedule 5 sets forth a true and complete list of all intercompany claims by and among any entities in the Credit Group except for claims or debt solely between or among CLH and its direct and indirect subsidiaries or by or among any entity in the Credit Group, on the one hand, and any Affiliate of any entity in the Credit Group, on the other hand.

(j) Subsidiary Guarantors. The list of Subsidiary Guarantors on Exhibit A constitutes a complete list of all Subsidiary Guarantors, as defined in the Description of Notes, other than Tubo.

5.3 Additional Representations and Warranties of the Consenting Creditors. Each of the Consenting Creditors represents and warrants severally and not jointly to the Company and the Subsidiary Guarantors that, as of the date hereof:

(a) it does not control, and is not controlled by or under common control with, the Company or any of its Affiliates, except as set forth on Schedule 9 attached hereto; and

(b) it holds a share of or interest in the Eligible Debt, and it has full power to vote and dispose of the aggregate principal amount of such share of or interest in the Eligible Debt

ARTICLE VI

CONDITIONS PRECEDENT TO EFFECTIVENESS

6.1 Conditions Precedent to Effectiveness. This Agreement shall become effective and binding upon the Parties on such date (the "Effective Date") as the following conditions shall have been satisfied:

(a) each Party shall have delivered counterpart signatures hereto;

(b) creditors holding or beneficially holding (i) 100% of the aggregate outstanding principal amount of Copper Debt, (ii) 100% of the aggregate outstanding principal amount of the ESBDS Loan, and (iii) more than 35% or more of aggregate outstanding principal amount of the 2016 Notes shall have executed and delivered this Agreement;

(c) the Disclosure Statement (and a motion seeking approval of same) shall have been submitted to the Bankruptcy Court for approval and the Chapter 11 Plan shall have been submitted to the Bankruptcy Court, and the Confirmation Order shall have been submitted to the Bankruptcy Court as an exhibit to the Disclosure Statement, in each case with no changes from the versions attached as Exhibit B, Exhibit C , and Exhibit L hereto, except as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*);

(d) (i) the representations and warranties of the Company and the Subsidiary Guarantors herein shall be true and correct in all material respects when made and on the Effective Date, (ii) the Company shall have performed or complied with, and caused its Subsidiary Guarantors to perform or comply with, in all material respects, each of its covenants and obligations required by this Agreement to be performed or complied with prior to or at the Effective Date, and (iii) each Consenting Creditor shall have received a certificate from an executive officer of the Company to the effect that the conditions set forth in this Section 6.1 have been satisfied;

(e) the payment in full of all fees owed by the Company as of the Effective Date pursuant to Section 4.3 (*Payment of Fees and Expenses*) including all amounts due and payable pursuant to the HL Engagement Letter; and

(f) the Company shall have retained an appraiser licensed/certified by the appropriate Mexican authority to appraise the real property (including any buildings situated thereon) owned by the Company and the Subsidiary Guarantors and such appraisal shall have been completed as of the Effective Date;

provided that the Effective Date must occur no later than the earlier of (i) ten (10) calendar days after the receipt by the Company's U.S. counsel of the last signature page to this Agreement required to satisfy the condition in clause (b) above and (ii) July 18, 2011; and provided, further, that if the Effective Date does not occur, all signature pages shall be returned to such Consenting Creditors and no Party shall have any obligations hereunder.

ARTICLE VII

CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions Precedent to Closing. The consummation of the Restructuring and the issuance of the New Notes (the date on which such consummation and issuance occur, the "Closing Date", which shall be the same as the "Issue Date" as defined in the Description of Notes) shall occur not later than fifteen (15) Business Days following the satisfaction (or waiver) of the following conditions:

(a) the Parties shall have agreed upon and entered into and delivered signature pages to (as applicable) execution versions of all documentation necessary to effectuate the Restructuring; provided, that, subject to Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*), the documentation and agreements referred to in Section 2.2 (*Negotiation of Restructuring Documentation*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*) shall be in form and substance acceptable to each of the Parties;

(b) all conditions precedent specified in the Chapter 11 Plan, the Exchange Offer, and the definitive documentation governing the New Notes, including the delivery of any legal opinions, shall have been satisfied;

(c) the order approving the Disclosure Statement and the Confirmation Order approving the Chapter 11 Plan shall have been entered by the Bankruptcy Court and neither order shall be subject to any stay, motion for reconsideration, motion pursuant to Rule 60 of the Federal Rules of Civil Procedure, or appeal, and the versions authorized or entered by the Bankruptcy Court shall have no changes from the forms attached hereto as Exhibit B, Exhibit L and Exhibit C, respectively, except as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*);

(d) not less than 95% of the holders of the outstanding Commercial Paper shall have validly tendered (and not withdrawn) their debt in the Exchange Offer;

(e) a cash equity contribution of U.S.$8,333,000 shall have been made on or prior to the Closing Date to the Company by the controlling shareholders of the Company;

(f) the Company shall have caused (i) the financial information specified in Exhibit I-1 to be publicly available via press release issued via Bloomberg, and (ii) the financial information specified in Exhibit I-2 to be available on a website on the terms specified in Exhibit I-2, in each case in form and substance reasonably satisfactory to a Majority of Consenting Creditors;

(g) all necessary regulatory and contractual consents and approvals to the Restructuring, if any are required, including, without limitation, any necessary consents from General Electric Capital Corporation or the counterparties to any Eligible Debt, shall have been obtained;

(h) the liens and pledges on collateral contemplated to be in effect on the Closing Date (including the pledge of the capital stock of any entity) in accordance with the Description of Notes shall have been satisfactorily granted and perfected, and the Mortgages on the Real Property Collateral shall be subject to a preventive notice (*aviso preventivo*) in favor of the Joint Collateral Agent prior to the Closing Date, and the Company has delivered customary legal opinions from its U.S. and Mexican counsel regarding such matters and the transactions referred to herein;

(i) the Auditor shall have confirmed that (i) the aggregate outstanding debt balances of the Company and any other entities in the Credit Group are not different (other than the

accrual of interest and fees) than they were on April 27, 2010, and (ii) the Company is in compliance with its obligations in Section 4.6(b) (*Further Covenants*);

(j) the Old Secured Debt shall have been restructured pursuant to Section 4.8 (*Restructuring of Old Secured Debt*);

(k) the intercompany claims by and among entities in the Credit Group (except claims or Indebtedness solely between or among CLH and its direct and indirect subsidiaries) as identified by the Company on Schedule 5 shall have been satisfactorily documented through the execution by the Company of a revolving credit agreement with each of such entities in the Credit Group providing for the subordination thereof and the granting of a third party beneficiary right (*estipulación a favor de tercero*) in favor of the Collateral Agent;

(l) at least 50.1% of the capital stock of IUSA GE shall be owned by IUSA or a Subsidiary Guarantor;

(m) the Company shall have paid all accrued fees and expenses due (i) to advisors to the Consenting Creditors pursuant to Section 4.3 (*Payment of Fees and* Expenses) and (ii) to the Indenture Trustee under the Existing Indenture; provided that, in each case, any such advisor and the Indenture Trustee shall have delivered to the Company a reasonably detailed invoice at least three (3) Business Days prior to the Closing Date (with reasonable estimates of fees and expenses through the Closing Date);

(n) the Joint Dismissal Pleadings shall have been executed and duly authenticated in the manner required for filing by all parties in accordance with Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*); and

(o) no court of competent jurisdiction or governmental agency or authority shall have issued or entered any injunction or other order (whether temporary, preliminary or permanent) that is in effect and has the effect of restraining or prohibiting consummation of the transactions contemplated by this Agreement;

provided that the consummation of the Chapter 11 Plan and the issuance of the Series B Notes shall occur simultaneously.

ARTICLE VIII

TERMINATION

8.1 Termination Events.

(a) Any Consenting Creditor may, upon delivery of written notice to the Company, terminate this Agreement as to itself at any time prior to the Closing Date upon the occurrence of any one or more of the following events or on the relevant date specified below in this sub-clause (each termination event pursuant to this Article VIII, a "Termination Event"):

(i) the Company or any other person shall modify any of the terms and conditions of the Restructuring or any other term or condition described in this Agreement, the Offering Documents, the Chapter 11 Plan, or any of the documents set forth in Section 2.2 (*Negotiation of Restructuring Documentation*) or referred to in Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*) as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*) in a manner that, in the reasonable judgment of such Consenting Creditor, adversely affects such Consenting Creditor and the Company or such other person does not correct such modification within a period of three (3) calendar days after notice of such adverse effect is given to the Company or such other person;

(ii) the Company or any of the Subsidiary Guarantors shall fail to perform any of their respective obligations hereunder and such failure shall continue for a period of ten (10) calendar days after the earlier of (A) discovery of such failure by the Company or such Subsidiary Guarantor or (B) notice of such failure is given to the Company (which period shall be extended for an additional five (5) calendar days if such failure is unremedied after the end of such ten (10)-day period and the Company is diligently pursuing a remedy of such failure);

(iii) any representation or warranty of the Company or any Subsidiary Guarantor herein (or in any certificate delivered hereunder) shall prove to be inaccurate or incorrect in any material respect;

(iv) the Company shall have solicited or caused the Debtors to solicit votes upon and/or confirm a chapter 11 plan that is materially different from the Chapter 11 Plan, unless each of the Consenting Creditors has agreed that such chapter 11 plan is acceptable;

(v) the Company or any of its Affiliates or shall announce that the Restructuring is not capable of being completed prior to October 31, 2011 or shall announce its intention to terminate or not to consummate the Restructuring as promptly as possible on the terms set forth in this Agreement;

(vi) the Company or any of its subsidiaries shall be declared the subject of any insolvency proceeding (other than the Chapter 11 Cases) under the laws of any jurisdiction that prevents the implementation of the Restructuring and, only if such proceeding is an involuntary insolvency proceeding, it is not dismissed within fifteen days of such declaration or is otherwise prejudicial to any of the Consenting Creditors;

(vii) the Company or any of its subsidiaries or Affiliates directly or indirectly makes any payment or other valuable transfer, other than customary payments for services or other value rendered, to or for the account of any holder or beneficial owner of Eligible Debt (including any Affiliate of the Company or any entity in the Credit Group), other than cash payments made ratably to all holders of Eligible Debt and other than as specified herein;

(viii) the Parties shall have failed to complete the negotiation of all documentation necessary to implement the Restructuring as set out in Section 2.2 (*Negotiation of Restructuring Documentation*) within the time specified therein;

(ix) after the Effective Date, (A) Consenting Noteholders holding greater than 15% of the Eligible Debt are no longer bound by this Agreement or have delivered a notice of termination or (B) any Consenting Lender is no longer bound by this Agreement or has delivered a notice of termination;

(x) if such Consenting Creditor is a Consenting Noteholder, the Company shall fail to pay when due any accrued fees and expenses pursuant to Section 4.3 (*Payment of Fees and Expenses*) clauses (i), (iii)(A) or (iv), or, if such Consenting Creditor is a Consenting Copper Debt Holder, the Company shall fail to pay when due any accrued fees and expenses pursuant to Section 4.3 (*Payment of Fees and Expenses*) clauses (ii), (iii)(B) or (iv);

(xi) any Affiliate of the Company or any entity in the Credit Group that is a party hereto (A) fails to tender all Eligible Debt beneficially owned by it to the Exchange Offer within ten (10) Business Days of its commencement or (B) withdraws such tender at any time prior to the closing or termination of the Exchange Offer; or

(xii) (A) sixty-five (65) calendar days from the Effective Date, if the Disclosure Statement has not been approved by the Bankruptcy Court with no material changes from the version attached hereto as Exhibit B (as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*)) within sixty (60) calendar days of its filing; (B) one hundred-twenty (120) calendar days from the Effective Date, if the Disclosure Statement has been approved by the Bankruptcy Court but the Chapter 11 Plan has not been confirmed by the Bankruptcy Court and the Confirmation Order entered, with no material changes from the versions attached hereto as Exhibit C and Exhibit L, respectively (as the same may be amended, modified, or supplemented consistent with Section 11.1 (*Amendments*) and Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*)), within such one hundred-twenty (120)-day period; (C) fifteen (15) Business Days from the Bankruptcy Court's approval of the Disclosure Statement by the Bankruptcy Court, if the Company fails to commence the Exchange Offer and solicitation of the Commercial Paper pursuant to the Exchange Offer; or (D) at 4:00 p.m. (New York City time) on October 31, 2011, if the Closing Date has not occurred by that date and time.

(b) This Agreement may be terminated at any time prior to the Closing Date by delivery of written notice to the Company by a Majority of Consenting Creditors upon the occurrence of any one or more of the following Termination Events:

(i) the Company shall be in violation of any applicable law, rule or regulation, the violation of which would conflict with or impede the Restructuring or the implementation thereof and such breach shall continue unremedied for a period of ten (10) Business Days after notice of such failure is given to the Company;

(ii) with respect to the Exchange Offer:

(A) the Company shall fail to launch the Exchange Offer within five (5) Business Days from the approval of the Disclosure Statement by the Bankruptcy Court; or

(B) the Commercial Paper tendered to the Exchange Offer shall be less than 95% of the aggregate outstanding principal amount of Commercial Paper; or

(iii) the Company, or any of its subsidiaries or Affiliates, shall, or shall expressly announce its intention to, (A) agree to the restructuring of any of its Eligible Debt (whether pursuant to voluntary out-of-court exchange offer or settlement, a voluntary or involuntary proceeding or otherwise) on terms and conditions that are more favorable to the holder thereof than any of the terms of the Restructuring, unless the terms of this Agreement, the Chapter 11 Plan or the Offering Documents are amended to provide such terms and conditions to all Consenting Creditors or (B) repudiate or reject, in whole or in part, or challenge the validity of this Agreement.

(c) The Company may, upon delivery of written notice to any Defaulting Consenting Creditor, terminate its obligations under this Agreement with respect to such Defaulting Consenting Creditor at any time prior to the Closing Date upon the occurrence of any one or more of the events giving rise to a Consenting Creditor becoming a Defaulting Consenting Creditor.

(d) The Company may, upon delivery of written notice to each of the Consenting Creditors, terminate this Agreement at 4:00 p.m. (New York City time) on December 31, 2011, if the Closing Date has not occurred by that date and time.

(e) The Company may, upon delivery of written notice to each of the Consenting Creditors, terminate this Agreement at any time prior to the Closing Date if (A) Consenting Noteholders holding greater than 15% of the Eligible Debt have delivered a notice of termination or are no longer bound to this Agreement because of a termination by the Company or (B) any Consenting Lender is no longer bound by this Agreement or has delivered a notice of termination.

ARTICLE IX

EFFECT OF TERMINATION

9.1 Termination of Obligations.

(a) Upon the delivery of the written notice referred to in Article VIII (*Termination*) in connection with the valid termination of this Agreement by one or more Parties, the obligations of each of the Parties to which such termination applies shall terminate and be of no further force and effect, provided, however, that within three (3) Business Days of the delivery of a written notice referred to in Article VIII (*Termination*), (i) with respect to a Termination Event in Section 8.1(b) (*Termination Events*), a Majority of Consenting Creditors may waive the occurrence of such Termination Event and (ii) the Company may waive the occurrence of any event giving rise to a Consenting Creditor becoming a Defaulting Consenting Creditor. No such waiver shall affect any subsequent Termination Event or impair any right consequent thereon. Upon termination of this Agreement, no Party shall have any continuing liability or obligation to the other Parties hereunder, provided, however, that no such termination shall relieve any Party

for its breach or non-performance of its obligations hereunder prior to the date of such termination.

(b) Notwithstanding clause (a) above, (i) any fees and expenses incurred prior to such termination pursuant to Section 4.3 (*Payment of Fees and Expenses*) shall continue to be due and outstanding and the Company shall continue to be obligated in respect thereof despite any termination of this Agreement with respect to any one or more Parties, (ii) following a termination pursuant to Section 8.1(e) (*Termination Events*) or Section 8.1(a)(i)-(vii), (x), or (xi) (*Termination Events*), any fees and expenses incurred by or with respect to a Consenting Creditor (other than a Consenting Creditor that had previously terminated this Agreement with respect to itself pursuant to Section 8.1(a)(viii), (ix) or (xii)) pursuant to Section 4.3 (*Payment of Fees and Expenses*) shall continue to be due and payable by the Company in accordance with the terms of Section 4.3 (*Payment of Fees and Expenses*) (provided, that solely for purposes of this Section 9.1(b)(ii), the words "or other consensual restructuring of the Eligible Debt" shall be deemed inserted after the phrase "incurred in connection with the Restructuring" in Section 4.3, clause (ii), and the phrase "through the Closing Date" in Section 4.3, clause (ii) shall be deemed replaced with the phrase "through December 31, 2011"), and (iii) in the event that this Agreement is terminated with respect to a Consenting Copper Lender, the Series B Restructuring Fee attributable to such Person shall be due and payable (in accordance with the terms of this Agreement) in the event such Person complies with its obligations set forth in Section 3.4 (*Additional Commitments of the Consenting Copper Debt Holders Regarding the Tender and Exchange of Series B Eligible Debt*) and Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*), on or prior to the Closing Date; provided, however, that no such termination shall relieve any Party for its breach or non-performance of its obligations hereunder prior to the date of such termination.

ARTICLE X

RESERVATION OF RIGHTS

This Agreement, the Exchange Offer, the Disclosure Statement and the Chapter 11 Plan are part of a proposed settlement of disputes among the Parties. If the transactions contemplated by this Agreement or otherwise set forth in the Offering Documents or the Chapter 11 Plan are not consummated for any reason, whether as a result of the occurrence of a Termination Event or a termination of this Agreement for any other reason, the Parties each fully reserve any and all rights, remedies, claims and interests.

Without limiting the foregoing, the Company and each of the Subsidiary Guarantors acknowledge and agree that, under the applicable Existing Debt Documentation and other agreements and documents relating thereto, as well as under applicable law, the Consenting Creditors have rights and remedies with respect to defaults and events of default, and the Consenting Creditors are reserving all of their rights and remedies under the applicable Existing Debt Documentation and other agreements and documents relating thereto, and under applicable law, and the voluntary forbearance by any Consenting Creditor, if any, from exercising any of such rights or remedies is not intended (and should not be construed) as a waiver of any default or event of default or a waiver of such Consenting Creditor's rights and remedies with respect to them, all of which are reserved by such Consenting Creditor.

Nothing contained in this Agreement or any delay on the part of any Consenting Creditor in exercising any of its rights and remedies under any Existing Debt Documentation or any other agreements or documents relating thereto or applicable law shall be considered to be a waiver or modification thereof.

ARTICLE XI

MISCELLANEOUS

11.1 Amendments.

(a) Amendments to Agreement. Except as provided in Section 4.2(b) (*Most Favorable Terms*), no amendment, consent or waiver of compliance with any provision of, or condition set forth in, this Agreement shall be effective unless the same shall be in writing and signed by the Company and a Majority of Consenting Creditors; provided, however, that (i) no amendment to (A) the Exchange Offer, Article VI (*Conditions Precedent to Effectiveness*), Article VII (*Conditions Precedent to Closing*) and Article VIII (*Termination*) or (B) that would have an adverse effect upon, or prejudice or limit the rights of, any Consenting Creditor, including the relevant treatment of such Consenting Creditor with respect to other Consenting Creditors, shall be effective unless such amendment shall be in writing and signed by each of the Consenting Creditors; provided, further, however, that no amendment to Section 2.2 (*Negotiation of Restructuring Documentation*), Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*), Section 3.1 (*Commitments of Each Consenting Creditor*), Section 3.4 (*Additional Commitments of Consenting Copper Debt Holders Regarding the Tender and Exchange of Series B Eligible Debt*), Section 3.5 (*Additional Commitments of the Consenting Copper Debt Holders and the Company and the Subsidiary Guarantors*) and Section 4.1 (*Consummation of the Restructuring*) shall be effective unless signed by each of the Consenting Copper Debt Holders.

(b) Consent Required from Consenting Noteholders as to Certain Amendments. At any time prior to the Closing Date, and in accordance with section 1127 of the Bankruptcy Code, the Chapter 11 Plan, Disclosure Statement, and Confirmation Order may be amended, supplemented, or modified by the written agreement of the Company and a Majority of the Consenting Noteholders; provided, that with respect to any such amendment, supplement, or modification that constitutes a change in the treatment of the Series B Eligible Debt or the relative treatment of the Series A Eligible Debt and the Series B Eligible Debt in a manner that is inconsistent with this Agreement or the terms set forth in the Description of Notes or the Chapter 11 Plan attached hereto as of the Effective Date, such change shall have been approved by a Majority of the Consenting Noteholders and by each of the Consenting Copper Debt Holders; it being understood that this Section 11.1(b) relates to the consent required from the Consenting Noteholders and does not supersede or change the separate consent, when required, from each Consenting Copper Debt Holder under Section 2.4 (*Documentation Acceptable to Consenting Copper Debt Holders*).

11.2 Public Announcements. Unless otherwise mutually agreed, no Party hereto shall make or authorize any public release of information regarding the matters contemplated by the Agreement prior to the Closing Date; provided, that any Party on advice of legal counsel shall be permitted to release information to the extent reasonably necessary to comply with applicable law or judicial process; and provided, further, any Consenting Creditor shall be permitted to release and share information to the extent such release is permitted by existing and effective confidentiality agreements between such Consenting Creditor and the Company. The Parties shall issue a press release or press releases in mutually agreed-upon form as promptly as is practicable following the Effective Date and Closing Date.

11.3 Further Assurances.

(a) Subject to the terms and conditions set forth herein, the Parties agree to execute and deliver such other instruments (in addition to the documents herein specified) and perform such ancillary or ministerial acts, as may be reasonably necessary, from time to time, to effectuate the agreements and understandings of the Parties under this Agreement.

(b) Notwithstanding the termination of this Agreement, in the event of an appeal of the confirmation of the Chapter 11 Plan, (i) the Company agrees to exercise its commercially reasonable efforts to oppose such appeal and defend the confirmation of the Chapter 11 Plan and (ii) each Consenting Creditor agrees, to the extent of the obligations it would otherwise have under this Agreement (absent a termination of this Agreement), to exercise its commercially reasonable efforts to cooperate with the Company in the Company's opposition of such appeal and defense of the confirmation of the Chapter 11 Plan.

11.4 Complete Agreement. This Agreement (together with the exhibits hereto) constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements, representations, warranties and understandings, whether oral, written, or implied between the Parties with respect thereto.

11.5 No Third-Party Beneficiaries. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their permitted assigns. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 3.1(c) (*Commitments of Each Consenting Creditor*). Nothing in this Agreement, express or implied, shall be construed to give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy or claim under this Agreement.

11.6 Execution of Agreement. This Agreement may be executed and delivered (by facsimile or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party.

11.7 Survival. Notwithstanding anything contained herein to the contrary, upon the termination of this Agreement (whether as a result of the consummation of the Restructuring, or its termination pursuant to Article VIII (*Termination*) or otherwise), the agreements and

obligations of the Parties set forth in Section 4.3 (*Payment of Fees and Expenses*) and in Section 9.1(b) (*Termination of Obligations*) and in Article V (*Representations and Warranties*), Article IX (*Effect of Termination*), Article X (*Reservation of Rights*), Article XI (*Miscellaneous*), and any certificates delivered pursuant to this Agreement, shall survive the termination of this Agreement.

11.8 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, permitted assigns, heirs, executors, administrators and representatives.

11.9 Fees and Expenses. If any Party brings any action against any other Party for breach by such other Party of its obligations hereunder, the prevailing Party shall be entitled to all reasonable expenses, including, without limitation, reasonable attorneys' fees and disbursements incurred in connection with such action.

11.10 Notices. Any notice required or desired to be served, given or delivered to any Party under this Agreement shall be in writing, and shall be deemed to have been validly served, given or delivered upon receipt at such Party's notice address as set forth beneath its signature block hereto.

11.11 Automatic Stay. The Parties acknowledge that the giving of notice or termination by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code, to the extent applicable.

11.12 Acknowledgement. Notwithstanding any other provision of this Agreement, this Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code. The Company will not solicit acceptances of the Chapter 11 Plan from the Consenting Noteholders in any manner inconsistent with the Bankruptcy Code or applicable bankruptcy law, and no obligation by any Consenting Noteholder to vote to accept the Plan will be enforceable unless and until the Disclosure Statement is approved by the Bankruptcy Court with no material changes (other than changes made in accordance with the terms and conditions of this Agreement) from the version attached at Exhibit B hereto.

11.13 Waiver. No waiver of any of the provisions of this Agreement shall be deemed or constitute a waiver of, or under, any other provision of this Agreement, the Chapter 11 Plan, or the Description of Notes whether or not similar, nor shall any waiver constitute a continuing waiver.

11.14 Governing Law; Jurisdiction.

(a) THIS AGREEMENT, AND ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING

EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF (OTHER THAN SECTION 5–1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) All actions arising out of or relating to this Agreement shall be heard and determined in any New York federal court sitting in the Borough of Manhattan of The City of New York or in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the parties hereto hereby irrevocably and unconditionally (i) submit to the exclusive jurisdiction of, and service of process and venue in, any federal or state court sitting in the Borough of Manhattan of The City of New York (and of the appropriate appellate courts therefrom) for the purpose of any action arising out of or relating to this Agreement brought by any party hereto, (ii) waive any other jurisdiction that may apply by virtue of the parties' respective present or future domicile or for any other reason, (iii) waive, and agree not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, that the venue of the action is improper, or that this Agreement, or the transactions contemplated by this Agreement may not be enforced in or by any of the above named courts, and (iv) waive, 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. Notwithstanding the foregoing consent to New York jurisdiction, each of the Company, the Subsidiary Guarantors, the Consenting Noteholders and the Consenting Lenders (solely with respect to matters related to section 1145 of the Bankruptcy Code) hereby agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with, and that the Bankruptcy Code shall govern, the Disclosure Statement and the Chapter 11 Plan.

(c) The Company has agreed that service of all writs, claims, process and summonses in any proceeding related to this Agreement or the transactions contemplated hereby brought against it in the State of New York may be made on the Company by delivering a copy of such process to it at Cambridge Lee Industries, Inc., 86 Tube Drive, Reading, PA 19605, Attention: Charles Banham. The Company hereby irrevocably and unconditionally appoints Cambridge Lee Industries, Inc. as its agent to receive such service on its behalf as evidenced by the irrevocable special power of attorney for lawsuits and collections (*poder especial irrevocable para pleitos y cobranzas*) granted before a Mexican Notary Public in accordance with Mexican law as attached in Exhibit J-1, and the acceptance letter from Cambridge Lee Industries, Inc. in respect of its appointment as attached in Exhibit J-2. Nothing in this Agreement shall in any way be deemed to limit the ability to serve any such writs, process or summonses in any other manner permitted by applicable law.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

INDUSTRIAS UNIDAS, S.A. DE C.V., as the Company

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

IUSA, S.A. DE C.V., as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

INDUSTRIAS UNIDAS DE PASTEJÉ, S.A. DE C.V., as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

GAS PADILLA, S.A. DE C.V., as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

IUSA COMERCIALIZADORA, S.A. DE C.V.
as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

FORGAMEX, S.A. DE C.V. as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

CENTRO COMERCIAL Y CULTURAL PASTEJÉ, S.A. DE C.V. as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

CONVIVENCIA Y EDUCACIÓN INFANTIL PASTEJÉ, S.A. DE C.V. as a Subsidiary Guarantor

By: _____
Name: Carlos Mochon
Title: Attorney in Fact

By: _____
Name: Rafael Davila
Title: Attorney in Fact

Address: Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City

Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

GRAMERCY FUNDS MANAGEMENT LLC,
on behalf of funds and accounts managed by it and its affiliates, as a Consenting Creditor

By: _____
Name: Robert L. Rauch
Title: Partner, Director of Research

Address: 20 Dayton Avenue
Greenwich, CT 06830
United States of America

Telephone: +1 (203) 552 1905
Facsimile: +1 (203) 552 1901

OUTRIDER MASTER FUND, LP, as a Consenting Creditor

By: _____
Name: Stephen Hope
Title: Portfolio Manager

Address: 1001 Bayhill Drive, Suite 125
San Bruno, CA 94066
United States of America

Telephone: +1 (650) 238-5820
Facsimile: +1 (650) 238-5811

HFR EM OUTRIDER MASTER TRUST, as a Consenting Creditor

By: _____
Name: Stephen Hope
Title: Portfolio Manager

Address: 1001 Bayhill Drive, Suite 125
San Bruno, CA 94066
United States of America

Telephone: +1 (650) 238-5820
Facsimile: +1 (650) 238-5811

JACK SOURASKY OLMOS, as a Consenting Creditor

By: _____
Name: Jack Sourasky Olmos

Address: c/o FELIX PEREZ
1111 BRICKWELL AVE
SUITE 1200
MIAMI, FLORIDA 33131
Telephone: +1 (305) 789-8749
Facsimile: +1 (305) 789-8749

LEMIVESA LIMITED, as a Consenting Creditor

By: _____
Name: Miguel Venguer Katz
Title: Director

Address: c/o FELIX PEREZ
1111 BRICKWELL AVE
SUITE 1200
MIAMI, FLORIDA 33131
Telephone: +1 (305) 789-8749
Facsimile: +1 (305) 789-8749

RB INTERNATIONAL FINANCE (USA) LLC
(f/k/a RZB FINANCE, LLC), as a Consenting Creditor

By: Astrid Maria Noerbaue
Name: ASTRID MARIA NOERBAUE
Title: GROUP VICE PRESIDENT

By: Astrid Wilke
Name: ASTRID WILKE
Title: VICE PRESIDENT

Address:

Telephone:
Facsimile:

GERALD METALS LLC, as a Consenting Creditor

By: _____
Name: CRAIG DEAN
Title: CFO

By: _____
Name: GARY LERNER, ESQ
Title: company secretary

Address: 680 Washington Blvd 9th fl.
Stamford CT 06901

Telephone: 1203 609 8324
Facsimile: 1203 609 8328

BANCO INBURSA, S.A., as a Consenting Creditor

By: _____

Name: LUIS FRIAS HUMPHREY
Title: MANAGING DIRECTOR

Address: AV. PALMAS 736
COL. LOMAS DE CHAPULTEPEC MEXICO D.F. 11000

Telephone: (55) 5625-4998
Facsimile: (55) 5625-4966

EXPORT-IMPORT BANK OF THE UNITED STATES, as a Consenting Creditor

By: _____

Name: Suresh Tata
Title: Managing Director

Address: 811 Vermont Avenue, N.W.
Washington, D.C. 20571

Telephone: (202) 565-3609
Facsimile: (202) 565-3599

EXHIBIT A

Subsidiary Guarantors

IUSA, S.A. de C.V.
Industrias Unidas de Pastejé, S.A. de C.V.
Gas Padilla, S.A. de C.V.
IUSA Comercializadora, S.A. de C.V.
Forgamex, S.A. de C.V.
Centro Comercial y Cultural Pastejé, S.A. de C.V.
Convivencia y Educación Infantil Pastejé, S.A. de C.V.

EXHIBIT B

Disclosure Statement

SEE THE DISCLOSURE STATEMENT
ATTACHED AS ANNEX B TO
THE INFORMATION MEMORANDUM

EXHIBIT C

Chapter 11 Plan

SEE EXHIBIT 1 TO THE DISCLOSURE STATEMENT ATTACHED AS ANNEX B TO THE INFORMATION MEMORANDUM

EXHIBIT D

Exchange Offer

SEE THE INFORMATION MEMORANDUM

EXHIBIT E

Description of Notes

SEE THE DESCRIPTION OF NEW NOTES
ATTACHED AS ANNEX C
TO THE INFORMATION MEMORANDUM

EXHIBIT F

Form of Joinder

This JOINDER AGREEMENT dated as of [•] (this "Agreement") to the Restructuring Agreement, dated as of [●], 2011 (as amended from time to time in accordance with its terms, the "Restructuring Agreement"), by and among Industrias Unidas, S.A. de C.V, a company organized under the laws of Mexico (the "Company"), the Subsidiary Guarantors and the Consenting Creditors, is by and between [*insert name of Transferee*], a [•] organized under the laws of [•] (the "Transferee") and the Company.

WHEREAS, pursuant to Section 3.1(c) (*Commitments of Each Consenting Creditor*) of the Restructuring Agreement, any transferee of Eligible Debt shall enter into a joinder agreement in the form of this Agreement.

WHEREAS, [*insert name of Transferor*] (the "Transferor") has agreed to Transfer the amount of Eligible Debt set forth below to the Transferee;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each signatory hereby agrees as follows:

1. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Restructuring Agreement.

2. The Transferee hereby agrees to be bound under the Restructuring Agreement and any other agreement or instrument executed and delivered under the Restructuring Agreement, by all obligations of the Transferor.

3. Without limiting the generality of the foregoing, the Transferee hereby makes to the Company the representations and warranties set forth in Section 5.1 (*Representations and Warranties of the Parties*) of the Restructuring Agreement and confirms that such representations and warranties are true and correct as of the date hereof.

4. The amount of Eligible Debt that the Transferor has agreed to Transfer to the Transferee is U.S.$[•] of [*specify type of Eligible Debt that is Transferred*].

5. All notices or other communications required or permitted to be delivered pursuant to the Restructuring Agreement in accordance with Section 11.10 (*Notices*) of the Restructuring Agreement shall be effective upon receipt and shall be in writing and delivered personally or by overnight courier, or sent by facsimile, as follows:

[*Transferee*]
[*Address*]
Attn: [•]
[*Telephone*]
[*Facsimile*]

6. This Agreement shall be deemed to be part of the Restructuring Agreement and shall be governed by all the terms and provisions of the Restructuring Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

[*insert name of Transferee*],
as Transferee

By:_____
Name:
Title:

Accepted and agreed:

INDUSTRIAS UNIDAS, S.A. DE C.V.

By: _____
Name:
Title:

EXHIBIT G

Form of Lost Note Indemnity Letter

Dated: _____, _____

Industrias Unidas, S.A. de C.V.
Paseo de la Reforma 2608 PH
Col. Lomas Altas
Delegación Miguel Hidalgo 11950
México, D.F., México
Attn: Chief Financial Officer

Ladies and Gentlemen:

The undersigned, [*insert name of Creditor*] (the "Creditor"), hereby certifies to IUSA, S.A. de C.V. (the "Borrower") and to Industrias Unidas, S.A. de C.V. (the "Guarantor") as follows:

1. The Borrower and the Guarantor delivered a Promissory Note, dated as of [●], in the original principal amount of U.S.$[●] (the "Promissory Note"), a copy of which is attached hereto, to the Creditor in connection with either the Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009 and dated as of June 25, 2008, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc., the Borrower and the Guarantor, as amended, including all annexes and exhibits thereto, or the Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc., the Borrower and the Guarantor, as amended, including all annexes and exhibits thereto.

2. The Creditor has caused a diligent search of its files and vault to be made in order to find the Promissory Note and the Promissory Note has not been found. The Promissory Note has been inadvertently lost, misplaced or destroyed.

3. Neither the Creditor nor anyone on the Creditor's behalf has signed any power of attorney, any stock power or other assignment or authorization respecting the Promissory Note and has not endorsed the Promissory Note in any way. The Creditor is the true, lawful, present and sole owner of the Promissory Note.

4. The Creditor agrees to make no claim against the Borrower or the Guarantor under the Promissory Note and relinquishes any rights to enforce or collect thereunder upon delivery of this letter agreement. The Creditor hereby agrees to indemnify and hold harmless the Borrower, the Guarantor and their respective successors and assigns, of and from any loss, damage or claim resulting from the Creditor's loss or misplacement of the Promissory Note.

5. The Creditor hereby agrees that if the Promissory Note is subsequently found by the Creditor or comes into the Creditor's possession, the Creditor will immediately surrender the Promissory Note to the Borrower for cancellation and will not, in such event, endorse or otherwise transfer such Promissory Note.

6. This letter agreement shall (i) be binding on the Creditor and its successors and assigns, and (ii) shall inure to the benefit of the Borrower and the Guarantor, their respective successors and assigns.

7. THIS AGREEMENT, AND ALL ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PROVISIONS THEREOF (OTHER THAN SECTION 5–1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Very truly yours,

[*insert name of Creditor*]

By: _____
Name:
Title:

Accepted and agreed:

IUSA, S.A. DE C.V.

By: _____
Name:
Title:

INDUSTRIAS UNIDAS, S.A. DE C.V.

By: _____
Name:
Title:

EXHIBIT H

Restructuring of Old Secured Debt

General terms and conditions to restructure Old Secured Debt:

Tenor: The same tenor as in the existing credit contracts or extended according to Company's projections or needs, to comply with conditions set for in restructuring agreements to be signed with the holders of the Old Secured Debt.

Interest rate: An increase to the original contractual rates and margins, according to the Company's needs to restructure this debt, not above 11.5% in general terms or the equivalent in floating rate plus margin.

Guarantees: The existing guarantees according to the credit and /or pledge or guarantee agreements.

Currency: The currency of the existing Old Secured Debt or another currency if conditions improve in favor of the Company.

Other Fees: According to the relevant creditor and /or guarantor (*i.e.*, insurance company or Export credit agencies) existing policies for restructuring credits (*i.e.*, change in funding, guarantee extension fees, insurance fees, etc.).

Other expenses: According to the relevant creditor and /or guarantor existing policies (*i.e.*, legal or public registration expenses).

EXHIBIT I-1

Financial Reporting Information (Press Release)

The initial press release announcing the solicitation shall contain (i) a description of the restructuring and (ii) the same financial reporting information as is included in the Disclosure Statement, including (A) a summary of financial and other information for the Company and CLH and (B) a pro forma capitalization table, in each case, in the form set out in the information memorandum for the Exchange Offer attached as Exhibit D to the Restructuring Agreement.

The quarterly press releases shall contain (i) a description of the business during the quarter and (ii) the consolidated balance sheet, income statement and cash flow statement of each of the Company and CLH, in each case without footnotes.

EXHIBIT I-2

Financial Reporting Information (Website)

The website shall contain (i) initially, on a non-password protected basis, (A) the information memorandum for the Exchange Offer attached as Exhibit D to the Restructuring Agreement and (B) all documents filed by the Debtors in the Bankruptcy Court, in each case, to be posted by July 14, 2011, and (ii) on an ongoing and password protected basis, the following information:

(i) a summary of financial and other information for the Company and CLH;

(ii) a Management's Discussion and Analysis of the financial condition and results of the operations of the Company (for the same periods as the statements of operations described below);

(iii) consolidated unaudited interim balance sheets for the Company and CLH (initially, as of March 31, 2011 and March 31, 2010);

(iv) consolidated unaudited interim statements of operations for the Company and CLH (initially, for the quarters ended March 31, 2010 and 2011);

(v) consolidated unaudited interim statements of cash flows for the Company and CLH (initially for the quarters ended March 31, 2010 and 2011);

(vi) notes to the consolidated unaudited interim financial statements (except that in lieu of a debt footnote, a debt summary will be included);

(vii) consolidated audited annual balance sheets for the Company and CLH (initially, as of December 31, 2010 and December 31, 2009);

(viii) consolidated audited annual statements of operations for the Company and CLH (initially, for the years ended December 31, 2008, 2009 and 2010);

(ix) consolidated audited annual statements of cash flows for the Company and CLH (initially, for the years ended December 31, 2008, 2009 and 2010); and

(x) notes to the consolidated audited annual financial statements (except that in lieu of a debt footnote, a debt summary will be included).

EXHIBIT J-1

Formato de Poder Especial Irrevocable Agente de Procesos

GENERAL POWER OF ATTORNEY GRANTED BY INDUSTRIAS UNIDAS, S.A. DE C.V.	PODER GENERAL OTORGADO POR INDUSTRIAS UNIDAS, S.A. DE C.V.
Industrias Unidas, S.A. de C.V. (the "Company") hereby grants a special irrevocable power of attorney in term of article 2596 of the Federal Civil Code and the Civil Code for the Federal District, as well as of the corresponding provisions in each and every one of the Civil Codes of the states of the United Mexican States in favor of Cambridge Lee Industries, Inc. (the "Process Agent") with domicile at 86 Tube Drive, Reading, PA 19605, limited in its scope but as broad as necessary as may be permitted by law to be exercised in any jurisdiction for litigation and collections, in terms of the first paragraph of article 2554 of the Federal Civil Code and the Civil Code for the Federal District, as well as of the corresponding provisions in each and every one of the Civil Codes of the states of the United Mexican States, so that the Process Agent, acting in the name and on behalf of the Company, receives any and all notices, summons and service of process of any nature in connection with any suits, actions, proceedings, including without limitation judicial, administrative or arbitral proceedings (including any proceeding initiated against the Company before any State Court of New York or any United States Federal District Court located in the State of New York, [_____] derived from or otherwise related with the Restructuring Agreement, dated as of July 12, 2011, by and among the Company, the Subsidiary Guarantors (as defined in the Restructuring Agreement) party thereto, and the Consenting Creditors (as defined in the Restructuring Agreement) party thereto. This power of attorney is granted in	Industrias Unidas, S.A. de C.V. (la "Sociedad"), otorga un poder especial irrevocable en términos del artículo 2596 del Código Civil Federal y del Código Civil para el Distrito Federal, así como las disposiciones correspondientes en todos y cada uno de los Códigos Civiles de los Estados de los Estados Unidos Mexicanos a favor de Cambridge Lee Industries, Inc. (el "Agente de Procesos") con domicilio en 86 Tube Drive, C.P. 19605, Reading, PA, que es especial en cuanto su objeto pero tan amplio en cuanto a sus facultades como en derecho sea necesario, para que sea ejercitado en cualquier jurisdicción, para pleitos y cobranzas, de conformidad con lo dispuesto por el primer párrafo del artículo 2554 del Código Civil Federal y del Código Civil para el Distrito Federal, así como las disposiciones correspondientes en todos y cada uno de los Códigos Civiles, para que el Agente de Procesos, actuando en nombre y representación de la Sociedad, reciba todas y cualesquiera notificaciones, citaciones o emplazamientos de cualquier índole, en relación con cualquier procedimiento de cualquier carácter, incluyendo, sin limitación, procedimientos judiciales, administrativos o arbitrales (incluyendo cualquier procedimiento instaurado en contra de la Sociedad ante los Tribunales Estatales de Nueva York o los Tribunales Federales de Distrito de los Estados Unidos con sede en el Estado de Nueva York, [_____] derivados de, o relacionados de cualquier manera con el Contrato de Reestructuración (*Restructuring Agreement*), de fecha 12 de julio de 2011, celebrado entre la Sociedad, las Subsidiarias Garantes (*Subsidiary Guarantors*, según

compliance with a contractual obligation and therefore shall be irrevocable in terms of article 2596 of the Federal Civil Code and the corresponding articles of the Civil Codes of all States of the United Mexican States and of the Federal District. The Process Agent shall be authorized to carry out any convenient or necessary acts to comply with the purposes set forth herein, having the authority to sign any public or private documents required for such purposes. The Process Agent is expressly authorized to delegate or substitute in whole or in part this power of attorney according to article 2574 of the Federal Civil Code and the Civil Code for the Federal District, as well as of the corresponding provisions in each and every one of the Civil Codes of the states of the United Mexican States, to the persons it deems convenient and particularly to: [*].	dicho término se define en el Contrato de Reestructuración) del que son parte y los Acreedores Participantes (*Consenting Creditors*, según dicho término se define en el Contrato de Reestructuración) del que son parte. El presente poder se otorga en cumplimiento de una obligación contractual adquirida por la Sociedad y por lo tanto será irrevocable en términos del artículo 2596 del Código Civil Federal y de sus correlativos de las entidades de la República y del Distrito Federal. El Agente de Procesos queda facultado para realizar cuanto actos y diligencias sean necesarias o convenientes para cumplir con los fines señalados, firmando cuantos documentos públicos o privados se requieran al efecto. El Agente de Procesos queda expresamente facultado para delegar o sustituir en todo o en parte el presente poder, de conformidad con lo dispuesto por el artículo 2574 del Código Civil Federal y del Código Civil para el Distrito Federal, así como las disposiciones correspondientes en todos y cada uno de los Códigos Civiles, a las personas que estime pertinente y en particular a [*].

INDUSTRIAS UNIDAS, S.A. DE C.V.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT J-2

Form of Acceptance of
Appointment as Agent for Services

July [__], 2011

Industrias Unidas, S.A. de C.V.
Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City
Attn: [_____]

RE: Designation to receive service of all writs, claims, process and summonses in any proceeding related to the Restructuring Agreement, dated as of July 12, 2011 (the "Agreement").

Dear [_____]:

Cambridge Lee Industries, Inc. ("CLI"), located at 86 Tube Drive, Reading, PA 19605 (Attention: Charles Banham), hereby accepts its irrevocable appointment by Industrias Unidas, S.A. de C.V. as agent for service of process, in connection with the Agreement or the transactions contemplated thereby brought against it in the State of New York.

We understand any process received by us shall be forwarded to:

Industrias Unidas, S.A. de C.V.
Paseo de la Reforma No. 2608
Piso PH Col. Lomas Altas
C.P. 11950 Mexico, City
Telephone: 011-52-55-5261-8826
Facsimile: 011-52-55-5261-8978

With a transmittal copy to:

Dewey & LeBoeuf LLP
1301 Avenue of the Americas
New York, NY
Attention: Joy K. Gallup
Telephone: (212) 259-7942
Email: jgallup@dl.com

CLI must be notified immediately of any change to this address.

Best Regards,

CAMBRIDGE LEE INDUSTRIES, INC.

By: _____
Name:
Title:

EXHIBIT K

Mutual Release

MUTUAL RELEASE

This Mutual Release ("Release") is made and entered into as of [_____] [__], 2011 by and between Industrias Unidas, S.A. de C.V. (the "Company") and [_____] (the "Copper Debt Holder") (the Company and the Copper Debt Holder shall be collectively referred to as the "Parties"). Any capitalized but undefined term used herein shall have the meaning ascribed to such term in that certain Restructuring Agreement, dated as of April [__], 2011, by and among the Parties and certain other parties thereto (the "Restructuring Agreement").

R E C I T A L S

WHEREAS, in connection with purchases of copper cathodes by IUSA, S.A. de C.V. ("IUSA") from Gerald Metals, LLC ("Gerald") pursuant to (i) that certain Amended and Restated Copper Cathode Sale Agreement (Contract No.: 08-9956-08), executed on August 1, 2009 and originally dated as of June 25, 2008, by and among Gerald, IUSA and the Company, as amended (the "Amended and Restated Copper Contract") or (ii) that certain Copper Cathode Sale Agreement (Contract No.: 08-4649-09), dated as of June 30, 2009, by and among Gerald, IUSA and the Company, as amended (the "June 2009 Copper Contract," and, collectively, with the Amended and Restated Copper Contract, the "Copper Contracts"), the Company issued those certain promissory notes (*pagarés*) set forth on Schedule 1 hereto of which the Copper Debt Holder is the current holder thereof (the "Copper Debt Notes");

WHEREAS, the Company issued a guarantee, originally dated June 25, 2008 (as confirmed, reaffirmed and modified by that certain letter, dated as of August 1, 2009), to Gerald and its successors and assigns pursuant to which the Company guaranteed, among other things, the obligations of IUSA to Gerald and its successors and assigns arising under the Amended and Restated Copper Contract (the "Company A&R Guarantee");

WHEREAS, IUSA issued a guarantee, originally dated June 25, 2008 (as confirmed, reaffirmed and modified by that certain letter, dated as of August 1, 2009), to Gerald and its successors and assigns pursuant to which IUSA guaranteed, among other things, the obligations of the Company to Gerald and its successors and assigns arising under the Copper Debt Notes originally issued pursuant to the Amended and Restated Copper Contract (the "IUSA A&R Guarantee");

WHEREAS, the Company issued a guarantee, dated June 30, 2009, to Gerald and its successors and assigns pursuant to which the Company guaranteed, among other things, the obligations of IUSA to Gerald and its successors and assigns arising under the June 2009 Copper Contract (the "Company June 2009 Guarantee");

WHEREAS, IUSA issued a guarantee, dated June 30, 2009, to Gerald and its successors and assigns pursuant to which IUSA guaranteed, among other things, the obligations of the Company to Gerald and its successors and assigns arising under the Copper Debt Notes originally issued pursuant to the June 2009 Copper Contract (the "IUSA June 2009 Guarantee" and, together with the Company A&R Guarantee, the IUSA A&R Guarantee and the Company June 2009 Guarantee, the "Guarantees");

WHEREAS, the Company, and/or certain Subsidiary Guarantors, and the Copper Debt Holder are parties to those litigation proceedings in respect of Copper Debt Notes described on Schedule 2 hereto (the "Copper Debt Note Litigations");

WHEREAS, the Parties, together with certain other parties, have entered into the Restructuring Agreement, providing, among other things, for the exchange of the Series B Eligible Debt held by the Copper Debt Holder for its Pro Rata Share of the New Series B Notes upon the terms and conditions set forth therein (the "Debt Exchange"); and

WHEREAS, Section 3.5 of the Restructuring Agreement requires that, in connection with the consummation of the Debt Exchange and the dismissal or final resolution of the Copper Debt Litigations, as applicable, the Copper Debt Holder, the Company, and any applicable Subsidiary Guarantors execute and deliver this Release as a condition concurrent with the consummation of the Restructuring and the issuance of the New Notes.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Release and the Restructuring Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Releases.**

A. Release by the Company. The Company, for itself, its subsidiaries, affiliates, successors, assigns, and any party claiming by, through, or under them, including, without limitation, each Subsidiary Guarantor [(but excluding Tubo de Pastejé S.A. de C.V. and Cambridge-Lee Holdings, Inc. (collectively "the Debtors") and their subsidiaries]1, (collectively, the "Company Releasing Parties"), each in its capacity as such, does hereby release, acquit, and forever discharge the Copper Debt Holder, and all of its past or present officers, directors, shareholders, employees, agents, partners, insurers, attorneys, divisions, affiliated, parent or subsidiary companies, assigns, or successors in interest (collectively, the "Copper Debt Holder Released Parties"), each in its capacity as such, from any and all claims, counterclaims, demands, actions, causes of action, liabilities, obligations, court costs, attorneys' fees and disbursements, or judgments which are, may be, or could be owed by a Copper Debt Holder Released Party, together with anyone acting by, through, or under such Copper Debt Holder Released Party in connection with any of the matters brought, or that might have been brought, whether or not asserted, arising out of, or relating to any Copper Debt Note Litigation, the Copper Contracts, the Guarantees, the Copper Debt Notes, the August 2009 Finalization Amount and the portion of the Agreed Costs attributed to the Copper Debt Holder in the Restructuring Agreement (collectively, the "Company Claims"). This Release includes, but is not limited to, the Company Claims asserted or capable of assertion by any Company Party under Mexican law, United States law, statutory law, common law, contract, warranty, consumer relations law, or any other law, statute, regulation, or theory of law or equity in any country that permits or allegedly permits recovery of any form of monetary or other damages or relief of whatsoever

1 Bracketed language to be used if the bankruptcy court presiding over the Debtors' chapter 11 cases has not approved of the Debtors' entry into this Release pursuant to the Confirmation Order.

nature, whether in contract or in tort, whether contingent or absolute, whether known or unkown, which any Company Party ever had, may now have, or may ever claim to have against the Copper Debt Holder Released Parties. The release extinguishes Company Claims for actual damages, economic or pecuniary losses, mental anguish damages, expenses, court costs, and/or attorneys' fees and disbursements, which any Company Party may now have, might ever have had in the past, or might ever have in the future, based in whole or in part upon or arising out of any fact, transaction, or occurrence that was alleged or that could have been alleged in connection with the Copper Debt Note Litigation, the Copper Contracts, the Guarantees, the Copper Debt Notes, the August 2009 Finalization Amount and the portion of the Agreed Costs attributed to the Copper Debt Holder in the Restructuring Agreement at any time, from the beginning of time, through and including the Closing Date. Notwithstanding the foregoing or anything to the contrary contained herein, this Release does not extinguish any Company Claim that may be brought by any Company Releasing Party for any actual damages, economic or pecuniary losses, mental anguish damages, expenses, court costs, and/or attorneys' fees and disbursements, which any Company Party may now have, might ever have had in the past, or might ever have in the future, based in whole or in part upon or arising out of any fact, transaction, or occurrence that was alleged or that could have been alleged in connection with (i) a breach of this Release, the Restructuring Agreement or any document or agreement attached thereto, or any other document or agreement entered into in connection with the consummation of the Restructuring, or (ii) Specific Indemnification Claims (as defined below). Furthermore, notwithstanding anything else in this Release, nothing herein shall operate to release any claims or defenses that any Company Releasing Party may have against any other person or entity (other than the Copper Debt Holder Released Parties) arising out of or related to the Copper Contracts, the Guarantees or the Copper Debt Notes and transactions related thereto, and all such claims and defenses are expressly reserved.

B. Release by the Copper Debt Holder. The Copper Debt Holder, for itself, its subsidiaries, affiliates, successors, assigns, and any party claiming by, through, or under them (collectively, the "Copper Debt Holder Releasing Parties"), each in its capacities as such, does hereby release, acquit, and forever discharge the Company, and all of its past or present officers, directors, shareholders, employees, agents, partners, insurers, attorneys, divisions, affiliated, parent or subsidiary companies, assigns, or successors in interest, including without limitation any Subsidiary Guarantor [(but excluding the Debtors and their subsidiaries]2, (collectively, the "Company Released Parties"), each in its capacity as such, from any and all claims, counterclaims, demands, actions, causes of action, liabilities, obligations, court costs, attorneys' fees and disbursements, or judgments which are, may be, or could be owed by the Company, or any other Company Released Party, together with anyone acting by, through, or under such Company Released Party in connection with any of the matters brought, or that might have been brought, whether or not asserted, arising out of, or relating to any Copper Debt Note Litigation, the Copper Contracts, the Guarantees, the Copper Debt Notes, the August 2009 Finalization Amount and the portion of the Agreed Costs attributed to the Copper Debt Holder in the Restructuring Agreement (collectively, the "Copper Debt Holder Claims"). This Release includes, but is not limited to, the Copper Debt Holder Claims asserted or capable of assertion by

2 Bracketed language to be used if the bankruptcy court presiding over the Debtors' chapter 11 cases has not approved of the Debtors' entry into this Release pursuant to the Confirmation Order.

any Copper Debt Holder Releasing Party under Mexican law, United States law, statutory law, common law, contract, warranty, consumer relations law, or any other law, statute, regulation, or theory of law or equity in any country that permits or allegedly permits recovery of any form of monetary or other damages or relief of whatsoever nature, whether in contract or in tort, whether contingent or absolute, whether known or unkown, which any Copper Debt Holder Party ever had, may now have, or may ever claim to have against the Company Released Parties. The release extinguishes Copper Debt Holder Claims for actual damages, economic or pecuniary losses, mental anguish damages, expenses, court costs, and/or attorneys' fees and disbursements, which any Copper Debt Holder Party may now have, might ever have had in the past, or might ever have in the future, based in whole or in part upon or arising out of any fact, transaction, or occurrence that was alleged or that could have been alleged in connection with the Copper Debt Note Litigation, the Copper Contracts, the Guarantees, the Copper Debt Notes, the August 2009 Finalization Amount, the portion of the Agreed Costs attributed to the Copper Debt Holder in the Restructuring Agreement at any time, from the beginning of time, through and including the Closing Date. Notwithstanding the foregoing or anything to the contrary contained herein, this Release does not extinguish any Copper Debt Holder Claim that may be brought by any Copper Debt Holder Releasing Party for any actual damages, economic or pecuniary losses, mental anguish damages, expenses, court costs, and/or attorneys' fees and disbursements, which any Copper Debt Holder Releasing Party may now have, might ever have had in the past, or might ever have in the future, based in whole or in part upon or arising out of any fact, transaction, or occurrence that was alleged or that could have been alleged in connection with (i) a breach of this Release, the New Series B Notes issued to the Copper Debt Holder, the Restructuring Agreement or any document or agreement attached thereto, or any other document or agreement entered into in connection with the consummation of the Restructuring, or (ii) Specific Indemnification Claims (as defined below). Furthermore, notwithstanding anything else in this Release, nothing herein shall operate to release any claims or defenses that any Copper Debt Holder Releasing Party may have against any other person or entity (other than the Company Released Parties) arising out of or related to the Copper Contracts, the Guarantees or the Copper Debt Notes and transactions related thereto, and all such claims and defenses are expressly reserved.

For purposes of this Release, "Specific Indemnification Claims" shall mean any and all claims, demands, actions, causes of action, liabilities, obligations, or judgments (and the legal and non-legal costs and expenses incurred in connection therewith) arising out of or relating to any amounts which are or may be owed by any Copper Debt Holder Releasing Party, on the one hand, or any Company Releasing Party (including, without limitation, the Company and IUSA), on the other hand, as applicable, to the other such party arising out of or relating to (i) Section XV of the Amended and Restated Copper Contract, or under the Company A&R Guarantee or the IUSA A&R Guarantee for any claims relating to Section XV of the Amended and Restated Copper Contract, or (ii) Section XV of the June 2009 Copper Contract, or under the Company June 2009 Guarantee or the IUSA June 2009 Guarantee for any claims relating to Section XV of the June 2009 Copper Contract.

2. **Releases Unconditional.** THE RELEASES IN PARAGRAPH 1 ABOVE ARE SPECIFICALLY INTENDED TO OPERATE AND BE APPLICABLE EVEN IF IT IS

ALLEGED, CHARGED, OR PROVED THAT SOME OR ALL OF THE CLAIMS OR DAMAGES RELEASED ARE SOLELY AND COMPLETELY OR PARTIALLY CAUSED BY THE NEGLIGENCE, INTENTIONAL MISCONDUCT, NEGLIGENCE PER SE, GROSS NEGLIGENCE, BREACH OF WARRANTY, VIOLATION OF STATUTE OR COMMON LAW, OR OTHER ACTIONABLE CONDUCT OF ANY OF THE RELEASED PARTIES AND/OR CLAIMANTS AND/OR ANY THIRD PARTY.

3. **Advice of Counsel.** Each Party acknowledges to each other Party that it has executed this Release acting upon its independent judgment or upon the advice of its legal counsel, without representation, expressed or implied, of any kind or nature from any party except as specifically set forth herein. Each of the Parties acknowledges that it has read this Release, that it has reviewed all terms and conditions herein, that it understands the meaning and effect thereof, and that, after discussing this Release with its legal counsel, it has willingly entered into and executed this Release for the above-stated consideration.

4. **Joint Preparation.** It is agreed that this Release has been jointly prepared and, therefore, the authorship hereof shall not affect the construction hereof.

5. **Modification/Amendment.** This Release cannot be modified, changed, or terminated orally. Any modification, change or termination of this Release must be in writing and signed by authorized representatives of all Parties.

6. **Parties.** Each of the Parties agree that this Release shall inure to the benefit of, and be binding upon, each of the Parties and their respective affiliates, officers, directors, shareholders, partners (general and limited), agents, heirs, legal representatives, executors, administrators, successors and assigns, and any who might attempt to claim by, through or under them.

7. **Applicable Law, Jurisdiction and Venue.** This Release shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of New York without giving effect to any conflict of laws provisions thereof that would require the application of the law of another jurisdiction. All actions arising out of or relating to this Agreement shall be heard and determined in any New York federal court sitting in the Borough of Manhattan of The City of New York or in any New York state court sitting in the Borough of Manhattan of The City of New York.

8. **Counterparts.** This Release may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

9. **Authorization.** Each of the Parties warrant and represent to each other that they have the full lawful right, power and authority, without joinder of any other party, to execute this Release through the persons whose signatures are subscribed below, and to consummate the undertakings specified in this Release.

10. **Waiver.** Any failure by the Parties to exercise any rights under this Release shall not be construed as a waiver of its right to exercise the same or any other right at any time or

from time to time. No waiver of any of the terms of this Release shall be valid unless in writing and signed by the Parties.

[*Remainder of Page Intentionally Left Blank*]

EXECUTED by duly authorized signatories of the Parties as of the date hereof.

[COPPER DEBT HOLDER]

By: _____
Name:
Title:

INDUSTRIAS UNIDAS, S.A. DE C.V.

By: _____
Name:
Title:

[Acknowledged and to agree by:

[OTHER IUSA ENTITY PARTY TO LITIGATION]

By: _____
Name:
Title:

[OTHER IUSA ENTITY PARTY TO LITIGATION]

By: _____
Name:
Title:][3]

[3] To be acknowledged and agreed by each IUSA entity, other than the Company, that is a party to any of the Copper Debt Litigations.

Schedule 1
Gerald Metals, LLC

Copper Debt Notes

Copper Debt Holder	Copper Debt Notes Amounts USD	Copper Debt Notes Reference Number	August 2009 Finalization Amount USD	Agreed Costs USD
Gerald			155,000.00	
Gerald				1,719,963.08
Gerald	472,500.00	400-JAN		
Gerald	992,079.00	401-JAN		
Gerald	515,880.00	494-MAR		
Gerald	515,880.00	495-MAR		
Gerald	515,880.00	496-MAR		
Gerald	515,880.00	497-MAR		
Gerald	407,854.70	501-MAR		
Gerald	407,854.70	502-MAR		
Gerald	407,854.70	503-MAR		
Gerald	407,854.70	504-MAR		
Gerald	407,854.70	505-MAR		
Gerald	407,854.70	506-MAR		
Gerald	407,854.70	507-MAR		
Gerald	407,854.70	508-MAR		
Gerald	407,854.70	509-MAR		
Gerald	407,854.70	510-MAR		
Gerald	407,854.70	511-MAR		
Gerald	407,854.70	512-MAR		
Gerald	407,854.70	513-MAR		
Gerald	628,316.70	514-MAR		
Gerald	628,316.70	515-MAR		
Gerald	628,316.70	516-MAR		
Gerald	628,316.70	517-MAR		
Gerald	628,316.70	518-MAR		
Gerald	628,316.70	519-MAR		
Gerald	644,851.35	520-MAR		
Gerald	644,851.35	521-MAR		
Gerald	429,900.90	522-MAR		

Gerald	429,900.90	523-MAR		
Gerald	214,950.45	524-MAR		
Gerald	214,950.45	525-MAR		
Gerald	214,950.45	526-MAR		
Gerald	214,950.45	527-MAR		
Gerald	214,950.45	528-MAR		
Gerald	214,950.45	529-MAR		
Gerald	214,950.45	530-MAR		
Gerald	214,950.45	531-MAR		
Gerald	249,342.60	532-MAR		
Gerald	537,375.15	533-MAR		
Gerald	551,154.00	534-APR		
Gerald	551,154.00	535-APR		
Gerald	1,102,310.00	536-APR		
Gerald	551,154.00	537-APR		
Gerald	551,154.00	538-APR		
Gerald	1,102,310.00	539-APR		
Gerald	551,154.00	540-APR		
Gerald	551,154.00	541-APR		
Gerald	551,154.00	542-APR		
Gerald	1,102,310.00	543-APR		
Gerald	1,102,310.00	544-APR		
Gerald	551,154.00	546-APR		
Gerald	1,102,310.00	547-APR		
Gerald	1,102,310.00	548-APR		
Gerald	551,154.00	549-APR		
Gerald	733,035.20	552-APR		
Gerald	418,877.80	553-APR		
Gerald	418,877.80	554-APR		
Gerald	527,354.50	555-APR		
Gerald	209,438.90	556-APR		
Gerald	418,877.80	557-APR		
Gerald	502,652.60	562-APR		
Gerald	502,652.60	563-APR		
Gerald	502,652.60	564-APR		
Gerald	599,356.90	565-APR		

Gerald	840,227.50	566-MAR		
Gerald	407,238.40	568-MAR		
Gerald	238,759.70	569-MAR		
Gerald	446,436.00	570-APR		
Gerald	496,039.50	571-APR		
Gerald	496,039.50	572-APR		
Gerald	499,999.50	575-APR		
Gerald	498,685.50	581-APR		
Gerald	1,253,777.80	583-APR		
Gerald	1,203,864.20	584-APR		
Gerald	744,059.25	585-APR		
Gerald	744,059.25	586-APR		
Gerald	744,059.25	587-APR		
Gerald	496,039.50	588-APR		
Gerald	297,623.25	589-APR		
Gerald	727,524.60	590-MAY		
Gerald	727,524.60	591-MAY		
Gerald	727,524.60	592-MAY		
Gerald	727,524.60	593-MAY		
Gerald	849,127.40	596-MAY		
Gerald	653,200.00	598-MAY		
Gerald	605,000.00	599-MAY		
Gerald	622,245.80	600-MAY		
Gerald	605,000.00	601-MAY		
Gerald	620,340.60	602-MAY		
Gerald	605,000.00	603-MAY		
Gerald	617,581.80	604-MAY		
Gerald	605,000.00	605-MAY		
Gerald	345,996.20	606-MAY		
Gerald	770,000.00	607-MAY		
Gerald	886,402.00	608-MAY		
Gerald	729,100.00	609-MAY		
Gerald	729,100.00	610-MAY		
Gerald	614,100.00	611-MAY		
Gerald	538,733.60	612-MAY		
Gerald	538,735.90	613-MAY		

Gerald	502,168.20	614-MAY		
Gerald	502,170.50	615-MAY		
Gerald	744,059.25	620-MAY		
Gerald	744,059.25	621-MAY		
Gerald	461,151.00	623-MAY		
Gerald	744,059.25	624-MAY		
Gerald	496,039.50	626-MAY		
Gerald	462,174.75	627-MAY		
Gerald	540,131.90	628-JUN		
Gerald	540,131.90	629-JUN		
Gerald	540,131.90	630-JUN		
Gerald	541,557.80	633-JUN		
Gerald	540,131.90	634-JUN		
Gerald	540,131.90	635-JUN		
Gerald	540,131.90	636-JUN		
Gerald	540,131.90	637-JUN		
Gerald	351,085.00	665A-JUN		
Gerald	189,049.35	665B-JUN		
Gerald	675,163.65	666-JUN		
Gerald	810,197.85	667-JUN		
Gerald	810,197.85	668-JUN		
Gerald	810,197.85	669-JUN		
Gerald	810,197.85	670-JUN		
Gerald	810,197.85	671-JUN		
Gerald	799,951.50	673-AUG		
Gerald	650,362.90	674-AUG		
Gerald	663,549.40	675-AUG		
Gerald	812,952.15	676-AUG		
Gerald	809,235.15	677-AUG		
Gerald	650,362.90	678-AUG		
Gerald	974,169.65	679-AUG		
Gerald	487,770.70	680-AUG		
Gerald	608,089.40	681-AUG		
Gerald	608,089.40	682-AUG		
Gerald	325,181.45	683-AUG		
Gerald	682,880.75	684-AUG		

Gerald	682,880.75	685-AUG		
Gerald	150,007.50	686-AUG		
Gerald	988,126.10	687-AUG		
Gerald	500,025.00	688-AUG		
Gerald	1,122,477.95	689-AUG		
Gerald	311,499.69	130-JUL		
Gerald	343,920.20	131-JUL		

Schedule 2
Gerald Metals, LLC

Copper Debt Note Litigations

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.,
Case number 47/2009
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $2,003,997.60

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 55/2009
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $1,641,043.60

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 59/2009
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $655,419.89

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 7/2010
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $4,915,202.25

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 20/2010
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $4,451,579.50

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 55/2009
Heard before the 5th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $3,732,555.95

WestLB AG vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 6/2010
Heard before the 4th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $49,318,780.65

Barclays Bank PLC vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 59/2009
Heard before the 5th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $4,761,759.65

WestLB AG vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 6/2010
Heard before the 5th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $3,262,837.60

Schedule 1
RB International Finance (USA) LLC

Copper Debt Notes

Copper Debt Holder	Copper Debt Notes Amounts USD	Copper Debt Notes Reference Number	August 2009 Finalization Amount USD	Agreed Costs USD
RB International				280,036.92
RZB	396,831.60	429-FEB		
RZB	595,247.40	437-FEB		
RZB	793,663.20	438-FEB		
RZB	793,663.20	439-FEB		
RZB	793,663.20	440-FEB		
RZB	793,663.20	441-FEB		
RZB	496,038.60	442-FEB		
RZB	496,038.60	443-FEB		
RZB	341,716.10	444-FEB		
RZB	341,716.10	445-FEB		
RZB	512,574.15	446-FEB		
RZB	512,574.15	447-FEB		
RZB	512,574.15	448-FEB		
RZB	512,574.15	449-FEB		
RZB	341,716.10	450-FEB		
RZB	341,716.10	451-FEB		
RZB	592,182.15	452-FEB		
RZB	592,182.15	453-FEB		
RZB	592,182.15	454-FEB		
RZB	592,182.15	455-FEB		
RZB	444,451.00	456-FEB		
RZB	259,334.60	457-FEB		
RZB	404,327.00	464-FEB		
RZB	404,327.00	465-FEB		
RZB	454,702.05	474-MAR		
RZB	454,702.05	475-MAR		
RZB	540,131.90	638-JUN		
RZB	1,080,263.80	639-JUN		
RZB	263,563.65	640-JUN		

RZB	1,080,263.80	641-JUN		
RZB	264,945.45	642-JUN		
RZB	540,997.50	643-JUN		
RZB	540,997.50	644-JUN		
RZB	540,997.50	645-JUN		
RZB	540,997.50	646-JUN		
RZB	674,000.00	647-JUN		
RZB	551,155.00	648-JUN		
RZB	551,155.00	649-JUN		
RZB	551,155.00	651-JUN		
RZB	551,155.00	652-JUN		
RZB	418,282.50	653-JUN		
RZB	839,277.50	654-JUN		
RZB	551,155.00	655-JUN		
RZB	275,577.50	656-JUN		
RZB	826,732.50	657-JUN		
RZB	999,244.75	658-JUN		
RZB	355,174.05	659-JUN		

Schedule 2
RB International Finance (USA) LLC

Copper Debt Note Litigations

RZB Finance LLC vs. Industrias Unidas, S.A. DE C.V., and IUSA, S.A. DE C.V. (Anteriormente Conductores IUSA, S.A. DE C.V.)

Juicio: Ejecutivo Mercantil.
Expediente No. 1567/09
Juzgado Civil De Ixtlahuaca, Estado de Mexico.
US $13,366.547

RZB Finance LLC vs. Industrias Unidas, S.A. DE C.V., and IUSA, S.A. DE C.V. (Anteriormente Conductores IUSA, S.A. DE C.V.)

Juicio: Ejecutivo Mercantil.
Expediente No. 157/2010.
Juzgado Civil De Ixtlahuaca, Estado De Mexico.
US $12,537.226.46

Schedule 1
Banco Inbursa, S.A.

Copper Debt Notes

Copper Debt Holder	Copper Debt Notes Amounts USD	Copper Debt Notes Reference Number	August 2009 Finalization Amount USD	Agreed Costs USD
Inbursa	617,293.60	461-FEB		
Inbursa	617,293.60	462-FEB		
Inbursa	617,293.60	463-FEB		
Inbursa	308,646.80	466-FEB		
Inbursa	432,105.80	467-FEB		
Inbursa	308,646.80	468-FEB		
Inbursa	432,105.80	469-FEB		
Inbursa	462,970.20	470-FEB		
Inbursa	308,646.80	471-FEB		
Inbursa	454,702.05	472-MAR		
Inbursa	454,702.05	473-MAR		
Inbursa	454,702.05	476-MAR		
Inbursa	454,702.05	477-MAR		
Inbursa	454,702.05	478-MAR		
Inbursa	454,702.05	479-MAR		
Inbursa	454,702.05	480-MAR		
Inbursa	454,702.05	481-MAR		
Inbursa	454,702.05	482-MAR		
Inbursa	454,702.05	483-MAR		
Inbursa	454,702.05	484-MAR		
Inbursa	454,702.05	485-MAR		
Inbursa	454,702.05	486-MAR		
Inbursa	454,702.05	487-MAR		
Inbursa	454,702.05	488-MAR		
Inbursa	454,702.05	489-MAR		
Inbursa	454,702.05	490-MAR		
Inbursa	454,702.05	491-MAR		
Inbursa	454,702.05	492-MAR		
Inbursa	454,702.05	493-MAR		
Inbursa	407,854.70	498-MAR		

Inbursa	407,854.70	499-MAR		
Inbursa	407,854.70	500-MAR		
Inbursa	551,154.00	545-APR		
Inbursa	603,183.50	550-APR		
Inbursa	603,183.50	551-APR		
Inbursa	418,877.80	558-APR		
Inbursa	418,877.80	559-APR		
Inbursa	418,877.80	560-APR		
Inbursa	213,392.80	561-APR		
Inbursa	1,255,164.70	567-APR		
Inbursa	450,000.00	573-APR		
Inbursa	770,000.00	594-MAY		
Inbursa	770,000.00	595-MAY		
Inbursa	770,000.00	597-MAY		
Inbursa	764,660.30	616-MAY		
Inbursa	764,660.30	617-MAY		
Inbursa	496,039.50	618-MAY		
Inbursa	496,039.50	619-MAY		
Inbursa	496,039.50	622-MAY		
Inbursa	744,059.25	625-MAY		
Inbursa	554,484.00	631-JUN		
Inbursa	541,557.80	632-JUN		
Inbursa	523,342.50	650-JUN		
Inbursa	540,131.90	100-JUL		
Inbursa	675,163.65	101-JUL		
Inbursa	675,163.65	102-JUL		
Inbursa	675,163.65	103-JUL		
Inbursa	687,362.20	104-JUL		
Inbursa	810,197.85	105-JUL		
Inbursa	675,163.65	106-JUL		
Inbursa	684,030.20	107-JUL		
Inbursa	661,384.80	108-JUL		
Inbursa	676,123.20	109-JUL		
Inbursa	661,384.80	110-JUL		
Inbursa	670,334.40	111-JUL		
Inbursa	529,108.80	112-JUL		

Inbursa	793,663.20	113-JUL		

Schedule 2
Banco Inbursa, S.A.

Copper Debt Note Litigations

Banco Inbursa, S.A. vs. Industrias Unidas, S.A. de C.V. y otro.
Case number 346/2010
Juzgado de Primera Instancia en Ixtlahuaca, Estado de México.
Juicio Ejecutivo Mercantil
US $36,460,578.60

EXHIBIT L

Confirmation Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	Case No. 09-14353 (KJC)
TUBO DE PASTEJÉ, S.A. DE C.V., et al.,[1]	:	Jointly Administered
Debtors.	:	

[PROPOSED] FINDINGS OF FACT AND CONCLUSIONS OF LAW RELATED TO, AND ORDER CONFIRMING, THE JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OF TUBO DE PASTEJÉ, S.A. DE C.V. AND CAMBRIDGE-LEE HOLDINGS, INC., AS DEBTORS AND DEBTORS IN-POSSESSION, AND INDUSTRIAS UNIDAS, S.A. DE C.V. AND THE SUBSIDIARY GUARANTORS AS CO-PROPONENT

WHEREAS, on December 8, 2009 (the "Petition Date"), Tubo de Pastejé, S.A. de C.V. ("Tubo") and Cambridge-Lee Holdings, Inc. ("CLH," together with Tubo, the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (11 U.S.C. §§ 101-1532, as amended, the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "Court"), thereby commencing these cases (the "Chapter 11 Cases");

WHEREAS, during the pendency of the Chapter 11 Cases: (a) the Debtors have operated their business and managed their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code; and (b) no committee, trustee or examiner was appointed;

WHEREAS, Industrias Unidas, S.A. de C.V. ("IUSA"), and IUSA, S.A. de C.V., Industrias Unidas de Pastejé, S.A. de C.V., Gas Padilla, S.A. de C.V., IUSA Comercializadora, S.A. de C.V., Forgamex, S.A. de C.V., Centro Comercial y Cultural Pastejé, S.A. de C.V., and Convivencia y Educación Infantil Pastejé, S.A. de C.V. (collectively, the "Subsidiary Guarantors," and together with the Debtors and IUSA, the "Plan Proponents"), certain holders of 11.50% senior notes due 2016 issued by IUSA and certain other holders of Eligible Debt (together, the "Consenting Creditors") entered into that certain Restructuring Agreement, dated

[1] The Debtors, along with the last four digits of their respective federal tax identification numbers, are as follows: Tubo de Pastejé, S.A. de C.V. (2870) ("Tubo") and Cambridge-Lee Holdings, Inc. (2123) ("CLH"). The mailing address for Tubo is Km. 109 Carretera Panamericana, México-Querétaro, Jocotitlán, Estado de México, 50700 and the mailing address for CLH is 86 Tube Drive, Reading, PA 19605.

as of [___], 2011, (the "Restructuring Agreement"), which Restructuring Agreement provides for the restructuring of certain obligations of IUSA and its direct and indirect subsidiaries (the "IUSA Group").

WHEREAS, on [____ __], 2011, the Plan Proponents filed the: (a) *Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Tubo de Pastejé, S.A. de C.V. and Cambridge-Lee Holdings, Inc., as Debtors and Debtors-In-Possession, and Industrias Unidas, S.A. de C.V., as Co-Proponent*,[Docket No. [__]] (as amended, supplemented and/or modified through the date hereof, the "Plan");[2] and (b) the [*Amended] Disclosure Statement Relating to Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Tubo de Pastejé, S.A. de C.V. and Cambridge-Lee Holdings, Inc., as Debtors and Debtors-In-Possession, and Industrias Unidas, S.A. de C.V., as Co-Proponent* [Docket No. [__]] (the "Disclosure Statement"); and

WHEREAS, the Disclosure Statement contemplates, and the Plan is predicated upon the simultaneous implementation of a series of transactions(the "Restructuring Transactions") pursuant to the terms of the Restructuring Agreement, which together are designed to maximize recoveries to all creditors of the IUSA Group and enhance the financial stability of the Reorganized Debtors and the IUSA Group, as a whole;

WHEREAS, the Restructuring Transactions contemplate: (a) the cancellation of (i) the Old 2016 Notes and the ESBDS I Loan, and (ii) the Eligible Series B Debt; and (b) the issuance of: (i) new debt securities (the "New Series A Notes"), which New Series A Notes shall be guaranteed by Tubo and secured by the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group), to the holders of the Old 2016 Notes and the ESBDS I Loan; and (ii) new debt securities (the "New Series B Notes" and together with the New Series A Notes, the "New Notes"), which New Series B Notes shall be on substantially the same terms as the New Series A Notes, but shall not be secured by any assets of the Reorganized Debtors, to holders of the Copper Debt and holders of the Commercial Paper (each, as defined below) who elect to accept such New Series B Notes in exchange for their Series B Eligible Debt;

WHEREAS, on [___], 2011, the Court entered the *Order (i) Approving the Disclosure Statement; (iii) Approving Solicitation Procedures; and (iii) Scheduling Hearing and Establishing Notice and Objection Procedures With Respect to Confirmation of Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Tubo de Pastejé, S.A. de C.V. and Cambridge-Lee Holdings, Inc., as Debtors and Debtors-In-Possession, and Industrias Unidas, S.A. de C.V., as Co-Proponent* [Docket No. [__]] (the "Disclosure Statement Order");

WHEREAS, on [___], 2011, Epiq Bankruptcy Solutions, LLC (the "Notice and Balloting Agent") filed the Affidavit of Service, dated [____], 2011 [Docket No. [__]] (the "Solicitation Affidavit"), of [____], an employee of the Notice and Balloting Agent, stating that, in compliance with the Disclosure Statement Order: (a) the Disclosure Statement (which includes as an exhibit a copy of the Plan), together with the additional solicitation materials

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Disclosure Statement, as the case may be.

approved by the Court (the "Solicitation Package"), were transmitted to each Holder of a Claim entitled to vote to accept or reject the Plan; and (b) certain non-voting materials approved by the Court in the Disclosure Statement Order (the "Notices of Non-Voting Status") were provided to Holders of Claims and Equity Interests that were not entitled to vote to accept or reject the Plan;

WHEREAS, on [____], 2011, the Plan Proponents filed the Plan Supplement [Docket No. [__]] (the "Plan Supplement");

WHEREAS, on [___], 2011, the Notice and Balloting Agent filed the Affidavit of [___], sworn to [___], 2011 [Docket No. [__]], describing the methodology for the tabulation and results of voting with respect to the Plan (the "Epiq Tabulation Affidavit");

WHEREAS, on [___], 2011, the Plan Proponents filed the [*Declaration of [___] in Support of Confirmation of Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Tubo de Pastejé, S.A. de C.V. and Cambridge-Lee Holdings, Inc., as Debtors and Debtors-In-Possession, and Industrias Unidas, S.A. de C.V., as Co-Proponent*, sworn to [____], 2011 [Docket No. [__]] (the "[___] Declaration")], setting forth certain matters in connection with confirmation of the Plan;

WHEREAS, on [___], 2011, the Plan Proponents filed the [*Memorandum of Law in Support of Confirmation of Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Tubo de Pastejé, S.A. de C.V. and Cambridge-Lee Holdings, Inc., as Debtors and Debtors-In-Possession, and Industrias Unidas, S.A. de C.V., as Co-Proponent]* (Docket No. [__], the "Confirmation Brief"); and

WHEREAS, pursuant to section 1128(a) of the Bankruptcy Code, the Court held a hearing commencing on [___], 2011 (the "Confirmation Hearing") to consider confirmation of the Plan (;

NOW, THEREFORE, based upon the Court's review of the affidavits and reports previously filed with the Court, including the Solicitation Affidavit, the Epiq Tabulation Affidavit, the [____] Declaration; and upon all of the evidence proffered or adduced at the Confirmation Hearing, memoranda and objections filed in connection with the Plan, and arguments of counsel made at the Confirmation Hearing; and after due deliberation and sufficient cause appearing therefor; and upon the entire record of the Chapter 11 Cases;

IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED AND DECREED, AS FOLLOWS:[3]

[3] The findings and conclusions set forth herein and the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

A. Jurisdiction and Venue. The Court has jurisdiction over the Debtors' Chapter 11 Cases and confirmation of the Plan pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (L), and (O) and the Court has jurisdiction to enter a final order with respect thereto. Each of the Debtors is an eligible debtor under section 109 of the Bankruptcy Code. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including, without limitation, all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered, or adduced at the various hearings held before the Court during the pendency of the Chapter 11 Cases.

C. Burden of Proof. The Plan Proponents have met the burden of proving the elements of section 1129 of the Bankruptcy Code by a preponderance of the evidence, which is the applicable standard.

D. Solicitation and Notice. On [___], 2011, the Court entered the Disclosure Statement Order, which, among other things: (i) approved the Disclosure Statement, finding that it contained "adequate information" within the meaning of section 1125 of the Bankruptcy Code and complied with Bankruptcy Rule 3017; and (ii) established procedures for the Plan Proponents' solicitation of votes on the Plan. The Solicitation Packages and Notices of Non-Voting Status were served in compliance with the Disclosure Statement Order, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), and such transmittal and service was adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and other requirements, deadlines, hearings and matters described in the Disclosure Statement Order were timely provided in compliance with the Disclosure Statement Order, Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and provided due process and an opportunity to appear and to be heard to all parties in interest, and no further notice was required. The solicitation of votes was made in good faith and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and all other rules, laws, and regulations.

E. Voting. Votes on the Plan were solicited after disclosure of "adequate information," as defined in section 1125 of the Bankruptcy Code. As evidenced by the Epiq Tabulation Affidavit, votes to accept the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

F. Plan Supplement. In accordance with the Plan, the Plan Proponents filed the Plan Supplement which includes the following documents: (a) the New Indentures; (b) the New Pledge Agreement; (c) the Schedule of Assumed Contracts; (d) the Schedule of Rejected Contracts; (e) the Schedule of Retained Causes of Action; (f) the Schedule of Intercompany Claims; (g) the New Corporate Documents; and (h) a list of the officers and directors of the Reorganized Debtors, each of which may be amended prior to the Plan Effective Date pursuant

to the terms and conditions of the Restructuring Agreement. The documents and materials in the Plan Supplement comply with the terms of the Plan and were served in accordance with Bankruptcy Rules 2002 and 9014.

COMPLIANCE WITH SECTION 1129 OF THE BANKRUPTCY CODE

G. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(i) Date and Identification of Plan Proponents (Bankruptcy Rule 3016(a)). As required by Bankruptcy Rule 3016(a), the Plan is dated and specifically identifies the Plan Proponents as the proponents of the Plan. IUSA is an affiliate (as defined in section 101(2) of the Bankruptcy Code) of the Debtors.

(ii) Proper Classification (11 U.S.C. §§ 1122(a)). As required by section 1122(a) of the Bankruptcy Code, Section 4 of the Plan adequately and properly identifies and classifies all Claims against and Equity Interests in the Debtors. The Plan's classification scheme is proper and satisfies section 1122 of the Bankruptcy Code because such scheme recognizes the differing legal and equitable rights of the Holders of Claims against and Equity Interests in the Debtors. Moreover, the Plan's classification scheme does not separately classify substantially similar claims in order to secure the vote of an Impaired, accepting Class of Claims. Each of the Claims or Equity Interests in each particular Class is substantially similar to the other Claims or Equity Interests in such Class. Accordingly, the classification of Claims and Equity Interests in the Plan complies with section 1122 of the Bankruptcy Code

(iii) Proper Designation (11 U.S.C. § 1123(a)(1)). As required by section 1123(a)(1) of the Bankruptcy Code, Section 4 of the Plan adequately and properly identifies and classifies all Claims against and Equity Interests in the Debtors. The Plan designates ten (10) Classes of Claims and Equity Interests, based upon differences in the legal nature and/or priority of such Claims and Equity Interests. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, Intercompany Claims and Intercompany Equity Interests, and Priority Tax Claims are not classified. Accordingly, the Plan complies with the requirements of section 1123(a)(1) of the Bankruptcy Code.

(iv) Specified Treatment of Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Section 4 of the Plan specifies that Classes T1 (Other Priority Claims against Tubo), T2 (Other Secured Claims against Tubo), T4 (General Unsecured Claims against Tubo), T5 (Equity Interests in Tubo), C1

(Other Priority Claims against CLH), C2 (Other Secured Claims against CLH), C4 (General Unsecured Claims against CLH), and C5 (Equity Interests in CLH) are Unimpaired under the Plan. The Plan, therefore, complies with the requirements of section 1123(a)(2) of the Bankruptcy Code.

(v) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Section 4 of the Plan designates Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims) as Impaired and specifies the treatment of the Claims and Equity Interests in such Classes. The Plan, therefore, complies with the requirements of section 1123(a)(3) of the Bankruptcy Code.

(vi) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Equity Interest in each respective Class unless the holder of a particular Claim or Equity Interest has agreed to less favorable treatment on account of such Claim or Equity Interest. The Plan, therefore, complies with the requirements of section 1123(a)(4) of the Bankruptcy Code.

(vii) Implementation of Plan (11 U.S.C. § 1123(a)(5)). As required by section 1123(a)(5) of the Bankruptcy Code, the Plan and the documents and agreements included in the Plan Supplement provide for adequate means for implementation of the Plan. Specifically, Section 8 of the Plan provides for, except as otherwise expressly provided in the Plan, among other things:

- the continued existence of the Reorganized Debtors after the Plan Effective Date as separate corporate entities and the amendment of the Corporate Documents, as necessary;
- the revesting of assets in the applicable Reorganized Debtor on the Plan Effective Date;
- the vesting of all rights, privileges, entitlements, authorizations, grants, permits, licenses, easements, franchises, and other similar items that constitutes part of, or are necessary or useful in the operation of the property of the Debtors or the Reorganized Debtors, in the applicable Reorganized Debtor on the Plan Effective Date;
- the revesting of any and all Causes of Action accruing to any Debtor or its Estate against any Person in the applicable Reorganized Debtor on the Plan Effective Date;
- the waiving of the Reorganized Debtors' rights to institute or prosecute any Avoidance Actions;

- the cancellation of the Existing Indenture, the Existing Pledge Agreement and any and all notes, instruments or other documents evidencing the Old 2016 Notes, Noteholder Pledge Claims, the Unsecured Parent Guaranty Claims and the ESBDS I Loan;

- the effectuation of the Restructuring Transactions, including:

    a. the entry into the New Indentures by IUSA;

    b. the issuance and distribution by IUSA of the New Series A Notes to (1) Holders of Old 2016 Notes/Allowed Noteholder Pledge Claims; and (2) Holders of the ESBDS I Loan/Allowed Unsecured Parent Guaranty Claims, in each instance in full and final satisfaction and discharge of all such obligations of any member of the IUSA Group with respect to such obligations;

    c. the issuance and distribution by IUSA of the New Series B Notes to Holders of Series B Eligible Debt that have elected to participate in the Consensual Exchange, in each instance in full and final satisfaction and discharge of all such Series B Eligible Debt owed by any member of the IUSA Group with respect to such Series B Eligible Debt;

    d. the execution and delivery of the New Indentures by Tubo, and each other guarantor, as guarantors thereunder, and

    e. the execution and delivery of the New Pledge Agreement by Tubo.

- the continued service of the current Board of Directors of each Reorganized Debtor, which shall have the responsibility for the management, control, and operation of each respective Reorganized Debtor on and after the Plan Effective Date; and

(viii) Nonvoting Equity Securities (11 U.S.C. §1123(a)(6)). Section 8.1 of the Plan provides that the Reorganized Debtors' Corporate Documents shall be amended to comply by section 1123(a)(6) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of section 1123(a)(6) of the Bankruptcy Code.

(ix) Selection of Officers and Directors (11 U.S.C. §1123(a)(7)). Section 8.9.1 of the Plan provides that, on the Plan Effective Date, the management, control, and operation of each Reorganized Debtor shall

become the general responsibility of its respective board of directors in accordance with applicable non-bankruptcy law. Section 8.9.2 of the Plan provides that, as part of the Plan Supplement, the Debtors shall disclose (a) the identity and affiliation of any individual who is proposed to serve as an officer or director of any Reorganized Debtor; (b) the identity of any other insider who will be employed or retained by any Reorganized Debtor; and (c) the compensation for each such individual. Accordingly, the Plan satisfies the requirements of section 1123(a)(7) of the Bankruptcy Code.

(x) No Personal Services Performed (11 U.S.C. §1123(a)(8)). The Debtors are not individuals and, accordingly, section 1123(a)(8) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

(xi) Additional Plan Provisions (11 U.S.C. § 1123(b)). The other provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b) of the Bankruptcy Code.

(xii) Impairment/Unimpairment of Classes of Claims and Equity Interests (11 U.S.C. § 1123(b)(1)). In accordance with section 1123(b)(i) of the Bankruptcy Code, Section 4 of the Plan provides that (a) Classes T1 (Other Priority Claims against Tubo), T2 (Other Secured Claims against Tubo), T4 (General Unsecured Claims against Tubo), T5 (Equity Interests in Tubo), C1 (Other Priority Claims against CLH), C2 (Other Secured Claims against CLH), C4 (General Unsecured Claims against CLH), and C5 (Equity Interests in CLH) are Unimpaired; and (b) Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims) are Impaired. Accordingly, the Plan is consistent with section 1123(b)(1) of the Bankruptcy Code.

(xiii) Assumption and Rejection of Executory Contracts (11 U.S.C. § 1123(b)(2)). In accordance with section 1123(b)(2) of the Bankruptcy Code, Section 6.1 of the Plan provides that, except as otherwise provided in the Plan or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, each Executory Contract of the Debtors that has not expired by its own terms before the Plan Effective Date that either: (1) is listed on the Schedule of Assumed Contracts; (2) is not rejected prior to the Plan Effective Date; (3) is the subject of a motion to reject Filed on or before the Confirmation Date upon which the Court has not entered an Order; (4) is not listed on the Schedule of Rejected Contracts; or (5) has not been otherwise modified or superseded by agreement of the parties thereto, shall be deemed to have been assumed by the applicable Debtor as of the Plan Effective Date pursuant to section 365 of the Bankruptcy Code. Additionally, Section 6.2 of the Plan provides that each Executory Contract of the Debtors listed on the

Schedule of Rejected Contracts is rejected, to the extent, if any, each constitutes an executory contract or unexpired lease, and without conceding that each constitutes an executory contract or unexpired lease or that the Debtors have any liability under each. Accordingly, the Plan is consistent with section 1123(b)(2) of the Bankruptcy Code.

(xiv) Settlement or Retention of Claims or Equity Interests (11 U.S.C. § 1123(b)(3)). In accordance with section 1123(b)(3)(A) of the Bankruptcy Code, Section 8.4.2 of the Plan provides that, due to the Plan's Unimpaired and/or agreed treatment of Claims, the Debtors and the Reorganized Debtors waive their rights to institute or prosecute any Avoidance Actions. In accordance with section 1123(b)(3)(B) of the Bankruptcy Code, Section 3.4 of the Plan provides that Intercompany Claims and Intercompany Equity Interests shall be Unimpaired and shall remain in full force and effect after the Plan Effective Date, provided that such Intercompany Claims are subject to the requirements of and restrictions (including, without limitation, the relative ranking and priority of such Intercompany Claims contained in the New Indentures. In addition, Section 8.4 of the Plan provides that:

> Except to the extent any Causes of Action are expressly and specifically waived, released or abandoned under the Plan or the Confirmation Order, or pursuant to any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code: (1) any and all Causes of Action accruing to any Debtor or its Estate against any Person shall remain assets of and vest in the applicable Reorganized Debtor, whether or not litigation relating thereto is pending on the Plan Effective Date, and whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Court; and (2) neither any Debtor nor any Reorganized Debtor waives, relinquishes, or abandons (nor shall they be estopped or otherwise precluded from asserting) any Causes of Action: (a) whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Court; (b) whether or not such Causes of Action are currently known to the Debtors; and (c) whether or not a defendant in any litigation relating to such Causes of Action Filed a Proof of Claim, a notice of appearance, or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any

similar doctrine, the failure to list, disclose, describe, identify, or refer to any Causes of Action in the Plan, the Schedule of Retained Causes of Action or any other document Filed with the Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any Causes of Action, that any Debtor or any Reorganized Debtor has, or may have, as of the Confirmation Date.

Accordingly, the Plan is consistent with section 1123(b)(3) of the Bankruptcy Code.

(xv) Modification of Creditor Rights (11 U.S.C. § 1123(b)(5)). The Plan modifies the rights of Holders of Claims in Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims). The Plan leaves unaffected the rights of Holders of Claims in Classes T1 (Other Priority Claims against Tubo), T2 (Other Secured Claims against Tubo), T4 (General Unsecured Claims against Tubo), C1 (Other Priority Claims against CLH), C2 (Other Secured Claims against CLH), and C4 (General Unsecured Claims against CLH). Accordingly, the Plan is consistent with section 1123(b)(5) of the Bankruptcy Code.

(xvi) Other Appropriate Provisions (11 U.S.C. § 1123(b)(6)). Section 1123(b)(6) of the Bankruptcy Code is a catchall provision that permits inclusion of any appropriate provision as long as it is not inconsistent with applicable provisions of the Bankruptcy Code. In accordance therewith, the Plan provides for, among other things: (a) certain releases, injunctions, and exculpations; (b) an exemption pursuant to section 1145 of the Bankruptcy Code for the offering, issuance, and distribution of the New Notes contemplated by the Restructuring Agreement, the Plan, and all agreements incorporated therein; and (c) an exemption pursuant to section 1146 of the Bankruptcy Code for any transfers from any Debtor to the applicable Reorganized Debtor or any other Person pursuant to the Plan.

(xvii) Cure of Defaults (11 U.S.C. § 1123(d)). The Plan provides for the satisfaction of default claims associated with each Executory Contract to be assumed, if any, pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code. All cure amounts will be determined in accordance with the underlying agreements and applicable bankruptcy and non-bankruptcy laws. Accordingly, the Plan complies with section 1123(d) of the Bankruptcy Code.

H. Plan Proponents' Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Plan Proponents have complied with the applicable provisions of the

Bankruptcy Code, including the provisions of sections 1125 and 1126 of the Bankruptcy Code regarding disclosure and plan solicitation. Specifically:

(i) Each of the Debtors is a proper debtor under section 109 of the Bankruptcy Code;

(ii) The Plan Proponents have complied with all applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court;

(iii) The Plan Proponents solicited acceptances or rejections of the Plan from the Class T3 (Noteholder Pledge Claims) and Class C3 (Unsecured Parent Guaranty Claims), and such Holders have voted to accept the Plan. The Plan reflects that Classes T1 (Other Priority Claims against Tubo), T2 (Other Secured Claims against Tubo), T4 (General Unsecured Claims against Tubo), T5 (Equity Interests in Tubo), C1 (Other Priority Claims against CLH), C2 (Other Secured Claims against CLH), C4 (General Unsecured Claims against CLH), and C5 (Equity Interests in CLH) are Unimpaired and, thus, are conclusively presumed to have accepted the Plan; and

(iv) The Plan Proponents have complied with the applicable provisions of the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules in transmitting the Solicitation Package and in tabulating the votes with respect to the Plan, thereby complying with section 1125 with respect to the Disclosure Statement and the Plan.

I. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Plan Proponents have met their good faith obligation under the Bankruptcy Code. The Plan Proponents have proposed the Plan with the legitimate and honest purpose of maintaining the Debtors' business as a going concern and maximizing the distribution to creditors. The Plan is the product of arm's length negotiations among the Debtors, the IUSA Group, and their major creditor constituencies to formulate a plan that (i) provides for a restructuring of certain of the outstanding obligations of the Debtors and (ii) reinstates and leaves unaltered all other Claims and Equity Interests in the Debtors. Creditor support for the Plan is substantial. The proposal of such a widely accepted chapter 11 plan is the very essence of good faith. The Plan, therefore, complies with section 1129(a)(3) of the Bankruptcy Code.

J. Payment for Services or Cost and Expenses (11 U.S.C. § 1129(a)(4)). The Court has already authorized and approved procedures for the interim payment of certain fees and expenses of professionals retained in this cases under section 331 of the Bankruptcy Code pursuant to the Court's order dated April 5, 2010 [Docket No. 85]. Pursuant to Section 3.2 of the Plan, all Professional Fee Claims incurred on or prior to the Confirmation Date are subject to final allowance or disallowance upon application to the Court, and payment thereon shall be made only in such amounts as are Allowed by the Court. Additionally, Section 11.3 of the Plan expressly provides for the retention of the Court's jurisdiction to "[r]ule on any and all

Professional Fee Claims under sections 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Plan Effective Date, the payment of fees and expenses of any retained Professional Persons of the Reorganized Debtors shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court." Moreover, pursuant to sections 503(b)(3) and (4) of the Bankruptcy Code, the Court must review any application for substantial contribution to ensure compliance with the statutory requirements and that the fees requested are reasonable. Based upon the foregoing, the Plan complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

K. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Plan Proponents have complied with Section 1129(a)(5) of the Bankruptcy Code. Specifically, the Plan Proponents have filed a schedule disclosing: (i) the identity and affiliation of any individual who is proposed to serve as an officer or director of any Reorganized Debtor; (ii) the identity of any other insider who will be employed or retained by any Reorganized Debtor; and (iii) compensation for each such individual.

L. No Rate Changes (11 U.S.C. § 1129(a)(6)). No rates are being changed that require approval of a governmental regulatory commission, and accordingly, section 1129(a)(6) is inapplicable to the Plan.

M. Best Equity Interest of Creditors (11 U.S.C. § 1129(a)(7)). The Plan complies with section 1129(a)(7) of the Bankruptcy Code. Specifically:

(i) Classes T1 (Other Priority Claims against Tubo), T2 (Other Secured Claims against Tubo), T4 (General Unsecured Claims against Tubo), T5 (Equity Interests in Tubo), C1 (Other Priority Claims against CLH), C2 (Other Secured Claims against CLH), C4 (General Unsecured Claims against CLH) and C5 (Equity Interests in CLH) are Unimpaired and deemed to accept the Plan. The best interest of creditors test, therefore, is inapplicable to these Classes.

(ii) With respect to Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims), nearly all of the Holders in such Classes that timely submitted a ballot voted to accept the Plan, and the Plan Proponents have received no objections from any Holder of a Class T3 Claim or Class C3 Claim asserting that the Plan violates the best interests of creditors test. Furthermore, each Holder of an Impaired Claim against or Equity Interest in the Debtors will receive or retain under the Plan, on account of such Claim or Equity Interest, property of a value, as of the Plan Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Accordingly, the Plan satisfies the best interests of creditors test and satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code.

N. Acceptance By or Unimpairment of Each Class (11 U.S.C. § 1129(a)(8)). Classes T1 (Other Priority Claims against Tubo), T2 (Other Secured Claims against Tubo), T4

(General Unsecured Claims against Tubo), T5 (Equity Interests in Tubo), C1 (Other Priority Claims against CLH), C2 (Other Secured Claims against CLH), C4 (General Unsecured Claims against CLH), and C5 (Equity Interests in CLH) are Classes of Unimpaired Claims each of which is conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code. Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims) are Impaired Classes of Claims against the Debtors entitled to vote on the Plan and each such Class has voted to accept the Plan in accordance with section 1126(b) and (c) of the Bankruptcy Code. Accordingly, the Plan satisfies the requirements of Section 1129(a)(8).

O. Treatment of Administrative Claims, Priority Tax Claims, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims, Priority Tax Claims and Other Priority Claims pursuant to Sections 3 and 4 of the Plan satisfies the requirements of sections 1129(a)(9)(A), (B), and (C) of the Bankruptcy Code.

P. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). As indicated by the Epiq Tabulation Affidavit, Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims), each of which is Impaired under the Plan and entitled to vote, voted to accept the Plan by the requisite majorities, determined without including any acceptance of the Plan by any insider, thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

Q. Feasibility (11 U.S.C. § 1129(a)(11)). The information in the Disclosure Statement and the evidence proffered, adduced, and/or presented at the Confirmation Hearing: (i) is persuasive and credible; (ii) has not been controverted by other evidence; and (iii) establishes that, based on the Restructuring Agreement, the Plan is feasible and that there is a reasonable prospect of the Reorganized Debtors being able to meet their financial obligations under the Plan and in the ordinary course of business, and that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors. Accordingly, the Plan is feasible in accordance with section 1129(a)(11) of the Bankruptcy Code.

R. Payment of Fees (11 U.S.C. § 1129(a)(12)). In accordance with sections 507 and 1129(a)(12) of the Bankruptcy Code, Section 12.3 of the Plan provides that all fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Plan Effective Date, and that all such fees that arise after the Plan Effective Date but prior to the closing of the Chapter 11 Cases shall be paid by the Reorganized Debtors. Thus, the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

S. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Section 6.5.1 of the Plan provides that all employee compensation and Benefit Plans, including Benefit Plans and programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated, shall be deemed to be, and shall be treated as if they were, executory contracts that are to be assumed under the Plan. Thus, the Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

T. Debtors Are Not Required to Pay Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

U. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals. Accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

V. Debtors Are Not Nonprofit Corporations (11 U.S.C. § 1129(a)(16)). Section 1129(a)(16) of the Bankruptcy Code requires all transfers of property of a plan to be made in accordance with any applicable provisions of non-bankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust. Neither of the Debtors is a nonprofit corporation and, therefore, section 1129(a)(16) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

W. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in these cases, and accordingly, section 1129(c) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

X. Principal Purpose of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, and no governmental unit has requested that the Court not confirm the Plan for this reason. Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

Y. Good-Faith Solicitation (11 U.S.C. § 1125(e)).

(i) The Plan Proponents and the Consenting Creditors and each of their respective agents, accountants, business consultants, representatives, attorneys and advisors, through their participation in the negotiation and preparation of the Plan and the Disclosure Statement and their efforts to confirm the Plan, have solicited acceptances and rejections of the Plan in good faith and participated in the Chapter 11 Cases in compliance with the applicable provisions of the Bankruptcy Code.

(ii) The Plan Proponents (and each of their respective affiliates, agents, directors, officers, employees, investment bankers, financial advisors, attorneys and other professionals) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the securities under the Plan, and therefore are not, and on account of such offer, issuance, and solicitation will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of securities under the Plan.

Z. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

ADDITIONAL FINDINGS REGARDING CASES AND PLAN

AA. Implementation. All documents necessary to implement the Plan have been negotiated in good faith and at arms' length and shall, upon completion of documentation and execution, be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

BB. New Series B Notes. As described in the Disclosure Statement and the [_____] Declaration, certain holders of Copper Debt have agreed to exchange their Copper Debt for New Series B Notes to be issued under the Plan, in accordance with and subject to the terms and conditions of the Restructuring Agreement. The Copper Debt is a claim against IUSA, and IUSA, S.A. de C.V.. Simultaneous with the solicitation of acceptances and rejections of the Plan, IUSA solicited holders (the "Consent Solicitation") of Commercial Paper to exchange their Commercial Paper for New Series B Notes to be issued under the Plan. The Commercial Paper is a claim against IUSA. The effectiveness of the Plan is contingent upon the consummation of the Restructuring Agreement, the completion of all of the Restructuring Transactions, and the issuance of the New Series B Notes. Therefore, in order to fully provide means for the implementation of the Plan as required under section 1123(a)(5) of the Bankruptcy Code, the Plan provides for the issuance by IUSA of the New Series B Notes upon a successful completion of the Consent Solicitation. The Consent Solicitation does not violate section 1125 of the Bankruptcy Code.

CC. Mutual Release. As described in the Restructuring Agreement, the Debtors, their subsidiaries, and the holders of the Copper Debt have agreed to enter into certain mutual releases of claims and liabilities arising out of, or relating to, among other things, the Copper Debt Note Litigation (as defined in the Restructuring Agreement), the Copper Contracts, and the Copper Debt. Such releases are fair and reasonable and are in the best interests of the Debtors, their Estates, and parties in interest. Based upon the record of the Chapter 11 Cases and the evidence proffered, adduced, and/or presented at the Confirmation Hearing, the Court finds that the releases contemplated by the Restructuring Agreement are consistent with the Bankruptcy Code and applicable law.

DD. Assumption of Executory Contracts. The Plan Proponents have satisfied the provisions of section 365 of the Bankruptcy Code with respect to the assumption and assignment of Executory Contracts pursuant to the Plan.

EE. Transfers by Debtors. The transfers of property by the Debtors: (a) to the Reorganized Debtors (i) are or shall be legal, valid, and effective transfers of property; (ii) vest or shall vest the Reorganized Debtors with good title to such property free and clear of all Liens, charges, Claims, encumbrances, or interests, except as expressly provided in the Plan or this Order; (iii) do not and shall not constitute avoidable transfers under the Bankruptcy Code or under applicable nonbankruptcy law; and (iv) do not and shall not subject the Reorganized

Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor or transferee liability; and (b) to Holders of Claims or Equity Interests under the Plan are for good consideration and value and: (x) do not and shall not constitute avoidable transfers under the Bankruptcy Code or under applicable nonbankruptcy law; and (y) do not and shall not subject the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor or transferee liability.

FF. Vesting of Assets. Except as otherwise expressly provided in the Plan, pursuant to sections 1123(a)(5), 1123(b)(3), and 1141(b) of the Bankruptcy Code, all property comprising the Estates of each Debtor, including, but not limited to, all Avoidance Actions and all Causes of Action shall automatically be retained and revested in the relevant Debtor or its respective successor, free and clear of all Claims, Liens, contractually-imposed restrictions, charges, encumbrances, and Equity Interests of Creditors and equity security holders on the Plan Effective Date, with all such Claims, Liens, contractually-imposed restrictions, charges, encumbrances and Equity Interests being extinguished except as otherwise provided in the Plan. As of the Plan Effective Date, each Reorganized Debtor may operate its business and use, acquire, and dispose of property and settle and compromise Claims or Equity Interests without supervision of the Court free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and this Order. Without limiting the foregoing, each Debtor may pay the charges it incurs for professional fees, disbursements, expenses or related support services after the Plan Effective Date without any application to the Court.

GG. Injunction, Exculpation, and Releases. The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the injunction, exculpation, and releases set forth in Section 9 of the Plan. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the releases and exculpation set forth in Section 9 of the Plan. Such provisions are fair and reasonable and are in the best interests of the Debtors, their Estates, and parties in interest. Further, the exculpation provision in the Plan does not relieve any party of liability for an act or omission to the extent such act or omission is determined by a final order to have constituted willful misconduct, gross negligence, fraud, or criminal conduct. Based upon the record of the Chapter 11 Cases and the evidence proffered, adduced, and/or presented at the Confirmation Hearing, the Court finds that the injunction, exculpation, and releases set forth in Section 9 of the Plan are consistent with the Bankruptcy Code and applicable law.

HH. No Liquidation. The Plan does not provide for the liquidation of all or substantially all of the property of the Debtors.

II. Good Faith. The Plan Proponents, the Consenting Creditors, and each of their respective affiliates, agents, directors, officers, employees, attorneys and other professionals will be acting in good faith if they proceed to: (a) consummate the Plan and the agreements, settlements, transactions, and transfers contemplated thereby; and (b) take the actions authorized and directed by this Order.

JJ. Jurisdiction. The Court may properly retain jurisdiction over the matters set forth in Section 11 of the Plan, subject to the terms thereof.

CONCLUSIONS OF LAW

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT;

1. Approval of Solicitation of Votes on Plan. The Plan Proponents' solicitation of acceptances of the Plan pursuant to section 1125(b) of the Bankruptcy Code is hereby approved.

2. Confirmation. All requirements for confirmation of the Plan have been satisfied. Accordingly, the Plan in its entirety is CONFIRMED pursuant to section 1129 of the Bankruptcy Code. The terms of the Plan are incorporated by reference into, and are an integral part of, this Order.

3. Plan Supplement. The documents contained in the Plan Supplement, are authorized and approved; and any amendments, modifications, and supplements thereto permitted by the Plan and this Order and all documents and agreements introduced into evidence by the Plan Proponents at the Confirmation Hearing (including all exhibits and attachments thereto and documents referred to therein), and the execution, delivery, and performance thereof by the Reorganized Debtors, are authorized and approved when they are finalized, executed, and delivered. Without further order or authorization of the Court, the Debtors, the Reorganized Debtors, the Plan Proponents, and their successors are authorized and empowered to make all modifications to all documents included as part of the Plan Supplement that are consistent with the Plan to the extent modified in accordance with Section 12.7 of the Plan. The modification of the documents contained in the Plan Supplement does not constitute a material modification of the Plan.

4. Objections. To the extent that any objections, reservations of rights, statements, or joinders to confirmation have not been withdrawn, waived, or settled prior to entry of this Order or otherwise resolved as stated on the record of the Confirmation Hearing, they are hereby overruled on the merits.

5. Solicitation and Notice. Notice of the Confirmation Hearing complied with the terms of the Disclosure Statement Order, was appropriate and satisfactory based on the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The solicitation of votes on the Plan and the Solicitation Package complied with the solicitation procedures in the Disclosure Statement Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules. Notice of the Plan, the Plan Supplement, and all related documents, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

6. Plan Classification Controlling. The classifications of Claims and Equity Interests for purposes of the distributions to be made under the Plan shall be governed solely by the terms of the Plan.

7. Assumption of Executory Contracts and Unexpired Leases.

(i) Pursuant to Section 6.1.1 of the Plan, except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, each Executory Contract of the Debtors that has not expired by its own terms before the Plan Effective Date that: (1) is listed on the Schedule of Assumed Contracts; (2) is not rejected prior to the Plan Effective Date; (3) is not the subject of a motion to reject Filed on or before the Confirmation Date upon which the Court has not entered an Order; (4) is not listed on the Schedule of Rejected Contracts; or (5) has not been otherwise modified or superseded by agreement of the parties thereto, shall be deemed to have been assumed by the applicable Debtor as of the Plan Effective Date, pursuant to section 365 of the Bankruptcy Code. Nothing in the Plan, any annex to the Plan, or any document executed or delivered in connection with the Plan or any such annex creates any obligation or liability on the part of the Debtors, the Reorganized Debtors or any other person or entity that is not currently liable for such obligation, with respect to any Executory Contract except as otherwise provided in the Plan. In addition, this Order shall constitute a finding of fact and conclusion of law that (i) each Executory Contract assumed hereunder is an executory contract which may be assumed by the Debtors, (ii) there are no defaults of the Debtors, no cure amounts owing pursuant to section 365(b)(i) of the Bankruptcy Code (the "Cure Amount"), no compensation due for any actual pecuniary loss, and there is adequate assurance of future performance with respect to each Executory Contract, (iii) such assumption is in the best interest of the Debtors and their estates, (iv) upon the Plan Effective Date, the assumed Executory Contracts constitute legal, valid, binding, and enforceable contracts in accordance with the terms thereof, and (v) the counterparty to each assumed Executory Contract is required to and ordered to perform under and honor the terms of the assumed Executory Contract.

(ii) Pursuant to Section 6.1.2 of the Plan, each Executory Contract assumed pursuant to Section 6.1 of the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan. Nothing in the Plan or any Plan Document shall create any obligation or liability on the part of any Debtor, any Reorganized Debtor or any other Person that does not currently have such liability or obligation, with respect to any Executory Contract

(iii) Pursuant to Section 6.1.3 of the Plan, each Executory Contract that is assumed shall include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such Executory Contract and (ii) all Executory Contracts appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements, or franchises, and any other interests in real estate or rights *in rem* related to such premises, but excluding any agreement rejected pursuant to an order of this Court.

(iv) Pursuant to Section 6.1.4 of the Plan, in the event of a dispute (each, a "Cure Dispute") regarding: (i) the Cure Amount; (ii) the ability of the applicable Reorganized Debtor to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract to be assumed; or (iii) any other matter pertaining to the proposed assumption, any party in interest may file an objection to confirmation pursuant to the procedures established in the order approving the Disclosure Statement. Any objection that raises a Cure Dispute must identify the disputed Executory Contract and set forth with particularity the basis of the Cure Dispute. To the extent a Cure Dispute relates solely to the Cure Amount, the applicable Debtor may assume the applicable Executory Contract prior to the resolution of the Cure Dispute provided that such Debtor reserves Cash in an amount sufficient to pay the full amount asserted as cure payment by the non-Debtor party to such Executory Contract (or such smaller amount as may be fixed or estimated by this Court). Any party that fails to object shall be forever barred, estopped, and enjoined from raising a Cure Dispute in this Court, in any other court, in any arbitration, or otherwise.

(v) This Order shall constitute an Order of the Court under sections 365 and 1123(b) of the Bankruptcy Code approving the assumptions described above, as of the Plan Effective Date. Each Executory Contract assumed pursuant to the Plan shall be assumed only to the extent that any such contract or lease constitutes an Executory Contract. Assumption of a contract or lease pursuant to the Plan shall not constitute an admission by the Debtors, the Reorganized Debtors or the Plan Proponents (as applicable) that such contract or lease is an Executory Contract or that the Debtors or the Reorganized Debtors (as applicable) have any liability thereunder. All contracts and leases that are assumed will be assumed under their present terms or upon such terms as are agreed to in writing between the applicable Debtor and the counterparty to such contract or lease.

8. Rejection of Executory Contracts and Unexpired Leases.

(i) Pursuant to Section 6.2.1 of the Plan, effective immediately prior to the Plan Effective Date, each Executory Contract of the Debtors listed on the Schedule of Rejected Contracts is rejected, to the extent, if any, each constitutes an executory contract or unexpired lease, and without conceding that each constitutes an executory contract or unexpired lease or that the Debtors have any liability under each. Listing a contract or lease on the Schedule of Rejected Contracts is not deemed an admission by the Debtors or the Reorganized Debtors that such contract is an Executory Contract or that the Debtors or the Reorganized Debtors have any liability thereunder or under the Plan. The Debtors reserve the right at any time before Confirmation to amend the Schedule of Rejected Contracts, including to (a) delete any Executory Contract on such Schedule and provide for its assumption or (b) add any Executory Contract to such Schedule, thus providing for its rejection. The Debtors shall provide notice of any amendment of such Schedule to the party to the affected executory contract or unexpired lease and the U.S. Trustee.

(ii) This Order shall constitute an Order of the Court under sections 365 and 1123(b) of the Bankruptcy Code approving all such rejections as described above, as of the Plan Effective Date. If the rejection by the Debtors, pursuant to the Plan or otherwise, of an Executory Contract results in a Claim that is not theretofore evidenced by a timely filed proof of

claim or a proof of claim that is deemed to be timely filed under applicable law, then such Claim shall be forever barred and shall not be enforceable against the Debtors or Reorganized Debtors, or the properties of the Debtors or Reorganized Debtors, unless a proof of claim for damages arising from the rejection under the Plan of an Executory Contract is Filed within thirty (30) days after the mailing of notice of Confirmation. Any such Claims that become Allowed Claims shall be classified in Class T4 or C4 of the Plan, as applicable.

9. Indemnification of Directors, Officers and Employees. Pursuant to Section 6.3 of the Plan, for purposes of the Plan, the obligation of a Debtor to exculpate, indemnify, and advance any expenses to any Person serving at any time before, on, or after the Petition Date as one of its current, former, or future directors or officers (each, an "Indemnitee") by reason of such Person's service in such capacity, for acts or omissions occurring at or prior to the consummation of the Plan, whether asserted or claimed prior to, at or after the consummation of the Plan, to the extent provided in such Debtor's Corporate Documents, a written agreement with the Debtor, in accordance with any applicable law, or any combination of the foregoing or otherwise, shall: (a) survive confirmation of the Plan and the Plan Effective Date and continue in full force and effect (and not be modified, amended, or terminated in any manner adverse to any Indemnitee without the written consent of the affected Indemnitee); (b) become an obligation of the applicable Reorganized Debtor; and (c) not be discharged in accordance with section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with an event occurring before, on, or after the Petition Date.

10. D&O Liability Insurance Policies. Pursuant to Section 6.4 of the Plan, notwithstanding anything in the Plan to the contrary, as of the Plan Effective Date, the Debtors shall assume (and assign to any of the Reorganized Debtors as necessary to continue the D&O Liability Insurance Policies in full force) all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Entry of this Order shall constitute the this Court's approval of the Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed.

11. Compensation and Benefits Plans. Pursuant to Sections 6.5.1 and 6.5.2 of the Plan, except and to the extent previously assumed by an order of the Court, all employee compensation and Benefit Plans, including Benefit Plans and programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated, shall be deemed to be, and shall be treated as if they were, Executory Contracts that are to be assumed under the Plan. The Debtors' obligations under such plans and programs shall survive confirmation of the Plan except for (1) employee compensation plans or Benefit Plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (2) such employee compensation plans or Benefit Plans as have previously been rejected, are the subject of a motion to reject as of the Confirmation Date or have been specifically waived by the beneficiaries of any of such Benefit Plans or employee compensation plans. After the Plan

Effective Date, the respective obligations, if any, of the Reorganized Debtors and the Retirement Plan Sponsor will be reinstated under the Plan.

12. Distributions Under Plan. All distributions under the Plan shall be made in accordance with Section 7 of the Plan.

13. Timing and Calculation of Amounts to Be Distributed. Pursuant to Section 7.1 of the Plan, except as otherwise provided in the Plan, on the Plan Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Plan Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtors as of the Distribution Record Date shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class and in the manner provided in the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Section 7.4 of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Plan Effective Date.

14. No Duplication of Recoveries on Series A Eligible Debt. For the avoidance of doubt, a Holder of a Noteholder Pledge Claim or a Holder of an Unsecured Parent Guaranty shall only be entitled to receive a single recovery on account of such Holders' claims against the primary obligor, guarantor, or pledgor, arising under the Old 2016 Notes or the ESBDS I Loan, as applicable (i.e., a Claim for $1,000 unpaid principal amount of Old 2016 Notes and a related Claim against Tubo in respect of any pledged stock of CLH shall be deemed to be a single Noteholder Pledge Claim for $1,000 principal amount of Old 2016 Notes. Similarly, a Claim for $1,000 unpaid principal amount arising under the ESBDS I Loan against IUSA, as guarantor, and any related claims against IUSA, S.A. de C.V., as borrower, or any other member of the IUSA Group in respect of the ESBDS I Loan shall be deemed to be a single Unsecured Parent Guaranty Claim for $1,000 principal amount arising under the ESBDS I Loan).

15. Disbursing Agent.

(i) Pursuant to Section 7.2.1 of the Plan, except as otherwise provided in the Plan, all distributions under the Plan shall be made on the Plan Effective Date by the Reorganized Debtors as Disbursing Agents or such other Entity designated by the Reorganized Debtors as a Disbursing Agent.. A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Court. In the event that a Disbursing Agent is so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

(ii) Pursuant to Section 7.2.2 of the Plan, distributions of the New Series A Notes on account of the Old 2016 Notes shall be made by IUSA to the Indenture Trustee for the benefit of the Holders of the Noteholder Pledge Claims.

16. Rights and Powers of Disbursing Agent.

(i) Powers of Disbursing Agent. Pursuant to Section 7.3.1 of the Plan, the Disbursing Agent is hereby empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by further order of the Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

(ii) Expenses Incurred On or After Plan Effective Date. Pursuant to Section 7.3.2 of the Plan, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Plan Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors. Notwithstanding the foregoing, the Reorganized Debtors shall have no obligation to pay any fees or expenses incurred, or any compensation or expense reimbursement claims made, by IUSA on account of the distributions of the New Series A Notes.

17. Distributions on Account of Claims After the Plan Effective Date.

(i) Payments and Distributions on Disputed Claims. Pursuant to Section 7.4.1 of the Plan, distributions made after the Plan Effective Date to Holders of Disputed Claims that are not Allowed Claims as of the Plan Effective Date but which later become Allowed Claims are deemed to have been made on the Plan Effective Date.

(ii) Special Rules for Distributions to Holders of Disputed Claims. Pursuant to Section 7.4.2 of the Plan, notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Debtors or the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the Holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

18. Distributions on Account of Claims After the Plan Effective Date.

(i) Delivery of Distributions in General. Pursuant to Section 7.5.1 of the Plan, except as otherwise provided in the Plan, the Reorganized Debtors shall make distributions to Holders of Allowed Claims, except for Holders of Allowed Claims in Class T3, at the address for each such Holder as indicated on the Debtors' books and records as of the date of any such distribution; provided, however, that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; and provided, further, that the address

for each Holder of an Allowed Claim shall be deemed to be the address set forth in the Debtors' books and records or, as applicable, any Proof of Claim filed by that Holder. Distributions of New Series A Notes of the Reorganized Debtors to Holders of Allowed Claims in Class T3 shall be made to the Indenture Trustee for the benefit of the Holders of the Noteholder Pledge Claims as provided in the Plan. The Indenture Trustee shall, in turn, promptly administer the distributions to the Holders of Allowed Noteholder Pledge Claims, in accordance with the Plan and the Existing Indenture.

(ii) Distributions Free and Clear. Pursuant to Section 7.5.2 of the Plan, except as otherwise provided in the Plan, any distributions under the Plan and the issuance and distribution of the New Notes shall be free and clear of any Liens, Claims and encumbrances, and no other entity, including but not limited to the Debtors, the Reorganized Debtors, or the members of the IUSA Group shall have any interest, legal, beneficial or otherwise, in assets transferred to holders of Allowed Claims or Eligible Debt pursuant to the Plan; provided, however, that nothing herein or in the Plan shall affect the Indenture Trustee's charging lien, which lien is expressly preserved and shall survive confirmation of the Plan and the Plan Effective Date.

(iii) Undeliverable Distributions and Unclaimed Property. Pursuant to Section 7.5.3 of the Plan, in the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided, however, such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Plan Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors or IUSA, as applicable (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such Claim shall be discharged and forever barred.

(iv) Compliance with Tax Requirements/Allocations. Pursuant to Section 7.5.4 of the Plan, in connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant thereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens and encumbrances. Except as otherwise provided in the Plan, distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

(v) Setoff. Pursuant to Section 7.5.5 of the Plan, each Debtor and each Reorganized Debtor may withhold (but not set off except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim (other than a Noteholder Pledge Claim or an Unsecured Parent Guaranty Claim) an amount equal to any claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim. In the event that any such claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim) the amount of any adjudicated or resolved claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claims, Equity Interests, rights, and Causes of Action that the Debtors or the Reorganized Debtors may possess against any such Holder, except as specifically provided herein.

19. Continued Corporate Existence. Pursuant to Section 8.1 of the Plan, the Reorganized Debtors shall continue to exist after the Plan Effective Date as separate corporate entities in accordance with applicable law under their respective Corporate Documents, except to the extent such Corporate Documents shall be amended including to comply with section 1123(a)(6) of the Bankruptcy Code, without the need for any further corporate action. Any proposed amendments to the Corporate Documents, including but not limited to any changes in the corporate and organizational structure of the Debtors, have been filed in the Plan Supplement. On and after the Plan Effective Date, the Corporate Documents, as so amended, shall continue to govern the Reorganized Debtors' operations. After the Plan Effective Date, the Reorganized Debtors shall be authorized to: (i) establish new by-laws or corporate charters for either of the Reorganized Debtors, and/or (ii) change the corporate structure (e.g., corporation to limited liability company) of either Reorganized Debtor under the law of its applicable jurisdiction of organization, without further order of the Court.

20. Revesting of Assets. Pursuant to Section 8.2 of the Plan, except as otherwise set forth in the Plan or in this Order, as of the Plan Effective Date, the property of the Estates, together with any property of the Debtors that is not property of the Estates and that is not specifically disposed of pursuant to the Plan, shall revest in the applicable Reorganized Debtors free and clear of all Claims, Liens, encumbrances and other interests of the Holders of Claims or Equity Interests. Thereafter, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code, Bankruptcy Rules, and Court.

21. Operation of Business and Properties. Pursuant to Section 8.3 of the Plan, all rights, privileges, entitlements, authorizations, grants, permits, licenses, easements, franchises, and other similar items which constitute part of, or are necessary or useful in the operation of the property or the business of the Debtors or the Reorganized Debtors, whether in

the United States, Mexico or elsewhere, shall be vested in the applicable Reorganized Debtors on the Plan Effective Date, and shall thereafter be exercisable and usable by the Reorganized Debtors to the same extent they would have been exercisable and usable by the Debtors before the Petition Date or by the Estates or Debtors in Possession during the pendency of the Chapter 11 Cases.

22. Retention of Causes of Action. Pursuant to Section 8.4 of the Plan, except to the extent any Causes of Action are expressly and specifically waived, released or abandoned under the Plan or this Order, or pursuant to any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code: (1) any and all Causes of Action accruing to any Debtor or its Estate against any Person shall remain assets of and vest in the applicable Reorganized Debtor, whether or not litigation relating thereto is pending on the Plan Effective Date, and whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Court; and (2) neither any Debtor nor any Reorganized Debtor waives, relinquishes, or abandons (nor shall they be estopped or otherwise precluded from asserting) any Causes of Action: (a) whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Court; (b) whether or not such Causes of Action are currently known to the Debtors; and (c) whether or not a defendant in any litigation relating to such Causes of Action Filed a Proof of Claim, a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion or any similar doctrine, the failure to list, disclose, describe, identify, or refer to any Causes of Action in the Plan, the Schedule of Retained Causes of Action or any other document Filed with the Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any Causes of Action that any Debtor or any Reorganized Debtor has, or may have, as of the Confirmation Date.

(i) Pursuant to Section 8.4.1 of the Plan, except as otherwise provided in the Plan, this Order, any other order of the Court or any Plan Document, nothing shall affect any Debtor's or Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Disputed Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against such Claims.

(ii) Pursuant to Section 8.4.2 of the Plan, the Debtors and the Reorganized Debtors have waived their rights to institute or prosecute any Avoidance Actions.

23. Cancellation of Existing Agreements.

(i) Except as provided in Section 8.5.3 of the Plan, or otherwise expressly provided in the Plan or herein, on the Plan Effective Date, the Existing Indenture, the Existing Pledge Agreement and any and all notes, instruments or other documents evidencing the Old 2016 Notes, the Noteholder Pledge Claims, the ESBDS I Loan and the Unsecured Parent

Guaranty Claims shall be deemed cancelled, extinguished, discharged, and of no further force and effect, and, upon the delivery to the Holders of the Allowed Noteholder Pledge Claims and Allowed Unsecured Parent Guaranty Claims their ratable distribution of the New Series A Notes as set forth in Section 4 of the Plan, the obligations of the Debtors, the Non-Debtor Subsidiaries, IUSA, the Existing Guarantors, the Indenture Trustee, and any of their respective affiliates to the Holders of the Old 2016 Notes and ESBDS I Loan for obligations and/or duties arising under or related to the Old 2016 Notes and the ESBDS I Loan, respectively, shall be discharged. The Indenture Trustee is authorized to take whatever action may be necessary or appropriate (in each case, as requested by Tubo or reorganized Tubo) to effectuate the terms and conditions specified herein. Without limiting the generality of the foregoing, the Indenture Trustee shall be expressly obligated to deliver to the Debtors, the Reorganized Debtors or the New Indenture Trustee, as directed by the Debtors, the shares pledged pursuant to the New Pledge Agreement to be held as collateral for the New Series A Notes.

(ii) Pursuant to Section 8.5.2 of the Plan, Section 8.5 of the Plan shall apply only to notes, instruments or other documents which evidence the Old 2016 Notes, the ESBDS I Loan and any guaranties and pledges thereunder, and except as otherwise expressly provided in the Plan or this Order, all other notes, instruments, and other documents evidencing Claims against any Debtor shall continue in full force and effect after the Plan Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

(iii) Pursuant to Section 8.5.3 of the Plan, notwithstanding anything in the Plan or this Order to the contrary, the Existing Indenture, the Old 2016 Notes and the Existing Pledge Agreement, shall continue in effect for the purposes of allowing (a) the Holders of the Noteholder Pledge Claims to receive their distributions under the Plan, (b) IUSA and/or the Indenture Trustee to make all distributions on account of the Allowed Noteholder Pledge Claims pursuant to the Plan and to perform any other necessary administrative functions with respect thereto, and (c) permitting the Indenture Trustee to assert its charging lien against such distribution for payment of any fees and expenses.

24. Restructuring Transactions. On the Plan Effective Date, the Restructuring Transactions enumerated in Section 8.7 of the Plan shall be effectuated. The Debtors or the Reorganized Debtors, as the case may be, are authorized and directed to issue the New Notes and execute and deliver all documents related thereto. While the Plan provides for the issuance of New Series B Notes to holders of Series B Eligible Debt pursuant to section1145 of the Bankruptcy Code in exchange for such Series B Eligible Debt, notwithstanding anything contained herein to the contrary, including, without limitation, Sections 26, 27, 28, 29, 30 and 31 hereof, neither the Plan nor this Order shall otherwise affect any rights of such holders of such Series B Eligible Debt, unless, and then only to the extent, such holder is also the Holder of a Claim against or Equity Interest in a Debtor.

25. Mutual Release. The releases by and among the Debtors, their subsidiaries, and the holders of the Copper Debt contemplated by the Restructuring Agreement, are hereby approved, and the Debtors and their subsidiaries may execute and deliver all documents related thereto.

26. Effectuating Documents; Further Transactions.

(i) Pursuant to Section 8.8.1 of the Plan, the entry of this Order shall constitute a direction to and authorization for the Plan Proponents and the Reorganized Debtors (as the case may be) and their respective directors and officers to take or cause to be taken any action that they deem necessary or appropriate to consummate the transactions contemplated by the Plan and Plan Supplement, and to execute any contracts, instruments, and other agreements or documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, in each case, without further order by the Court.

(ii) Pursuant to Section 8.8.2 of the Plan, the appropriate officers (including the chief executive officer, chief financial officer, president, treasurer, or any vice president thereof) of each Reorganized Debtor, each acting singly, are hereby authorized to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the transactions contemplated by the Plan and Plan Supplement, without any requirement or further action by the board of directors or stockholders of the applicable Debtor or Reorganized Debtor. The secretary, assistant secretary or other appropriate officer of each Reorganized Debtor are hereby authorized to certify or attest to any of the foregoing actions.

27. Management of Reorganized Debtors. Pursuant to Section 8.9.1 of the Plan, subject to the New Corporate Documents, on the Plan Effective Date, the management, control, and operation of each Reorganized Debtor shall become the general responsibility of its respective board of directors in accordance with applicable non-bankruptcy law. [Except as otherwise has been disclosed, the individuals serving as members of the Board of Directors of each Debtor as of the Petition Date shall continue to serve as directors of each respective Reorganized Debtor.] Subject to the New Corporate Documents, the directors of each Reorganized Debtor shall have the responsibility for the management, control, and operation of each respective Reorganized Debtor on and after the Plan Effective Date.

28. Discharge.

(i) Pursuant to Section 9.1.1 of the Plan, except as otherwise provided in the Plan or this Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims and Equity Interests of any nature whatsoever against the Debtors or any of their Estates, assets, properties or interests in property, and regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Equity Interests. Except as otherwise provided in the Plan, upon the Plan Effective Date, the Debtors shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims and Equity Interests, including, but not limited to, demands and liabilities that arose before the Plan Effective Date, and all debts of the kind specified in sections 502(g), 502(h) and 502(i) of the Bankruptcy Code, regardless of whether or not: (a) a Proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (b) the Claim is Allowed, or (c) the Holder of a Claim based on such debt has accepted the Plan or is entitled to receive a distribution thereunder. Upon entry of this Order, and subject to the occurrence of the Plan

Effective Date, any Holder of such discharged Claim shall be precluded from asserting against the applicable Debtor or Reorganized Debtor, their successors and assigns, or their assets or properties any other or future Claims based upon any document, instrument, act or omission, transaction or other activity of any kind or nature that occurred before the Plan Effective Date. The Reorganized Debtors shall not be responsible for any Claims against or Equity Interests in the Debtors or the Debtors in Possession except (a) those payments and distributions expressly provided for or due under the Plan and (b) Claims and Equity Interests that are Unimpaired under the Plan and not previously satisfied in full.

(ii) Pursuant to Section 9.1.2 of the Plan, upon the Plan Effective Date, each Holder of a Noteholder Pledge Claim or an Unsecured Parent Guaranty Claim and any affiliate of such Holder shall be deemed to have waived, released and discharged IUSA and each member of the IUSA Group from any Liens, Claims, Causes of Action, rights or liabilities arising from notes issued under, and the guarantees issued pursuant to, the Existing Indenture or the ESBDS I Loan. In addition, the Indenture Trustee is authorized and directed to take all such actions necessary to effectuate the foregoing. Upon the Plan Effective Date, all such persons shall be forever precluded and enjoined from prosecuting or asserting any such discharged Claim against IUSA, the IUSA Group, the Reorganized Debtors, or any of their respective affiliates. Notwithstanding any other provision herein or in the Plan to the contrary, the Indenture Trustee's charging lien shall not be discharged, released, or otherwise impaired by confirmation of the Plan.

29. Exculpation. Pursuant to Section 9.2 of the Plan, to the extent permitted by applicable law, as of the Plan Effective Date, the Released Parties and any attorneys, financial advisors, investment bankers, accountants, consultants, or other professionals of the Released Parties shall neither have nor incur any liability to, or be subject to any right of action by, any Holder of a Claim or Equity Interest, or any other party-in-interest, or any of their respective employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of the Chapter 11 Cases, including without limitation: (i) formulating, negotiating and executing the Plan, the Disclosure Statement, the Restructuring Agreement and any related agreements, instruments or other documents; (ii) the solicitation of votes for and the pursuit of the Plan; (iii) the consummation of the Plan; or (iv) the implementation and administration of the Plan or the property to be distributed in conjunction with the Plan; provided, however, that the foregoing provision shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence or criminal conduct.

30. Releases by Debtors and Plan Proponents. Pursuant to Section 9.3 of the Plan, to the extent permitted by applicable law, on the Plan Effective Date, for good and valuable consideration, including the service of the Released Parties to facilitate the restructuring of the Debtors and the implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, the Debtors , the Reorganized Debtors and IUSA, in their individual capacities and, as applicable, as debtors in possession on behalf of the Debtors' Estates, shall be deemed to have unconditionally released the Released Parties and any attorneys, financial advisors, investment bankers, accountants, consultants, or other

professionals of the Released Parties from any and all claims, Causes of Action, obligations, rights, suits, damages, remedies and liabilities whatsoever, including any claims that could be asserted on behalf of the Debtors (whether derivatively or otherwise) including chapter 5 actions, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that the Debtors or their subsidiaries would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Plan Effective Date; provided, however, that these releases shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence or criminal conduct. The releases set forth in this paragraph shall be binding upon any chapter 7 trustee in the event the Chapter 11 Cases are converted to chapter 7.

31. Releases by Holders of Claims. Pursuant to Section 9.4 of the Plan, except as specifically set forth in the Plan or this Order, to the fullest extent permitted by applicable law, on the Plan Effective Date, for good and valuable consideration, including the service of the Released Parties to facilitate the restructuring of the Debtors and the implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, each Holder of a Claim shall unconditionally release the Released Parties from any and all claims, Causes of Action, obligations, rights, suits, damages, remedies and liabilities whatsoever, including any claims that could be asserted on behalf of the Debtors (whether derivatively or otherwise) including chapter 5 actions, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that the Debtors or their subsidiaries would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Plan Effective Date, in any way relating or pertaining to, (x) the Debtors or Reorganized Debtors, (y) the Chapter 11 Cases or (z) the negotiation, formulation, implementation and preparation of the Restructuring Agreement, the Plan, the Disclosure Statement, and any related agreements, instruments or other document, provided, however, the foregoing provision shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence or criminal conduct; provided, further, however, the foregoing provision shall not apply to any claim, Cause of Action, right, suit, damage or remedy against UCI held by GECC (or any other lender or holder of obligations, if any, related to the GECC Loan), or to any obligation or liability of UCI to GECC (or any other lender or holder of obligations, if any, related to the GECC Loan), arising from or related to the GECC Loan; provided, further, however, nothing in the Chapter 11 Cases, the Confirmation Order, the Plan, or section 1141 of the Bankruptcy Code shall in any way be construed to discharge, release, exculpate, limit, or relieve the Released Parties, or any other entity that may be liable with respect to the Cambridge-Lee Industries, Inc. Employees Retirement Plan or any other IUSA Group defined benefit plan from the claims of the PBGC or the Cambridge-Lee Industries, Inc. Employees Retirement Plan under any law, governmental policy, or regulatory provision, and the PBGC, the Cambridge-Lee Industries, Inc. Employees Retirement Plan, and any other IUSA Group

defined benefit plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, or section 1141 of the Bankruptcy Code. Nevertheless, the PBGC is not aware of any claims or causes of action as of the Plan Effective Date that the PBGC or the Cambridge-Lee Industries, Inc. Employee Retirement Plan would assert against the Released Parties, any member of the IUSA Group, or any other entity.

32. Injunction. Pursuant to Section 9.5 of the Plan, except as otherwise provided in the Plan or this Order, and in addition to the injunction provided under sections 524(a) and 1141 of the Bankruptcy Code, on and after the Plan Effective Date, all Persons who have held, currently hold or may hold a Claim or other debt or liability or Equity Interest which is released, discharged or terminated under the Plan, are permanently enjoined, on and after the Plan Effective Date, from taking any of the following actions against a Released Party or its property on account of such released, discharged or terminated Claims, debts, liabilities or Equity Interests: (1) commencing or continuing in any manner (including by directly or indirectly assisting or facilitating the commencement or continuation of) any action or other proceeding of any kind; (2) enforcing, levying, attaching, collecting or otherwise recovering in any manner any judgment, award, decree or order; (3) creating, perfecting or enforcing any lien or encumbrance of any kind; (4) except as provided herein, asserting any setoff, right of subrogation or recoupment of any kind against any obligation due from any Released Party; and (5) commencing, continuing or in any manner taking part or participating in any action, proceeding or event (whether directly or indirectly) that would be in contravention of the terms, conditions and intent of the Plan. The foregoing injunction will extend to the benefit of the successors of the Released Parties and their respective properties and interests in property. Any Person injured by any willful violation of such injunction may recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may recover punitive damages from the willful violator.

33. Terms of Injunctions and Stays. Pursuant to Section 9.6 of the Plan, unless otherwise provided in the Plan or in this Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or any order of the Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Order), shall remain in full force and effect until the Plan Effective Date.

34. Administrative Claim and Priority Tax Claims Allowed as Set Forth in Books and Records. Except as otherwise specified in the Plan, the amount set forth in the books and records of the applicable Debtor (or agreed to by the applicable Debtor and the Holder in the ordinary course) shall constitute the amount of the Allowed Administrative Claim an/or Allowed Priority Tax Claim of such Holder, subject to the right of such Holder to object to the amount of such Claim.

35. Retention of Jurisdiction. The Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law (except in the case of the New Indentures, the New Notes and the Restructuring Agreement, and each of the documents and agreements relating to any of them, which in each case, shall be subject to the jurisdiction or exclusive jurisdiction, as applicable,

indicated in the definitive documentation thereof). Until the Chapter 11 Cases are closed, any party in interest may commence a proceeding in the Court in respect of any matter as to which jurisdiction has been retained.

36. Exemption from Certain Transfer Taxes. Pursuant to Section 12.1 of the Plan, to the fullest extent permitted under section 1146 of the Bankruptcy Code, any transfers from any Debtor to the applicable Reorganized Debtor or any other Person pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment. Any and all appropriate state or local governmental officials or agents are hereby directed to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any instruments evidencing such transfers without the payment of any such tax or governmental assessment.

37. Section 1145 Exemption. Pursuant to Section 12.2 of the Plan under section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of the New Notes, including the New Series B Notes, contemplated by the Restructuring Agreement, the Plan and all agreements incorporated herein, shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of securities. In addition, under section 1145 of the Bankruptcy Code, the New Notes and any and all agreements incorporated therein, will be freely tradable by the recipients thereof, subject to: (1) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act; (2) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; and (3) applicable regulatory approval.

38. Payment of Statutory Fees. Pursuant to Section 12.3 of the Plan, all fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Plan Effective Date. All such fees that arise after the Plan Effective Date but prior to the closing of the Chapter 11 Cases shall be paid by the Reorganized Debtors.

39. Payment of Indenture Trustee Expenses. Pursuant to Section 12.4 of the Plan, the Indenture Trustee Expenses incurred through the Plan Effective Date shall be paid, in full in Cash, on or before the Plan Effective Date by either IUSA or the Debtors. Any Indenture Trustee Expenses incurred after the Plan Effective Date shall be paid in full in Cash within 20 days of receipt of the Indenture Trustee's invoice..

40. Manner of Payment. Pursuant to Section 12.5 of the Plan, except as specifically provided in the Plan, at the option of the Debtors, any Cash payment to be made under the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

41. Successors and Assigns. Pursuant to Section 12.6 of the Plan, the rights, benefits, and obligations of any entity named or referred to in the Plan are binding on, and will

inure to the benefit of, any permitted heirs, executors, administrators, successors or assigns of such entity.

42. Amendment and Modification. Pursuant to Section 12.7.2 of the Plan, after the Confirmation Date and prior to substantial consummation of the Plan, as defined in section 1101(2) of the Bankruptcy Code, the Plan Proponents may, under section 1127(b) of the Bankruptcy Code, institute proceedings in this Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Plan Documents, the Disclosure Statement, or this Order, and to accomplish such matters as may be necessary or appropriate to carry out the purposes and effects of the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of this Court, and that the Plan, as altered, amended or modified satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code and the Plan Proponents have complied with section 1129 of the Bankruptcy Code. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as altered, amended, modified or clarified in accordance with Section 12.7.2 of the Plan, unless the proposed alteration, amendment, modification or clarification adversely changes the treatment of the Claim of such Holder.

43. Technical Adjustments. Notwithstanding anything in the Plan or herein to the contrary, prior to the Plan Effective Date the Debtors may make appropriate technical adjustments and modifications to the Plan or the Plan Documents without further order or approval of this Court, *provided, however,* that, such technical adjustments and modifications are made in accordance with the terms and conditions of the Restructuring Agreement and do not adversely affect in a material way the treatment of Holders of Claims or Equity Interests.

44. Binding Effect. Upon the Plan Effective Date, pursuant to Section 12.8 of the Plan, the Plan shall be binding on and inure to the benefit of the Debtors, IUSA, the other members of the IUSA Group, all current and former Holders of Claims against and Equity Interests in the Debtors and their respective successors and assigns, including, but not limited to, the Reorganized Debtors, and all other parties-in-interest in the Chapter 11 Cases.

45. Substantial Consummation. Pursuant to Section 12.10 of the Plan, substantial consummation of the Plan under Bankruptcy Code section 1101(2) is hereby deemed to occur on the Plan Effective Date.

46. Conditions to Effectiveness. Pursuant to Section 13.2 of the Plan, the Plan Effective Date shall not occur unless and until the conditions enumerated in Section 13.2 of the Plan have been satisfied or been duly waived in accordance with Section 13.3 of the Plan.

47. Waiver of Conditions. Pursuant to Section 13.3 of the Plan, each of the conditions set forth in Section 13.2 may be waived in whole or in part by the Debtors, without any notice to parties in interest or the Court and without a hearing; provided that, Sections 13.2.5 and 13.2.6 may not be waived by the Debtors except as may be provided in the Consensual Exchange, the Restructuring Agreement and the New Notes. The failure to satisfy or waive any condition to the Plan Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any

action or inaction by the Debtors or any of them). The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

48. Effect of Failure of Conditions. Pursuant to Section 13.4 of the Plan, if, following entry of this Order, the Restructuring Agreement has terminated in accordance with its terms prior to the occurrence of the Plan Effective Date, then this Order shall be vacated by the Court without further notice or order. If this Order is vacated pursuant to Section 13.4 of the Plan: (a) the Debtors shall File a notice to this effect with the Court; (b) the Plan shall be null and void in all respects; and (c) nothing contained in the Plan shall (x) constitute a waiver or release of any Claim against or Equity Interest in any Debtor or (y) prejudice in any manner the rights of the Holder of any Claim or Equity Interest.

49. Filing of Additional Documents. On or before the Plan Effective Date, the Plan Proponents may file with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and provisions hereof or the Plan that are consistent with the Plan and the Restructuring Agreement.

50. Post-Confirmation/Pre-Plan Effective Date Operations. The Debtors shall continue to operate their businesses in the ordinary course in accordance with this Order, the Bankruptcy Code, Bankruptcy Rules, Local Rules and other applicable laws.

51. Severability. The provisions of the Plan shall not be severable unless such severance is agreed to by the Debtors and the Consenting Creditors as if such severance constituted an amendment or modification in accordance with the terms and conditions of the Restructuring Agreement.

52. No Further Action. All actions authorized to be taken pursuant to the Plan shall be effective on or as of the Plan Effective Date pursuant to this Order, without further application to or order of the Court, or further action by the respective officers, directors, members or stockholders of the Reorganized Debtors, and with the effect that such actions had been taken by unanimous action of such officers, directors, members or stockholders.

53. Record. The record of the Confirmation Hearing is closed. The findings of fact and conclusions of law of the Court set forth in this Order and at the Confirmation Hearing shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and the findings of fact and conclusions of the Court at the Confirmation Hearing are incorporated herein by reference.

54. Reversal. If any or all of the provisions of this Order are hereafter reversed, modified or vacated by subsequent order of the Court or any other court, such reversal, modification or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the Plan Proponents' receipt of written notice of any such order. Notwithstanding any such reversal, modification or vacatur of this Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Order prior to the effective date of such reversal, modification or vacatur shall be governed

in all respects by the provisions of this Order and the Plan or any amendments or modifications thereto.

55. Conflicts Between Order and Plan. The failure to specifically describe or include any particular provision of the Plan in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan is approved and confirmed in its entirety. The provisions of the Plan and this Order shall be construed in a manner consistent with each other so as to effect the purpose of each; *provided, however*, that if there is determined to be any inconsistency between any Plan provision and any provision of this Order that cannot be so reconciled, then solely to the extent of such inconsistency, the provisions of this Order shall govern and any provision of this Order shall be deemed a modification of the Plan and shall control and take precedence. The provisions of this Order are integrated with each other and are non-severable and mutually dependent.

56. Inconsistencies. In the event that the terms or provisions of the Plan are inconsistent with the terms and provisions of any document executed in connection with the Plan or any other Plan Documents Filed with the Court in connection with the Plan (except with respect to the Restructuring Agreement, the New Notes, the New Indentures, or any of the collateral documents relating to the New Notes, in which case each such document controls), the terms of the Plan shall control. This provision is not intended and shall not modify in any way paragraph [54] above.

57. Notice of Entry of Confirmation Order. In accordance with Bankruptcy Rules 2002 and 3020(c), on or before the Plan Effective Date, the Plan Proponents (or their agents) shall give notice of the entry of this Order (the "Notice of Confirmation") by United States first class mail postage prepaid, by hand or by overnight courier service to, without duplication, the parties entitled to notice thereto.

58. Notice of Plan Effective Date. On the Plan Effective Date, or as soon as practicable after the occurrence of the Plan Effective Date, the Plan Proponents shall file notice of the occurrence of the Plan Effective Date and shall serve a copy of same on the parties entitled to notice thereto.

59. Authorization to Close. The Court directs that Bankruptcy Rule 3020(e) shall not apply to this Order and authorizes the Plan Proponents to consummate the Plan immediately after entry of this Order, except as otherwise provided in this Order.

60. Final Order. This Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof. Pursuant to the authority of the Court granted under Bankruptcy Rule 3020(e), this Order shall not be stayed until the expiration of ten (10) days after entry of this Order and shall be effective immediately upon its entry.

Dated: _____, 2011

_____
HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT M

Permitted Indebtedness

Creditor	Maturity	Rate	Aggregate Outstanding Principal Amount (as of August 31, 2010)
Aka Bank-Sket	Sep-10	L+ 0.75%	U.S.$252,746
Societe Generale – OCN	Sep-09	L+0.75%	U.S.$282,557
Societe Generale - Schumag	May-09	L+ 0.75%	U.S.$666,983
Klockner Desma	Aug-09	6.95%	U.S.$63,268
Klockner Desma	Apr-12	7.95%	U.S.$510,650
WestLB-Niehoff	May-10	6 Month Euribor+ 0.7%	U.S.$356,545
Societe Generale - Danieli-Eagle	Jun-15	5.67%	U.S.$22,880,383
Espirito Santo Bank - MRB Schumag-Eagle	Sep-11	L+ 2.0%	U.S.$2,666,667
Aka Bank-Otto Junker- Eagle	May-14	L+ 0.55%	U.S.$3,333,874
HSBC	Oct-10	TIIE+ 5.5%	U.S.$4,867,387
HSBC hipotecario LA	Apr-14	TIIE+ 6.0%	U.S.$9,217,837
Grupo Xtra	Feb-11	20%	U.S.$8,719,964
Inmobiliaria Reforma Lomas Altas	Feb-12	TIIE+ 5.5%	U.S.$4,973,733

GE – UCI	Dec-10	Various	U.S.$68,738,983
Residential Funding – Prudential – UCI	Dec-11	10.34%	U.S.$9,141,092
Bank of America – Cambridge-Lee Industries	May-13	L + 4.25%	U.S.$34,641,800
Credit Commercial – Cambridge-Lee Industries		L+ 2%	U.S.$3,986,974
Texas Community Bank – Eagle Tube	Aug-13	L + 2%	U.S.$2,134,155

EXHIBIT N

Joint Dismissal Pleadings

[PLAINTIFF]
VS
INDUSTRIAS UNIDAS, S.A. DE C.V. and IUSA, S.A. DE C.V.
SUMMARY COMMERCIAL ACTION
CASE NUMBER:

_____ DISTRICT COURT JUDGE
ON AMPARO AND CIVIL MATTERS
IN ESTADO DE MÉXICO

I, **[NAME OF THE LEGAL REPRESENTATIVE FOR THE PLAINTIFF]** on behalf of **[PLAINTIFF]** and **[NAME OF THE LEGAL REPRESENTATIVE FOR THE RESPONDENTS],** on behalf of **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** capacities recognized in the case records as noted, hereby respectfully appear to express:

1. That acting in its best interest, **[PLAINTIFF]** hereby and for all resulting legal purposes, abandons the action brought against **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** reserving no action or right to be exercised against them arising from any of the promissory notes that are the basis for the action; provided, however that except as may otherwise be provided by agreement or order of any court, **[PLAINTIFF]** does not release any claims or defenses that **[PLAINTIFF]** may have against any other person or entity (other than **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.**) arising out of or related to the copper cathode sale agreements by and among **GERALD**

METALS, LLC, **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith, or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

2. Given the foregoing, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** hereby grant their consent for the abandonment of this action and by consequence **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** waive and, thusly, reserve no action or right to be exercised against **[PLAINTIFF]** by reason of the filing and abandonment of the action, including, but not limited to, pursuing any claim for court costs and expenses, with the understanding that each party will assume their own court costs and expenses, for all resulting legal purposes; provided, however, that except as may otherwise be provided by agreement or order of any court, **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.** do not release any claims or defenses that such party may have against any other person or entity (other than **[PLAINTIFF]**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith, or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

3. Given the foregoing, we request the Court to declare, there being no legal impediment to such petition, this matter wholly and definitively concluded without either party assuming any cost and, by consequence, order the documents

exhibited be returned to their respective owners and that each and every one of the promissory notes that are the basis for the action be delivered, indistinctly, to the co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and/or **IUSA, S.A. DE C.V.,** by means of **[PERSONS SO AUTHORIZED]**, for all resulting legal purposes.

Given that expressed;

We respectfully petition this **COURT**:

FIRST. Recognize us as having presented under the terms of this petition in the capacities we represent and the statements expressed herein as made.

SECOND. Recognize **[PLAINTIFF]** as having presented to abandon the action brought against **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** reserving no action or right to be exercised against same involving the promissory notes that are the basis for the action; provided, however, that except as may otherwise be provided by agreement or order of any court, **[PLAINTIFF]** does not release any claims or defenses that **[PLAINTIFF]** may have against any other person or entity (other than **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith, or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

THIRD. Recognize **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** as having presented to grant their consent for the abandonment of this action, waiving and, thusly, reserving no action or right to be exercised against **[PLAINTIFF]** by reason of the filing and abandonment of the action, including, but not limited to pursuing any claim for court costs and expenses, with the understanding that each party will cover their own court costs and expenses, for all resulting legal purposes; provided, however, that except as may otherwise be provided by agreement or order of any court, **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.** do not release any claims or defenses that such party may have against any other person or entity (other than **[PLAINTIFF]**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.**, and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith, or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

FOURTH. Declare this matter wholly and definitively concluded with no cost to be assumed by either party and, by consequence, order the documents exhibited be returned to their respective owners and that each and every one of the promissory notes that are the basis for the action be delivered, indistinctly, to the co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and/or **IUSA, S.A. DE C.V.,** by means of **[PERSONS SO AUTHORIZED]**, for all resulting legal purposes.

WE SO AFFIRM

Toluca, Estado de México. [DATE]

[PLAINTIFF]
VS
INDUSTRIAS UNIDAS, S.A. DE C.V. and IUSA, S.A. DE C.V.
SUMMARY COMMERCIAL ACTION
CASE NUMBER:

CIVIL COURT JUDGE IN
IXTLAHUACA, ESTADO DE MÉXICO

I, **[NAME OF LEGAL REPRESENTATIVE FOR THE PLAINTIFF]** on behalf of **[PLAINTIFF]** and **[NAME OF LEGAL REPRESENTATIVE FOR THE RESPONDENTS],** on behalf of **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** capacities recognized in the case records as noted, hereby respectfully appear to express:

1. That acting in its best interest, **[PLAINTIFF]** hereby and for all resulting legal purposes, abandons the action brought against **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** reserving no action or right to be exercised against same involving any of the promissory notes that are the basis for the action; provided, however, that except as may otherwise be provided by agreement or order of any court, **[PLAINTIFF]** does not release any claims or defenses that **[PLAINTIFF]** may have against any other person or entity (other than **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith**,** or the promissory notes and

transactions related thereto, and all such claims and defenses are expressly reserved.

2. Given the foregoing, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** hereby grant their consent for the abandonment of this action and by consequence **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** waive and, thusly, reserve no action or right to be exercised against **[PLAINTIFF]** by reason of the filing and abandonment of the action, including, but not limited to, pursuing any claim for court costs and expenses, with the understanding that each party will assume their own court costs and expenses, for all resulting legal purposes; provided, however, that except as may otherwise be provided by agreement or order of any court, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** do not release any claims or defenses that such party may have against any other person or entity (other than **[PLAINTIFF]**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith**,** or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

3. Given the foregoing, we petition the Court to declare, there being no legal impediment to such petition, this matter wholly and definitively concluded without either party assuming any cost and, by consequence, order the documents exhibited be returned to their respective owners and that each and every one of the promissory notes that are the basis for the action be delivered, indistinctly, to the

co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and/or **IUSA, S.A. DE C.V.,** by means of **[PERSONS SO AUTHORIZED]**.

Given that expressed;

We respectfully petition this **COURT**:

FIRST. Recognize us as having presented under the terms of this petition in the capacities we represent and the statements expressed herein as made.

SECOND. Recognize **[PLAINTIFF]** as having presented to abandon the action brought against **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** reserving no action or right to be exercised against same involving the promissory notes that are the basis for the action; provided, however, that except as may otherwise be provided by agreement or order of any court, **[PLAINTIFF]** does not release any claims or defenses that **[PLAINTIFF]** may have against any other person or entity (other than **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith**,** or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

THIRD. Recognize **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.,** as having presented to grant their consent for the abandonment of this action, waiving and, thusly, reserving no action or right to be

exercised against **[PLAINTIFF]** by reason of the filing and abandonment of the action, including, but not limited to pursuing any claim for court costs and expenses, with the understanding that each party will cover their own court costs and expenses, for all resulting legal purposes; provided, however, that except as may otherwise be provided by agreement or order of any court, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** do not release any claims or defenses that such party may have against any other person or entity (other than **[PLAINTIFF]**) arising out of or related to the copper cathode sale agreements by and among **GERALD METALS, LLC**, **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**, any of the guarantees issued by **INDUSTRIAS UNIDAS, S.A. DE C.V.** or **IUSA, S.A. DE C.V.** in connection therewith**,** or the promissory notes and transactions related thereto, and all such claims and defenses are expressly reserved.

FOURTH. Declare this matter wholly and definitively concluded with no cost to be assumed by either party and, by consequence, order the documents exhibited be returned to their respective owners and that each and every one of the promissory notes that are the basis for the action be delivered, indistinctly, to the co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and/or **IUSA, S.A. DE C.V.,** by means of **[PERSONS SO AUTHORIZED]**, for all resulting legal purposes.

WE SO AFFIRM

Toluca, Estado de México. [DATE]

[PLAINTIFF]
VS
INDUSTRIAS UNIDAS, S.A. DE C.V. and IUSA, S.A. DE C.V.
SUMMARY COMMERCIAL ACTION
CASE NUMBER:

CIVIL COURT JUDGE IN
IXTLAHUACA, ESTADO DE MÉXICO

I, **[NAME OF LEGAL REPRESENTATIVE FOR THE PLAINTIFF]** on behalf of **[PLAINTIFF]** and **[NAME OF LEGAL REPRESENTATIVE FOR THE RESPONDENTS],** on behalf of **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.**, capacities recognized in the case records as noted, hereby respectfully appear to express:

1. That as noted in the case records, **[PLAINTIFF]** was ordered to pay the co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** the court costs and expenses generated for both instances on this matter.

2. However, acting in their best interest, the co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** hereby and for all resulting legal purposes waive claim and settlement to collect the court costs and expenses the complainant was ordered to pay on this matter, reserving no action or right to be exercised against same for this item, with the understanding that each party will cover their own court costs and expenses, for all resulting legal purposes.

3. Given the foregoing, we request the Court to declare, there being no legal impediment to such petition, this matter wholly and definitively concluded without either party assuming any cost and, by consequence, order the documents exhibited be returned to their respective owners and that each and every one of the promissory notes that are the basis for the action be delivered, indistinctly, to the co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and/or **IUSA, S.A. DE C.V.,** by means of **[PERSONS SO AUTHORIZED]**, for all resulting legal purposes.

Given that expressed;

We respectfully petition this **COURT**:

FIRST. Recognize us as having presented under the terms of this petition in the capacities we represent and the statements expressed herein as made.

SECOND. Recognize **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and **IUSA, S.A. DE C.V.** as having presented to waive claim and settlement to collect the court costs and expenses the complainant was ordered to pay, reserving no action or right to be exercised against same for this item, with the understanding that each party will cover its own court costs and expenses, for all resulting legal purposes.

THIRD. Declare this matter wholly and definitively concluded with no cost to be assumed by either party and, by consequence, order the documents exhibited be returned to their respective owners and that each and every one of the promissory notes that are the basis for the action be delivered, indistinctly, to the

co-respondents **INDUSTRIAS UNIDAS, S.A. DE C.V.,** and/or **IUSA, S.A. DE C.V.,** by means of **[PERSONS SO AUTHORIZED]**, for all resulting legal purposes.

WE SO AFFIRM

Toluca, Estado de México. [DATE]

Schedule 1

Copper Debt

Copper Debt Holder	Copper Debt Notes Amounts USD	Copper Debt Notes Reference Number	August 2009 Finalization Amount USD	Agreed Costs USD
Gerald			155,000.00	
RB International				280,036.92
Gerald				1,719,963.08
Gerald	472,500.00	400-JAN		
Gerald	992,079.00	401-JAN		
RZB	396,831.60	429-FEB		
RZB	595,247.40	437-FEB		
RZB	793,663.20	438-FEB		
RZB	793,663.20	439-FEB		
RZB	793,663.20	440-FEB		
RZB	793,663.20	441-FEB		
RZB	496,038.60	442-FEB		
RZB	496,038.60	443-FEB		
RZB	341,716.10	444-FEB		
RZB	341,716.10	445-FEB		
RZB	512,574.15	446-FEB		
RZB	512,574.15	447-FEB		
RZB	512,574.15	448-FEB		
RZB	512,574.15	449-FEB		
RZB	341,716.10	450-FEB		
RZB	341,716.10	451-FEB		
RZB	592,182.15	452-FEB		
RZB	592,182.15	453-FEB		
RZB	592,182.15	454-FEB		
RZB	592,182.15	455-FEB		
RZB	444,451.00	456-FEB		
RZB	259,334.60	457-FEB		
Inbursa	617,293.60	461-FEB		
Inbursa	617,293.60	462-FEB		
Inbursa	617,293.60	463-FEB		
RZB	404,327.00	464-FEB		

RZB	404,327.00	465-FEB		
Inbursa	308,646.80	466-FEB		
Inbursa	432,105.80	467-FEB		
Inbursa	308,646.80	468-FEB		
Inbursa	432,105.80	469-FEB		
Inbursa	462,970.20	470-FEB		
Inbursa	308,646.80	471-FEB		
Inbursa	454,702.05	472-MAR		
Inbursa	454,702.05	473-MAR		
RZB	454,702.05	474-MAR		
RZB	454,702.05	475-MAR		
Inbursa	454,702.05	476-MAR		
Inbursa	454,702.05	477-MAR		
Inbursa	454,702.05	478-MAR		
Inbursa	454,702.05	479-MAR		
Inbursa	454,702.05	480-MAR		
Inbursa	454,702.05	481-MAR		
Inbursa	454,702.05	482-MAR		
Inbursa	454,702.05	483-MAR		
Inbursa	454,702.05	484-MAR		
Inbursa	454,702.05	485-MAR		
Inbursa	454,702.05	486-MAR		
Inbursa	454,702.05	487-MAR		
Inbursa	454,702.05	488-MAR		
Inbursa	454,702.05	489-MAR		
Inbursa	454,702.05	490-MAR		
Inbursa	454,702.05	491-MAR		
Inbursa	454,702.05	492-MAR		
Inbursa	454,702.05	493-MAR		
Gerald	515,880.00	494-MAR		
Gerald	515,880.00	495-MAR		
Gerald	515,880.00	496-MAR		
Gerald	515,880.00	497-MAR		
Inbursa	407,854.70	498-MAR		
Inbursa	407,854.70	499-MAR		
Inbursa	407,854.70	500-MAR		
Gerald	407,854.70	501-MAR		

Gerald	407,854.70	502-MAR		
Gerald	407,854.70	503-MAR		
Gerald	407,854.70	504-MAR		
Gerald	407,854.70	505-MAR		
Gerald	407,854.70	506-MAR		
Gerald	407,854.70	507-MAR		
Gerald	407,854.70	508-MAR		
Gerald	407,854.70	509-MAR		
Gerald	407,854.70	510-MAR		
Gerald	407,854.70	511-MAR		
Gerald	407,854.70	512-MAR		
Gerald	407,854.70	513-MAR		
Gerald	628,316.70	514-MAR		
Gerald	628,316.70	515-MAR		
Gerald	628,316.70	516-MAR		
Gerald	628,316.70	517-MAR		
Gerald	628,316.70	518-MAR		
Gerald	628,316.70	519-MAR		
Gerald	644,851.35	520-MAR		
Gerald	644,851.35	521-MAR		
Gerald	429,900.90	522-MAR		
Gerald	429,900.90	523-MAR		
Gerald	214,950.45	524-MAR		
Gerald	214,950.45	525-MAR		
Gerald	214,950.45	526-MAR		
Gerald	214,950.45	527-MAR		
Gerald	214,950.45	528-MAR		
Gerald	214,950.45	529-MAR		
Gerald	214,950.45	530-MAR		
Gerald	214,950.45	531-MAR		
Gerald	249,342.60	532-MAR		
Gerald	537,375.15	533-MAR		
Gerald	551,154.00	534-APR		
Gerald	551,154.00	535-APR		
Gerald	1,102,310.00	536-APR		
Gerald	551,154.00	537-APR		
Gerald	551,154.00	538-APR		

Gerald	1,102,310.00	539-APR		
Gerald	551,154.00	540-APR		
Gerald	551,154.00	541-APR		
Gerald	551,154.00	542-APR		
Gerald	1,102,310.00	543-APR		
Gerald	1,102,310.00	544-APR		
Inbursa	551,154.00	545-APR		
Gerald	551,154.00	546-APR		
Gerald	1,102,310.00	547-APR		
Gerald	1,102,310.00	548-APR		
Gerald	551,154.00	549-APR		
Inbursa	603,183.50	550-APR		
Inbursa	603,183.50	551-APR		
Gerald	733,035.20	552-APR		
Gerald	418,877.80	553-APR		
Gerald	418,877.80	554-APR		
Gerald	527,354.50	555-APR		
Gerald	209,438.90	556-APR		
Gerald	418,877.80	557-APR		
Inbursa	418,877.80	558-APR		
Inbursa	418,877.80	559-APR		
Inbursa	418,877.80	560-APR		
Inbursa	213,392.80	561-APR		
Gerald	502,652.60	562-APR		
Gerald	502,652.60	563-APR		
Gerald	502,652.60	564-APR		
Gerald	599,356.90	565-APR		
Gerald	840,227.50	566-MAR		
Inbursa	1,255,164.70	567-APR		
Gerald	407,238.40	568-MAR		
Gerald	238,759.70	569-MAR		
Gerald	446,436.00	570-APR		
Gerald	496,039.50	571-APR		
Gerald	496,039.50	572-APR		
Inbursa	450,000.00	573-APR		
Gerald	499,999.50	575-APR		
Gerald	498,685.50	581-APR		

Gerald	1,253,777.80	583-APR		
Gerald	1,203,864.20	584-APR		
Gerald	744,059.25	585-APR		
Gerald	744,059.25	586-APR		
Gerald	744,059.25	587-APR		
Gerald	496,039.50	588-APR		
Gerald	297,623.25	589-APR		
Gerald	727,524.60	590-MAY		
Gerald	727,524.60	591-MAY		
Gerald	727,524.60	592-MAY		
Gerald	727,524.60	593-MAY		
Inbursa	770,000.00	594-MAY		
Inbursa	770,000.00	595-MAY		
Gerald	849,127.40	596-MAY		
Inbursa	770,000.00	597-MAY		
Gerald	653,200.00	598-MAY		
Gerald	605,000.00	599-MAY		
Gerald	622,245.80	600-MAY		
Gerald	605,000.00	601-MAY		
Gerald	620,340.60	602-MAY		
Gerald	605,000.00	603-MAY		
Gerald	617,581.80	604-MAY		
Gerald	605,000.00	605-MAY		
Gerald	345,996.20	606-MAY		
Gerald	770,000.00	607-MAY		
Gerald	886,402.00	608-MAY		
Gerald	729,100.00	609-MAY		
Gerald	729,100.00	610-MAY		
Gerald	614,100.00	611-MAY		
Gerald	538,733.60	612-MAY		
Gerald	538,735.90	613-MAY		
Gerald	502,168.20	614-MAY		
Gerald	502,170.50	615-MAY		
Inbursa	764,660.30	616-MAY		
Inbursa	764,660.30	617-MAY		
Inbursa	496,039.50	618-MAY		
Inbursa	496,039.50	619-MAY		

Gerald	744,059.25	620-MAY		
Gerald	744,059.25	621-MAY		
Inbursa	496,039.50	622-MAY		
Gerald	461,151.00	623-MAY		
Gerald	744,059.25	624-MAY		
Inbursa	744,059.25	625-MAY		
Gerald	496,039.50	626-MAY		
Gerald	462,174.75	627-MAY		
Gerald	540,131.90	628-JUN		
Gerald	540,131.90	629-JUN		
Gerald	540,131.90	630-JUN		
Inbursa	554,484.00	631-JUN		
Inbursa	541,557.80	632-JUN		
Gerald	541,557.80	633-JUN		
Gerald	540,131.90	634-JUN		
Gerald	540,131.90	635-JUN		
Gerald	540,131.90	636-JUN		
Gerald	540,131.90	637-JUN		
RZB	540,131.90	638-JUN		
RZB	1,080,263.80	639-JUN		
RZB	263,563.65	640-JUN		
RZB	1,080,263.80	641-JUN		
RZB	264,945.45	642-JUN		
RZB	540,997.50	643-JUN		
RZB	540,997.50	644-JUN		
RZB	540,997.50	645-JUN		
RZB	540,997.50	646-JUN		
RZB	674,000.00	647-JUN		
RZB	551,155.00	648-JUN		
RZB	551,155.00	649-JUN		
Inbursa	523,342.50	650-JUN		
RZB	551,155.00	651-JUN		
RZB	551,155.00	652-JUN		
RZB	418,282.50	653-JUN		
RZB	839,277.50	654-JUN		
RZB	551,155.00	655-JUN		
RZB	275,577.50	656-JUN		

RZB	826,732.50	657-JUN		
RZB	999,244.75	658-JUN		
RZB	355,174.05	659-JUN		
Gerald	351,085.00	665A-JUN		
Gerald	189,049.35	665B-JUN		
Gerald	675,163.65	666-JUN		
Gerald	810,197.85	667-JUN		
Gerald	810,197.85	668-JUN		
Gerald	810,197.85	669-JUN		
Gerald	810,197.85	670-JUN		
Gerald	810,197.85	671-JUN		
Gerald	799,951.50	673-AUG		
Gerald	650,362.90	674-AUG		
Gerald	663,549.40	675-AUG		
Gerald	812,952.15	676-AUG		
Gerald	809,235.15	677-AUG		
Gerald	650,362.90	678-AUG		
Gerald	974,169.65	679-AUG		
Gerald	487,770.70	680-AUG		
Gerald	608,089.40	681-AUG		
Gerald	608,089.40	682-AUG		
Gerald	325,181.45	683-AUG		
Gerald	682,880.75	684-AUG		
Gerald	682,880.75	685-AUG		
Gerald	150,007.50	686-AUG		
Gerald	988,126.10	687-AUG		
Gerald	500,025.00	688-AUG		
Gerald	1,122,477.95	689-AUG		
Inbursa	540,131.90	100-JUL		
Inbursa	675,163.65	101-JUL		
Inbursa	675,163.65	102-JUL		
Inbursa	675,163.65	103-JUL		
Inbursa	687,362.20	104-JUL		
Inbursa	810,197.85	105-JUL		
Inbursa	675,163.65	106-JUL		
Inbursa	684,030.20	107-JUL		
Inbursa	661,384.80	108-JUL		

Inbursa	676,123.20	109-JUL		
Inbursa	661,384.80	110-JUL		
Inbursa	670,334.40	111-JUL		
Inbursa	529,108.80	112-JUL		
Inbursa	793,663.20	113-JUL		
Gerald	311,499.69	130-JUL		
Gerald	343,920.20	131-JUL		

SCHEDULE 2

Old Secured Debt

Industrias Unidas, SA de CV & subs, selected outstanding debt As of March 31, 2011

Creditor	Borrower	Balance USD
Machinery credits:		
Aka Bank-Sket	Industrias Unidas, SA de CV	252,746
SG-OCN	Industrias Unidas, SA de CV	282,557
SG-Schumag	IUSA, SA de CV	743,363
Klockner Desma	IUSA, SA de CV	426,015
WestLB-Niehoff	Industrias Unidas, SA de CV	397,375
SG-Danieli-Eagle	IUSA, SA de CV	22,880,383
ESB-MRB Schumag-Eagle	IUSA, SA de CV	2,666,657
Aka Bank-Otto Junker-Eagle	IUSA, SA de CV	3,333,874
Total machinery credits		**30,982,970**
Working Capital Loans:		
HSBC	IUSA, SA de CV	5,366,980
HSBC hipotecario LA	Industrias Unidas, SA de CV	8,349,828
IXE Automotriz Leasing	IUSA, SA de CV	326,936
IRLA	Industrias Unidas, SA de CV	4,625,619
Xtra Textil	IUSA, SA de CV	3,784,598
Total working capital		**22,453,960**
TOTAL		**53,436,930**
	Exchange rate MXP-USD	11,8903
	Exchange rate USD-EURO	1.4120

SCHEDULE 3

Agreed Accrual Rate

Eligible Debt	**Agreed Accrual Rate (per annum, compounded quarterly)**	**Applicable Date**
2016 Notes	4.750%	5/15/2009
ESBDS Loan	(L+1.50%) x (4.75%/11.5%)	10/12/2010
12% Commercial Paper	12% x (4.75%/11.5%)	3/26/2009
9.75% Commercial Paper	9.75% x (4.75%/11.5%)	8/6/2009
August 2009 Finalization Amount	9% x (4.75%/11.5%)	8/31/2009
Agreed Costs	9% x (4.75%/11.5%)	10/22/2010
Copper Debt Pagare Reference		
400-JAN	9% x (4.75%/11.5%)	8/7/09
401-JAN	9% x (4.75%/11.5%)	8/6/09
429-FEB	9% x (4.75%/11.5%)	8/3/09
437-FEB	9% x (4.75%/11.5%)	8/3/09
438-FEB	9% x (4.75%/11.5%)	7/27/09
439-FEB	9% x (4.75%/11.5%)	7/28/09
440-FEB	9% x (4.75%/11.5%)	7/29/09
441-FEB	9% x (4.75%/11.5%)	7/30/09
442-FEB	9% x (4.75%/11.5%)	7/31/09
443-FEB	9% x (4.75%/11.5%)	7/31/09
444-FEB	9% x (4.75%/11.5%)	8/4/09
445-FEB	9% x (4.75%/11.5%)	8/4/09
446-FEB	9% x (4.75%/11.5%)	8/4/09
447-FEB	9% x (4.75%/11.5%)	8/5/09
448-FEB	9% x (4.75%/11.5%)	8/7/09
449-FEB	9% x (4.75%/11.5%)	8/10/09
450-FEB	9% x (4.75%/11.5%)	8/10/09
451-FEB	9% x (4.75%/11.5%)	8/11/09
452-FEB	9% x (4.75%/11.5%)	8/5/09
453-FEB	9% x (4.75%/11.5%)	8/6/09
454-FEB	9% x (4.75%/11.5%)	8/7/09
455-FEB	9% x (4.75%/11.5%)	8/6/09
456-FEB	9% x (4.75%/11.5%)	8/14/09
457-FEB	9% x (4.75%/11.5%)	8/18/09
461-FEB	9% x (4.75%/11.5%)	8/13/09
462-FEB	9% x (4.75%/11.5%)	8/14/09
463-FEB	9% x (4.75%/11.5%)	8/17/09
464-FEB	9% x (4.75%/11.5%)	8/17/09

465-FEB	9% x (4.75%/11.5%)	8/18/09
466-FEB	9% x (4.75%/11.5%)	8/21/09
467-FEB	9% x (4.75%/11.5%)	8/24/09
468-FEB	9% x (4.75%/11.5%)	8/25/09
469-FEB	9% x (4.75%/11.5%)	8/26/09
470-FEB	9% x (4.75%/11.5%)	8/19/09
471-FEB	9% x (4.75%/11.5%)	8/20/09
472-MAR	9% x (4.75%/11.5%)	8/13/09
473-MAR	9% x (4.75%/11.5%)	8/19/09
474-MAR	9% x (4.75%/11.5%)	8/20/09
475-MAR	9% x (4.75%/11.5%)	8/21/09
476-MAR	9% x (4.75%/11.5%)	8/24/09
477-MAR	9% x (4.75%/11.5%)	8/25/09
478-MAR	9% x (4.75%/11.5%)	8/26/09
479-MAR	9% x (4.75%/11.5%)	8/27/09
480-MAR	9% x (4.75%/11.5%)	8/27/09
481-MAR	9% x (4.75%/11.5%)	8/28/09
482-MAR	9% x (4.75%/11.5%)	8/28/09
483-MAR	9% x (4.75%/11.5%)	8/31/09
484-MAR	9% x (4.75%/11.5%)	8/31/09
485-MAR	9% x (4.75%/11.5%)	9/1/09
486-MAR	9% x (4.75%/11.5%)	9/1/09
487-MAR	9% x (4.75%/11.5%)	9/2/09
488-MAR	9% x (4.75%/11.5%)	9/2/09
489-MAR	9% x (4.75%/11.5%)	9/3/09
490-MAR	9% x (4.75%/11.5%)	9/3/09
491-MAR	9% x (4.75%/11.5%)	9/4/09
492-MAR	9% x (4.75%/11.5%)	9/4/09
493-MAR	9% x (4.75%/11.5%)	9/4/09
494-MAR	9% x (4.75%/11.5%)	8/12/09
495-MAR	9% x (4.75%/11.5%)	8/18/09
496-MAR	9% x (4.75%/11.5%)	8/20/09
497-MAR	9% x (4.75%/11.5%)	8/25/09
498-MAR	9% x (4.75%/11.5%)	8/26/09
499-MAR	9% x (4.75%/11.5%)	8/27/09
500-MAR	9% x (4.75%/11.5%)	8/28/09
501-MAR	9% x (4.75%/11.5%)	8/31/09
502-MAR	9% x (4.75%/11.5%)	9/1/09
503-MAR	9% x (4.75%/11.5%)	9/2/09
504-MAR	9% x (4.75%/11.5%)	9/3/09
505-MAR	9% x (4.75%/11.5%)	9/8/09
506-MAR	9% x (4.75%/11.5%)	9/8/09

507-MAR	9% x (4.75%/11.5%)	9/8/09
508-MAR	9% x (4.75%/11.5%)	9/9/09
509-MAR	9% x (4.75%/11.5%)	9/9/09
510-MAR	9% x (4.75%/11.5%)	9/9/09
511-MAR	9% x (4.75%/11.5%)	9/10/09
512-MAR	9% x (4.75%/11.5%)	9/10/09
513-MAR	9% x (4.75%/11.5%)	9/10/09
514-MAR	9% x (4.75%/11.5%)	9/11/09
515-MAR	9% x (4.75%/11.5%)	9/11/09
516-MAR	9% x (4.75%/11.5%)	9/14/09
517-MAR	9% x (4.75%/11.5%)	9/14/09
518-MAR	9% x (4.75%/11.5%)	9/15/09
519-MAR	9% x (4.75%/11.5%)	9/15/09
520-MAR	9% x (4.75%/11.5%)	9/16/09
521-MAR	9% x (4.75%/11.5%)	9/16/09
522-MAR	9% x (4.75%/11.5%)	9/14/09
523-MAR	9% x (4.75%/11.5%)	9/15/09
524-MAR	9% x (4.75%/11.5%)	9/17/09
525-MAR	9% x (4.75%/11.5%)	9/18/09
526-MAR	9% x (4.75%/11.5%)	9/21/09
527-MAR	9% x (4.75%/11.5%)	9/22/09
528-MAR	9% x (4.75%/11.5%)	9/23/09
529-MAR	9% x (4.75%/11.5%)	9/24/09
530-MAR	9% x (4.75%/11.5%)	9/25/09
531-MAR	9% x (4.75%/11.5%)	9/25/09
532-MAR	9% x (4.75%/11.5%)	9/21/09
533-MAR	9% x (4.75%/11.5%)	9/24/09
534-APR	9% x (4.75%/11.5%)	9/22/09
535-APR	9% x (4.75%/11.5%)	9/23/09
536-APR	9% x (4.75%/11.5%)	9/28/09
537-APR	9% x (4.75%/11.5%)	9/29/09
538-APR	9% x (4.75%/11.5%)	10/1/09
539-APR	9% x (4.75%/11.5%)	10/1/09
540-APR	9% x (4.75%/11.5%)	10/2/09
541-APR	9% x (4.75%/11.5%)	10/2/09
542-APR	9% x (4.75%/11.5%)	10/2/09
543-APR	9% x (4.75%/11.5%)	10/5/09
544-APR	9% x (4.75%/11.5%)	10/6/09
545-APR	9% x (4.75%/11.5%)	10/7/09
546-APR	9% x (4.75%/11.5%)	10/7/09
547-APR	9% x (4.75%/11.5%)	10/8/09
548-APR	9% x (4.75%/11.5%)	10/9/09

549-APR	9% x (4.75%/11.5%)	10/9/09
550-APR	9% x (4.75%/11.5%)	10/14/09
551-APR	9% x (4.75%/11.5%)	10/15/09
552-APR	9% x (4.75%/11.5%)	9/21/09
553-APR	9% x (4.75%/11.5%)	9/22/09
554-APR	9% x (4.75%/11.5%)	9/23/09
555-APR	9% x (4.75%/11.5%)	9/24/09
556-APR	9% x (4.75%/11.5%)	9/25/09
557-APR	9% x (4.75%/11.5%)	10/5/09
558-APR	9% x (4.75%/11.5%)	10/6/09
559-APR	9% x (4.75%/11.5%)	10/7/09
560-APR	9% x (4.75%/11.5%)	10/8/09
561-APR	9% x (4.75%/11.5%)	9/28/09
562-APR	9% x (4.75%/11.5%)	10/13/09
563-APR	9% x (4.75%/11.5%)	10/13/09
564-APR	9% x (4.75%/11.5%)	10/13/09
565-APR	9% x (4.75%/11.5%)	10/14/09
566-MAR	9% x (4.75%/11.5%)	9/18/09
567-APR	9% x (4.75%/11.5%)	9/30/09
568-MAR	9% x (4.75%/11.5%)	9/17/09
569-MAR	9% x (4.75%/11.5%)	9/18/09
570-APR	9% x (4.75%/11.5%)	10/15/09
571-APR	9% x (4.75%/11.5%)	10/16/09
572-APR	9% x (4.75%/11.5%)	10/20/09
573-APR	9% x (4.75%/11.5%)	10/15/09
575-APR	9% x (4.75%/11.5%)	8/19/09
581-APR	9% x (4.75%/11.5%)	8/14/09
583-APR	9% x (4.75%/11.5%)	10/19/09
584-APR	9% x (4.75%/11.5%)	10/20/09
585-APR	9% x (4.75%/11.5%)	10/21/09
586-APR	9% x (4.75%/11.5%)	10/21/09
587-APR	9% x (4.75%/11.5%)	10/22/09
588-APR	9% x (4.75%/11.5%)	10/23/09
589-APR	9% x (4.75%/11.5%)	10/16/09
590-MAY	9% x (4.75%/11.5%)	10/23/09
591-MAY	9% x (4.75%/11.5%)	10/26/09
592-MAY	9% x (4.75%/11.5%)	10/27/09
593-MAY	9% x (4.75%/11.5%)	10/28/09
594-MAY	9% x (4.75%/11.5%)	11/2/09
595-MAY	9% x (4.75%/11.5%)	11/2/09
596-MAY	9% x (4.75%/11.5%)	8/21/09
597-MAY	9% x (4.75%/11.5%)	11/4/09

598-MAY	9% x (4.75%/11.5%)	11/3/09
599-MAY	9% x (4.75%/11.5%)	10/22/09
600-MAY	9% x (4.75%/11.5%)	10/26/09
601-MAY	9% x (4.75%/11.5%)	10/27/09
602-MAY	9% x (4.75%/11.5%)	10/28/09
603-MAY	9% x (4.75%/11.5%)	10/29/09
604-MAY	9% x (4.75%/11.5%)	8/18/09
605-MAY	9% x (4.75%/11.5%)	10/30/09
606-MAY	9% x (4.75%/11.5%)	10/30/09
607-MAY	9% x (4.75%/11.5%)	11/5/09
608-MAY	9% x (4.75%/11.5%)	11/6/09
609-MAY	9% x (4.75%/11.5%)	11/4/09
610-MAY	9% x (4.75%/11.5%)	11/5/09
611-MAY	9% x (4.75%/11.5%)	8/24/09
612-MAY	9% x (4.75%/11.5%)	10/30/09
613-MAY	9% x (4.75%/11.5%)	11/9/09
614-MAY	9% x (4.75%/11.5%)	11/9/09
615-MAY	9% x (4.75%/11.5%)	11/9/09
616-MAY	9% x (4.75%/11.5%)	11/10/09
617-MAY	9% x (4.75%/11.5%)	11/10/09
618-MAY	9% x (4.75%/11.5%)	11/13/09
619-MAY	9% x (4.75%/11.5%)	11/13/09
620-MAY	9% x (4.75%/11.5%)	11/12/09
621-MAY	9% x (4.75%/11.5%)	11/10/09
622-MAY	9% x (4.75%/11.5%)	11/12/09
623-MAY	9% x (4.75%/11.5%)	8/26/09
624-MAY	9% x (4.75%/11.5%)	11/16/09
625-MAY	9% x (4.75%/11.5%)	11/17/09
626-MAY	9% x (4.75%/11.5%)	11/16/09
627-MAY	9% x (4.75%/11.5%)	8/25/09
628-JUN	9% x (4.75%/11.5%)	11/25/09
629-JUN	9% x (4.75%/11.5%)	11/25/09
630-JUN	9% x (4.75%/11.5%)	11/30/09
631-JUN	9% x (4.75%/11.5%)	11/30/09
632-JUN	9% x (4.75%/11.5%)	12/1/09
633-JUN	9% x (4.75%/11.5%)	12/1/09
634-JUN	9% x (4.75%/11.5%)	12/4/09
635-JUN	9% x (4.75%/11.5%)	12/7/09
636-JUN	9% x (4.75%/11.5%)	12/7/09
637-JUN	9% x (4.75%/11.5%)	12/8/09
638-JUN	9% x (4.75%/11.5%)	12/8/09
639-JUN	9% x (4.75%/11.5%)	12/3/09

640-JUN	9% x (4.75%/11.5%)	12/4/09
641-JUN	9% x (4.75%/11.5%)	12/2/09
642-JUN	9% x (4.75%/11.5%)	12/4/09
643-JUN	9% x (4.75%/11.5%)	12/3/09
644-JUN	9% x (4.75%/11.5%)	12/4/09
645-JUN	9% x (4.75%/11.5%)	12/7/09
646-JUN	9% x (4.75%/11.5%)	12/8/09
647-JUN	9% x (4.75%/11.5%)	12/9/09
648-JUN	9% x (4.75%/11.5%)	12/14/09
649-JUN	9% x (4.75%/11.5%)	12/15/09
650-JUN	9% x (4.75%/11.5%)	12/16/09
651-JUN	9% x (4.75%/11.5%)	12/10/09
652-JUN	9% x (4.75%/11.5%)	12/11/09
653-JUN	9% x (4.75%/11.5%)	12/10/09
654-JUN	9% x (4.75%/11.5%)	12/11/09
655-JUN	9% x (4.75%/11.5%)	12/10/09
656-JUN	9% x (4.75%/11.5%)	12/2/09
657-JUN	9% x (4.75%/11.5%)	12/9/09
658-JUN	9% x (4.75%/11.5%)	12/14/09
659-JUN	9% x (4.75%/11.5%)	12/15/09
665A-JUN	9% x (4.75%/11.5%)	8/20/09
665B-JUN	9% x (4.75%/11.5%)	12/15/09
666-JUN	9% x (4.75%/11.5%)	12/16/09
667-JUN	9% x (4.75%/11.5%)	12/17/09
668-JUN	9% x (4.75%/11.5%)	12/18/09
669-JUN	9% x (4.75%/11.5%)	12/21/09
670-JUN	9% x (4.75%/11.5%)	12/22/09
671-JUN	9% x (4.75%/11.5%)	12/23/09
673-AUG	9% x (4.75%/11.5%)	2/1/10
674-AUG	9% x (4.75%/11.5%)	2/1/10
675-AUG	9% x (4.75%/11.5%)	2/2/10
676-AUG	9% x (4.75%/11.5%)	2/2/10
677-AUG	9% x (4.75%/11.5%)	2/3/10
678-AUG	9% x (4.75%/11.5%)	2/3/10
679-AUG	9% x (4.75%/11.5%)	2/4/10
680-AUG	9% x (4.75%/11.5%)	2/4/10
681-AUG	9% x (4.75%/11.5%)	2/5/10
682-AUG	9% x (4.75%/11.5%)	2/5/10
683-AUG	9% x (4.75%/11.5%)	2/5/10
684-AUG	9% x (4.75%/11.5%)	2/8/10
685-AUG	9% x (4.75%/11.5%)	2/8/10
686-AUG	9% x (4.75%/11.5%)	2/8/10

687-AUG	9% x (4.75%/11.5%)	2/9/10
688-AUG	9% x (4.75%/11.5%)	2/9/10
689-AUG	9% x (4.75%/11.5%)	2/10/10
100-JUL	9% x (4.75%/11.5%)	11/19/09
101-JUL	9% x (4.75%/11.5%)	11/24/09
102-JUL	9% x (4.75%/11.5%)	11/25/09
103-JUL	9% x (4.75%/11.5%)	11/20/09
104-JUL	9% x (4.75%/11.5%)	11/20/09
105-JUL	9% x (4.75%/11.5%)	11/23/09
106-JUL	9% x (4.75%/11.5%)	11/18/09
107-JUL	9% x (4.75%/11.5%)	11/18/09
108-JUL	9% x (4.75%/11.5%)	1/6/10
109-JUL	9% x (4.75%/11.5%)	1/6/10
110-JUL	9% x (4.75%/11.5%)	1/4/10
111-JUL	9% x (4.75%/11.5%)	1/4/10
112-JUL	9% x (4.75%/11.5%)	1/5/10
113-JUL	9% x (4.75%/11.5%)	1/8/10
130-JUL	9% x (4.75%/11.5%)	9/10/09
131-JUL	9% x (4.75%/11.5%)	9/11/09

SCHEDULE 4

Copper Debt Note Litigation

RZB Finance LLC vs. Industrias Unidas, S.A. DE C.V., and IUSA, S.A. DE C.V. (Anteriormente Conductores IUSA, S.A. DE C.V.)
Juicio: Ejecutivo Mercantil.
Expediente No. 1567/09
Juzgado Civil De Ixtlahuaca, Estado de Mexico.
US $13,366.547

RZB Finance LLC vs. Industrias Unidas, S.A. DE C.V., and IUSA, S.A. DE C.V. (Anteriormente Conductores IUSA, S.A. DE C.V.)
Juicio: Ejecutivo Mercantil.
Expediente No. 157/2010.
Juzgado Civil De Ixtlahuaca, Estado De Mexico.
US $12,537.226.46

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.,
Case number 47/2009
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $2,003,997.60

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 55/2009
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $1,641,043.60

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 59/2009
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $655,419.89

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 7/2010
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $4,915,202.25

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 20/2010
Heard before the 2nd Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $4,451,579.50

Gerald Metals, Inc. vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 55/2009
Heard before the 5th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $3,732,555.95

WestLB AG vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 6/2010
Heard before the 4th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $49,318,780.65

Barclays Bank PLC vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 59/2009
Heard before the 5th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $4,761,759.65

WestLB AG vs. Iusa, S.A. DE C.V. and Industrias Unidas, S.A. DE C.V.
Case number 6/2010
Heard before the 5th Federal District Civil Court in Toluca, Estado de Mexico
Summary Commercial Proceeding
Aggregate Principal Amount of Debt: US $3,262,837.60

Banco Inbursa, S.A. vs. Industrias Unidas, S.A. de C.V. y otro.
Case number 346/2010
Juzgado de Primera Instancia en Ixtlahuaca, Estado de México.
Juicio Ejecutivo Mercantil
US $36,460,578.60

SCHEDULE 5
Intercompany Obligations

Note	Due from related parties	Pesos in thousands 2008	2009	2010	May-11	Difference	Convenience translation to US Dlls (thousands) 2008	2009	2010	May-11	Difference
(1)	Grupo IUSA S.A de C.V.	704,968	248,346	266,223	284,402	18,178	53,888	17,977	21,530	24,585	3,054
(2)	Desarrollo Inmobiliario Nicolas Romero S.A. de C.V.	196,792	196,542	195,416	186,553	-8,863	15,043	14,227	15,804	16,126	322
(3)	Bionatur Invernaderos, S.A. de C.V.	50,072	78,522	61,431	19,662	-41,769	3,828	5,684	4,968	1,700	-3,268
(4)	Des. y Promotora Agropecuaria, S.A. de C.V.	84,405	50,249	94,465	126,461	31,996	6,452	3,637	7,640	10,932	3,292
	Clinica Lomas Altas S.A. de C.V.	33,857	34,918	2,957	2,961	4	2,588	2,528	239	256	17
(5)	Iusa GE (49.9%)	23,142	21,448	147,823	104,549	-43,273	1,769	1,552	11,955	9,038	-2,917
(6)	IUSA Medición S. A. de C. V.	16,392	17,533	147,123	90,664	-56,459	1,253	1,269	11,898	7,837	-4,061
(7)	Future natural gas hedges	0	116,061	79,721	50,331	-29,390	0	8,401	6,447	4,351	-2,096
	Other	79,180	61,597	73,879	84,292	10,413	6,053	4,459	5,975	7,286	1,312
	TOTAL	1,188,808	825,217	1,069,038	949,876	-119,163	90,874	59,733	86,457	82,111	-4,346
						XR	13.0820	13.8150	12.3650	11.5682	

Explanation of notes

(1) Grupo IUSA S.A de C.V.
Represents unguaranteed notes receivable from Grupo IUSA, S. A. de C. V. , bearing interest at 12%, due in June 2019
These notes were present in the Company's balance sheet since prior to the November 2006 bond issue
Change from 2008 to 2010 represents Grupo Iusa assumption of Iusa debt.

(2) Desarrollo Inmobiliario Nicolas Romero S.A. de C.V.
Represents notes receivable from Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V., bearing interest at 12%, due in June 2017
These notes were present in the Company's balance sheet since prior to the November 2006 bond issue

(3) and (4) Bionatur Invernaderos, S. A. de C. V.
Desarrolladora y Promotora Agropecuaria, S. A. de C. V.
Represents accounts receivable from thewe two companies.
The Company buys natural gas from the supplier in the Pastejé area, and sells the gas to these companies.
In addition, IUSA entered into several gas price hedges in 2008 (from 2008 to 2013), that have resulted in costs for Iusa
These two companies have agreed to share the cost of these hedges decided, structured and contracted by Iusa.
Of the total outstanding amount (Ps 156 million), only Ps. 40 million pesos are related to natural gas consumption
The rest (Ps 116 million) are invoices related to the cost of the natural gas hedges

(5) Iusa GE, S. A. de C. V.
It represents the balance according to the ordinary course of business.
In 2008 and 2009, it represents the not consolidated 49.9% of the balance with the Company.
In 2010, it represents the outstanding balance for selling of the electronic meter

(6) IUSA Medición S. A. de C. V.
It represents the balance according to the ordinary course of business.
In 2010, Iusa Medición was the bidding party in contracts with CFE, buying the product from Iusa
the balance shown represents amount owed to Iusa, not yet collected from CFE
If Iusa returns to be the bidding party, the balance will be eliminated.

(7) Future natural gas hedges
It represents the balance that the Company will collect from the Companies mentioned in footnote (3) and (4)
The invoicing related to the outstansing natural gas hedges

SCHEDULE 6

Ownership of Indebtedness

Langness Investments Corporation owns $15 million face amount of the 12% Commercial Paper

SCHEDULE 7

Assets

FIXED ASSETS (Guarantors Group)
THOUSAND PESOS

	Industrias Unidas	IUSA & ACV	Luis Cámara	Centro Comercial	Gas Pedilla	IUP	Fergamex	Conveniencia	TOTAL
Land	540,868	8,296	0	0	0	0	0	0	549,164
Buildings	2,885,331	168,365	0	61,161	14,782	0	0	0	3,129,640
Depreciation	2,390,807	47,659	0	37,289	8,794	0	0	0	2,484,549
Net buildings	494,524	120,706	0	23,872	5,988	0	0	0	645,091
Machinery & equipm & others	353,752	7,140,054	0	8,007	47,453	0	0	959	7,550,225
Depreciation	353,204	4,866,277	0	7,954	40,532	0	0	926	5,268,893
Net M&E	548	2,273,777	0	54	6,921	0	0	33	2,281,333
Gross fixed assets	3,779,951	7,316,715	0	69,169	62,235	0	0	959	11,229,029
Depreciation	2,744,011	4,913,937	0	45,243	49,326	0	0	926	7,753,442
Net fixed assets	1,035,940	2,402,779	0	23,925	12,910	0	0	33	3,475,587

FIXED ASSETS (Guarantors Group)
THOUSAND DOLLARS

	Industrias Unidas	IUSA & ACV	Luis Cámara	Centro Comercial	Gas Pedilla	IUP	Fergamex	Conveniencia	TOTAL
Land	43,742	671	0	0	0	0	0	0	44,413
Buildings	233,347	13,616	0	4,946	1,195	0	0	0	253,105
Depreciation	193,353	3,854	0	3,016	711	0	0	0	200,934
Net buildings	39,994	9,762	0	1,931	484	0	0	0	52,171
Machinery & equipm & others	28,609	577,441	0	648	3,838	0	0	78	610,613
Depreciation	28,565	393,553	0	643	3,278	0	0	75	426,113
Net M&E	44	183,888	0	4	560	0	0	3	184,499
Gross fixed assets	305,698	591,728	0	5,594	5,033	0	0	78	908,130
Depreciation	221,918	397,407	0	3,659	3,989	0	0	75	627,047
Net fixed assets	83,780	194,321	0	1,935	1,044	0	0	3	281,083

NOTE: Of the Machinery and Equipment totals set forth above, assets totaling Ps. 804.3 million ($65.0 million) original value, depreciation Ps 50.4 million ($4.0 million) and Book value as of Dec 31, 2010 of Ps. 753.9 million ($61.0 million) are subject to existing liens. There are no liens on land or buildings.

SCHEDULE 8

Projections

Consolidated Balance Sheet (a)	2010 Actual	2010 Proforma (b) (c)	2011 (b) (c)	2012 (b) (c)	2013 (b) (c)	2014 (b) (c)	2015 (b) (c)	2016 (c) (c)
Current assets:								
Cash and cash equivalents	21,160	21,160	10,000	10,000	10,000	10,000	10,000	18,395
Accounts receivable - Net	137,779	137,779	150,305	156,625	167,471	174,183	180,895	187,262
Inventories - Net	74,897	74,897	92,607	95,563	103,828	109,076	114,109	118,934
Other current assets	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367
Total current assets	235,203	235,203	254,278	263,554	282,665	294,625	306,370	325,957
Investment in associated companies	159,112	159,112	167,548	178,660	191,734	206,552	222,900	241,357
Property, plant and equipment – Net	281,083	281,083	261,956	242,561	222,896	202,963	182,762	162,291
Other assets - Net	26,670	26,670	24,003	21,336	18,669	16,002	13,335	10,668
TOTAL ASSETS	702,067	702,067	707,785	706,111	715,964	720,143	725,366	740,273
Current liabilities								
Notes payable to financial institutions	13,701	13,701	5,107	5,107	5,107	5,107	5,107	0
Current portion of long term debt	259,645	34,341	27,448	39,416	43,674	36,997	20,443	7,286
Trade accounts payable	205,579	59,579	66,727	71,464	78,474	82,467	86,245	89,815
Accrued expenses and taxes other than income taxes	68,986	6,685	6,685	6,685	6,685	6,685	6,685	6,685
Advances from customers	432	432	432	432	432	432	432	432
Due to related parties	20,317	20,317	0	0	0	0	0	0
Total current liabilities	568,660	135,055	106,399	123,103	134,371	131,688	118,911	104,217
Long term debt	5,885	423,175	419,853	417,290	417,290	417,290	417,290	417,290
Labor and other long-term obligations	4,703	4,703	4,703	4,703	4,703	4,703	4,703	4,703
Income tax payable	1,972	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Financial instruments - Valuation	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101
TOTAL LIABILITIES	589,321	573,006	541,028	555,170	566,438	563,754	550,977	536,284
Stockholders equity								
Capital stock	390,509	390,509	415,509	415,509	415,509	415,509	415,509	415,509
Additional paid-in capital	24,209	30,909	30,909	30,909	30,909	30,909	30,909	30,909
Contributions for future capital increases	6,700	0	0	0	0	0	0	0
Accumulated deficit	-341,236	-324,922	-312,227	-328,042	-329,457	-322,594	-304,594	- 274,994
Insufficiency in restated stockholders´ equity	15,029	15,029	15,029	15,029	15,029	15,029	15,029	15,029
Cumulative initial effect of deferred income taxes	-2	-2	-2	-2	-2	-2	-2	-2
Translation effects of foreign operations or entities	18,695	18,695	18,695	18,695	18,695	18,695	18,695	18,695
Valuation of financial instruments	-1,157	-1,157	-1,157	-1,157	-1,157	-1,157	-1,157	-1,157
Controlling interest	112,747	129,061	166,756	150,941	149,525	156,388	174,389	203,989

TOTAL Stockholders equity	112,747	129,061	166,757	150,941	149,526	156,389	174,389	203,989
TOTAL Liabilities and Stockholders Equity	702,067	702,067	707,785	706,111	715,964	720,143	725,366	740,273

Notes to Balance Sheet:

(a) The Balance Sheet is not prepared in accordance with Generally Accepted Accounting Principles.

(b) The Pro Forma 2010 and Estimated 2011-2016 balance sheets are presented assuming that a restructuring consistent with the Restructuring Agreement and Plan has been completed.

(c) The Plan Proponents have assumed, for the purposes of these Projections, that all businesses currently operated by IUSA and its subsidiaries will continue to operate in the ordinary course throughout the projection period.

Guarantors Profit and Loss Statement (a)	2010 Actual	2011 (b) (c)	2012 (b) (c)	2013 (b) (c)	2014 (b) (c)	2015 (b) (c)	2016 (b) (c)
Total Revenues	623,298	811,224	883,547	987,424	1,048,194	1,108,961	1,166,129
Cost of Sales	526,588	746,801	809,510	899,877	953,540	1,004,580	1,053,091
Total Gross Profit	96,710	64,423	74,037	87,547	94,654	104,381	113,037
SG&A	88,026	60,000	53,560	55,182	56,870	58,624	60,449
Income from Operations	8,684	4,423	20,477	32,365	37,784	45,756	52,588
Net Interest Expense	45,279	5,301	52,163	52,421	52,314	51,473	49,993
Other Financing Costs	2,122	0	0	0	0	0	0
Total Net Comprehensive Financial Cost	47,401	5,301	52,163	52,421	52,314	51,473	49,993
Other Expense, Net	21,161	(7,952)	(11,529)	(13,959)	(16,696)	(19,064)	(21,681)
Income Tax and Statutory Profit Sharing	1,672	2,816	6,771	8,393	10,121	11,695	13,133
Equity in Income (Loss) of Associated Companies	(965)	8,436	11,113	13,073	14,819	16,348	18,458
Net Income (Loss)	(62,515)	12,695	(15,815)	(1,416)	6,863	18,000	29,600

Notes to Cash Flows:

(a) The Projections are not prepared in accordance with Generally Accepted Accounting Principles.

(b) The Estimated 2011-2016 cash flows are presented assuming that a restructuring consistent with the Restructuring Agreement and Plan has been completed.

(c) The Plan Proponents have assumed, for the purposes of these Projections, that all businesses currently operated by IUSA and its subsidiaries will continue to operate in the ordinary course throughout the projection period.

SCHEDULE 9

Controlled Entities

Langness Investments Corporation may be considered to be controlled by or under common control with, the Company or one or more of its Affiliates.

SCHEDULE 10

Excluded Electronic Watt-Hour Meter Business Assets

Patents on electronic watt-hour meters.

Product Brands.

SCHEDULE 11

IUSA-GE Liabilities

None.

SCHEDULE 12

Transferred Assets

None.

ANNEX B

DISCLOSURE STATEMENT

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
TUBO DE PASTEJÉ, S.A. DE C.V., et al.,	:	Case No. 09-14353 (KJC)
	:	Jointly Administered
Debtors.	:	

THIRD AMENDED DISCLOSURE STATEMENT RELATING TO JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OF TUBO DE PASTEJÉ, S.A. DE C.V. AND CAMBRIDGE-LEE HOLDINGS, INC., AS DEBTORS AND DEBTORS-IN-POSSESSION, AND INDUSTRIAS UNIDAS, S.A. DE C.V. AND THE SUBSIDIARY GUARANTORS AS CO-PROPONENTS

July 15, 2011

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Attorneys for Tubo de Pastejé, S.A. de C.V. and Cambridge Lee Holdings, Inc.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE JOINT PLAN OF REORGANIZATION (AS MAY BE AMENDED FROM TIME TO TIME, THE "PLAN")[1] OF TUBO DE PASTEJÉ, S.A. DE C.V., CAMBRIDGE-LEE HOLDINGS, INC. (EACH, A "DEBTOR," AND COLLECTIVELY, THE "DEBTORS") IN THE ABOVE-CAPTIONED CHAPTER 11 CASES (THE "CHAPTER 11 CASES") AND INDUSTRIAS UNIDAS, S.A. DE C.V. ("IUSA"), IUSA, S.A. DE C.V., INDUSTRIAS UNIDAS DE PASTEJÉ, S.A. DE C.V., GAS PADILLA, S.A. DE C.V., IUSA COMERCIALIZADORA, S.A. DE C.V., FORGAMEX, S.A. DE C.V., CENTRO COMERCIAL Y CULTURAL PASTEJÉ, S.A. DE C.V., AND CONVIVENCIA Y EDUCACIÓN INFANTIL PASTEJÉ, S.A. DE C.V., (COLLECTIVELY THE "SUBSIDIARY GUARANTORS,"AND TOGETHER WITH THE DEBTORS AND IUSA, THE "PLAN PROPONENTS"). SIMULTANEOUS WITH THE SOLICITATION OF ACCEPTANCES AND REJECTIONS OF THE PLAN, IUSA IS REQUESTING (THE "CONSENSUAL EXCHANGE") HOLDERS OF COPPER DEBT AND COMMERCIAL PAPER TO EXCHANGE SUCH COPPER DEBT AND COMMERCIAL PAPER FOR NEW SERIES B NOTES.

PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THE DISCLOSURE STATEMENT IS TO PROVIDE "ADEQUATE INFORMATION" OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF THE PLAN PROPONENTS AND THE MEMBERS OF THE IUSA GROUP AND THE CONDITION OF THEIR BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL, REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR EQUITY INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN (SEE 11 U.S.C. § 1125(a)) AND THE CONSENSUAL EXCHANGE.

FOR THE CONVENIENCE OF CLAIM AND EQUITY INTEREST HOLDERS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ANY SUMMARY. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.

NO REPRESENTATIONS CONCERNING THE DEBTORS' FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN ARE AUTHORIZED BY THE DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION THAT ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS

[1] Capitalized terms used but not otherwise defined in this section shall have the meanings ascribed to such terms below or in the Plan, as applicable.

CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE PLAN.

ALL CREDITORS OF THE DEBTORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS) AND THE PLAN IN THEIR ENTIRETY. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE EXECUTIVE SUMMARY, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND OTHER EXHIBITS ANNEXED THERETO AND THIS DISCLOSURE STATEMENT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF. ALL CREDITORS SHOULD READ CAREFULLY AND CONSIDER FULLY THE "CERTAIN RISK FACTORS TO BE CONSIDERED" SECTION HEREOF BEFORE VOTING FOR OR AGAINST THE PLAN OR ACCEPTING OR REJECTING THE CONSENSUAL EXCHANGE. **SEE SECTION VII, "CERTAIN RISK FACTORS TO BE CONSIDERED."**

THE STATEMENTS IN THIS DISCLOSURE STATEMENT ARE MADE BY THE PLAN PROPONENTS ON THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT AFTER THE DATE HEREOF DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN. THE PLAN PROPONENTS HAVE NO DUTY AND DO NOT INTEND TO UPDATE THIS DISCLOSURE STATEMENT UNLESS OTHERWISE ORDERED TO DO SO BY THE BANKRUPTCY COURT.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OF THE PLAN PROPONENTS, IF ANY, SHOULD NOT RELY UPON THIS DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THIS DISCLOSURE STATEMENT HAS NEITHER BEEN REVIEWED, APPROVED, NOR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATED TO THE PLAN, EVENTS IN THE RESTRUCTURING OF THE PLAN PROPONENTS AND FINANCIAL INFORMATION. ALTHOUGH THE PLAN PROPONENTS BELIEVE THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH

THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE PLAN PROPONENTS' RESPECTIVE MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE PLAN PROPONENTS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT INACCURACY OR OMISSION.

THE PLAN CONTAINS CERTAIN RELEASE, INJUNCTION AND EXCULPATION PROVISIONS. BY VOTING TO ACCEPT THE CHAPTER 11 PLAN, YOU ARE AFFIRMATIVELY CONSENTING TO THESE PROVISIONS. ***SEE SECTION V.H "DISCHARGES, RELEASES AND EXCULPATION."***

THE PURPOSE OF THIS DISCLOSURE STATEMENT IS TO PROVIDE (A) RELEVANT INFORMATION REGARDING THE HISTORY OF THE IUSA GROUP, THEIR BUSINESSES, AND THESE CHAPTER 11 CASES; (B) INFORMATION CONCERNING THE PLAN; (C) INFORMATION FOR HOLDERS OF CLAIMS AND EQUITY INTERESTS REGARDING THEIR TREATMENT UNDER THE PLAN; AND (D) INFORMATION TO ASSIST THE BANKRUPTCY COURT IN DETERMINING WHETHER THE PLAN COMPLIES WITH THE PROVISIONS OF CHAPTER 11 OF THE BANKRUPTCY CODE AND SHOULD BE CONFIRMED.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. THE DESCRIPTIONS SET FORTH HEREIN OF THE ACTIONS, CONCLUSIONS OR RECOMMENDATIONS OF THE PLAN PROPONENTS OR ANY OTHER PARTY IN INTEREST HAVE BEEN SUBMITTED TO OR APPROVED BY SUCH PARTY, BUT NO SUCH PARTY MAKES ANY REPRESENTATION REGARDING SUCH DESCRIPTIONS. NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT SHALL CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, OR WAIVER, AND FOR PURPOSES OF ANY CONTESTED MATTER, ADVERSARY PROCEEDING, OR OTHER PENDING OR THREATENED ACTION, THE CONTENTS HEREOF SHALL CONSTITUTE STATEMENTS MADE IN FURTHERANCE OF SETTLEMENT NEGOTIATIONS AND SHALL NOT BE ADMISSIBLE TO THE EXTENT PROHIBITED BY FEDERAL RULE OF EVIDENCE 408 AND ANY SIMILAR RULE OR STATUTE. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY PROCEEDING (OTHER THAN THE CHAPTER 11 CASES) INVOLVING THE DEBTORS OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN THE PLAN PROPONENTS. YOU SHOULD CONSULT YOUR OWN COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

IRS CIRCULAR 230 DISCLOSURE NOTICE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX

ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY EXHIBITS, AMENDMENTS OR SUPPLEMENTS THERETO) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY EXHIBITS, AMENDMENTS OR SUPPLEMENTS THERETO) IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE PLAN PROPONENTS PRESENTLY INTEND TO SEEK TO CONSUMMATE THE PLAN AND THE RESTRUCTURING TRANSACTIONS AS PROMPTLY AS POSSIBLE AND TO CAUSE THE PLAN EFFECTIVE DATE TO OCCUR PROMPTLY AFTER CONFIRMATION OF THE PLAN. THERE CAN BE NO ASSURANCE, HOWEVER, AS TO WHEN AND WHETHER CONFIRMATION OF THE PLAN AND THE PLAN EFFECTIVE DATE ACTUALLY WILL OCCUR. PROCEDURES FOR DISTRIBUTIONS UNDER THE PLAN, INCLUDING MATTERS THAT ARE EXPECTED TO AFFECT THE TIMING OF THE RECEIPT OF DISTRIBUTIONS BY HOLDERS OF CLAIMS AND EQUITY INTERESTS IN CERTAIN CLASSES AND THAT COULD AFFECT THE AMOUNT OF DISTRIBUTIONS ULTIMATELY RECEIVED BY SUCH HOLDERS, ARE DESCRIBED IN ***SECTION V, "SUMMARY OF PLAN."***

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I.

EXECUTIVE SUMMARY[1]

Tubo de Pastejé, S.A. de C.V. ("Tubo") and Cambridge-Lee Holdings, Inc. ("CLH," and together with Tubo, the "Debtors") each filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code") on December 8, 2009 (the "Petition Date") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors and their direct and indirect parent company, Industrias Unidas, S.A. de C.V. ("IUSA") and IUSA, S.A. de C.V., Industrias Unidas de Pastejé, S.A. de C.V., Gas Padilla, S.A. de C.V., IUSA Comercializadora, S.A. de C.V., Forgamex, S.A. de C.V., Centro Comercial y Cultural Pastejé, S.A. de C.V., and Convivencia y Educación Infantil Pastejé, S.A. de C.V. (collectively, the "Subsidiary Guarantors," and together with the Debtors and IUSA, the "Plan Proponents"), hereby transmit this disclosure statement (as may be amended from time to time pursuant to the terms and conditions of the Restructuring Agreement, the "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to holders of claims against and equity interests in the Debtors in connection with the solicitation of votes to accept or reject the Plan Proponents' joint plan of reorganization under chapter 11 of the Bankruptcy Code attached hereto as Exhibit 1 (as may be amended from time to time pursuant to the terms and conditions of the Restructuring Agreement, the "Plan")[2] and to certain holders of claims against IUSA who are also being asked pursuant to the terms of the Restructuring Agreement to exchange their debt for the new notes issued pursuant to the Plan.

These bankruptcy cases were commenced due to a confluence of adverse macroeconomic trends, including the downturn that occurred in the construction industry, which resulted in IUSA and its direct and indirect subsidiaries (collectively, the "IUSA Group") experiencing a continued deterioration in revenue and profitability in respect of their manufacturing businesses. Despite such unfavorable conditions, the IUSA Group maintained its operations and continued to provide high-quality goods and services to its customers. The IUSA Group's revenue, however, remained below levels necessary to maintain liquidity and support current debt levels due to the downturn in construction and the global economy in general. As a result, the IUSA Group experienced cash flow issues, and, ultimately, IUSA became unable to service its existing debt, which, among other things, included obligations secured by Tubo pursuant to the Existing Pledge Agreement (defined below) of the capital stock of its direct subsidiary, CLH, and the obligations guaranteed by CLH. CLH, in turn, is the direct and indirect parent of several operating subsidiaries in both the United States and abroad (the "Non-Debtor Subsidiaries") engaged in the business of manufacturing copper tubing and related products. To maintain the status quo and preserve the valuable equity interests in the Non-Debtor Subsidiaries, the Debtors commenced these chapter 11 cases (the "Chapter 11 Cases").

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1 Headings are for convenience only and shall not affect the meaning or interpretation of the Disclosure Statement.

2 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

The Plan Proponents are commencing this solicitation after extensive negotiations with the Consenting Creditors comprised of a group of certain holders of 11.50% senior notes due 2016 issued by IUSA (the "Noteholders") as well as certain holders of certain other unsecured indebtedness of IUSA. These negotiations have culminated in IUSA and the Consenting Creditors, among others, executing a restructuring agreement, attached hereto as Exhibit 3 (as may be amended from time to time pursuant to the terms and conditions therein, the "Restructuring Agreement"), which summarizes the proposed treatment of certain obligations of the IUSA Group. The Plan is premised upon implementing the terms proposed in the Restructuring Agreement through a series of transactions (the "Restructuring Transactions") designed to maximize recoveries to all creditors and enhance the financial stability of the Reorganized Debtors and the IUSA Group, as a whole. Specifically, among other things, the Restructuring Transactions include (a) the cancellation of the Old 2016 Notes and the ESBDS I Loan pursuant to the Plan, as well as the Eligible Series B Debt held by the holders of the Copper Debt and the holders of the Commercial Paper, and (b) the issuance pursuant to the Plan of (i) new debt securities (the "New Series A Notes"), which New Series A Notes shall be guaranteed by Tubo and secured by the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group), to the holders of the Old 2016 Notes and the ESBDS I Loan and (ii) new debt securities (the "New Series B Notes" and together with the New Series A Notes, the "New Notes"), which New Series B Notes shall be on substantially the same terms as the New Series A Notes, but shall not be secured by any assets of the Reorganized Debtors, to holders of the Copper Debt and holders of the Commercial Paper who elect to accept such New Series B Notes in exchange for their Series B Eligible Debt. The Plan leaves unimpaired the rights of all holders of claims against and equity interests in the Debtors, with the exception of the rights of the Holders of Old 2016 Notes and ESBDS I Loan. The Plan Proponents believe that the Restructuring Transactions, including the Plan and the transactions contemplated thereby are in the best interests of the estates and maximize distributable value for all stakeholders, as evidenced by the Consenting Creditors' support for the Plan and the Restructuring Transactions.

This solicitation of votes with respect to the Plan is being conducted at the same time as the Consensual Exchange in order to obtain sufficient votes to enable the Plan to be confirmed by the Bankruptcy Court and to enable the required holders of the Commercial Paper and holders of the Copper Debt to participate in the proposed exchange of their debt in the Restructuring Transactions for the New Notes issued under the Plan. The Plan sets forth how claims against and equity interests in the Debtors will be treated (and how certain claims against the remaining members of the IUSA Group will be satisfied) under the Plan if it is confirmed by the Bankruptcy Court and is thereafter consummated as a part of the Restructuring Transactions. This Disclosure Statement describes certain aspects of the Plan, the Plan Proponents' business operations, significant events leading up to the Chapter 11 Cases and related matters. This Executive Summary is intended solely as a summary of the distribution provisions of the Plan and certain matters related to the Plan Proponents' businesses. **FOR A COMPLETE UNDERSTANDING OF THE PLAN, YOU SHOULD READ THIS DISCLOSURE STATEMENT, THE PLAN AND ALL RELATED EXHIBITS AND SCHEDULES IN THEIR ENTIRETY.**

Attached as exhibits to this Disclosure Statement are copies of the following documents:

- the Plan (Exhibit 1);
- the Liquidation Analysis (Exhibit 2);
- the Restructuring Agreement (Exhibit 3);
- Description of Notes (Exhibit 4);
- Information Memorandum (Exhibit 5);
- Projected Financial Statements (Exhibit 6); and
- Historical Financials (Exhibit 7).

THE PLAN PROPONENTS BELIEVE THAT THE PLAN COMPLIES WITH ALL PROVISIONS OF THE BANKRUPTCY CODE AND WILL ENABLE THE DEBTORS TO REORGANIZE SUCCESSFULLY AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11, AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS, THEIR ESTATES, AND THE PLAN PROPONENTS' CREDITORS AND INTEREST HOLDERS.

On July 18, 2011, after notice and a hearing, the Bankruptcy Court issued an order (the "Disclosure Statement Order"), approving this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Debtors' creditors and equity holders to make informed judgments whether to accept or reject the Plan. Approval of this Disclosure Statement does not, however, constitute a determination by the Bankruptcy Court as to the fairness or merits of the Plan.

Accompanying this Disclosure Statement and forming a part of the solicitation package (the "Solicitation Package") are copies of: (i) the Plan (Exhibit 1); (ii) the Liquidation Analysis (Exhibit 2); (iii) the Restructuring Agreement (Exhibit 3); (iv) the Description of Notes (Exhibit 4) ; (v) the Information Memorandum (Exhibit 5); (vi) the Projected Financial Statements of IUSA and the IUSA Group on a consolidated basis (Exhibit 6); (vii) the Historical Financials (Exhibit 7); and (viii) for Holders of Claims against the Debtors who are entitled to vote on the Plan, one or more Ballots. Each Holder of a Claim entitled to vote on the Plan should read this Disclosure Statement, the Plan, all exhibits thereto and the instructions accompanying the Ballot in their entirety before voting on the Plan. These documents contain important information concerning the classification of Claims and Equity Interests for voting purposes. No solicitation of votes to accept the Plan may be made except pursuant to section 1125 of the Bankruptcy Code. Upon Confirmation, the Plan will be a legally binding arrangement and it should therefore be read in its entirety. Accordingly, solicited parties may wish to consult with their attorneys regarding the contents of the Plan.

WHO IS ENTITLED TO VOTE: Under section 1126(f) of the Bankruptcy Code, holders of Claims or Equity Interests that are not impaired under the Plan are presumed to have accepted the Plan and are not entitled to vote on the Plan. Under section 1124 of the Bankruptcy

Code, a Class of Claims or Equity Interests is not "impaired" under the Plan if (i) the Plan leaves unaltered the legal, equitable and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the Plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default. Under section 1126(g) of the Bankruptcy Code, a Class is deemed to have rejected the Plan if the Plan provides that the Claims or Equity Interests of such Class do not entitle the Holders of such Claims or Equity Interests to receive or retain any property under the Plan on account of such Claims or Equity Interests. Accordingly, the only Classes that are entitled to vote on the Plan are Classes T3 and C3 because all other Classes are Unimpaired and deemed to accept the Plan under section 1126(f) of the Bankruptcy Code.

II.

SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER PLAN

A. No Substantive Consolidation

The Plan is a joint plan that does not provide for substantive consolidation of the Estates and the Estates shall not be deemed to be substantively consolidated for purposes thereof. Except as specifically set forth herein, nothing in the Plan or this Disclosure Statement shall constitute or be deemed to constitute an admission that any Debtor is subject to or liable for any claim against any other Debtor.

Additionally, claimants holding Claims against multiple Debtors, to the extent Allowed in each Debtor's case, will be treated as a separate claim against each Debtor's Estate; *provided, however*, that no Holder shall be entitled to receive more than payment in full of its Allowed Claim, and such Claims will be administered and treated in the manner provided for herein by the Debtors or otherwise.

B. Summary of Classification and Treatment of Claims and Interests

The following table summarizes the classification and treatment of the Claims and Equity Interests under the Plan. For a more detailed description of the classification and treatment for all Classes, please refer to the discussion in ***Section V, "Summary Of Plan***" and to the Plan itself.[3]

[3] This table is only a summary of the classification, impairment and entitlement to vote of Holders of Claims and Equity Interests under the Plan. Reference should be made to the entire Disclosure Statement, the Plan and all exhibits thereto for a complete description of the classification and treatment of Claims and Equity Interests. Accordingly, this summary is qualified in its entirety by reference to the entire Disclosure Statement, the Plan and all exhibits thereto.

Class Description	Treatment	Entitlement to Vote	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims
Class T1 – Other Priority Claims against Tubo	*Unimpaired*. Except to the extent that a Holder of an Allowed Other Priority Claim against Tubo agrees to less favorable treatment, each Holder of an Allowed Priority Claim shall have its Claim Reinstated to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.	No – deemed to accept	Approximately $0	100% (or such other amount consented to by each Holder of an Allowed Other Priority Claim)
Class T2 – Other Secured Claims against Tubo	*Unimpaired*. Except to the extent that a holder of an Allowed Other Secured Claim against Tubo agrees to less favorable treatment, each Holder of an Allowed Other Secured Claim shall have its Claim Reinstated and shall retain its Lien, to the same extent in existence and valid as of the Plan Effective Date, on the property that secures each such Claim, to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.	No – deemed to accept	Approximately $0	100% (or such other amount consented to by each Holder of an Allowed Other Secured Claim)
Class T3 – Noteholder Pledge Claim	*Impaired*. Each Holder of a Noteholder Pledge Claim as of the Distribution Record Date shall receive on the Plan Effective Date, in accordance with the Restructuring Transactions, in full and final satisfaction of each such Holder's Allowed Noteholder Pledge Claim, New Series A Notes to be issued by IUSA in the principal amount equal to U.S.$1,143.22, which is equal to (i) the 2016 Base Amount,	Yes	$200,000,000.00[4]	100%

[4] This amount reflects the principal amount and is exclusive of any fees, interest, or expenses.

Class Description	Treatment	Entitlement to Vote	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims
	plus (ii) the amount of accrued and unpaid interest on such 2016 Base Amount from May 15, 2009 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 2016 Base Amount (the "2016 Notes Restructuring Fee") and (b) the interest accrued on the 2016 Notes Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, which New Series A Notes shall be guaranteed by Tubo and secured by a pledge of the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group).			
Class T4 – General Unsecured Claims against Tubo	*Unimpaired*. Except to the extent that a Holder of an Allowed General Unsecured Claim against Tubo agrees to less favorable treatment, each Holder of an Allowed General Unsecured Claim shall have its Claim Reinstated to the extent that such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.	No – deemed to accept	Approximately $0	100%
Class T5 – Equity Interests in Tubo	*Unimpaired*. The Equity Interests in Tubo are unaltered by the Plan and each Holder of Equity Interests in Tubo will retain its interest in Tubo to the same extent as if the Chapter 11 Cases had not been commenced.	No – deemed to accept	N/A	N/A

Class Description	Treatment	Entitlement to Vote	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims
Class C1 – Other Priority Claims against CLH	*Unimpaired*. Except to the extent that a Holder of an Allowed Other Priority Claim against CLH agrees to less favorable treatment, each Holder of an Allowed Priority Claim shall have its Claim Reinstated to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.	No – deemed to accept	Approximately $0	100% (or such other amount consented to by each Holder of an Allowed Other Priority Claim)
Class C2 – Other Secured Claims against CLH	*Unimpaired*. Except to the extent that a Holder of an Allowed Other Secured Claim against CLH agrees to less favorable treatment, each Holder of an Allowed Other Secured Claim shall have its Claim Reinstated and shall retain its Lien, to the same extent in existence and valid as of the Plan Effective Date, on the property that secures each such Claim, to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.	No – deemed to accept	$62,270,484.07[5]	100% (or such other amount consented to by each Holder of an Allowed Other Secured Claim)
Class C3 – Unsecured Parent Guaranty Claims	*Impaired*. Each Holder of an Unsecured Parent Guaranty Claim as of the Distribution Record Date shall receive on the Plan Effective Date, in accordance with the Restructuring Transactions, in full and final satisfaction of each such Holder's Allowed an Unsecured Parent Guaranty Claim, New Series A Notes to be issued by IUSA in the principal amount equal to U.S.$1,036.18, which is equal to (i) the ESBDS I Base	Yes	Approximately $803,803	100%

[5] As of July 5, 2011.

Class Description	Treatment	Entitlement to Vote	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims
	Amount, plus (ii) the amount of accrued and unpaid interest on such ESBDS I Base Amount from October 12, 2010 through November 15, 2011, at an interest rate per annum equal to the average six-month LIBOR for the period plus 1.5%, multiplied by the quotient of 4.75% divided by 11.5% (the "ESBDS I Interest Rate"), compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the ESBDS I Base Amount (the "ESBDS I Restructuring Fee") and (b) the interest accrued on the ESBDS I Restructuring Fee from May 15, 2011 through November 15, 2011, at the ESBDS I Interest Rate compounded quarterly, which New Series A Notes shall be guaranteed by Tubo and secured by a pledge of the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group).			
Class C4 – General Unsecured Claims against CLH	*Unimpaired*. Except to the extent that a Holder of an Allowed General Unsecured Claim against CLH agrees to less favorable treatment, each Holder of an Allowed General Unsecured Claim shall have its Claim Reinstated to the extent that such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.	No – deemed to accept	Approximately, $43,855,656	100%

Class Description	Treatment	Entitlement to Vote	Estimated Aggregate Amount of Allowed Claims	Estimated Percentage Recovery of Allowed Claims
Class C5 – Equity Interests in CLH	*Unimpaired*. The Equity Interests in CLH are unaltered by the Plan and each Holder of Equity Interests in CLH will retain its interest in CLH to the same extent as if the Chapter 11 Cases had not been commenced.	No – deemed to accept	N/A	N/A

C. Solicitation and Acceptance of Plan

1. General

This Disclosure Statement and other documents described herein are being furnished by the Plan Proponents pursuant to the Disclosure Statement Order for the purpose of soliciting votes on the Plan and in connection with the Consensual Exchange in order to provide holders of the Series B Eligible Debt with sufficient information so as to determine whether to exchange their Eligible Series B Debt for New Series B Notes pursuant to the terms of the Restructuring Agreement.

A copy of the Disclosure Statement Order and a notice of, among other things, voting procedures and the dates set for objections to, and the hearing on, confirmation of the Plan (the "Confirmation Hearing Notice") are also being transmitted with this Disclosure Statement. The Disclosure Statement Order and the Confirmation Hearing Notice set forth in detail the deadlines, procedures, and instructions for casting votes to accept or reject the Plan, for filing objections to confirmation of the Plan, the treatment for balloting purposes of certain types of Claims, and the assumptions for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. Each Holder of a Claim entitled to vote on the Plan should read the Disclosure Statement, the Plan, the Disclosure Statement Order, the Notice of Confirmation Hearing, and the instructions accompanying the Ballot(s) in their entirety before voting on the Plan. These documents contain important information concerning how Claims and Interests are classified for voting purposes and how votes will be tabulated.

2. Who Is Entitled to Vote

Pursuant to the Disclosure Statement Order, the Bankruptcy Court has established July 14, 2011 as the record date for determining the Holders of Class T3 Claims and Class C3 Claims entitled to vote to accept or reject the Plan (the "Record Date"). Under section 1126(f) of the Bankruptcy Code, holders of Claims or Equity Interests that are not impaired under the Plan are presumed to have accepted the Plan and are not entitled to vote on the Plan. Under section 1124 of the Bankruptcy Code, a Class of Claims or Equity Interests is not "impaired" under the Plan if (1) the Plan leaves unaltered the legal, equitable and contractual rights to which such claim or

interest entitles the holder thereof or (2) notwithstanding any legal right to an accelerated payment of such claim or interest, the Plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default. Under section 1126(g) of the Bankruptcy Code, a Class is deemed not to have accepted the Plan if the Plan provides that the Claims or Equity Interests of such Class do not entitle the Holders of such Claims or Equity Interests to receive or retain any property under the Plan on account of such Claims or Equity Interests. Accordingly, the only Classes that are entitled to vote on the Plan are Classes T3 and C3 because all other Classes are deemed to accept the Plan under section 1126(f) of the Bankruptcy Code.

3. Summary Of Voting Procedures

As set forth in Section VIII herein, if you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for voting purposes. Please vote and return your Ballot(s) in accordance with the instructions set forth in Section VIII herein and the instructions accompanying your Ballot(s).

TO BE COUNTED, YOUR VOTE INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE PROPERLY COMPLETED IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT, AND MUST BE **ACTUALLY RECEIVED** BY THE DEBTORS' NOTICE AND BALLOTING AGENT, EPIQ BANKRUPTCY SOLUTIONS, LLC (THE "NOTICE AND BALLOTING AGENT") **NO LATER THAN 4:00 P.M., PREVAILING EASTERN TIME, ON AUGUST 19, 2011 (THE "VOTING DEADLINE")** AT:

VIA FIRST CLASS MAIL

TUBO DE PASTEJÉ, S.A. BALLOT PROCESSING
C/O EPIQ BANKRUPTCY SOLUTIONS, LLC
FDR STATION P.O. BOX 5014
NEW YORK, NY 10150-5014

VIA HAND DELIVERY OR OVERNIGHT MAIL

TUBO DE PASTEJÉ, S.A. BALLOT PROCESSING
C/O EPIQ BANKRUPTCY SOLUTIONS, LLC
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DEBTORS, THE BANKRUPTCY COURT, THE INDENTURE TRUSTEE, OR COUNSEL TO THE DEBTORS.

4. Inquiries

(a) Related to Plan

If you are a Holder of a Noteholder Pledge Claim or an Unsecured Parent Guaranty Claim entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have questions about the procedures for voting your Noteholder Pledge Claim or Unsecured Parent Guaranty Claim, or about the Solicitation Package that you received, please contact the Notice and Balloting Agent, by written request to Tubo de Pastejé, S.A. Ballot Processing, c/o Epiq Bankruptcy Solutions, LLC, 757 Third Avenue, 3rd Floor, New York, NY 10017, by telephone at (646) 282-2400 or by email at tabulation@epiqsystems.com.

(b) General Inquiries

Additional copies of the Plan, this Disclosure Statement, the Consensual Exchange Documents, or the exhibits to any of those documents can be accessed free of charge from the following website: **http://dm.epiq11.com/tubo**. Copies of the Plan, this Disclosure Statement, and the Consensual Exchange Documents are also available at your own expense, upon written request to the Notice and Balloting Agent at: Tubo de Pastejé, S.A. Ballot Processing, c/o Epiq Bankruptcy Solutions, LLC, 757 Third Avenue, 3rd Floor, New York, NY 10017, by telephone at (646) 282-2400 or by email at tabulation@epiqsystems.com, or the Bankruptcy Court's website: www.deb.uscourts.gov. Note: a PACER password and login are needed to access documents on the Bankruptcy Court's website and a fee will be charged (https://ecf.deb.uscourts.gov/).

D. Confirmation Hearing

Pursuant to section 1128 of the Bankruptcy Code, the Confirmation Hearing will be held on August 25, 2011 at 3:00 p.m. (Prevailing Eastern Time), before The Honorable Kevin J. Carey, Chief United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to Confirmation be filed and served so that they are received on or before August 19, 2011 at 4:00 p.m. (prevailing Eastern Time). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any adjourned Confirmation Hearing.

E. Overview of Chapter 11 Process

The filing of a chapter 11 bankruptcy petition creates a bankruptcy "estate" comprising all of the property interests of the debtor. Unless a trustee is appointed by the bankruptcy court for cause, a debtor remains in possession and control of all its assets as a "debtor in possession." The debtor in possession may continue to operate its business in the ordinary course on a day-to-day basis without bankruptcy court approval. Bankruptcy court approval is only required for various enumerated kinds of transactions (such as certain financing transactions) and transactions out of the ordinary course of a debtor's business. The filing of the bankruptcy petition gives rise to what is known as the "automatic stay" which, generally, enjoins creditors from taking any

action to collect or recover obligations owed by a debtor prior to the commencement of a chapter 11 case without bankruptcy court authorization. The bankruptcy court can grant relief from the automatic stay under certain specified conditions or for cause.

The Bankruptcy Code authorizes the creation of one or more official committees to protect the interests of some or all creditors or interest holders. The fees and expenses of counsel and other professionals employed by such official committees and approved by the bankruptcy court are generally borne by a bankruptcy estate. No official committee has been appointed in the Chapter 11 Cases. No request for the appointment of a trustee or examiner has been made and no committees have been appointed or designated in the Chapter 11 Cases.

A chapter 11 debtor emerges from bankruptcy by successfully confirming a chapter 11 plan of reorganization, or alternatively, the assets of a debtor may be sold and the proceeds distributed to creditors through a chapter 11 plan of liquidation. A plan may be either consensual or non-consensual and provide, among other things, for the treatment of the claims of creditors and equity interests of shareholders and holders of options or warrants. The provisions of the Plan are summarized below. ***See Section V, "Summary of Plan."***

The consummation of a plan is the principal objective of a chapter 11 case. A plan sets forth the terms for satisfying claims against and equity interests in a debtor. Upon confirmation of a plan, such plan is binding on the debtor, any issuer of securities under the plan and any creditor or equity interest holder of a debtor. Subject to certain limited exceptions, the confirmation order discharges a debtor from any debts that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

The Plan Proponents submit this Disclosure Statement to Holders of Claims against and Equity Interests in the Debtors in accordance with the requirements of section 1125 of the Bankruptcy Code and the holders of certain claims against IUSA expected to participate in the Consensual Exchange for New Notes issued under the Plan. This Disclosure Statement sets forth specific information regarding the Debtors pre-bankruptcy history, the nature of the Chapter 11 Cases, the proposed distributions to creditors upon consummation of the Plan, and the distributions to be made to creditors of the IUSA Group under the Restructuring Transactions as contemplated in the Plan and Consensual Exchange. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Claims entitled to vote must follow for their votes to be counted.

F. Plan Effective Date and Exchange Pursuant to Consensual Exchange Conditioned on Each Other

The Consensual Exchange is an integral part of the Plan. The Plan Proponents believe that the Consensual Exchange is in the best interests of the Debtors' creditors and these Estates and that the Consenting Creditors would not agree to support the Plan absent consummation of the Consensual Exchange and issuance of the New Series B Notes pursuant to the Plan. Accordingly, neither the Plan nor the Consensual Exchange can be consummated without the other and as such the Plan Effective Date and the effective date of the Consensual Exchange shall happen simultaneously.

III.

HISTORICAL INFORMATION

A. Company History And Background

1. IUSA Group

The IUSA Group was formed in 1939 and is one of Mexico's largest diversified industrial groups. The IUSA Group manufactures copper-based and electrical products for the housing and electrical power sectors in the United States, Mexico, Europe and Latin America through operations organized by product line into three business groups: copper tubing, wire and cable and manufacturing. The manufacturing group is divided into five product segments: (a) copper alloys; (b) watt-hour meters; (c) electrical products; (d) valves and controls; and (e) diversified assets. The IUSA Group is headquartered in Mexico and has manufacturing operations in Mexico and the United States.

2. Formation and Entities of U.S. Subsidiaries

Tubo and CLH were both established on April 29, 1993, as holding companies. Tubo is a wholly-owned subsidiary of IUSA. Tubo is the direct parent company of CLH. CLH is either the majority or sole parent of several United States based operating subsidiaries, some of which, in turn, are the direct or indirect parents of certain United States based and/or foreign operating subsidiaries. The Non-Debtor Subsidiaries are part of IUSA's copper tubing and copper alloys businesses and handle related trading and manufacturing activities and personnel and services in the United States. None of the Non-Debtor Subsidiaries is a debtor in these cases.

Each of Tubo and CLH is a privately owned entity, and equity interests in the Debtors are not listed or traded on any public exchange or market. Tubo maintains its corporate headquarters at Paseo de la Reforma 2608, Penthouse, Colonia Lomas Altas, 11950, Mexico, D.F., Mexico. CLH maintains its corporate headquarters at 86 Tube Drive, Reading, PA 19605.

3. Operations and Assets of Debtors

Neither Tubo nor CLH has any employees. Neither of the Debtors has any accounts or cash other than intercompany payables and receivables. IUSA has funded retainers for the Debtors' counsel in the Chapter 11 Cases. The Non-Debtor Subsidiaries use their own bank accounts and a system of intercompany transactions in order to fund their operations. All United States property insurance policies are issued to the Non-Debtor Subsidiaries. Certain other policies were historically issued in the CLH name, although payments were made by one or more of the Non-Debtor Subsidiaries and allocated to others through intercompany charges.

There are virtually no pending claims or transactions directly between CLH and its affiliates.[6] Substantially all corporate allocations of expenses, management fees, and other fees

[6] Certain advances by two Non-Debtor Subsidiaries to IUSA, which advances the Companies believe to be permanent distributions, may technically flow through CLH and Tubo before going to IUSA. This is

allocable to the Non-Debtor Subsidiaries are levied directly on the Non-Debtor Subsidiaries. There are certain minimal allocations to CLH with respect to certain insurance policies (e.g., general liability and directors' and officers' policies) and taxes.[7] Any dividends paid by the Non-Debtor Subsidiaries to CLH are up-streamed through CLH to IUSA, as a result of CLH's status as parent of the Non-Debtor Subsidiaries.

B. Prepetition Secured Indebtedness

1. Pledge and Security Agreement

IUSA, as issuer, the Existing Guarantors, The Bank of New York, as trustee, (the "Trustee") and The Bank of New York (Luxembourg) S.A. are parties to that certain Indenture, dated as of November 13, 2006 (as modified and supplemented, the "Existing Indenture"), pursuant to which IUSA issued $200 million in 11.50% senior notes due November 15, 2016 (the "Old 2016 Notes"). On November 16, 2006, Tubo, as pledgor, and the Trustee entered into that certain Pledge and Security Agreement (the "Existing Pledge Agreement"). Pursuant to the Existing Pledge Agreement, Tubo granted to the Trustee for the benefit of the Old 2016 Notes a non-recourse pledge of the capital stock of CLH.

2. Other IUSA Debt

IUSA and its subsidiaries have additional indebtedness consisting of: (i) (1) U.S.$145,696,154.54 aggregate principal amount of the promissory notes (*pagarés*) (the "Copper Debt Notes") issued pursuant to (A) the Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009 and dated as of June 25, 2008, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc. ("Gerald"), IUSA, S.A. de C.V., and IUSA, as amended, including all annexes and exhibits thereto, and the guarantee issued by IUSA in respect thereof, and (B) that certain Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald, IUSA, S.A. de C.V., and IUSA, as amended, including all annexes and exhibits thereto, and the guarantees issued by IUSA and IUSA, S.A. de C.V. in respect thereof (together, the "Copper Contracts") (each of which such promissory note (*pagaré*), for the avoidance of doubt, includes any Copper Debt Note that was originally issued in connection with any such Copper Contract, whether such Copper Debt Note is currently held by the original holder thereof or a subsequent holder thereof) and (2) the agreed upon August 2009 finalization amount of U.S.$155,000.00 (the "August 2009 Finalization Amount"); and (ii) certain legal and non-legal costs and expenses accrued in connection with the Copper Contracts prior to October 22, 2010, in an aggregate agreed amount of U.S.$2,000,000 (the "Agreed Costs" and collectively with the Copper Debt Notes and the August 2009 Finalization Amount, the "Copper Debt").

Additionally, IUSA issued, and certain subsidiary members of the IUSA Group guaranteed, (a) 9.75% commercial paper with a principal amount outstanding of $9,500,000 due March 26, 2009 (the "9.75% Commercial Paper") and (b)12% commercial paper with a principal

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merely a book-keeping matter. The funds may be advanced to IUSA, but may not have been properly classified on the books of CLH or Tubo.

[7] Although CLH is not an operating company, CLH and the Non-Debtor Subsidiaries file federal income tax returns on a consolidated basis, with CLH as the "taxpayer" entity.

amount outstanding of $15,000,000 due August 6, 2009 (the "12% Commercial Paper" and together with the 9.75% Commercial Paper, the "Commercial Paper").

C. Significant Prepetition Unsecured Indebtedness and Other Secured Obligations of the Debtors

1. Guarantee of ESBDS I Loan

IUSA, S.A. de C.V., as borrower, IUSA and CLH, as guarantors, and Espirito Santo Bank, as lender, are parties to that certain Credit Agreement, dated as of August 29, 2007, with a principal amount outstanding of $803,803.38 (the "ESBDS I Loan"). The ESBDS I Loan is currently held by the Export-Import Bank of the United States. Under the terms of the Plan, the Holders of this claim will receive a *pro rata* portion of the New Series A Notes in full settlement and discharge of all claims arising from the ESBDS I Loan.

2. Guarantee of ESBDS II Loan

IUSA, S.A. de C.V., as borrower, IUSA and CLH, as guarantors, and Espirito Santo Bank, as lender, are parties to that certain Credit Agreement, dated as of September 26, 2008, with a principal amount outstanding of approximately $2,666,656 (the "ESBDS II Loan"). CLH's guarantee of the ESBDS II Loan under the guaranty will be reinstated under the Plan as a General Unsecured Claim against CLH in Class C4.

3. Guarantee of Bank of America Loan

Cambridge-Lee Industries LLC ("CLI"), as borrower, Bank of America, as lender and agent, and certain other lenders are parties to that certain Third Amended and Restated Loan and Security Agreement, dated May 15, 2006 (as amended and restated, the "Bank of America Loan"), pursuant to which the lenders thereunder provided CLI with a revolving credit facility of up to $140,000,000.00. On September 19, 1996, CLH, as guarantor, entered into a certain guaranty, which guaranty CLH reaffirmed by that certain Reaffirmation of Guaranty, dated as of October 28, 2002, pursuant to which CLH guaranteed the obligations of CLI under the Bank of America Loan. As of the date hereof, the outstanding balance of the Bank of America Loan is approximately $39,812,000. CLH's guarantee of the Bank of America Loan under the Guaranty will be reinstated under the Plan as a General Unsecured Claim against CLH in Class C4.

4. Guarantee of Texas Community Bank Loan

Eagle Tube Industries, LLC, as borrower, Texas Community Bank, as lender, and CLH, as guarantor, are parties to that certain real estate loan, dated as of August 27, 2007 (the "Texas Community Bank Loan"), secured by certain real estate assets owned by CLI and located in Laredo, Texas. As of the date hereof, the outstanding balance of the Texas Community Bank Loan is approximately $1,377,000. CLH's guarantee of the Texas Community Bank Loan under the guaranty will be reinstated under the Plan as a General Unsecured Claim against CLH in Class C4.

5. Pledge of UCI Stock to GECC

United Copper Industries, Inc. ("UCI"), as borrower, and General Electric Capital Corporation ("GECC"), as lender, are parties to that certain Second Amended and Restated Loan and Security Agreement, dated as of March 8, 2006 (as amended and restated, the "GECC Loan"), pursuant to which GECC provided UCI with a (a) revolving credit loan of up to $130,000,000.00 and (b) term loan of $8,000,000.00. CLH, as pledgor, is party to that certain Stock Pledge Agreement with GECC (the "GECC Stock Pledge Agreement"), pursuant to which CLH pledged 89.13% of the capital stock of UCI to GECC as security for the GECC Loan. As of the date hereof, the outstanding balance of the GECC Loan is $62,270,484.07.[8] The GECC Claim will be reinstated under the Plan as an Other Secured Claim against CLH in Class C2.

D. Events Leading to Chapter 11 Filing

The IUSA Group has been negatively affected by general economic conditions worldwide that have depressed spending in the construction industry, which contains major consumers of the products of the IUSA Group. In addition, increased volatility in the price of commodities, especially copper, has resulted in increased costs of manufacturing. As a result, the IUSA Group experienced cash flow issues in the months leading up to the Petition Date and IUSA failed to make an interest payment that became due under the Old 2016 Notes on November 15, 2009 (the "Technical Default"). Pursuant to the Existing Indenture, there was a grace period for payment of interest which expired in mid-December 2009 (the "Event of Default").

Beginning in 2009 and continuing through 2010 and 2011, the IUSA Group has been exploring a long term solution for its cash flow problems. Specifically, representatives of the IUSA Group initiated discussions with a group of certain Noteholders regarding the Technical Default and Event of Default and a potential restructuring of certain terms of the Existing Indenture. Those discussions proved fruitful and as they progressed it became clear that a meaningful restructuring of their obligations under the Existing Indenture also required restructuring of the Copper Debt and Commercial Paper. These larger negotiations have culminated in the Restructuring Agreement.

IV.

CHAPTER 11 CASES

A. Case Administration

1. Retained Professionals

Prior to the Petition Date, the Debtors retained Milbank, Tweed, Hadley & McCloy LLP, as their counsel ("Milbank"), and Pachulski Stang Ziehl & Jones LLP, as their co-counsel ("PSZ&J"), to assist them in exploring and facilitating their restructuring goals. On January 11,

[8] As of July 5, 2011.

2010, the Bankruptcy Court entered orders approving the retention of Milbank and PSZ&J as the Debtors' counsel (Docket Nos. 49 and 50).

On June 13, 2011, certain attorneys at Milbank responsible for these Chapter 11 Cases and the financial restructuring of the IUSA Group joined Dewey & LeBoeuf LLP ("D&L"). To ensure consistency of representation, the Debtors requested that D&L be substituted for Milbank as Debtors' counsel. On June 23, 2011, the Debtors Filed an application seeking to retain D&L as counsel in these Chapter 11 Cases. On July 13, 2011, the Bankruptcy Court entered an order approving the retention of D&L as the Debtors' counsel.

CLH retained Deloitte Tax LLP ("Deloitte Tax") to prepare its consolidated federal income tax returns and provide related tax advisory services. On March 17, 2010, the Bankruptcy Court entered an order approving the retention of Deloitte Tax as tax professionals to CLH (Docket No. 70). On March 25, 2011, the Bankruptcy Court entered an order approving the supplemental retention of Deloitte Tax as tax professionals to CLH (Docket No. 254).

CLH also retained Deloitte & Touche LLP ("Deloitte Audit") to audit CLH's consolidated financial statements for the year ended December 31, 2009. On May 21, 2010 the Bankruptcy Court entered an order approving the retention of Deloitte Audit as audit professionals to CLH (Docket No. 110).

2. Joint Administration and Schedules

Pursuant to an order of the Bankruptcy Court dated December 10, 2009 (the "Joint Administration Order") (Docket No. 19), the Chapter 11 Cases are being jointly administered for procedural purposes only. No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases.

On December 22, 2009, each Debtor filed its Statement of Financial Affairs and Schedules of Assets and Liabilities (the "Schedules") with the Bankruptcy Court. (Docket Nos. 39–42).

As of the date of this Disclosure Statement, there are two proofs of Claim filed against the Debtors, a contingent claim filed in an unliquidated amount, and one in the amount of $26,365.85.[9] To the extent these Claims have not already been satisfied, such Claims will be treated in accordance with the Plan.

B. Continuation of Business After Petition Date

1. Operations

Since the Petition Date, the Debtors have been authorized to continue to manage and operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

[9] Another proof of claim in the amount of $13,100,823.26, filed by the Internal Revenue Service on the claims register of CLH, was subsequently withdrawn on July 12, 2010 (Docket No. 135).

2. Insurance

Prior to the Petition Date, CLH nominally maintained a workers' compensation insurance program and various other insurance programs for, among other things, general liability, directors' and officers' and employment practices liabilities, auto liability, and international property and liability (collectively, the "Insurance Programs") provided by several insurance carriers (the "Insurance Providers"). Because CLH is a holding company with no employees or operations, most of these insurance policies were held by CLH in name only for the benefit of the Non-Debtor Subsidiaries. As a precautionary measure, CLH sought Bankruptcy Court approval to (i) continue the Insurance Programs and (ii) pay or cause the Non-Debtor Subsidiaries to pay claims in respect thereof, including, without limitation, all premiums, claims, deductibles, administrative expenses, brokerage fees, and all other charges and expenses incurred, consistent with practices in effect prior to the Petition Date, whether relating to the period prior to or after the Petition Date. On March 19, 2010, the Bankruptcy Court entered an order approving CLH's motion.

Subsequently, certain of the Non-Debtor Subsidiaries, as the operating companies for whose benefit most of the Insurance Programs were maintained, arranged for the Insurance Providers to reissue policies directly in their names as such policies were renewed. CLH remains an additional named insured on most such policies. Currently, to the Debtors' knowledge, only the policy covering directors and officers and executive liability has been maintained in CLH's name.

V.

SUMMARY OF PLAN

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND MEANS FOR IMPLEMENTATION OF THE PLAN, AND OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, AND TO THE EXHIBITS ATTACHED THERETO.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN CONTROL THE ACTUAL TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS UNDER THE PLAN AND WILL, UPON THE PLAN EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS AND OTHER PARTIES IN INTEREST.

A. Administrative Claims, Priority Tax Claims, and Intercompany Claims and Intercompany Interests

1. Administrative Claims

Each Holder of an Allowed Administrative Claim will receive payment in full in Cash of the unpaid portion of such Allowed Administrative Claim (a) in the case of Professional Fee Claims and expenses for advisors to the Debtors, as soon as practicable after Bankruptcy Court approval thereof, as described more fully in Section 3.2 below, or, in the case of professionals retained by the Debtors in the ordinary course of their business, if any, on such terms as are customary between the Debtors and such professionals; (b) with respect to all other Holders of Allowed Administrative Claims, on, or as soon thereafter as reasonably practicable, the later of (i) the Plan Effective Date; (ii) the first Business Day that is thirty (30) calendar days after the date an Administrative Claim becomes an Allowed Claim, and (iii) the date on which such payment would be made in the ordinary course of the Debtors' business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements or regulations governing, instruments evidencing or other documents relating to such transactions; or (c) with respect to any Claims described in clauses (a) and (b) hereof, as otherwise agreed by the Holder of such Claim and the Debtors.

2. Professional Fee Claims

All entities seeking awards by the Bankruptcy Court of Professional Fee Claims shall File and serve on counsel for the Reorganized Debtors, the Committee, if any, the U.S. Trustee, and any other party specifically requesting a copy in writing, an application for its Professional Fee Claim no later than forty (40) days after the Plan Effective Date and be paid in full, in Cash, in such amounts as are Allowed by the Bankruptcy Court in accordance with the order relating to or Allowing any such Professional Fee Claim, including any amount previously held back, if any. Any interested party desiring to object to any Professional Fee Claim must File and serve its objection on the Reorganized Debtors, the Committee, if any, the U.S. Trustee, and the affected Professional Person no later than sixty (60) days after the Plan Effective Date. Notwithstanding anything else provided herein, the Reorganized Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

3. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall, in full satisfaction, release and discharge of such Allowed Priority Tax Claim, receive, in the Reorganized Debtors' discretion, (a) on the applicable Distribution Date, Cash in an amount equal to such Allowed Priority Tax Claim, (b) such other treatment as to which the Debtors and the Holder of such Allowed Priority Tax Claim have agreed upon in writing, (c) deferred Cash payments following the Plan Effective Date over a period ending not later than five (5) years after the Petition Date, in an aggregate amount equal to the Allowed amount of such Priority Tax Claim, or (d) such other treatment as will cause such Claim not to be Impaired; *provided, however*, that any such Priority Tax Claim not due and owing on the Plan Effective Date will be paid when such Claim becomes due and owing.

4. Intercompany Claims and Intercompany Interests

Notwithstanding anything to the contrary contained in the Plan, Intercompany Claims and Intercompany Interests shall be Unimpaired and shall remain in full force and effect after the Plan Effective Date, provided that such Intercompany Claims are subject to the requirements of and restrictions (including, without limitation, the relative ranking and priority of such Intercompany Claims) contained in the New Indentures.

B. Classification and Treatment of Claims

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, Intercompany Claims and Intercompany Interests, and Priority Tax Claims have not been classified and thus the Holders thereof are excluded from the Classes of Claims entitled to vote on the Plan.

1. Summary of Classification

All Claims and Equity Interests, other than the Administrative Claims, Professional Fee Claims, Intercompany Claims and Intercompany Interests, and Priority Tax Claims, are classified in the Classes set forth in Section 4 of the Plan for all purposes, including voting, Confirmation, and distributions pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Equity Interest is classified in a particular Class only to the extent that such Claim or Equity Interest is within the description of that Class and is classified in another Class to the extent that any remainder of such Claim or Equity Interest belongs within such other Class or Classes. A Claim or Equity Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or Equity Interest in the Class and has not been paid, released, or otherwise satisfied prior to the Plan Effective Date.

Class	**Claim**	**Status**	**Voting Rights**
T1	Other Priority Claims against Tubo	Unimpaired	Deemed to Accept
T2	Other Secured Claims against Tubo	Unimpaired	Deemed to Accept
T3	Noteholder Pledge Claims	Impaired	Entitled to Vote
T4	General Unsecured Claims against Tubo	Unimpaired	Deemed to Accept
T5	Equity Interests in Tubo	Unimpaired	Deemed to Accept
C1	Other Priority Claims against CLH	Unimpaired	Deemed to Accept
C2	Other Secured Claims against CLH	Unimpaired	Deemed to Accept
C3	Unsecured Parent Guaranty Claims	Impaired	Entitled to Vote
C4	General Unsecured Claims against CLH	Unimpaired	Deemed to Accept
C5	Equity Interests in CLH	Unimpaired	Deemed to Accept

2. Treatment of Claims and Equity Interests

To the extent a Class contains Allowed Claims or Equity Interests with respect to a particular Debtor, the treatment provided to each Class for distribution purposes is specified below:

(a) Classes T1 and C1– Other Priority Claims

Treatment: Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, each Holder of an Allowed Priority Claim shall have its Claim Reinstated to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.

Voting: Classes T1 and C1 are Unimpaired under the Plan and, consequently, the Holders of Other Priority Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

(b) Classes T2 and C2– Other Secured Claims

Treatment: Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Holder of an Allowed Other Secured Claim shall have its Claim Reinstated and shall retain its Lien, to the same extent in existence and valid as of the Plan Effective Date, on the property that secures each such Claim, to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.

Voting: Classes T2 and C2 are Unimpaired under the Plan and, consequently, the Holders of Other Secured Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

(c) Class T3 – Noteholder Pledge Claims

Allowance: On the Plan Effective Date, the Noteholder Pledge Claims shall be deemed Allowed in full.

Treatment: Each Holder of a Noteholder Pledge Claim as of the Distribution Record Date shall receive on the Plan Effective Date, in accordance with the Restructuring Transactions, in full and final satisfaction of each such Holder's Allowed Noteholder Pledge Claim, New Series A Notes to be issued by IUSA in the principal amount equal to U.S.$1,143.22, which is equal to (i) the 2016 Base Amount, plus (ii) the amount of accrued and unpaid interest on such 2016 Base Amount from May 15, 2009 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 2016 Notes Restructuring Fee, and (b) the interest accrued on the 2016 Notes Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, which New Series A Notes shall be guaranteed by Tubo and secured by a pledge of the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group).

Voting: Class T3 is Impaired under the Plan and, consequently, the Holders of Allowed Noteholder Pledge Claims are entitled to vote on the Plan.

(d) Class C3 – Unsecured Parent Guaranty Claims

Allowance: On the Plan Effective Date, the Unsecured Parent Guaranty Claims shall be deemed Allowed in full.

Treatment: Each Holder of an Unsecured Parent Guaranty Claim as of the Distribution Record Date shall receive on the Plan Effective Date, in accordance with the Restructuring Transactions, in full and final satisfaction of each such Holder's Allowed Unsecured Parent Guaranty Claim, New Series A Notes to be issued by IUSA in the principal amount of U.S.$1,036.18, which is equal to (i) the ESBDS I Base Amount, plus (ii) the amount of accrued and unpaid interest on such ESBDS I Base Amount from October 12, 2010 through November 15, 2011, at the ESBDS I Interest Rate, compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the ESBDS I Restructuring Fee, and (b) the interest accrued on the ESBDS I Restructuring Fee from May 15, 2011 through November 15, 2011, at the ESBDS I Interest Rate compounded quarterly, which New Series A Notes shall be guaranteed by Tubo and secured by a pledge of the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group).

Voting: Class C3 is Impaired under the Plan and, consequently, the Holders of Allowed Unsecured Parent Guaranty Claims are entitled to vote on the Plan.

(e) Classes T4 and C4 – General Unsecured Claims

Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each Holder of an Allowed General Unsecured Claim shall have its Claim Reinstated to the extent that such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.

Voting: Classes T4 and C4 are Unimpaired under the Plan and, consequently, the Holders of General Unsecured Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

(f) Classes T5 and C5 – Equity Interests

Treatment: The Equity Interests are unaltered by the Plan and each Holder of Equity Interests will retain its interests to the same extent as if the Chapter 11 Cases had not been commenced.

Voting: Classes T5 and C5 are Unimpaired under the Plan and, consequently, the Holders of Equity Interests are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

C. Acceptance or Rejection of Plan

1. Acceptance or Rejection of Plan

(a) Voting Classes

Classes T3 and C3 are Impaired under the Plan, and Holders of Claims in Classes T3 and C3 are entitled to vote on the Plan.

(b) Presumed Acceptance of Plan

Classes T1, C1, T2, C2, T4, C4, T5 and C5 are Unimpaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

2. Acceptance by Impaired Classes

An Impaired Class of Claims shall have accepted the Plan if (i) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

D. Treatment of Executory Contracts and Unexpired Leases

1. Assumption

Except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, each Executory Contract of the Debtors that has not expired by its own terms before the Plan Effective Date that: (1) is listed on the Schedule of Assumed Contracts; (2) is not rejected prior to the Plan Effective Date; (3) is not the subject of a motion to reject Filed on or before the Confirmation Date upon which the Bankruptcy Court has not entered an Order; (4) is not listed on the Schedule of Rejected Contracts; or (5) has not been otherwise modified or superseded by agreement of the parties thereto, shall be deemed to have been assumed by the applicable Debtor as of the Plan Effective Date, pursuant to section 365 of the Bankruptcy Code. Nothing in the Plan, any annex to the Plan, or any document executed or delivered in connection with the Plan or any such annex creates any obligation or liability on the part of the Debtors, the Reorganized Debtors or any other person or entity that is not currently liable for such obligation, with respect to any Executory Contract except as otherwise provided in the Plan. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) each Executory Contract assumed under the Plan is an executory contract which may be assumed by the Debtors, (ii) there are no defaults of the Debtors, no cure amounts owing pursuant to section 365(b)(i) of the Bankruptcy Code (the "Cure Amount"), no compensation due for any actual pecuniary loss, and there is adequate assurance of future performance with respect to each Executory Contract, (iii) such assumption is in the best interest of the Debtors and their estates, (iv) upon the Plan Effective Date, the assumed Executory Contracts constitute legal, valid, binding, and enforceable

contracts in accordance with the terms thereof, and (v) the counterparty to each assumed Executory Contract is required to and ordered to perform under and honor the terms of the assumed Executory Contract.

Each Executory Contract assumed pursuant to Section 6.1 of the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan. Nothing in the Plan or any Plan Document shall create any obligation or liability on the part of any Debtor, any Reorganized Debtor or any other Person that does not currently have such liability or obligation, with respect to any Executory Contract.

Each Executory Contract that is assumed shall include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such Executory Contract and (ii) all Executory Contracts appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements, or franchises, and any other interests in real estate or rights *in rem* related to such premises, but excluding any agreement rejected pursuant to an order of the Bankruptcy Court.

In the event of a dispute (each, a "Cure Dispute") regarding: (i) the Cure Amount; (ii) the ability of the applicable Reorganized Debtor to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract to be assumed; or (iii) any other matter pertaining to the proposed assumption, any party in interest may file an objection to confirmation pursuant to the procedures established in the order approving this Disclosure Statement. Any objection that raises a Cure Dispute must identify the disputed Executory Contract and set forth with particularity the basis of the Cure Dispute. To the extent a Cure Dispute relates solely to the Cure Amount, the applicable Debtor may assume the applicable Executory Contract prior to the resolution of the Cure Dispute provided that such Debtor reserves Cash in an amount sufficient to pay the full amount asserted as cure payment by the non-Debtor party to such Executory Contract (or such smaller amount as may be fixed or estimated by the Bankruptcy Court). Any party that fails to object shall be forever barred, estopped, and enjoined from raising a Cure Dispute in the Bankruptcy Court, in any other court, in any arbitration or otherwise.

The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the assumptions described above, as of the Plan Effective Date. Each Executory Contract assumed pursuant to the Plan shall be assumed only to the extent that any such contract or lease constitutes an Executory Contract. Assumption of a contract or lease pursuant to the Plan shall not constitute an admission by the Debtors, the Reorganized Debtors or the Plan Proponents (as applicable) that such contract or lease is an Executory Contract or that the Debtors or the Reorganized Debtors (as applicable) have any liability thereunder. All Executory Contracts that are assumed will be assumed under their present terms or upon such terms as are agreed to in writing between the applicable Debtor and the counterparty to such contract or lease.

2. Rejection

Effective immediately prior to the Plan Effective Date, each Executory Contract of the Debtors listed on the Schedule of Rejected Contracts is rejected, to the extent, if any, each constitutes an executory contract or unexpired lease, and without conceding that each constitutes an executory contract or unexpired lease or that the Debtors have any liability under each. Listing a contract or lease on the Schedule of Rejected Contracts is not deemed an admission by the Debtors or the Reorganized Debtors that such contract is an Executory Contract or that the Debtors or the Reorganized Debtors have any liability thereunder or under the Plan. The Debtors reserve the right at any time before Confirmation to amend the Schedule of Rejected Contracts, including to (a) delete any Executory Contract on such Schedule and provide for its assumption or (b) add any Executory Contract to such Schedule, thus providing for its rejection. The Debtors shall provide notice of any amendment of such Schedule to the party to the affected executory contract or unexpired lease and the U.S. Trustee.

The Confirmation Order shall constitute an Order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving all such rejections as described above, as of the Plan Effective Date. If the rejection by the Debtors, pursuant to the Plan or otherwise, of an Executory Contract results in a Claim that is not theretofore evidenced by a timely filed proof of claim or a proof of claim that is deemed to be timely filed under applicable law, then such Claim shall be forever barred and shall not be enforceable against the Debtors or Reorganized Debtors, or the properties of the Debtors or Reorganized Debtors, unless a proof of claim for damages arising from the rejection under the Plan of an Executory Contract is Filed within thirty (30) days after the mailing of notice of Confirmation. Any such Claims that become Allowed Claims shall be classified in Class T4 or C4 of the Plan, as applicable.

3. Indemnification of Directors, Officers and Employees

For purposes of the Plan, the obligation of a Debtor to exculpate, indemnify, and advance any expenses to any Person serving at any time before, on, or after the Petition Date as one of its current, former, or future directors or officers (each, an "Indemnitee") by reason of such Person's service in such capacity, for acts or omissions occurring at or prior to the consummation of the Plan, whether asserted or claimed prior to, at or after the consummation of the Plan, to the extent provided in such Debtor's Corporate Documents, a written agreement with the Debtor, in accordance with any applicable law, or any combination of the foregoing or otherwise, shall: (a) survive confirmation of the Plan and the Plan Effective Date and continue in full force and effect (and not be modified, amended, or terminated in any manner adverse to any Indemnitee without the written consent of the affected Indemnitee); (b) become an obligation of the applicable Reorganized Debtor; and (c) not be discharged in accordance with section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with an event occurring before, on, or after the Petition Date.

4. D&O Liability Insurance Policies

Notwithstanding anything in the Plan to the contrary, as of the Plan Effective Date, the Debtors shall assume (and assign to any of the Reorganized Debtors as necessary to continue the D&O Liability Insurance Policies in full force) all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order shall

constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed.

5. Compensation and Benefits Plans

Except and to the extent previously assumed by an order of the Bankruptcy Court, on or before the Confirmation Date, all employee compensation and Benefit Plans, including Benefit Plans and programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated, shall be deemed to be, and shall be treated as if they were, Executory Contracts that are to be assumed hereunder. The Debtors' obligations under such plans and programs shall survive confirmation of the Plan, except for (1) employee compensation plans or Benefit Plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (2) such employee compensation plans or Benefit Plans as have previously been rejected, are the subject of a motion to reject as of the Confirmation Date or have been specifically waived by the beneficiaries of any of such Benefit Plans or employee compensation plans.

Neither of the Debtors is a sponsor of a defined benefit pension plan under ERISA. However, the Retirement Plan Sponsor, a Non-Debtor Subsidiary, is the sponsor of the Retirement Plan that has been frozen since 1993. As of the most recent FAS valuation of the Retirement Plan for the fiscal year ended December 31, 2009, the Retirement Plan was adequately funded, with funding in excess of the aggregate pension benefit obligations under the Retirement Plan. After the Plan Effective Date, the respective obligations, if any, of the Reorganized Debtors and the Retirement Plan Sponsor will be reinstated under the Plan.

E. Provisions Governing Distributions

1. Timing and Calculation of Amounts to Be Distributed

Except as otherwise provided in the Plan, on the Plan Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Plan Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtors as of the Distribution Record Date shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class and in the manner provided in the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Section 7.5 of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Plan Effective Date.

2. No Duplication of Recoveries on Series A Eligible Debt

For the avoidance of doubt, a Holder of a Noteholder Pledge Claim or a Holder of an Unsecured Parent Guaranty Claim shall only be entitled to receive a single recovery on account of such Holders' claims against the primary obligor, guarantor, or pledgor, arising under the Old 2016 Notes or the ESBDS I Loan, as applicable (i.e., a Claim for $1,000 unpaid principal amount of Old 2016 Notes and a related Claim against Tubo in respect of any pledged stock of CLH shall be deemed to be a single Noteholder Pledge Claim for $1,000 principal amount of Old 2016 Notes). Similarly, a Claim for $1,000 unpaid principal amount arising under the ESBDS I Loan against IUSA, as guarantor, and any related claims against IUSA, S.A. de C.V., as borrower, or any other member of the IUSA Group in respect of the ESBDS I Loan shall be deemed to be a single Unsecured Parent Guaranty Claim for $1,000 principal amount arising under the ESBDS I Loan).

3. Disbursing Agent

Except as otherwise provided in the Plan, all distributions under the Plan shall be made on the Plan Effective Date by the Reorganized Debtors as Disbursing Agents or such other Entity designated by the Reorganized Debtors as a Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. In the event that a Disbursing Agent is so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

Distributions of the New Series A Notes on account of the Old 2016 Notes shall be made by IUSA to the Indenture Trustee for the benefit of the Holders of the Noteholder Pledge Claims.

4. Rights and Powers of Disbursing Agent

(a) Powers of Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan.

(b) Expenses Incurred On or After Plan Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Plan Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors. Notwithstanding the foregoing, the Reorganized Debtors shall have no obligation to pay any fees or expenses incurred, or any compensation or expense reimbursement claims made, by IUSA on account of the distributions of the New Series A Notes.

5. Distributions on Account of Claims Allowed After Plan Effective Date

(a) Payments and Distributions on Disputed Claims

Distributions made after the Plan Effective Date to Holders of Disputed Claims that are not Allowed Claims as of the Plan Effective Date but which later become Allowed Claims shall be deemed to have been made on the Plan Effective Date.

(b) Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Debtors or the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the Holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

6. Delivery of Distributions and Undeliverable or Unclaimed Distributions

(a) Delivery of Distributions in General

Except as otherwise provided in the Plan, the Reorganized Debtors shall make distributions to Holders of Allowed Claims, except for Holders of Allowed Claims in Class T3, at the address for each such Holder as indicated on the Debtors' books and records as of the date of any such distribution; provided, however, that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; and provided, further, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in the Debtors' books and records or, as applicable, any Proof of Claim filed by that Holder. Distributions of New Series A Notes of the Reorganized Debtors to Holders of Allowed Claims in Class T3 shall be made to the Indenture Trustee for the benefit of the Holders of the Noteholder Pledge Claims as provided in the Plan. The Indenture Trustee shall, in turn, promptly administer the distributions to the Holders of Allowed Noteholder Pledge Claims, in accordance with the Plan and the Existing Indenture.

(b) Distributions Free and Clear

Except as otherwise provided in the Plan, any distributions under the Plan and the issuance and distribution of the New Notes shall be free and clear of any Liens, Claims and encumbrances, and no other entity, including but not limited to the Debtors, the Reorganized Debtors, or the members of the IUSA Group shall have any interest, legal, beneficial or otherwise, in assets transferred to holders of Allowed Claims or Eligible Debt pursuant to the Plan; provided, however, that nothing in the Plan shall affect the Indenture Trustee's charging lien, which lien is expressly preserved and shall survive confirmation of the Plan and the Plan Effective Date.

(c) Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; provided, however, such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Plan Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors or IUSA, as applicable (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such Claim shall be discharged and forever barred.

(d) Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Reorganized Debtors and/or the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens and encumbrances. Except as otherwise provided herein, distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest. For the avoidance of doubt, nothing contained herein shall require the Indenture Trustee to comply with any tax withholding or reporting requirements in connection with the distributions to be made to the Noteholders.

(e) Setoff

Each Debtor and each Reorganized Debtor may withhold (but not set off except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim (other than a Noteholder Pledge Claim or the Unsecured Parent Guaranty Claim) an amount equal to any claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim. In the event that any such claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim) the amount of any adjudicated or resolved claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, but only to

the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claims, Equity Interests, rights, and Causes of Action that the Debtors or the Reorganized Debtors may possess against any such Holder, except as specifically provided in the Plan.

F. Means for Implementation of Plan

1. Continued Corporate Existence

The Reorganized Debtors shall continue to exist after the Plan Effective Date as separate corporate entities in accordance with applicable law under their respective Corporate Documents, except to the extent such Corporate Documents may be amended including to comply with section 1123(a)(6) of the Bankruptcy Code, without the need for any further corporate action. Any proposed amendments to the Corporate Documents, including but not limited to any changes in the corporate and organizational structure of the Debtors, shall be filed in the Plan Supplement. On and after the Plan Effective Date, the Corporate Documents, as so amended, if necessary, shall continue to govern the Reorganized Debtors' operations. After the Plan Effective Date, the Reorganized Debtors shall be authorized to (i) establish new by-laws or corporate charters for either of the Reorganized Debtors, and/or (ii) change the corporate structure (e.g., corporation to limited liability company) of either Reorganized Debtor under the law of its applicable jurisdiction of organization, without further order of the Bankruptcy Court.

2. Revesting of Assets

Except as otherwise set forth in the Plan or in the Confirmation Order, as of the Plan Effective Date, the property of the Estates, together with any property of the Debtors that is not property of the Estates and that is not specifically disposed of pursuant to the Plan, shall revest in the applicable Reorganized Debtors free and clear of all Claims, Liens, encumbrances and other interests of the Holders of Claims or Equity Interests. Thereafter, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code, Bankruptcy Rules, and Bankruptcy Court.

3. Operation of Business and Properties

Without limiting the generality of the foregoing, all rights, privileges, entitlements, authorizations, grants, permits, licenses, easements, franchises, and other similar items which constitute part of, or are necessary or useful in the operation of the property or the business of the Debtors or the Reorganized Debtors, whether in the United States, Mexico or elsewhere, shall be vested in the applicable Reorganized Debtors on the Plan Effective Date, and shall thereafter be exercisable and usable by the Reorganized Debtors to the same extent they would have been exercisable and usable by the Debtors before the Petition Date or by the Estates or Debtors in Possession during the pendency of the Chapter 11 Cases.

4. Retention of Causes of Action

Except to the extent any Causes of Action are expressly and specifically waived, released or abandoned under the Plan or the Confirmation Order, or pursuant to any contract, instrument,

release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code: (1) any and all Causes of Action accruing to any Debtor or its Estate against any Person shall remain assets of and vest in the applicable Reorganized Debtor, whether or not litigation relating thereto is pending on the Plan Effective Date, and whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Bankruptcy Court; and (2) neither any Debtor nor any Reorganized Debtor waives, relinquishes, or abandons (nor shall they be estopped or otherwise precluded from asserting) any Causes of Action: (a) whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Bankruptcy Court; (b) whether or not such Causes of Action are currently known to the Debtors; and (c) whether or not a defendant in any litigation relating to such Causes of Action Filed a Proof of Claim, a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion or any similar doctrine, the failure to list, disclose, describe, identify, or refer to any Causes of Action in the Plan, the Schedule of Retained Causes of Action or any other document Filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any Causes of Action that any Debtor or any Reorganized Debtor has, or may have, as of the Confirmation Date.

Without limiting the generality of the foregoing, except as otherwise provided in the Plan, the Confirmation Order, any other order of the Bankruptcy Court or any Plan Document, nothing shall affect any Debtor's or Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Disputed Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against such Claims.

Due to the Plan's Unimpaired and/or agreed treatment of Claims, the Debtors and the Reorganized Debtors waive their rights to institute or prosecute any Avoidance Actions.

5. Cancellation of Existing Agreements

Except as provided in Section 8.5.3 of the Plan, or otherwise expressly provided in the Plan or the Confirmation Order, on the Plan Effective Date, the Existing Indenture, the Existing Pledge Agreement and any and all notes, instruments or other documents evidencing the Old 2016 Notes, the Noteholder Pledge Claims, the ESBDS I Loan and the Unsecured Parent Guaranty Claims shall be deemed cancelled, extinguished, discharged, and of no further force and effect, and, upon the delivery to the Holders of the Allowed Noteholder Pledge Claims and Allowed Unsecured Parent Guaranty Claims their ratable distribution of the New Series A Notes as set forth in Section 4 of the Plan, the obligations of the Debtors, the Non-Debtor Subsidiaries, IUSA, the Existing Guarantors, the Indenture Trustee, and any of their respective affiliates to the Holders of the Old 2016 Notes and ESBDS I Loan for obligations and/or duties arising under or related to the Old 2016 Notes and the ESBDS I Loan, respectively, shall be discharged. The Indenture Trustee is authorized to take whatever action may be necessary or appropriate (in each case, as requested by Tubo or reorganized Tubo) to effectuate the terms and conditions specified herein. Without limiting the generality of the foregoing, the Indenture Trustee shall be expressly

obligated to deliver to the Debtors, the Reorganized Debtors or the New Indenture Trustee, as directed by the Debtors, the shares pledged pursuant to the New Pledge Agreement to be held as collateral for the New Series A Notes.

For the avoidance of doubt, Section 8.5 of the Plan shall apply only to notes, instruments or other documents which evidence the Old 2016 Notes, the ESBDS I Loan and any guaranties and pledges thereunder, and except as otherwise expressly provided in the Plan or the Confirmation Order, all other notes, instruments, and other documents evidencing Claims against any Debtor shall continue in full force and effect after the Plan Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

Notwithstanding the foregoing, the Existing Indenture, the Old 2016 Notes and the Existing Pledge Agreement, shall continue in effect for the purposes of allowing (a) the Holders of the Noteholder Pledge Claims to receive their distributions under the Plan, (b) IUSA and/or the Indenture Trustee to make all distributions on account of the Allowed Noteholder Pledge Claims pursuant to the Plan and to perform any other necessary administrative functions with respect thereto, and (c) permitting the Indenture Trustee to assert its charging lien against such distribution for payment of any fees and expenses.

6. Satisfaction of Copper Debt and Commercial Paper

Simultaneous with the solicitation of acceptances and rejections of the Plan by holders of Claims against the Debtors and as a prerequisite to the Plan Effective Date thereunder, pursuant to the Consensual Exchange, IUSA is requesting holders of the Copper Debt and the Commercial Paper to exchange their Copper Debt or Commercial Paper, as applicable, for New Series B Notes. Pursuant to the Consensual Exchange, and consistent with the Plan, IUSA will issue the New Series B Notes pursuant to the Plan in exchange for the Series B Eligible Debt held by the holders of Copper Debt and Commercial Paper. Upon the delivery to the holders of the Copper Debt and Commercial Paper their ratable distribution of the New Series B Notes, as set forth in the Consensual Exchange Documents, the obligations of IUSA, and any of its affiliates to the holders of the Copper Debt and Commercial Paper for obligations arising under the Series B Eligible Debt held by such holder, respectively, shall be fully discharged, released and satisfied. For a further description of the exchanges pursuant to the Consensual Exchange, please refer to the Restructuring Agreement, attached hereto as Exhibit 3, and the Information Memorandum, attached hereto as Exhibit 5.

7. New Notes

A full description of the New Series A Notes and New Series B Notes is attached hereto as Exhibit 4, and the New Indentures shall be included in the Plan Supplement.

The New Notes will be IUSA's direct senior obligations and be guaranteed by substantially all of IUSA's existing and future direct and indirect Mexican subsidiaries (except certain excluded subsidiaries identified in the New Indentures, the "Excluded Businesses"). The New Notes will mature on November 15, 2016 and accrue interest at a rate of 11.50% per annum.

The New Notes will be secured by, with respect to IUSA and its direct and indirect subsidiaries (other than the Excluded Businesses and CLH and its direct and indirect subsidiaries) (i) all future and current real property, including land and buildings; (ii) substantially all other future and current unencumbered long-term assets, properties and machinery and equipment, including, without limitation, all owned capital stock (other than capital stock of subsidiaries and IUSA-GE); (iii) 30% of the future and current amounts in a lockbox account related to royalties for the use of certain payment cards in Mexico; (iv) all capital stock of IUSA's future and current direct and indirect Mexican Subsidiaries, except the Excluded Businesses; (v) a second priority lien on currently encumbered assets; and (vi) the proceeds of each of the assets described in (i) through (v) above.

In addition, the New Series A Notes (but not the New Series B Notes) will be secured by a first-priority pledge of capital stock of CLH.

8. Restructuring Transactions

The Consensual Exchange is an integral part of the Plan. The Plan Proponents believe that the Consensual Exchange is in the best interests of the Debtors' creditors and the Estates and that the Consenting Creditors would not agree to support the Plan absent consummation of the Consensual Exchange and issuance of the New Series B Notes pursuant to the Plan. On the Plan Effective Date, the following Restructuring Transactions shall be effectuated:

(a) IUSA shall enter into the New Indentures for the New Notes;

(b) IUSA shall issue and distribute the New Series A Notes to the (a) Holders of Old 2016 Notes/Allowed Noteholder Pledge Claims and (b) Holders of the ESBDS I Loan/ Allowed Unsecured Parent Guaranty Claims, in each instance in full and final satisfaction and discharge of all such obligations of any member of the IUSA Group with respect to such obligations;

(c) IUSA shall issue and distribute the New Series B Notes to the Holders of Series B Eligible Debt that have elected to participate in the Consensual Exchange, in each instance in full and final satisfaction and discharge of Series B Eligible Debt owed by any member of the IUSA Group with respect to such Series B Eligible Debt.

(i) Each holder of the Copper Base Amount shall receive pursuant to the terms of the Consensual Exchange in the Restructuring Agreement Series B Notes with a principal amount ranging from U.S.$1,100.34 to U.S.$1,121.73, depending on the Copper Debt Interest Accrual Date applicable to the specific series of Copper Debt, which is equal to (i) the Copper Debt Base Amount, plus (ii) the amount of accrued and unpaid interest on each component of such Copper Debt Base Amount from the applicable Copper Debt Interest Accrual Date through November 15, 2011, at an interest rate of 3.717% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the Copper Debt Restructuring Fee, and (b) the interest accrued on the Copper Debt Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 3.717% per annum compounded quarterly.

(ii) Each holder of the 9.75% CP Base Amount shall receive pursuant to the terms of the Exchange Offer Series B notes with a principal amount equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from the stated maturity date of the 9.75% CP Base Amount through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 9.75% CP Restructuring Fee and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly.

(iii) Each holder of the 12% CP Base Amount shall receive pursuant to the terms of the Exchange Offer Series B notes with a principal amount equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from the stated maturity date of the 12% CP Base Amount through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 12% CP Restructuring Fee, and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly.

(d) Tubo, and each other subsidiary of IUSA that has agreed to guarantee the New Notes pursuant to the terms of the Restructuring Agreement, shall execute and deliver the New Indentures as a guarantor thereunder; and

(e) Tubo shall execute and deliver the New Pledge Agreement.

9. Effectuating Documents; Further Transactions

The entry of the Confirmation Order shall constitute a direction to and authorization for the Plan Proponents and the Reorganized Debtors (as the case may be) and their respective directors and officers to take or cause to be taken any action that they deem necessary or appropriate to consummate the transactions contemplated by the Plan and the Plan Supplement, and to execute any contracts, instruments, and other agreements or documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, in each case, without further order by the Bankruptcy Court.

The appropriate officers (including the chief executive officer, chief financial officer, president, treasurer, or any vice president thereof) of each Reorganized Debtor, each acting singly, shall be authorized to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the transactions contemplated by the Plan and the Plan Supplement, without any requirement of further action by the board of directors or stockholders of the applicable Debtor. The secretary, assistant secretary or other appropriate officer of each Reorganized Debtor shall be authorized to certify or attest to any of the foregoing actions.

10. Management of Reorganized Debtors

Subject to the New Corporate Documents, on the Plan Effective Date, the management, control, and operation of each Reorganized Debtor shall become the general responsibility of its respective board of directors in accordance with applicable non-bankruptcy law. Except as otherwise disclosed on or before the Confirmation Date, the individuals serving as members of the Board of Directors of each Debtor as of the Petition Date shall continue to serve as directors of each respective Reorganized Debtor. Subject to the New Corporate Documents, the directors of each Reorganized Debtor shall have the responsibility for the management, control, and operation of each respective Reorganized Debtor on and after the Plan Effective Date.

As part of the Plan Supplement, but in any event prior to the Confirmation Date, the Debtors will File a schedule disclosing such additional information as is necessary to satisfy section 1129(a)(5) of the Bankruptcy Code including the (1) identity and affiliation of any individual who is proposed to serve as an officer or director of any Reorganized Debtor; (2) identity of any other insider who will be employed or retained by any Reorganized Debtor; and (3) compensation for each such individual.

G. Summary of Consensual Exchange

The effectiveness of the Plan is contingent upon the completion of all the Restructuring Transactions. Therefore, in order to fully provide means for the implementation of the Plan as required under section 1123(a)(5) of the Bankruptcy Code, the Plan provides for the issuance by IUSA of the New Series B Notes upon a successful completion of the Consensual Exchange.

1. Solicitation of Holders of Copper Debt and Commercial Paper

Simultaneous with the solicitation of acceptances and rejections of the Plan and as a prerequisite to the Plan Effective Date, IUSA and the Subsidiary Guarantors are soliciting holders of the Copper Debt and the Commercial Paper, through the Consensual Exchange, to exchange their Copper Debt or Commercial Paper, as applicable, for New Series B Notes. The Plan provides for IUSA and the Subsidiary Guarantors to issue the New Series B Notes in exchange for the Series B Eligible Debt held by the holders of Copper Debt and Commercial Paper. The New Series B Notes will be issued pursuant to section 1145 of the Bankruptcy Code. The holders of Copper Debt and Commercial Paper are not underwriters as that term is defined in section 1145 of the Bankruptcy Code. Holders of Copper Debt and Commercial Paper who elect to exchange their debt will receive New Series B Notes with a face value as provided for in Section 8(c) hereof.

The simultaneous consummation of the Consensual Exchange is a condition precedent to the Plan Effective Date.

2. New Series B Notes

A full description of the New Series A Notes and New Series B Notes is attached hereto as Exhibit 4.

H. Discharge, Releases and Exculpation.

1. Discharge

Except as otherwise provided in the Plan or the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims and Equity Interests of any nature whatsoever against the Debtors or any of their Estates, assets, properties or interests in property, and regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims and Equity Interests. Except as otherwise provided in the Plan, upon the Plan Effective Date, the Debtors shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims and Equity Interests, including, but not limited to, demands and liabilities that arose before the Plan Effective Date, and all debts of the kind specified in sections 502(g), 502(h) and 502(i) of the Bankruptcy Code, regardless of whether or not: (a) a Proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (b) the Claim is Allowed, or (c) the Holder of a Claim based on such debt has accepted the Plan or is entitled to receive a distribution thereunder. Upon entry of the Confirmation Order, and subject to the occurrence of the Plan Effective Date, any Holder of such discharged Claim shall be precluded from asserting against the applicable Debtor or Reorganized Debtor, their successors and assigns, or their assets or properties any other or future Claims based upon any document, instrument, act or omission, transaction or other activity of any kind or nature that occurred before the Plan Effective Date. The Reorganized Debtors shall not be responsible for any Claims against or Equity Interests in the Debtors or the Debtors in Possession except (a) those payments and distributions expressly provided for or due under this Plan and (b) Claims and Equity Interests that are Unimpaired under the Plan and not previously satisfied in full.

In addition to the terms of Section 9.1.1 of the Plan, upon the Plan Effective Date, each Holder of a Noteholder Pledge Claim or an Unsecured Parent Guaranty Claim and any affiliate of such Holder shall be deemed to have waived, released and discharged IUSA and each member of the IUSA Group from any Liens, Claims, Causes of Action, rights or liabilities arising from the notes issued under, and the guarantees issued pursuant to, either of the Existing Indenture or the ESBDS I Loan. In addition, the Confirmation Order shall provide that the Indenture Trustee is authorized and directed to take all such actions necessary to effectuate the foregoing. Upon the Plan Effective Date, all such persons shall be forever precluded and enjoined from prosecuting or asserting any such discharged Claim against IUSA, the IUSA Group, the Reorganized Debtors, or any of their respective affiliates. Notwithstanding any other provision in the Plan to the contrary, the Indenture Trustee's charging lien shall not be discharged, released, or otherwise impaired by confirmation of the Plan.

2. Exculpation

To the extent permitted by applicable law and approved by the Bankruptcy Court, as of the Plan Effective Date, the Released Parties[10] and any attorneys, financial advisors, investment bankers, accountants, consultants, or other professionals of the Released Parties shall neither have nor incur any liability to, or be subject to any right of action by, any Holder of a Claim or Equity Interest, or any other party-in-interest, or any of their respective employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of these Chapter 11 Cases, including without limitation (i) formulating, negotiating and executing the Plan, this Disclosure Statement, the Restructuring Agreement and any related agreements, instruments or other documents, (ii) the solicitation of votes for and the pursuit of this Plan, (iii) the consummation of this Plan, or (iv) the implementation and administration of this Plan or the property to be distributed in conjunction with this Plan; provided, however, that the foregoing provision shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence, or criminal conduct.

3. Release by Debtors and Plan Proponents

To the extent permitted by applicable law and approved by the Bankruptcy Court, on the Plan Effective Date, for good and valuable consideration, including the service of the Released Parties to facilitate the restructuring of the Debtors and the implementation of the restructuring contemplated by the Plan, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors and IUSA, in their individual capacities, and, as applicable, as debtors in possession on behalf of the Debtors' Estates, shall be deemed to have unconditionally released the Released Parties and any attorneys, financial advisors, investment bankers, accountants, consultants, or other professionals of the Released Parties from any and all claims, Causes of Action, obligations, rights, suits, damages, remedies, and liabilities whatsoever, including any claims that could be asserted on behalf of the Debtors (whether derivatively or otherwise) including chapter 5 actions, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that the Debtors or their subsidiaries would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Plan Effective Date; provided, however, that these releases shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent

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[10] "Released Parties" means, collectively, (a) the Debtors, (b) each Non-Debtor Subsidiary, (c) IUSA, (d) the Subsidiary Guarantors, (e) the Indenture Trustee, (f) each Noteholder, (g) each Existing Guarantor, (h) the current directors, officers and employees of the Debtors, the Non-Debtor Subsidiaries, IUSA and other members of the IUSA Group, and (i) the officers, directors, employees, agents, affiliates, predecessors, successors and assigns of each of the parties described in clauses (a) through (h).

jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence, or criminal conduct. The releases set forth in this paragraph shall be binding upon any chapter 7 trustee in the event the Chapter 11 Cases are converted to chapter 7.

4. Releases by Holders of Claims

Except as specifically set forth in the Plan or the Confirmation Order, to the fullest extent permitted by applicable law and approved by the Bankruptcy Court, on the Plan Effective Date, for good and valuable consideration, including the service of the Released Parties to facilitate the restructuring of the Debtors and the implementation of the restructuring contemplated by this Plan, the adequacy of which is hereby confirmed, each Holder of a Claim shall unconditionally release the Released Parties from any and all claims, Causes of Action, obligations, rights, suits, damages, remedies and liabilities whatsoever, including any claims that could be asserted on behalf of the Debtors (whether derivatively or otherwise) including chapter 5 actions, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that the Debtors or their subsidiaries would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Plan Effective Date, in any way relating or pertaining to, (x) the Debtors or Reorganized Debtors, (y) the Chapter 11 Cases or (z) the negotiation, formulation, implementation and preparation of the Restructuring Agreement, this Plan, the Disclosure Statement, and any related agreements, instruments or other document, provided, however, the foregoing provision shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence, or criminal conduct, provided, further, however, the foregoing provision shall not apply to any claim, Cause of Action, right, suit, damage or remedy against UCI held by GECC (or any other lender or holder of obligations, if any, related to the GECC Loan), or to any obligation or liability of UCI to GECC (or any other lender or holder of obligations, if any, related to the GECC Loan), arising from or related to the GECC Loan; provided, further, however, nothing in the Chapter 11 Cases, the Confirmation Order, the Plan, or section 1141 of the Bankruptcy Code shall in any way be construed to discharge, release, exculpate, limit, or relieve the Released Parties, or any other entity that may be liable with respect to the Cambridge-Lee Industries, Inc. Employees Retirement Plan or any other IUSA Group defined benefit plan from the claims of the PBGC or the Cambridge-Lee Industries, Inc. Employees Retirement Plan under any law, governmental policy, or regulatory provision, and the PBGC, the Cambridge-Lee Industries, Inc. Employees Retirement Plan, and any other IUSA Group defined benefit plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, or section 1141 of the Bankruptcy Code. Nevertheless, the PBGC is not aware of any claims or causes of action as of the Plan Effective Date that the PBGC or the Cambridge-Lee Industries, Inc. Employee Retirement Plan would assert against the Released Parties, any member of the IUSA Group, or any other entity.

5. Injunction

Except as otherwise provided in the Plan or the Confirmation Order, and in addition to the injunction provided under sections 524(a) and 1141 of the Bankruptcy Code, all Persons who have held, currently hold or may hold a Claim or other debt or liability or Equity Interest which is released, discharged or terminated under the Plan, are permanently enjoined, on and after the Plan Effective Date, from taking any of the following actions against a Released Party or its property on account of such released, discharged or terminated Claims, debts, liabilities or Equity Interests: (1) commencing or continuing in any manner (including by directly or indirectly assisting or facilitating the commencement or continuation of) any action or other proceeding of any kind; (2) enforcing, levying, attaching, collecting or otherwise recovering in any manner any judgment, award, decree or order; (3) creating, perfecting or enforcing any lien or encumbrance of any kind; (4) except as provided in the Plan, asserting any setoff, right of subrogation or recoupment of any kind against any obligation due from any Released Party; and (5) commencing, continuing or in any manner taking part or participating in any action, proceeding or event (whether directly or indirectly) that would be in contravention of the terms, conditions and intent of the Plan. The foregoing injunction will extend to the benefit of the successors of the Released Parties and their respective properties and interests in property. Any Person injured by any willful violation of such injunction may recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may recover punitive damages from the willful violator.

6. Term of Injunctions and Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Plan Effective Date.

I. Claim Resolution Process

1. No Bar Date; No Proofs of Claim

Except as otherwise provided in the Plan, Holders of Claims against and Equity Interests in the Debtors shall not be required to file proofs of Claim or proofs of Equity Interest with the Bankruptcy Court. For the avoidance of doubt, holders of Claims that are Allowed pursuant to the terms of the Plan need not file proofs of claim as to the amounts expressly Allowed under the Plan.

2. Administrative Claim and Priority Tax Claims Allowed as Set Forth in Books and Records

Except as otherwise specified in this Plan, the amount set forth in the books and records of the applicable Debtor (or agreed to by the applicable Debtor and the Holder in the ordinary course) shall constitute the amount of the Allowed Administrative Claim and/or Allowed Priority Tax Claim of such Holder, subject to the right of such Holder to object to the amount of such Claim.

J. Conditions to Confirmation and Plan Effective Date

1. Conditions to Confirmation

Confirmation of the Plan shall not occur unless and until each of the conditions set forth below has been satisfied or duly waived by the Debtors:

(a) The Bankruptcy Court shall have entered an order in form and substance satisfactory to the Debtors, approving the Disclosure Statement used in connection with the solicitation of the votes with respect to the Plan as containing "adequate information" within the meaning of section 1125 of the Bankruptcy Code.

(b) The Confirmation Order, in form and substance satisfactory to the Debtors, shall have been entered by the Bankruptcy Court.

2. Conditions to Effectiveness

The Plan Effective Date shall not occur unless and until each of the conditions set forth below has been satisfied or duly waived by the Debtors in accordance with Section 13.3 of the Plan:

(a) The Confirmation Order shall become a Final Order, shall not have been modified (except as consented to by the Debtors) and shall be in full force and effect.

(b) There shall not be in effect any order or law staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Plan.

(c) No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

(d) All necessary consents, approvals and actions of, filings with and notices to any governmental or regulatory authority necessary to permit the Reorganized Debtors to perform their obligations under the Plan and to permit the Reorganized Debtors to consummate the transactions contemplated hereby shall have been duly obtained, made or given and shall be in full force and effect, and all terminations or expirations of waiting periods imposed by any governmental or regulatory authority necessary for the consummation of the transactions contemplated by the Plan shall have occurred.

(e) All conditions to the effectiveness of the Consensual Exchange and Restructuring Agreement shall have been satisfied or waived (to the extent capable of being waived) in accordance with the terms thereof; the Consensual Exchange and Restructuring Agreement shall be successfully completed simultaneously with the effectiveness of this Plan.

(f) All conditions precedent to the issuance of the New Notes shall have been satisfied or waived (to the extent capable of being waived) in accordance with the terms thereof and the Consensual Exchange shall be successfully completed simultaneously.

(g) All other actions, documents, and agreements necessary to implement the Plan shall have been effected or executed.

3. Waiver of Conditions

Each of the conditions set forth in Section 13.2 of the Plan may be waived in whole or in part by the Debtors, without any notice to parties in interest or the Bankruptcy Court and without a hearing; provided that, Sections 13.2.5 and 13.2.6 of the Plan may not be waived by the Debtors except as provided for in the Consensual Exchange, the Restructuring Agreement and the New Notes. The failure to satisfy or waive any condition to the Plan Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the Debtors or any of them). The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

4. Effects of Failure of Conditions

If, following entry of the Confirmation Order, the Restructuring Agreement has terminated in accordance with its terms prior to the occurrence of the Plan Effective Date, then the Confirmation Order shall be vacated, pursuant to Section 13.4 of the Plan, by the Bankruptcy Court without further notice or order. If the Confirmation Order is vacated pursuant to Section 13.4 of the Plan, (a) the Debtors shall File a notice to this effect with the Bankruptcy Court, (b) the Plan shall be null and void in all respects, and (c) nothing contained in the Plan shall (x) constitute a waiver or release of any Claim against or Equity Interest in any Debtor or (y) prejudice in any manner the rights of the Debtors or the Holder of any Claim or Equity Interest.

VI.

FINANCIAL INFORMATION

As a condition to confirmation of a plan, section 1129(a)(11) of the Bankruptcy Code requires, among other things, that the Bankruptcy Court determine that confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor. In connection with the development of the Plan, and for purposes of determining whether the Plan satisfies this feasibility standard, the Plan Proponents' management and professionals have analyzed the ability of the Plan Proponents to meet their obligations under the Plan and retain sufficient liquidity and capital resources to conduct their business. The Plan Proponents believe that the Plan satisfies this requirement.

The Projected Financial Statements (the "Projections") for the IUSA Group for the periods through 2016, which are set forth in Exhibit 6 to this Disclosure Statement, should be read in conjunction with **Section VII, "Certain Risk Factors To Be Considered"** and with **Section X, "Certain U.S. Federal Income Tax Consequences of Plan"** and with the assumptions, qualifications and footnotes to the tables containing the Projections (which include projected balance sheets and projected statements of cash flows) and the historical consolidated financial information (including the notes and schedules thereto) set forth in Exhibit 6. The

Projections have been prepared on a consolidated basis for all members of the IUSA Group that will be issuers or guarantors of the New Notes. The group as to whom the Projections have been prepared thus includes Tubo but excludes CLH and the Non-Debtor Subsidiaries.

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE PROJECTIONS ARE BASED UPON A VARIETY OF ASSUMPTIONS, SOME OF WHICH HAVE NOT BEEN ACHIEVED TO DATE AND WHICH MAY NOT BE REALIZED IN THE FUTURE, AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, OR ANY OTHER PERSON, THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS.

THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH PROJECTIONS OF ITS ANTICIPATED FINANCIAL POSITION, RESULTS OF OPERATIONS OR CASH FLOWS. ACCORDINGLY, THE DEBTORS DO NOT INTEND, AND DISCLAIM ANY OBLIGATION TO, (A) FURNISH UPDATED PROJECTIONS TO HOLDERS OF CLAIMS OR INTERESTS ON OR PRIOR TO THE PLAN EFFECTIVE DATE OR TO HOLDERS OF NEW NOTES OR ANY OTHER PARTY AFTER THE PLAN EFFECTIVE DATE, (B) INCLUDE SUCH UPDATED INFORMATION IN ANY DOCUMENTS THAT MAY BE REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), OR (C) SUBJECT TO THE TERMS OF ANY EXISTING CONFIDENTIALITY AGREEMENT BETWEEN IUSA AND ANY OF THE CONSENTING CREDITORS, OTHERWISE MAKE SUCH UPDATED INFORMATION PUBLICLY AVAILABLE.

VII.

CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN, THE CONSENSUAL EXCHANGE DOCUMENTS AND ALL OTHER RELATED DOCUMENTS. THESE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION. RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE DEBTORS, OR THAT THEY CURRENTLY DEEM IMMATERIAL, MAY ALSO HARM THEIR BUSINESSES.

A. General Bankruptcy Law Considerations

1. Failure to Complete Consensual Exchange May Result in Delay or Failure of Plan

Although the Plan Proponents believe that the Consensual Exchange will be completed on an expeditious basis without the need for additional court processes, if the holders of less than 100% of the Copper Debt and 95% of the Commercial Paper tender their debt pursuant to the Restructuring Agreement and Consensual Exchange, respectively, the Plan Proponents may consummate the Consensual Exchange through alternative means. Additionally, there is no guaranty that IUSA would be able to consummate the Consensual Exchange in such circumstances. If IUSA cannot consummate the Consensual Exchange, the Plan will not be able to be consummated. If the Plan cannot be consummated, there can be no assurance that the Chapter 11 Cases will continue rather than be converted into chapter 7 liquidation cases or that any alternative plan or plans would be on terms as favorable to the Holders of Claims against and Equity Interests in any Debtor as the terms of the Plan. If a liquidation or protracted reorganization of the Debtors' Estates were to occur, there is a substantial risk that the Debtors' going concern value would be substantially eroded to the detriment of all stakeholders.

2. Failure to Obtain Confirmation of Plan May Result in Liquidation or Alternative Plan on Less Favorable Terms

Although the Plan Proponents believe that the Plan will satisfy all requirements for Confirmation under the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications would not be sufficiently material as to necessitate the resolicitation of votes on the Plan. In the event that Classes T3 and C3 fail to accept the Plan in accordance with section 1126(c) and 1129(a)(8) of the Bankruptcy Code, the Debtors reserve the right to modify the Plan in accordance with Section 12.7 thereof.

If the Plan is not confirmed, there can be no assurance that the Chapter 11 Cases will continue rather than be converted into chapter 7 liquidation cases or that any alternative plan or plans would be on terms as favorable to the Holders of Claims against and Equity Interests in any Debtor as the terms of the Plan. If a liquidation or protracted reorganization of the Debtors' Estates were to occur, there is a substantial risk that the Debtors' going concern value would be substantially eroded to the detriment of all stakeholders.

3. Failure of Occurrence of Plan Effective Date May Result in Liquidation or Alternative Plan on Less Favorable Terms

Although the Plan Proponents believe that the Plan Effective Date may occur on or shortly after the Confirmation Date, there can be no assurance as to such timing. The occurrence of the Plan Effective Date is also subject to certain conditions precedent as described in Section 13 of the Plan. Failure to meet any of these conditions could result in the Plan not being consummated.

If the Confirmation Order is vacated, the Plan shall be null and void in all respects and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claim against or

Equity Interest in any Debtor; or (b) prejudice in any manner the rights of the Debtors or the Holder of any Claim or Equity Interest.

If the Plan Effective Date does not occur, there can be no assurance that the Chapter 11 Cases will continue rather than be converted into chapter 7 liquidation cases or that any alternative plan or plans of reorganization would be on terms as favorable to the Holders of Claims against or Equity Interests in any Debtor as the terms of the Plan. If a liquidation or protracted reorganization of the Estates were to occur, there is a substantial risk that the Debtors' going concern value would be eroded to the detriment of all stakeholders.

B. Additional Factors

1. Information Presented Is Based on Debtors' Books and Records; No Audit Was Performed

While the Debtors have endeavored to present information fairly in this Disclosure Statement, because of the complexity of its financial matters, the Debtors' books and records upon which this Disclosure Statement is based might be incomplete or inaccurate. The financial information contained herein, unless otherwise expressly indicated, is unaudited.

2. Plan Proponents Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Plan Proponents as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Plan Proponents have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

3. Projections and Other Forward-Looking Statements Are Not Assured, and Actual Results May Vary

Certain of the information contained in this Disclosure Statement is, by nature, forward-looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and contains projections which may be materially different from actual future experiences. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of funds or the amount of Claims in the various Classes that might be Allowed.

4. Ability to Service Debt

The Reorganized Debtors will still have substantial indebtedness. The degree to which the Reorganized Debtors will be leveraged could affect, among other things, the Reorganized Debtors' ability to satisfy their obligations under the New Series A Notes, the New Series B Notes, and Allowed Claims under the Plan, the ability to obtain financing in the future, or the flexibility in planning for or reacting to business changes in the future. There can be no assurance that the Reorganized Debtors will be able to generate sufficient cash flow from operations or that sufficient future borrowings will be available to pay off, or refinance, the Reorganized Debtors' debt obligations.

5. Sale of Assets and/or Equity Interests

IUSA has received several unsolicited offers to acquire the assets or stock of certain of the IUSA Group's United States subsidiaries and may from time to time receive additional unsolicited proposals. IUSA is evaluating these offers and has commenced discussions in respect of the terms of some of these offers. No assurances can be made as to the timing or terms of any such sale or as to whether any such offers will result in definitive documentation with respect to, or consummation of, an actual sale.

6. No Legal or Tax Advice Is Provided to You by This Disclosure Statement

The contents of this Disclosure Statement should *not* be construed as legal, business or tax advice. Each Holder of a Claim or Equity Interest should consult his, her or its own legal counsel and tax advisor as to legal, tax and other matters concerning his, her or its Claim or Equity Interest.

This Disclosure Statement is *not* legal advice to you. This Disclosure Statement may *not* be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

7. No Admission Made

Nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Plan on the Plan Proponents or on Holders of Claims or Equity Interests.

8. Market And Business Risks May Adversely Affect Business Performance

Because the Debtors are merely holding companies, they rely completely on the income-producing activities of the Non-Debtor Subsidiaries. In the normal course of business, the Non-Debtor Subsidiaries are subject to the following types of risks and variables, which may materially affect their businesses' performance following the Plan Effective Date:

(a) general economic and business conditions, particularly the current economic downturn;

(b) variations in the financial or operational condition of the Non-Debtors Subsidiaries' significant customers;

(c) material shortages, transportation systems delays or other difficulties in markets (i) relating to the delivery of products or (ii) where the Non-Debtor Subsidiaries purchase supplies for the provision of their services;

(d) significant work stoppages, disputes or any other difficulties in labor markets (i) relating to the delivery of products or (ii) where the Non-Debtor Subsidiaries obtain materials necessary for the provision of their services;

(e) increased development of competitive alternatives to the Non-Debtor Subsidiaries' products;

(f) fluctuations in interest rates;

(g) unscheduled facility shutdowns;

(h) increased operating costs;

(i) changes in prices and supply of materials;

(j) changes in credit terms offered by the Non-Debtor Subsidiaries' suppliers;

(k) the Non-Debtor Subsidiaries' ability to obtain cash adequate to fund theirs and the Reorganized Debtors' needs;

(l) various worldwide economic and political factors, changes in economic conditions, currency fluctuations and devaluations, credit risks in foreign markets or political instability in foreign countries where the Non-Debtor Subsidiaries have customers or operations;

(m) physical damage to or loss of, among other things, any facility or equipment due to fire, weather or other factors beyond the Non-Debtor Subsidiaries' control;

(n) legislative activities of governments, agencies and similar organizations, both in the United States and in foreign countries, that may affect the Non-Debtor Subsidiaries' operations;

(o) the Non-Debtor Subsidiaries' ability to comply with government regulations, including environmental regulations; and

(p) legal actions and claims of undetermined merit and amount involving, among other things, product liability and environmental and safety issues involving the Non-Debtor Subsidiaries' services or facilities;

9. Cost of Compliance with Government Regulation May Adversely Affect Financial Results

The Non-Debtor Subsidiaries are subject to various foreign, federal, state and local laws and regulations that affect the conduct of their operations, including environmental laws. The Debtors cannot assure you that compliance with these laws and regulations, or the adoption of modified or additional laws and regulations, will not require large expenditures by the Debtors or the Non-Debtor Subsidiaries or otherwise have a significant effect on the Debtors' financial condition or results of operations. Among other laws, a change in the tax laws of the United States or Mexico could materially affect the consequences of the Plan as described herein to the Debtors and the Holders of Claims. **See Section X, "Certain Federal Income Tax Consequences of the Plan."**

10. Access to Financing and Trade Terms

The Plan Proponents' and Non-Debtor Subsidiaries' operations are dependent on the availability and cost of working capital financing and trade terms provided by vendors and may be adversely affected by any shortage or increased cost of such financing and trade vendor support. The Plan Proponents' and Non-Debtor Subsidiaries' operations have been financed from operating cash flow, the use of cash collateral, and borrowings from credit facilities. The Plan Proponents believe that substantially all of their needs for funds necessary to consummate the Plan and for post-Plan Effective Date working capital financing will be met by projected operating cash flow and trade terms supplied by vendors. However, if the Reorganized Debtors or the Non-Debtor Subsidiaries require working capital and trade financing greater than that provided by such sources, they may be required either to (i) obtain other sources of financing or (ii) curtail their operations.

No assurance can be given, however, that any additional financing will be available, if at all, on terms that are favorable or acceptable to the Reorganized Debtors or the Non-Debtor Subsidiaries. The Plan Proponents believe that it is important to their going-forward business plan that their performance meet projected results in order to ensure continued support from vendors.

11. Variances from Projections

The fundamental premise of the Plan is the deleveraging of the Plan Proponents and the implementation and realization of the Plan Proponents' business plan, as reflected in the projections contained in this Disclosure Statement. The projections reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors and Non-Debtor Subsidiaries. Such assumptions include, among other items, assumptions concerning the general economy, the ability to make necessary capital expenditures, the ability to establish market strength, consumer purchasing trends and preferences, and the ability to stabilize and grow the companies' sales base and control future operating expenses. The Plan Proponents believe that the assumptions underlying the projections are reasonable. However, unanticipated events and circumstances occurring subsequent to the preparation of the projections may affect the actual financial results of the Reorganized Debtors and the Non-Debtor Subsidiaries. Therefore, the actual results achieved throughout the periods covered by the projections necessarily will vary from the projected results, and such variations may be material and adverse.

C. Additional Risk Factors

For additional detail regarding risk factors related to the IUSA Group business, the Exchange Offer, and/or the New Series B Notes, please see the Information Memorandum attached hereto as Exhibit 5. Many of the risk factors highlighted in the Information Memorandum may be applicable to the New Series A Notes and should be read in conjunction with this **Section VII** of the Disclosure Statement.

VIII.

VOTING REQUIREMENTS

On July 18, 2011, the Bankruptcy Court entered the Disclosure Statement Order that, among other things, approved this Disclosure Statement, set voting procedures, and scheduled the Confirmation Hearing. A copy of the Disclosure Statement Order and the Confirmation Hearing Notice are enclosed with this Disclosure Statement as part of the Solicitation Package. The Disclosure Statement Order sets forth in detail, among other things, procedures governing voting deadlines and objection deadlines. The Disclosure Statement Order, the Confirmation Hearing Notice, and the instructions attached to the Ballot should be read in connection with this Section VIII of the Disclosure Statement.

If you have any questions about the procedure for voting your Claims or Interests or the packet of materials you received, please contact:

via phone: (646) 282-2400

via email: tabulation@epiqsystems.com

via first class mail:

Tubo de Pastejé, S.A. Ballot Processing
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5014
New York, NY 10150-5014

via hand delivery or overnight

Tubo de Pastejé, S.A. Ballot Processing
c/o Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017

Additional copies of the Plan, this Disclosure Statement, and the Consensual Exchange Documents or the exhibits to any of those documents can be accessed free of charge from the following website: **http://dm.epiq11.com/tubo**. Copies of the Plan, this Disclosure Statement, the Consensual Exchange Documents are also available at your own expense, upon written request to the Notice and Balloting Agent at: Tubo de Pastejé, S.A. Ballot Processing, c/o Epiq Bankruptcy Solutions, LLC, 757 Third Avenue, 3rd Floor, New York, NY 10017, by telephone at (646) 282-2400 or by email at tabulation@epiqsystems.com, or the Bankruptcy Court's website: www.deb.uscourts.gov. Note: a PACER password and login are needed to access documents on the Bankruptcy Court's website and a fee will be charged (https://ecf.deb.uscourts.gov/).

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code and that the disclosures of the Plan Proponents concerning the Plan have been adequate and have included information concerning all distributions made or promised by the Plan Proponents in connection with the

Plan and the Chapter 11 Cases. In addition, the Bankruptcy Court must determine that the Plan has been proposed in good faith and not by any means forbidden by law.

In particular, in order to confirm the Plan, the Bankruptcy Code requires the Bankruptcy Court to find, among other things, that the Plan: (i) has been accepted by the requisite votes of all Classes of Impaired Claims and Equity Interests, unless approval will be sought under section 1129(b) of the Bankruptcy Code in respect of one or more dissenting Classes; (ii) is "feasible," which means that there is a reasonable probability that Confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization; and (iii) is in the "best interests" of all Holders of Claims or Equity Interests, which means that such Holders will receive at least as much under the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code. The Plan Proponents believe that the Plan satisfies all of these conditions. **See Section IX, "Confirmation Of Plan."**

A. Voting Deadline

This Disclosure Statement and Ballot(s) are being distributed to all Holders of Claims who are entitled to vote on the Plan.

IN ACCORDANCE WITH THE DISCLOSURE STATEMENT ORDER, IN ORDER TO BE CONSIDERED FOR PURPOSES OF ACCEPTING OR REJECTING THE PLAN, ALL BALLOTS MUST BE ACTUALLY RECEIVED BY THE NOTICE AND BALLOTING AGENT BY NO LATER THAN THE VOTING DEADLINE, THAT IS, BY NO LATER THAN AUGUST 19, 2011 AT 4:00 P.M. (PREVAILING EASTERN TIME). ONLY THOSE BALLOTS ACTUALLY RECEIVED BY THE VOTING DEADLINE WILL BE COUNTED AS EITHER ACCEPTING OR REJECTING THE PLAN. ONLY BALLOTS CONTAINING ORIGINAL SIGNATURE PAGES WILL BE COUNTED. HOLDERS OF NOTEHOLDER PLEDGE CLAIMS SHOULD FOLLOW THE INSTRUCTIONS INCLUDED WITH THEIR BALLOTS TO ENSURE THAT, TO THE EXTENT APPLICABLE, THEIR NOMINEES RECEIVE THEIR BALLOTS WITH SUFFICIENT TIME TO TABULATE SUCH BALLOTS ON A MASTER BALLOT AND FOR SUCH NOMINEE TO RETURN SUCH MASTER BALLOT TO THE VOTING AGENT BY THE VOTING DEADLINE.

B. Holders of Claims Entitled to Vote

The Holder of a Claim against or Equity Interest in the Debtors that is Impaired under the Plan is entitled to vote to accept or reject the Plan if the Plan provides a distribution in respect of such Claim or Equity Interest. **NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, NO DISPUTED CLAIM OR DISPUTED EQUITY INTEREST WILL BE COUNTED FOR ANY PURPOSE IN DETERMINING WHETHER THE REQUIREMENTS OF SECTION 1126(c) OF THE BANKRUPTCY CODE HAVE BEEN MET.**

A vote on the Plan may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The Holders of Claims in Classes T3 and C3 are entitled to vote. Holders of Claims and Equity Interests in Classes T1, C1, T2, C2, T4, C4, T5 and C5 are Unimpaired and, consequently, are conclusively presumed to accept the Plan and are not entitled to vote.

C. Vote Required for Acceptance by Class

As a condition to confirmation, the Bankruptcy Code requires that each class of impaired claims and/or equity interests votes to accept the proposed chapter 11 plan, except under certain circumstances. Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount of the allowed claims in that class and more than one-half in number of allowed claims in that class, but for that purpose, counts only those who actually vote to accept or reject the plan. Thus, a Class of Claims will have voted to accept the Plan only if two-thirds in dollar amount and a majority in number of the allowed claims in that class actually voting cast their Ballots in favor of acceptance. Holders of Claims who fail to vote are not counted as either accepting or rejecting the Plan.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, but for that purpose, counts only those who actually vote to accept or reject the plan. Thus, a Class of Equity Interests will have voted to accept the Plan if two-thirds of the allowed interests actually voted are voted in favor of acceptance. Holders of Equity Interests who fail to vote are not counted as either accepting or rejecting the Plan.

D. Voting Procedures

1. Ballots

All votes to accept or reject the Plan with respect to Classes T3 and C3 must be cast by properly submitting the duly completed and executed form of Ballot. Holders of Impaired Claims voting on the Plan should complete and sign the Ballot in accordance with the instructions thereon, being sure to check the appropriate box entitled "Accept the Plan" or "Reject the Plan."

ANY BALLOT RECEIVED THAT DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN, OR THAT INDICATES BOTH ACCEPTANCE AND REJECTION OF THE PLAN, WILL BE AN INVALID BALLOT AND WILL NOT BE COUNTED FOR PURPOSES OF DETERMINING ACCEPTANCE OR REJECTION OF THE PLAN.

ANY BALLOT RECEIVED THAT IS NOT SIGNED OR THAT CONTAINS INSUFFICIENT INFORMATION TO PERMIT THE IDENTIFICATION OF THE CLAIMANT WILL BE AN INVALID BALLOT AND WILL NOT BE COUNTED FOR PURPOSES OF DETERMINING ACCEPTANCE OR REJECTION OF THE PLAN.

Ballots must be delivered to the Notice and Balloting Agent at its address set forth above, and received by the Voting Deadline. **THE METHOD OF SUCH DELIVERY IS AT THE ELECTION AND RISK OF THE HOLDER.** If such delivery is by mail, it is recommended

that Holders use an air courier with a guaranteed next day delivery or registered mail, properly insured, with return receipt requested. In all cases, sufficient time should be allowed to assure timely delivery.

In accordance with Bankruptcy Rule 3018(c), the Ballots are based on Official Form No. 14, but have been modified to meet the particular needs of these Chapter 11 Cases. **PLEASE CAREFULLY FOLLOW THE DIRECTIONS CONTAINED ON EACH ENCLOSED BALLOT.**

2. Withdrawal or Change of Votes on Plan

A Ballot may be withdrawn by delivering a written notice of withdrawal to the Notice and Balloting Agent so that the Notice and Balloting Agent actually receives such notice prior to the Voting Deadline. Thereafter, withdrawal may be effected only with the approval of the Bankruptcy Court by filing a motion in accordance with Bankruptcy Rule 3018(a).

In order to be valid, a notice of withdrawal must: (a) specify the name of the Holder who submitted the votes on the Plan to be withdrawn; (b) contain the description of the Claims to which it relates; and (c) be signed by the Holder in the same manner as on the Ballot that the Holder seeks to withdraw. The Debtors expressly reserve the absolute right to contest the validity of any such withdrawals of votes on the Plan.

Any Holder who has submitted to the Notice and Balloting Agent prior to the Voting Deadline a properly completed Ballot may change such vote by submitting to the Notice and Balloting Agent prior to the Voting Deadline a subsequent properly completed Ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed Ballot is received with respect to the same Claim, the Ballot that bears the latest date will be counted for purposes of determining whether sufficient acceptances required to confirm the Plan have been received.

IX.

CONFIRMATION OF PLAN

A. Hearing on Confirmation of the Plan

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a confirmation hearing with respect to the Plan. At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code described below are met.

The Confirmation Hearing is scheduled to commence on August 25, 2011, at 3:00 p.m. (Prevailing Eastern Time) before the Honorable Kevin J. Carey, United States Bankruptcy Court, District of Delaware, 824 North Market Street, 5th Floor, Courtroom 5, Wilmington, Delaware 19801. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing.

B. Deadline to Object to Confirmation

Any objection to the confirmation of the Plan must be made in writing, specify in detail (i) the name and address of the objector, (ii) all factual and legal grounds for the objection and (iii) the amount and type of the Claims held by the objector. Any such objection must be filed with the Bankruptcy Court and served so that it is actually received by the Bankruptcy Court, chambers, and the following parties on or before the Confirmation Objection Deadline, (i.e., August 19, 2011, at 4:00 p.m. (Prevailing Eastern Time)): (a) counsel for the Debtors, Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, New York 10019, Attn.: Philip M. Abelson and Lauren C. Cohen; (b) co-counsel for the Debtors, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19899-8705, Attn.: Laura Davis Jones and Michael Seidl; and (c) the Office of the United States Trustee for the District of Delaware, 844 King Street, Room 2207, Lockbox #35, Wilmington, Delaware 19899-0035.

C. Requirements for Confirmation of Plan

Among the requirements for Confirmation of the Plan are that the Plan: (i) is accepted by all Impaired Classes of Claims and Equity Interests or, if rejected by an Impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (ii) is feasible; and (iii) is in the "best interests" of creditors and equity interest holders that are Impaired under the Plan.

1. Requirements of Section 1129(a) of Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following Confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied:

(a) The Plan complies with the applicable provisions of the Bankruptcy Code.

(b) The Plan Proponents have complied with the applicable provisions of the Bankruptcy Code.

(c) The Plan has been proposed in good faith and not by any means forbidden by law.

(d) Any payment made or to be made by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

(e) The Plan Proponents have disclosed the identity and affiliations of any individual proposed to serve, after Confirmation, as a director or officer of the Reorganized Debtors, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy, and the Plan Proponents have disclosed the identity of any insider (as

defined in section 101 of the Bankruptcy Code) that will be employed or retained by the Reorganized Debtors, and the nature of any compensation for such insider.

(f) Any governmental regulatory commission with jurisdiction, after Confirmation, over the rates of the Debtors have approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval.

(g) With respect to each Class of Claims or Equity Interests, each Holder of an Impaired Claim or Equity Interest either has accepted the Plan or will receive or retain under the Plan on account of such Holder's Claim or Equity Interest property of a value, as of the Plan Effective Date, that is not less than the amount that such Holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

(h) Except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code, each Class of Claims or Equity Interests has either accepted the Plan or is not Impaired under the Plan.

(i) Except to the extent that the Holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Claims and Priority Tax Claims will be paid in full on the Plan Effective Date.

(j) If any Class of Claims is Impaired under the Plan, at least one such Class of Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider.

(k) Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors, unless such liquidation or reorganization is proposed in the Plan.

(l) All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Plan Effective Date.

All transfers of property of the Plan will be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation.

The Plan Proponents believe that the Plan meets all the applicable requirements of section 1129(a) of the Bankruptcy Code, or is otherwise confirmable pursuant to section 1129(b) of the Bankruptcy Code.

2. Best Interests of Creditors

Pursuant to section 1129(a)(7) of the Bankruptcy Code, with respect to each Impaired Class of Claims or Equity Interests, unless such Class unanimously votes to accept the Plan, the Plan Proponents must demonstrate, and the Bankruptcy Court must determine, that each Holder in such Class will receive property of a value, as of the Plan Effective Date, that is not less than the amount that such Holder would receive if the Debtors were liquidated under chapter 7 of the

Bankruptcy Code on the Plan Effective Date. This requirement is commonly referred to as the "Best Interests of Creditors Test."

To determine the value that the Holders of Impaired Claims and Equity Interests would receive if the Debtors were liquidated, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of chapter 7 liquidation case. Section 704 of the Bankruptcy Code requires a chapter 7 trustee to collect and reduce to money the property of the estate as expeditiously as is compatible with the best interests of parties in interest.

The cash available for satisfaction of Allowed Claims would consist of the proceeds resulting from the disposition of the Debtors' few remaining assets, augmented by any Cash held by the Debtors at the time of the commencement of the chapter 7 case. Any such Cash amount would then be reduced by the amount of any Allowed Claims secured by such assets, the costs and expenses of the liquidation and such additional Administrative Claims and Priority Tax Claims that may result from the use of chapter 7 for the purposes of liquidation.

The costs of liquidation under chapter 7 would include fees payable to a trustee in bankruptcy, as well as those that might be payable to his or her attorneys and to other professionals that such trustee may engage, plus any unpaid expenses incurred by the Debtors during the Chapter 11 Cases that would be allowed in the chapter 7 case, such as compensation for attorneys, appraisers, accountants, or other professionals and costs and expenses of the Debtors and an appointed official committee, if any. Such Administrative Claims would have to be paid in cash, in full from the liquidation proceeds before the balance of those proceeds could be made available to pay other Claims.

Conway Mackenzie, as financial advisor to certain of the Debtors' subsidiaries, with the assistance of the Debtors, has prepared a liquidation analysis, which is annexed hereto as Exhibit 2 (the "Liquidation Analysis"). The information set forth in the Liquidation Analysis provides a summary of the liquidation values of the Debtors' assets, assuming a chapter 7 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtors' Estates and distribute the proceeds of such liquidation to the Holders of Allowed Claims and Equity Interests.

The Plan satisfies the Best Interests of Creditors Test. The Plan provides no less of a recovery to the Holders of Claims than such Holders would receive under a liquidation under chapter 7 primarily because the Plan avoids a layer of administrative expense associated with the appointment of a chapter 7 trustee, while increasing the efficiency of administering the Debtors' assets for the benefit of their Creditors.

Moreover, in chapter 7 cases, the chapter 7 trustee would also be entitled to seek a sliding scale commission based upon the funds distributed by such trustee, even though the Debtors have already accumulated much of the funds and have already incurred many of the expenses associated with generating those funds. Accordingly, the Plan Proponents believe that there is a reasonable likelihood that the Debtors creditors would "pay again" for the funds accumulated by the Debtors, since the chapter 7 trustee would be entitled to receive a commission in some amount for all funds distributed. It is also anticipated that a chapter 7 liquidation would result in delay in the distributions to the Debtors' creditors. Among other things, a chapter 7 case would

trigger a bar date for filing claims that would be more than ninety (90) days following conversion of the cases to chapter 7. See FED. R. BANKR. P. 3002(c). Hence, a chapter 7 liquidation would not only delay distributions, but raise the prospect of additional claims that were not asserted in the Chapter 11 Cases. Based on the foregoing, the Plan provides an opportunity to bring the greatest return to the Debtors' creditors.

Underlying the Liquidation Analysis are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors' management, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors or their management. All Holders of Claims entitled to vote to accept or reject the Plan should carefully review the Liquidation Analysis.

3. Acceptance by Impaired Class

The Bankruptcy Code requires, as a condition to Confirmation that, except as described in the following section, each class of claims or equity interests that is impaired under a plan accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or interest; (b) cures any default and reinstates the original terms of the obligation; or (c) provides that, on the consummation date, the holder of the claim or interest receives cash equal to the Allowed amount of that claim or, with respect to any interest, any fixed liquidation preference to which the interest holder is entitled or any fixed price at which the debtor may redeem the security.

As explained above, Holders of Claims in Classes T3 (Noteholder Pledge Claims) and C3 (Unsecured Parent Guaranty Claims) are Impaired under the Plan and are entitled to vote. Each of the Holders of Claims and Interests in Classes T1, C1, T2, C2, T4, C4, T5, and C5 are Unimpaired and, consequently, are conclusively presumed to accept the Plan and are not entitled to vote.

D. Alternatives to Confirmation and Consummation of Plan

The Plan reflects the negotiations held by the Plan Proponents with a group of certain Noteholders who support the Plan. The Consenting Creditors believe that the Plan affords Holders of Claims and Equity Interests the greatest opportunity for realization on the Debtors' assets and, therefore, is in the best interests of such Holders. If the Plan is not confirmed, however, the theoretical alternatives include: (i) liquidation of the Debtors under chapter 7 of the Bankruptcy Code; or (ii) alternative plans of reorganization or liquidation under chapter 11 of the Bankruptcy Code. Thorough consideration of these alternatives to the Plan has led the Plan Proponents to conclude that the Plan, in comparison, provides a greater recovery to creditors and equity holders on a more expeditious timetable, and in a manner that minimizes certain inherent risk in any other course of action available in these Chapter 11 Cases.

1. Liquidation Under Chapter 7

If the Plan is not confirmed, these Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code. In a liquidation under chapter 7, a trustee or trustees may be

elected or appointed to liquidate the assets of the Debtors. However, the Plan Proponents believe that liquidation under chapter 7 would result in smaller distributions being made to creditors and interest holders than those provided for in the Plan because, among other reasons: (a) additional administrative expenses resulting from the appointment of and services to be rendered by trustees and attorneys and other professionals to assist such trustee; (b) the relative lack of familiarity with the Debtors' businesses that would inevitably hinder such professionals in the management of the estates; and (c) additional expenses and claims, some of which would be entitled to priority, that would be generated during the liquidation. In addition, distributions would be substantially delayed in a chapter 7 liquidation because of the factors set forth above and the need to litigate or otherwise resolve many of the claims settled by the Plan. If these Chapter 11 Cases are converted to chapter 7, it is likely the Debtors' operations would cease and their assets would be liquidated piecemeal under conditions that prioritize expediency over value. For these reasons, the Plan Proponents believe the reorganizing of the Debtors' businesses and capital structure under chapter 11, as provided for in the Plan, preserves value and maximizes distributions relative to a chapter 7 liquidation.

Based on the foregoing and on the Liquidation Analysis, the Plan Proponents believe that a liquidation of the Debtors' assets under chapter 7 or otherwise would produce no greater and likely less value for distribution to creditors than that recoverable under the Plan.

2. Alternative Plan of Reorganization or Liquidation

If the Plan is not confirmed, the Plan Proponents (or if the Bankruptcy Court were not to grant extensions of the Debtors' exclusive periods in which to file and solicit a plan, any other party in interest in these Chapter 11 Cases) could propose a different plan or plans. Such plan(s) might involve either a reorganization and continuation of the Debtors' businesses, an orderly liquidation of their assets or a combination of both. Nonetheless, the Plan Proponents believe that no alternative plan can be confirmed without the consent of the Holders of the Noteholder Pledge Claims and the Unsecured Parent Guaranty Claims.

With respect to an alternative plan, the Plan Proponents have explored various alternatives in connection with the formulation of the Plan. The Plan Proponents believe that the Plan enables creditors to realize the most value under the circumstances.

X.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF PLAN

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the holders of the Old 2016 Notes and ESBDS I Loan (the "Existing Debt"). This discussion is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), final, temporary and proposed Treasury regulations promulgated thereunder, Internal Revenue Service ("IRS") rulings and pronouncements and judicial decisions in effect as of the date of this document, all of which may change, possibly with retroactive effect. This discussion applies only to holders of Existing Debt that will hold the New Series A Notes as capital assets. This discussion does not address the U.S. federal income tax consequences of the Plan to holders of Copper Debt and Commercial Paper or persons that will hold the New Series B Notes. Holders of Copper Debt and Commercial Paper or persons that will hold the New Series B Notes are urged to contact their own tax advisors regarding the U.S. federal income tax consequences of the implementation of the Plan.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to U.S. Holders, as defined below, in light of their particular circumstances, such as holders to whom special tax treatment applies, including (1) banks, regulated investment companies, real estate investment trusts, insurance companies, employee stock ownership plans, brokers, dealers in securities or currencies, subchapter S corporations, entities treated as partnerships for U.S. federal income tax purposes, beneficial owners of pass-through entities, and tax exempt organizations, (2) persons who hold Existing Debt or who will hold the New Series A Notes as part of a straddle, hedge, conversion transaction or other integrated investment, (3) persons whose functional currency is not the U.S. dollar, (4) persons who use a mark to market method of accounting and (5) persons who, for U.S. federal income tax purposes, are or will be considered as owning 10% or more, directly, indirectly or by attribution, of IUSA. In addition, this discussion does not address alternative minimum taxes or state, local or non-U.S. taxes. Furthermore, this discussion does not address any aspects of U.S. federal tax law (such as the estate tax, gift tax or the Medicare tax on net investment income) other than U.S. federal income tax law. This discussion assumes that the Old 2016 Notes and ESBDS I Loan are, and the New Series A Notes will be, respected as debt for U.S. federal income tax purposes.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. No opinion of counsel has been sought or obtained with respect to any U.S. tax consequences of the Plan and no tax opinion is given by this discussion. No rulings or determination letters from the IRS or any other taxing authorities have been obtained or sought with respect to the Plan, and the description below is not binding upon the IRS or such other taxing authorities. Accordingly, it is possible that the IRS may disagree with the description below of the tax consequences, and there can be no certainty that the IRS would not prevail in any challenge it may decide to make in this regard.

FOR THE FOREGOING REASONS, ALL HOLDERS OF EXISTING DEBT ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES (U.S. FEDERAL, STATE, LOCAL AND NON-U.S.) OF THE PLAN TO THEM. THE ISSUER IS NOT MAKING ANY REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN AS TO ANY SPECIFIC HOLDER, NOR IS THE ISSUER RENDERING ANY FORM OF LEGAL OPINION AS TO SUCH TAX CONSEQUENCES.

For purposes of this discussion the term "U.S. Holder" means a holder of Existing Debt who is a beneficial owner of such instrument and that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or of any state of the United States or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and at least one U.S. person has authority to control all substantial decisions of the trust or (B) it has a valid election in effect to be treated as a U.S. person.

A. Tax Consequences of Exchange

1. Tax Treatment of U.S. Holders of Existing Debt

While the Old 2016 Notes and New Series A Notes have many similar terms, there are some significant differences, including improved collateral and effective deferral of certain payments on the Old 2016 Notes as a result of the inclusion of certain accrued but unpaid interest on such notes in the principal amount of the New Series A Notes. Based on these differences, the exchange of Old 2016 Notes for New Series A Notes should be treated as an exchange of property for U.S. federal income tax purposes. The tax treatment of U.S. Holders that exchange Existing Debt for the New Series A Notes will depend on whether or not such exchange qualifies as a "recapitalization" under the Tax Code. In general, for an exchange of Existing Debt for the New Series A Notes to qualify as a recapitalization, the Existing Debt surrendered and the New Series A Notes received must both be treated as "securities" for applicable U.S. federal income tax purposes. Whether a debt instrument is a security for these purposes is determined based on all the relevant facts, including the term of the debt instrument. Generally, corporate debt instruments with maturities when issued of less than five years are not considered securities while corporate debt instruments with maturities when issued of ten years or more are considered securities. The Old 2016 Notes had a term to maturity at original issuance of more than ten years. As a result, the terms of the Old 2016 Notes are consistent with debt instruments that are generally treated as securities for applicable U.S. federal income tax purposes. The ESBDS I Loan had a term to maturity at original issuance of approximately five years. As a result, it is unclear whether the ESBDS I Loan should be treated as a security for U.S. federal income tax purposes. The New Series A Notes should have a term to maturity of at least five years. It therefore may be reasonable to treat the New Series A Notes as securities for U.S. federal income tax purposes.

If the Existing Debt and New Series A Notes are securities, the exchange of the Existing Debt for the New Series A Notes (other than any amounts treated as paid in respect of accrued interest on the Existing Debt) should qualify as a recapitalization under the Tax Code. In this case, a U.S. Holder of Existing Debt will not recognize gain or loss on the exchange of such Existing Debt for the New Series A Notes, except that (i) a U.S. Holder of Existing Debt will recognize gain, if any, to the extent such holder receives New Series A Notes in excess of the principal amount of the Existing Debt surrendered (which may include, for these purposes, amounts related to restructuring fees), and (ii) to the extent any portion of the New Series A Notes is treated as payment of accrued interest on the Existing Debt, such payment will generally

be subject to tax as ordinary interest income, in accordance with a U.S. Holder's accounting method, as discussed more fully below.

If the exchange is treated as a recapitalization, a U.S. Holder's total tax basis in New Series A Notes received in exchange for the Existing Debt (other than any such New Series A Notes treated as paid in respect of accrued interest or in excess of the principal amount of Existing Debt surrendered) will be equal to that holder's tax basis in such Existing Debt surrendered pursuant to the exchange increased by the amount of any gain recognized on the exchange and decreased by the amount of any New Series A Notes received in the exchange in excess of the principal amount of the Existing Debt surrendered, which will have a fair market value basis. A U.S. Holder's holding period for New Series A Notes received in the exchange (other than any New Series A Notes treated as paid in respect of accrued interest or in excess of the principal amount of the Existing Debt surrendered) will include that person's holding period for the Existing Debt surrendered in exchange therefor.

If the exchange is not treated as a recapitalization because either the Existing Debt surrendered or New Series A Notes received are not securities, a U.S. Holder will recognize taxable gain (or loss) in an amount equal to the excess (or deficit) of (x) the issue price of the New Series A Notes (other than any New Series A Notes treated as paid in respect of accrued interest on the Existing Debt) less (y) the holder's tax basis in the Existing Debt surrendered. See below for a discussion of the determination of the issue price of the New Series A Notes. Subject to the discussion below regarding accrued market discount, any such gain or loss will be capital gain or loss, and such capital gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the Existing Debt surrendered for more than one year. Furthermore, a U.S. Holder's tax basis in the New Series A Notes received pursuant to the exchange (other than any New Series A Notes treated as paid in respect of accrued interest) will be equal to the issue price of those notes and the holding period for the New Series A Notes received will begin the day after the exchange.

A U.S. Holder that acquired Existing Debt subsequent to its original issuance with more than a *de minimis* amount of market discount will be subject to the market discount rules under the Tax Code. Under those rules, assuming that a U.S. Holder has made no election to include market discount in income on a current basis, any gain recognized on the exchange will be characterized as ordinary income to the extent of the accrued market discount as of the date of the exchange. If the exchange of New Series A Notes for Existing Debt is treated as a recapitalization, any accrued market discount remaining thereon which has not been recognized as ordinary income should be carried over to the New Series A Notes. See below for a discussion regarding the treatment of market discount.

2. Tax Treatment of Amounts Received for Accrued Interest

Notwithstanding the discussion above, a U.S. Holder of Existing Debt will be treated as receiving an interest payment to the extent that a portion of the principal amount of New Series A Notes is treated as paid in respect of accrued interest on the Existing Debt. Any such amounts will be treated as ordinary taxable income for a U.S. Holder that had not previously included such accrued interest in income. While not free from doubt, a U.S. Holder should recognize an ordinary loss to the extent of accrued interest previously included in income that is not paid in full. A U.S. Holder's tax basis in any New Series A Notes that are received in exchange for

accrued interest on Existing Debt generally will be equal to the issue price (as defined below) of such New Series A Notes, and the holding period of such notes generally will begin on the day after the exchange.

Pursuant to the Plan, U.S. Holders will treat all amounts received as allocated first to the principal portion of such Existing Debt and thereafter to any accrued interest on such notes. However, there is no assurance that such allocation would be respected by the IRS for U.S. federal income tax purposes. Each U.S. Holder of claims is urged to consult its tax advisor regarding the allocation of consideration.

B. Tax Consequences of Owning New Series A Notes

1. Interest and OID

If the "issue price" of the New Series A Notes is less than their "stated redemption price at maturity" by more than a *de minimis* amount (1/4 of 1 percent of a debt instrument's stated redemption price at maturity multiplied by the number of complete years or, in certain cases, weighted average life, to the instrument's stated maturity), the New Series A Notes will be treated as having original issue discount ("OID").

The issue price of debt instruments issued in a debt for debt exchange depends on whether a substantial amount of the debt instruments received or surrendered are treated as "traded on an established market" within the meaning of the applicable Treasury regulations. Debt instruments are treated as "traded on an established market" if, among other things, the debt appears on a quotation medium that satisfies certain criteria, or if price quotations are readily available from dealers, brokers or traders. If neither debt surrendered nor debt received in an exchange is treated as traded on an established market, the issue price of the debt received will generally equal the principal amount of the debt if the debt provides for adequate interest.

If the New Series A Notes are treated as "traded on an established market," the issue price of the New Series A Notes would be their fair market value on the date of the exchange. If the New Series A Notes are not so traded but the Existing Debt is, the issue price of the New Series A Notes would be equal to the fair market value of the Existing Debt surrendered in exchange for the New Series A Notes. It currently cannot be determined whether the ESBDS I Loan is, or whether the New Series A Notes will be, treated as traded on an established market. The Old 2016 Notes, however, should be treated as traded on an established market.

If a substantial amount of the New Series A Notes and the New Series B Notes will be issued to the same person, it is possible that the New Series A Notes could be treated as part of the same "issue" as the New Series B Notes for U.S. federal income tax purposes. If the New Series A Notes and the New Series B Notes are part of the same issue, the New Series A Notes will have the same issue price as the New Series B Notes. It currently cannot be determined whether a substantial amount of the New Series A Notes and the New Series B Notes will be issued to the same person. U.S. Holders are urged to consult their own tax advisors as to the issue price of the New Series A Notes if they are treated as part of the same issue as the New Series B Notes for U.S. federal income tax purposes.

The stated redemption price at maturity of a debt instrument is the sum of all payments due under the instrument other than payments of qualified stated interest. "Qualified stated interest" includes stated interest, calculated as the product of a single fixed rate of interest and the outstanding principal amount of the instrument, that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually.

For purposes of determining whether a note has OID where the note has a period of a teaser rate, interest holiday or other interest shortfall, thus causing later payments that would otherwise be qualified stated interest to not be treated as such, a special rule applies for calculating the stated redemption price at maturity. For purposes of calculating whether such a note has OID, the stated redemption price at maturity of such note will be equal to the issue price of the note plus the greater of (i) the amount of additional stated interest that would be required to be payable in order for all interest on the note to be qualified stated interest and (ii) the excess of the note's stated principal over such note's issue price. If the issue price of such note is less than the note's so calculated stated redemption price at maturity by more than a *de minimis* amount, as described above, such note will be treated as issued with OID.

If the New Series A Notes are issued prior to November 15, 2011, the absence of an interest accrual until November 15, 2011 may be viewed as a teaser rate, interest holiday or other interest shortfall with the result that the stated redemption price at maturity will be calculated as described in the immediately preceding paragraph for purposes of determining whether the New Series A Notes have OID. To the extent required to take a position, IUSA intends to calculate the stated redemption price at maturity of the New Series A Notes by treating any period during which there is no interest accrual as qualifying for the exceptions for teaser rates, interest holidays or other interest shortfalls and, by exchanging the Existing Debt for New Series A Notes, each U.S. Holder agrees to take no contrary position. However, the issue price of the New Series A Notes will not be known prior to the Plan Effective Date, so the amount of additional interest that would need to be payable on a New Series A Note through November 15, 2011, if any, in order for all interest on the notes to be qualified stated interest, is not known. Therefore, the greater of the two amounts described in the immediately preceding paragraph cannot currently be determined.

Subject to the discussion below with respect to "contingent payment debt instruments" ("CPDIs"), if the New Series A Notes are treated as issued with OID, a U.S. Holder of a note must include such OID as ordinary interest income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting and the timing or amount of any actual payments. In general, the amount of OID included in income by a U.S. Holder of a note issued with OID is the sum of the daily portions of OID with respect to the note for each day during the taxable year (or portion of the taxable year) on which the U.S. Holder held the note. The daily portion of OID on any note issued with OID is determined by allocating to each day in an accrual period a ratable portion of the OID allocable to that accrual period. Accrual periods may be of any length and may vary in length over the term of the note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day or first day of an accrual period. The amount of OID allocable to each accrual period generally is equal to the difference between (i) the product of the note's "adjusted issue price" at the beginning of the accrual period and the note's yield to

maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a note issued with OID at the beginning of any accrual period is the sum of the issue price of the note plus the amount of OID allocable to all prior accrual periods minus the amount of any prior payments on the note that were not qualified stated interest payments. Under these rules, U.S. Holders generally will have to include in taxable income increasingly greater amounts of OID in successive accrual periods.

In the event that, among other things, the New Series A Notes have an issue price that differs from their stated redemption price at maturity, certain terms and conditions of the New Series A Notes involving contingent payments, including certain mandatory prepayments, could result in the New Series A Notes being treated as CPDIs, which are subject to special rules under the Treasury regulations governing instruments issued with OID. If (i) the New Series A Notes are treated as CPDIs and (ii) as discussed above, the Old 2016 Notes are treated as traded on an established market or the New Series A Notes are so treated, the OID regulations applicable to CPDIs that are traded on an established market or that are exchanged for property that is so traded ("Publicly Traded CPDIs") would apply to the New Series A Notes. The application of these regulations can result in potentially significant adverse tax consequences, including the inclusion of amounts in gross income, regardless of whether a holder is a cash or accrual basis taxpayer, in advance of receipt of corresponding cash payments on a Publicly Traded CPDI, the potential treatment of amounts that might otherwise be viewed for non-tax purposes as returns of principal as payments of interest and the treatment of any gain from the disposition of a Publicly Traded CPDI as ordinary income. In general, under the regulations applicable to Publicly Traded CPDIs, interest on a Publicly Traded CPDI accrues on the entire issue price of the debt instrument at a rate equal to the yield on a comparable noncontingent debt instrument, and this approach is called the "noncontingent bond method." Under the noncontingent bond method, the amount of interest taken into account for each accrual period is determined by constructing a projected payment schedule for the debt instrument that reflects expected contingent payments and adjusted to reflect the comparable yield. Adjustments are made if the actual amount of a contingent payment differs from the projected amount. The issuer of a Publicly Traded CPDI is required to prepare the projected payment schedule and any amendments thereto, and, subject to certain exceptions, a holder of a Publicly Traded CPDI generally is required to report accrual of OID and adjustments in a manner consistent with the issuer's schedule of projected payments. A holder generally can procure a projected payment schedule and any amendments thereto by submitting a written request to the issuer after the issuance of the debt instrument.

The regulations applicable to Publicly Traded CPDI's are reserved with respect to the treatment of certain timing contingencies, including those related to prepayments. Accordingly, there is some uncertainty as to the application of the OID regulations to Publicly Traded CPDIs with timing contingencies. Application of the rules in the OID regulations to prepayments may lead to distortive noneconomic results with potentially significant adverse tax consequences to holders and/or issuers of CPDIs. The rest of this discussion assumes that the New Series A Notes are not treated as CPDIs. However, U.S. Holders of Existing Debt are strongly urged to consult their tax advisors as to the application and effect of the OID regulations pertaining to Publicly Traded CPDIs to the reporting of income with respect to the New Series A Notes they receive.

2. Acquisition Premium, Market Discount and Bond Premium with Respect to New Series A Notes

If a U.S. Holder has a tax basis in a New Series A Note that is more than the issue price of such note but less than or equal to the stated redemption price at maturity of such note, such holder has acquisition premium with respect to such note to the extent of that excess, and the holder will not include OID on the new note in income to the extent of the acquisition premium.

A U.S. Holder that has a tax basis in a New Series A Note that is less than the issue price of the note will be subject to the market discount rules (unless the amount of the excess of the issue price over the basis is less than a specified *de minimis* amount, in which case market discount is considered to be zero). A U.S. Holder may elect (but is not required) to take market discount into income over the remaining life of a note, either on a ratable or economic yield basis. Once made, this election to include market discount in income currently applies to all market discount obligations acquired in or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. Absent such an election, a U.S. Holder will be required to treat any principal payment on, or any gain recognized on the sale, exchange, redemption, retirement or other taxable disposition of a New Series A Note as ordinary income to the extent of any accrued market discount that has not previously been included in income at the time of such payment or disposition. In addition, a U.S. Holder may be required to defer, until the maturity date of the note or its earlier disposition, the deduction of all or a portion of the interest expense on any indebtedness incurred or continued to purchase or carry such note.

As discussed above, if the exchange of Existing Debt for New Series A Notes is treated as a recapitalization, a U.S. Holder who acquired its Existing Debt at a market discount may be required to carry over to the New Series A Notes received any accrued market discount with respect to the Existing Debt to the extent that the accrued market discount was not previously included in income. In that case, a U.S. Holder holding such notes may have all or part of any market discount effectively converted into OID if the issue price of the New Series A Notes is less than the stated redemption price at maturity of such notes.

If a U.S. Holder has a tax basis in a New Series A Note that exceeds the note's stated redemption price at maturity, the note has bond premium to the extent of that excess, and the holder will not be required to include OID, if any, on a New Series A Note in income. A U.S. Holder generally may elect to amortize the premium using the constant yield to maturity method as a reduction of the U.S. Holder's non-OID interest income from the note. Once made, the election to amortize premium on a constant yield to maturity method applies to all debt obligations held or subsequently acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. Premium on a note held by a U.S. Holder that does not make such election will decrease the gain or increase the loss otherwise recognized on the sale, exchange, redemption, retirement or other taxable disposition of a note.

3. Dispositions of New Series A Notes

A U.S. Holder will generally recognize taxable gain or loss upon the sale, exchange, redemption, retirement or other taxable disposition of a New Series A Note in an amount equal

to the difference between the amount realized upon such sale, exchange, redemption, retirement or other taxable disposition (reduced by any amounts attributable to accrued but unpaid qualified stated interest, which will be taxable as ordinary interest income) and such U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a New Series A Note will be determined in the manner described above pursuant to the exchange contemplated by the Plan and (i) increased by the amount of any OID required to be included in the U.S. Holder's gross income with respect to the note and (ii) reduced by the amount of any payments received with respect to the note that are not payments of qualified stated interest. Such gain or loss will generally be long-term capital gain or loss if the note is held for more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential tax rates in respect of long-term capital gain. The deductibility of capital losses by U.S. Holders is subject to limitations.

4. Mexican Withholding Taxes and Foreign Tax Credits

THE INFORMATION PROVIDED HEREIN WITH RESPECT TO FOREIGN TAX LAW AND ANY U.S. TAX CONSEQUENCES RELATED THERETO HAS BEEN PREPARED BY THE COMPANY AND NOT BY DEBTORS' COUNSEL. NEITHER D&L NOR PSZ&J MAKES ANY REPRESENTATIONS WITH RESPECT TO THE ACCURACY AND COMPLETENESS OF SUCH INFORMATION. EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSULT HIS, HER OR ITS OWN LEGAL COUNSEL AND TAX ADVISOR AS TO LEGAL, TAX AND OTHER MATTERS CONCERNING HIS, HER OR ITS CLAIM OR EQUITY INTEREST.

Payments on the New Series A Notes potentially may be subject to withholding tax imposed by Mexico, and the rest of this discussion assumes the imposition of such withholding tax. In the event of a payment on the New Series A Notes that is subject to Mexican withholding tax, U.S. Holders will be treated as having received the payment in full and as then paying over the withheld tax to Mexico. Pursuant to the terms of the New Series A Notes, IUSA will be required to pay additional amounts in respect of such withholding so that, subject to certain exceptions, the net amount received by each U.S. Holder will equal the amounts that would have been received in the absence of such withholding. Although not free from doubt, such additional amounts should be taxable to the U.S. Holder as ordinary interest income at the time they are paid by IUSA or accrue in accordance with the U.S. Holder's method of accounting for tax purposes.

Subject to numerous limitations, U.S. Holders may receive a foreign tax credit with respect to Mexican withholding taxes imposed on payments made on the New Series A Notes. Any amounts attributable to interest or additional amounts paid in respect of New Series A Notes generally will be treated as foreign source passive category income or, in some cases, general category income, for U.S. foreign tax credit limitation purposes.

If any foreign income tax is withheld on the sale or other taxable disposition of a New Series A Note, the amount realized by a U.S. Holder will include the gross amount of the proceeds of that sale or other taxable disposition before deduction of such tax. The rules regarding the availability of foreign tax credits with respect to foreign taxes withheld or, alternatively, deductions of foreign income taxes, and sourcing of gain (or loss) on sales or dispositions are complex. Accordingly, U.S. Holders should consult their own tax advisors

regarding the application and effect of these rules in their particular circumstances, taking into account the United States-Mexico Income Tax Convention, in connection with any sale or taxable disposition of the New Series A Notes.

C. Non-U.S. Holders

For purposes of the following discussion a "Non-U.S. Holder" means a beneficial owner of Existing Debt that is not, for U.S. federal income tax purposes, a U.S. Holder or a partnership (or an entity or arrangement classified as a partnership for such purposes). Subject to the discussion below regarding backup withholding, a Non-U.S. Holder will generally not be subject to U.S. federal income or withholding tax on:

(a) interest (including OID) and any additional amounts paid in respect of the New Series A Notes, unless those payments are effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment); and

(b) gain realized on the exchange of Existing Debt for New Series A Notes or the sale, exchange, redemption, retirement or other taxable disposition of the New Series A Notes, unless (i) that gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment) or, (ii) in the case of gain realized by an individual Non-U.S. Holder, the Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

D. Information Reporting and Backup Withholding

In general, U.S. tax information reporting requirements may apply to payments made with respect to the New Series A Notes and the proceeds of sale of such notes by holders other than certain exempt persons. Backup withholding of U.S. federal income tax may apply at applicable rates to payments with respect to the New Series A Notes and the proceeds of sale of the New Series A Notes, if the holder fails to provide a correct taxpayer identification number or certification of exempt status or, with respect to certain payments, if a holder fails to report in full all interest and dividend income and the IRS notifies the payor of the holder's underreporting. Any amounts withheld under the backup withholding rules from a payment to a holder will generally be allowed as a refund or credit against the holder's federal income tax liability provided the required information is timely furnished to the IRS.

Recently enacted legislation requires certain investors to report information with respect to their investment in certain "foreign financial assets" not held through a custodial account with a U.S. financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. U.S. Holders are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on the New Series A Notes received in the exchange.

XI.

CERTAIN FEDERAL AND STATE SECURITIES LAW CONSIDERATIONS

A. Exemption from Registration Requirements for New Securities

Upon consummation of the Plan, the Plan Proponents will rely on section 1145 of the Bankruptcy Code to exempt the offering, issuance and distribution of the New Notes and the guarantees thereof from the registration requirements of the Securities Act and of any state securities or "blue sky" laws. Section 1145 of the Bankruptcy Code exempts from registration the offer or sale of securities of the debtor, an affiliate participating in a joint plan with the debtor, or a successor to a debtor under a chapter 11 plan if such securities are offered or sold in exchange for a claim against, an equity interest in, or a claim for an administrative expense in the case concerning, the debtor or such affiliate under the Plan. The Plan Proponents believe that IUSA and each of the Subsidiary Guarantors are affiliates of the Debtors participating in the Plan for purposes of section 1145 of the Bankruptcy Code and that the offer and sale of the New Notes and guarantees thereof under the Plan satisfies the requirements of section 1145 and, therefore, the New Notes and the guarantees thereof are exempt from the registration requirements of the Securities Act and state securities laws.

B. Legends

Each New Series A Note and New Series B Note may bear a legend substantially in the form below:

> THE SECURITIES REPRESENTED BY THIS NOTE HAVE BEEN ISSUED PURSUANT TO SECTION 1145 OF THE U.S. BANKRUPTCY CODE, AS AMENDED (THE "BANKRUPTCY CODE") THAT PROVIDES AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE STATUTES.

C. Subsequent Transfers of New Securities

The recipients of the New Notes and the guarantees thereof will be able to resell the New Notes and the guarantees thereof without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(1) of the Securities Act, unless the holder of such stock is an "underwriter" within the meaning of section 1145(b) of the Bankruptcy Code. In addition, the New Notes and the guarantees thereof generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. However, the recipients of the New Notes and the guarantees thereof issued under the Plan, are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.

Section 1145(b) of the Bankruptcy Code defines "underwriter" as one who: (i) purchases a claim with a view to distribution of any security to be received in exchange for such claim; (ii) offers to sell securities issued under a plan for the holders of such securities; (iii) offers to

buy securities issued under a plan from persons receiving such securities, if the offer to buy is made with a view to distribution; or (iv) is an "issuer" of the relevant security, as such term is used in section 2(11) of the Securities Act. Under section 2(11) of the Securities Act, an "issuer" includes any "affiliate" of the issuer, which means any person directly or indirectly through one or more intermediaries controlling, controlled by or under common control with the issuer.

To the extent that the recipients of the New Notes and the guarantees thereof under the Plan, are deemed to be "underwriters," the resale of the New Notes and the guarantees thereof by such persons would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable laws. Persons deemed to be underwriters may, however, be permitted to sell such New Notes pursuant to Rule 144 under the Securities Act. This rule permits the public resale of securities received by "underwriters" if current information regarding the issuer is publicly available and if certain volume limitations and other conditions are met.

GIVEN THE COMPLEX NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER WITH RESPECT TO THE NEW NOTES AND THE GUARANTEES THEREOF, THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE THE NEW NOTES AND THE GUARANTEES THEREOF UNDER THE PLAN. THE DEBTORS RECOMMEND THAT HOLDERS CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES WITHOUT REGISTRATION UNDER THE SECURITIES ACT.

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XII.

CONCLUSION

The Plan Proponents believe that Confirmation and implementation of the Plan is preferable to any alternatives because it will provide the greatest recoveries to Holders of Claims and Equity Interests. Any alternative to Confirmation of the Plan, such as a chapter 7 liquidation or attempts to confirm another plan of reorganization or liquidation, would involve significant delays, uncertainty, and substantial additional administrative costs. Moreover, as described above, the Debtors believe that the Plan maximizes value for all parties in interest as compared to a chapter 7 liquidation.

Dated: July 15, 2011

TUBO DE PASTEJÉ, S.A. DE C.V.

/s/ Rafael Dávila Olvera
By: Rafael Dávila Olvera
Title: Attorney in Fact

/s/ Carlos Mochón Sacal
By: Carlos Mochón Sacal
Title: Attorney in Fact

CAMBRIDGE-LEE HOLDINGS, INC.

/s/ Rafael Dávila Olvera
By: Rafael Dávila Olvera
Title: Attorney in Fact

INDUSTRIAS UNIDAS, S.A. DE C.V.

/s/ Rafael Dávila Olvera
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/s/ Carlos Mochón Sacal
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CONVIVENCIA Y EDUCACIÓN INFANTIL PASTEJÉ, S.A. DE C.V.

/s/ Carlos Mochón Sacal
By: Carlos Mochón Sacal
Title: Attorney in Fact

Exhibit 1

Chapter 11 Plan

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	Case No. 09-14353 (KJC)
TUBO DE PASTEJÉ, S.A. DE C.V., et al.,	:	Jointly Administered
Debtors.	:	

JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE OF TUBO DE PASTEJÉ, S.A. DE C.V. AND CAMBRIDGE-LEE HOLDINGS, INC., AS DEBTORS AND DEBTORS-IN-POSSESSION, AND INDUSTRIAS UNIDAS, S.A. DE C.V., AND THE SUBSIDIARY GUARANTORS AS CO-PROPONENTS

July 15, 2011

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CHAPTER 11 PLAN

Pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101 - 1532, Tubo de Pastejé, S.A. de C.V., Cambridge-Lee Holdings, Inc., Industrias Unidas, S.A. de C.V. and the Subsidiary Guarantors[1] hereby respectfully jointly propose the following Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Tubo de Pastejé, S.A. de C.V. and Cambridge-Lee Holdings, Inc., as Debtors and Debtors-In-Possession, and Industrias Unidas, S.A. de C.V., and the Subsidiary Guarantors as Co-Proponents.

The Plan is a joint plan that does not provide for substantive consolidation of the Estates, and on the Plan Effective Date, the Estates shall not be deemed to be substantively consolidated for purposes thereof. Except as specifically set forth herein, nothing in the Plan or the Disclosure Statement shall constitute or be deemed to constitute an admission that any Debtor is subject to or liable for any claim against any other Debtor.

Additionally, claimants holding Claims against multiple Debtors, to the extent Allowed in each Debtor's case, will be treated as a separate claim against each Debtor's Estate; *provided*, *however*, that no Holder shall be entitled to receive more than payment in full of its Allowed Claim, and such Claims will be administered and treated in the manner provided for herein by the Debtors or otherwise.

SECTION 1.
DEFINITIONS

As used in the Plan, the following terms shall have the following meanings:

1.1 **"9.75% Commercial Paper"** means the 9.75% commercial paper with a principal amount outstanding of $9,500,000 due March 26, 2009, issued by IUSA and guaranteed by certain of its subsidiaries.

1.2 **"9.75% CP Base Amount"** means each U.S.$1,000 stated face value of 9.75% Commercial Paper

1.3 **"9.75% CP Restructuring Fee"** means 1.75% of the 9.75% CP Base Amount.

1.4 **"12% Commercial Paper"** means the 12% commercial paper with a principal amount outstanding of $15,000,000 due August 6, 2009, issued by IUSA and guaranteed by certain of its subsidiaries.

1.5 **"12% CP Base Amount"** means each U.S.$1,000 stated face value of 12% Commercial Paper.

1.6 **"12% CP Restructuring Fee"** means 1.75% of the 12% CP Base Amount.

[1] Capitalized terms used but not otherwise defined in this section shall have the meaning ascribed to such term in the immediately following section.

1.7 **"2016 Base Amount"** means each U.S.$1,000 principal amount of 2016 Notes.

1.8 **"2016 Notes Restructuring Fee"** means an amount equal to 1.75% of the 2016 Base Amount.

1.9 **"Adjusted Copper Debt Base Amount"** means the applicable Copper Debt Base Amount, less the portion of Agreed Costs attributed to the holder of such Copper Debt.

1.10 **"Administrative Claim"** means any right to payment against a Debtor constituting a cost or expense of administration of the Chapter 11 Cases under and in accordance with, as applicable, sections 328, 330, 364(c)(1), 365, 503(b), 507(a)(2), 507(b), and 1114(e) of the Bankruptcy Code, including (a) any actual and necessary costs and expenses of preserving the Debtors' estates, (b) any actual and necessary costs and expenses of operating the Debtors' businesses, (c) any indebtedness or obligations incurred or assumed by the Debtors during the Chapter 11 Cases, and (d) any compensation for professional services rendered and reimbursement of expenses incurred, other than a Professional Fee Claim. Any fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123 of title 28 of the United States Code, 28 U.S.C. § 1930, are excluded from the definition of Administrative Claims and shall be paid in accordance with Section 12.3 of the Plan.

1.11 **"Agreed Costs"** means the legal and non-legal costs and expenses accrued in connection with the Copper Contracts prior to October 22, 2010, in an aggregate agreed amount of $2,000,000.00.

1.12 **"Allowed"** means: (a) any Claim (or a portion thereof) against or Equity Interest in a Debtor (A) that is scheduled by a Debtor pursuant to the Bankruptcy Code and Bankruptcy Rules in a liquidated amount and not listed as contingent, unliquidated or disputed on the such Debtors' schedule of liabilities filed in the Chapter 11 Cases; or (B) as to which a proof of Claim or Equity Interest has been timely filed, or deemed timely filed, with the Bankruptcy Court pursuant to the Bankruptcy Code, the Bankruptcy Rules and/or any applicable orders of the Bankruptcy Court and is not otherwise disputed; or (b) any Claim or Equity Interest or portion thereof (i) that is allowed in any contract, instrument, or other agreement entered into in connection with the Plan, (ii) that is allowed pursuant to the terms of the Plan, (iii) that is Allowed by Final Order of the Bankruptcy Court, or (iv) with respect to an Administrative Claim only (x) that was incurred by a Debtor in the ordinary course of business during the Chapter 11 Cases to the extent due and owing without defense, offset, recoupment or counterclaim of any kind, and (y) that is not otherwise disputed. An Allowed Claim shall: (a) include a previously Disputed Claim to the extent such Disputed Claim becomes allowed by Final Order; and (b) be net of any setoff amount of any claim (other than a Noteholder Pledge Claim or an Unsecured Parent Guaranty Claim) that may be asserted by any Debtor against the holder of such Claim, which amount shall be deemed to have been set off in accordance with the provisions of the Plan.

1.13 **"Avoidance Actions"** means any and all avoidance, recovery, subordination, recharacterization or other actions or remedies that may be brought by or on behalf of the Debtors or their estates under the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, actions or remedies arising under sections 502, 510 or 542-553 of the Bankruptcy Code.

1.14 **"Ballot"** means the form of ballot distributed to each Holder of an Impaired Claim that, in each case, is entitled to vote on the Plan for the purpose of indicating an acceptance or rejection of the Plan.

1.15 **"Bankruptcy Code"** means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as now in effect or hereafter amended (to the extent applicable to the Chapter 11 Cases).

1.16 **"Bankruptcy Court"** means the United States Bankruptcy Court for the District of Delaware, or any other court with jurisdiction over the Chapter 11 Cases.

1.17 **"Bankruptcy Rules"** means, collectively, the (a) Federal Rules of Bankruptcy Procedure, as amended from time to time, as applied to the Chapter 11 Cases pursuant to 28 U.S.C. § 2075 and (b) any Local Rules of the Bankruptcy Court, all as now in effect or hereafter amended (to the extent applicable to the Chapter 11 Cases).

1.18 **"Benefit Plans"** means all benefit plans, policies and programs sponsored by a Debtor or IUSA, including all savings plans, pension plans, and health and welfare plans.

1.19 **"Business Day"** means any day, excluding Saturdays, Sundays or **"**legal holidays**"** as defined in Bankruptcy Rule 9006(a).

1.20 **"Cash"** means legal tender of the United States, unless the agreement or course of business or conduct between a Debtor and a particular creditor otherwise requires payment in a different currency.

1.21 **"Causes of Action"** means any and all actions, causes of action (including Avoidance Actions), suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment, and claims, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise, and expressly including any defenses or equitable remedies necessary for the adjudication of such Causes of Action.

1.22 **"Chapter 11 Cases"** means, collectively, the bankruptcy cases of the Debtors under chapter 11 of the Bankruptcy Code commenced on the Petition Date in the Bankruptcy Court.

1.23 **"Claim"** means a claim against a Debtor, whether or not asserted or Allowed, as defined in section 101(5) of the Bankruptcy Code.

1.24 **"Class"** means any group of substantially similar Claims or Equity Interests classified by the Plan pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

1.25 **"CLH"** means Cambridge-Lee Holdings, Inc.

1.26 **"Commercial Paper"** means, collectively, the 9.75% Commercial Paper and the 12% Commercial Paper.

1.27 **"Confirmation"** means the Bankruptcy Court's confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code.

1.28 **"Confirmation Date"** means the day on which the Confirmation Order is entered on the docket for the Chapter 11 Cases.

1.29 **"Confirmation Hearing"** means the hearing held pursuant to Bankruptcy Rule 3020(b)(2) and section 1128 of the Bankruptcy Code, including any adjournments thereof, at which the Bankruptcy Court will consider Confirmation of the Plan.

1.30 **"Confirmation Order"** means the Order of the Bankruptcy Court confirming the Plan.

1.31 **"Consenting Creditors"** means the Holders of the Eligible Debt that are parties to the Restructuring Agreement.

1.32 **"Consensual Exchange"** means that certain consensual out-of-court exchange pursuant to which holders of Copper Debt and Commercial Paper agree to exchange their Copper Debt and Commercial Paper for New Series B Notes, pursuant to the terms and conditions of the Restructuring Agreement and the Exchange Offer, as applicable.

1.33 **"Consensual Exchange Documents"** means collectively the Restructuring Agreement and the Exchange Offer.

1.34 **"Copper Contracts"** means, collectively, (a) that certain Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009, and dated as of June 25, 2008, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc., IUSA, and IUSA, S.A. de C.V. as amended, including all annexes and exhibits thereto, and the guarantee issued by IUSA in respect thereof; and (b) that certain Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc., IUSA, and IUSA S.A. de C.V. as amended, including all annexes and exhibits thereto, and the guarantees by IUSA and IUSA, S.A. de C.V. issued in respect thereof.

1.35 **"Copper Debt"** means collectively: (a) the Copper Debt Principal Amount; (b) the Copper Debt Finalization Amount; and (c) the Agreed Costs.

1.36 **"Copper Debt Base Amount"** means each U.S.$1,000 stated face value of Copper Debt.

1.37 **"Copper Debt Finalization Amount"** means the agreed upon August 2009 finalization amount of $155,000.00.

1.38 **"Copper Debt Interest Accrual Date"** means (i) with respect to the August 2009 Finalization Amount, August 31, 2009 and (ii) with respect to Copper Debt represented by a Copper Debt Note and the allocated amount of the Agreed Costs, the date set forth on Schedule 1 hereto in respect of such Copper Debt Note and such amount of allocated Agreed Costs.

1.39 **"Copper Debt Notes"** means the promissory notes (*pagarés*) issued pursuant to the Copper Contracts (each such promissory note (*pagaré*), for the avoidance of doubt, includes any Copper Debt Note that was originally issued in connection with any such Copper Contract, whether such Copper Debt Note is currently held by the original holder thereof or a subsequent holder thereof).

1.40 **"Copper Debt Principal Amount"** means $145,696,154.54, consisting of the aggregate principal amount due under the Copper Debt Notes.

1.41 **"Copper Debt Restructuring Fee"** means 1.75% of the Adjusted Copper Debt Base Amount.

1.42 **"Corporate Documents"** means, with respect to any Debtor, as applicable, its certificate of incorporation, limited liability agreement, by-laws, and any other organizational and/or governing documents, in all cases, as amended, modified, and or supplemented and in effect from time to time.

1.43 **"Cure Amount"** is defined in Section 6.1.1 of the Plan.

1.44 **"Cure Dispute"** is defined in Section 6.1.4 of the Plan.

1.45 **"D&O Liability Insurance Policies"** means all insurance policies for directors', managers', and officers' liability maintained by the Debtors as of the Petition Date.

1.46 **"Debtor"** means each of CLH and Tubo.

1.47 **"Disallowed Claim"** means any Claim against any Debtor that has been disallowed, in whole or in part, by a Final Order, or which has been withdrawn, in whole or in part, by the Holder thereof.

1.48 **"Disbursing Agent"** means Reorganized Debtors or another party designated by the Reorganized Debtors to serve as a disbursing agent under the Plan.

1.49 **"Disclosure Statement"** means the Disclosure Statement for the Plan, including the schedules and exhibits thereto, as it may be amended, supplemented, or modified from time to time pursuant to the terms and conditions of the Restructuring Agreement, that is prepared and distributed in accordance with section 1125, 1126(b) and 1145 of the Bankruptcy Code, Bankruptcy Rule 3018 and any other applicable laws and as approved by the Bankruptcy Court.

1.50 **"Disputed Claim"** means a Claim, or portion thereof, that is not an Allowed Claim or a Disallowed Claim, provided, however, that in no event shall a Claim that is deemed Allowed pursuant to this Plan be a Disputed Claim.

1.51 **"Distribution Date"** means the date selected by the Debtors or the Reorganized Debtors occurring as soon as reasonably practicable on or after the Plan Effective Date.

1.52 **"Distribution Record Date"** means the date established by the Debtors for determining the Holders of Claims entitled to distribution under the Plan and the holders of

Series B Eligible Debt for purposes of distribution of the Series B Notes pursuant to the terms of the Restructuring Agreement and Consensual Exchange, as applicable, which shall be the Confirmation Date or such other date as designated in the Confirmation Order for all Claims other than the holders of the Old 2016 Notes and the Commercial Paper exchanging their Series B Eligible Debt for New Series B Notes, for which such date shall be the date such notes are exchanged for the New Series A Notes and New Series B Notes, as applicable.

1.53 **"Eligible Debt"** means, collectively, the Series A Eligible Debt and the Series B Eligible Debt.

1.54 **"Equity Interest"** means the interest of any holders, other than any of the Debtors, of equity securities of any of the Debtors represented by issued and outstanding shares of common or preferred stock or other instruments evidencing a present ownership interest in any of the Debtors, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest; *provided* that, for the avoidance of doubt, Equity Interests do not include Intercompany Interests.

1.55 **"ESBDS I Base Amount"** means each U.S.$1,000 principal amount of ESBDS I Notes.

1.56 **"ESBDS I Interest Rate"** means an interest rate per annum equal to the average six-month LIBOR for the period plus 1.5%, multiplied by the quotient of 4.75% divided by 11.5%.

1.57 **"ESBDS I Loan"** means the unsecured loan issued pursuant to that certain Credit Agreement dated as of August 29, 2007, with a principal amount outstanding of $803,803.38, entered into by and among Espirito Santo Bank, as lender, IUSA, S.A. de C.V., as borrower, and IUSA and CLH, as Guarantors, and currently held by the Export-Import Bank of the United States.

1.58 **"ESBDS I Restructuring Fee"** means 1.75% of the ESBDS I Base Amount.

1.59 **"Estate"** means the estate of any Debtor as created under section 541 of the Bankruptcy Code.

1.60 **"Exchange Offer"** shall have the meaning ascribed to such term in the Restructuring Agreement.

1.61 **"Excluded Businesses"** certain excluded subsidiaries to be identified in the New Indenture.

1.62 **"Executory Contract"** means a contract or unexpired lease which one or more of the Debtors is a party to that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

1.63 **"Existing Guarantor"** means any guarantor under the Existing Indenture.

1.64 **"Existing Indenture"** means that certain Indenture, dated as of November 13, 2006 (as amended, modified, and/or supplemented), entered into by and among IUSA, as issuer, the guarantors named therein, The Bank of New York, as trustee and The Bank of New York (Luxembourg) S.A., as Luxembourg paying agent and Luxembourg transfer agent, pursuant to which IUSA issued its 11.50% Senior Notes due 2016 in the aggregate principal amount of $200,000,000.00.

1.65 **"Existing Pledge Agreement"** means that certain Pledge and Security Agreement, dated as of November 16, 2006, entered into by and between Tubo, as pledgor, and The Bank of New York, as trustee on behalf of itself and the noteholders under the Existing Indenture.

1.66 **"File or Filed"** means file or filed with the Bankruptcy Court in the Chapter 11 Cases.

1.67 **"Final Order"** means an order or judgment, the operation or effect of which has not been stayed, reversed or amended and as to which the time to appeal or seek review or rehearing has expired, and as to which no appeal or petition for review or rehearing, including pursuant to Rule 60 of the Federal Rules of Civil Procedure, was filed or, if filed, remains pending as to such order or judgment (or any revision, modification or amendment thereof); *provided*, *however*, that no order or judgment shall fail to be a **"**Final Order**"** solely because of the possibility that a motion pursuant to sections 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 may be filed with respect to such order or judgment.

1.68 **"GECC Claim"** means any Claim arising under or pursuant to that certain Stock Pledge Agreement pursuant to which CLH pledged to General Electric Capital Corporation 89.13% of the capital stock of UCI, which Claim shall be Allowed under the Plan as a Class C2 Other Secured Claim Against CLH.

1.69 **"GECC Loan"** means the loans and other financial accommodations that GECC provided to UCI under or pursuant to that certain Second Amended and Restated Loan and Security Agreement, dated as of March 8, 2006, and/or any other document or agreement entered into or delivered in connection therewith or related thereto.

1.70 **"General Unsecured Claim"** means any Claim other than an (a) Administrative Claim, (b) Professional Fee Claim, (c) Intercompany Claim and Intercompany Interest, (d) Priority Tax Claim, (e) Other Priority Claim, (f) Other Secured Claim, (e) Noteholder Pledge Claim, or (g) Unsecured Parent Guaranty Claim.

1.71 **"Holder"** means any Person that holds a Claim or an Equity Interest.

1.72 **"Impaired"** means, when used in reference to a Claim or an Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.73 **"Indemnitee"** is defined in Section 6.3 of the Plan.

1.74 **"Indenture Trustee"** means The Bank of New York Mellon, in its capacity as Indenture Trustee under the Existing Indenture.

1.75 **"Indenture Trustee Expenses"** means any reasonable, fees of the Indenture Trustee, and reasonable, out-of-pocket costs and expenses, including reasonable fees and expenses of counsel, (a) incurred by the Indenture Trustee through the Plan Effective Date or (b) incurred by the Indenture Trustee after the Plan Effective Date in connection with its duties and/or obligations under the Plan, including, without limitation, in connection with distributions to be made under the Plan, except any such costs and expenses as may be attributable to the Indenture Trustee's gross negligence or willful misconduct.

1.76 **"Intercompany Claims"** means all prepetition Claims against any Debtor (a) held by another Debtor or a Non-Debtor Subsidiary or (b) held by any member of the IUSA Group, and listed on the Schedule of Intercompany Claims.

1.77 **"Intercompany Interest"** means all prepetition equity interests in a Debtor held by any other Debtor, a Non-Debtor Subsidiary or any member of the IUSA Group.

1.78 **"IUSA"** means Industrias Unidas, S.A. de C.V.

1.79 **"IUSA Group"** means IUSA and its direct and indirect subsidiaries.

1.80 **"IUSA Noteholder Claims"** means all Claims, rights and interests of the Noteholders against IUSA or other members of the IUSA Group arising out of or related to the Old 2016 Notes, the Existing Indenture, the Existing Pledge Agreement, and any instruments, documents or agreements executed in connection therewith, including, without limitation, all accrued but unpaid interest thereon but not including any Indenture Trustee Expenses.

1.81 **"Lien"** shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

1.82 **"Luxembourg Agent"** means the Luxembourg paying agent and Luxembourg transfer agent selected by the Debtors to serve in such capacity under the New Indentures.

1.83 **"New Corporate Documents"** means the Corporate Documents of the Reorganized Debtors, as may be amended from time to time.

1.84 **"New Indenture Trustee"** means the indenture trustee selected by the Debtors to serve in such capacity under the New Indentures.

1.85 **"New Indentures"** means, collectively, the New Series A Indenture and the New Series B Indenture.

1.86 **"New Notes"** means the New Series A Notes and the New Series B Notes.

1.87 **"New Pledge Agreement"** means that certain Pledge and Security Agreement, as may be amended prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement, to be entered into on the Plan Effective Date, under which, among

other things, Tubo shall pledge CLH's (as Reorganized Debtor) stock for the benefit of the New Series A Notes.

1.88 **"New Series A Indenture"** means that certain Indenture to be executed in connection with the issuance of the New Series A Notes, as may be amended prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement, to be entered into on the Plan Effective Date, by and among IUSA, as issuer, the guarantors named therein, the New Indenture Trustee, and the Luxembourg Agent.

1.89 **"New Series B Indenture"** means that certain Indenture to be executed in connection with the issuance of the New Series B Notes, as may be amended prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement, by and among IUSA, as issuer, the guarantors named therein, the New Indenture Trustee ,and the Luxembourg Agent.

1.90 **"New Series A Notes"** means the Series A Notes due November 15, 2016 to be issued by IUSA pursuant to the New Series A Indenture, which shall be secured by the capital stock of CLH pursuant to the New Pledge Agreement (along with such other guarantees and collateral of the other members of the IUSA Group, as applicable).

1.91 **"New Series B Notes"** means the Series B Notes due November 15, 2016 to be issued by IUSA pursuant to the New Series B Indenture, which shall not be secured by any assets of the Reorganized Debtors.

1.92 **"Non-Debtor Subsidiaries"** means, collectively, Eagle Tube Industries LLC, United Copper Industries, Inc., Cambridge-Lee Industries LLC, UCI Land Development Inc., and Cambridge-Lee (UK) LTD., Cambridge-Lee Europe, Inc.

1.93 **"Noteholders"** means the Holders of the Old 2016 Notes, each individually in its capacity as such.

1.94 **"Noteholder Pledge Claims"** means the IUSA Noteholder Claims and the Tubo Pledge Claims.

1.95 **"Old 2016 Notes"** means the 11.50% Senior Series A Notes due November 15, 2016, issued by IUSA pursuant to the Existing Indenture.

1.96 **"Other Priority Claim"** means a Claim entitled to priority under section 507(a) of the Bankruptcy Code that is not a Priority Tax Claim or an Administrative Claim.

1.97 **"Other Secured Claim"** means any Secured Claim other than a Noteholder Pledge Claim.

1.98 **"PBGC"** means the Pension Benefit Guaranty Corporation.

1.99 **"Petition Date"** means December 8, 2009.

1.100 **"Person"** means any individual, corporation, partnership, association, multiemployer pension plan, plan trustee, plan administrator, indenture trustee, limited liability company, organization, joint stock company, joint venture, estate, trust, governmental unit or any political subdivision thereof, or any other entity or organization.

1.101 **"Plan"** means this joint plan of reorganization, as it may be amended, modified, or supplemented from time to time in accordance with the terms hereof, and all exhibits annexed hereto or referenced herein including, without limitation, the Plan Supplement.

1.102 **"Plan Documents"** means all documents contemplated by or executed in connection with the Plan, as may be amended prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement.

1.103 **"Plan Effective Date"** means the first Business Day specified by the Plan Proponents on which all conditions to the consummation of the Plan as set forth in Section 13.2 hereof have been satisfied or, if capable of being waived, duly and expressly waived as provided in Section 13.3 hereof.

1.104 **"Plan Proponents"** means, collectively, the Debtors, IUSA, and the Subsidiary Guarantors.

1.105 **"Plan Supplement"** means the compilation of documents and exhibits relevant to the implementation of the Plan filed with the Bankruptcy Court and made available free of charge from the following website: http://dm.epiq11.com/tubo, not later than five (5) days prior to the last day upon which holders of Claims may vote to accept or reject the Plan, including, without limitation, (a) the New Indentures; (b) the New Pledge Agreement; (c) the Schedule of Assumed Contracts; (d) the Schedule of Rejected Contracts; (e) the Schedule of Retained Causes of Action; (f) the Schedule of Intercompany Claims; (g) the New Corporate Documents; and (h) a list of the officers and directors of the Reorganized Debtors, each of which may be amended prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement.

1.106 **"Priority Tax Claim"** means a Claim that is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

1.107 **"Professional Fee Claims"** means Claims of Professional Persons for compensation or reimbursement of costs and expenses relating to services performed after the Petition Date and to and including the Confirmation Date.

1.108 **"Professional Person"** means a professional person, as that term is used in sections 327, 328, 330, 331, 503(b)(2) and/or 1103 of the Bankruptcy Code, who is employed by the Debtors in connection with the Chapter 11 Cases.

1.109 **"Proof of Claim"** means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

1.110 **"Reinstated or Reinstatement"** means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim entitles the Holder of such Claim so as to leave such

Claim Unimpaired, or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a non-monetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim (other than the Debtors or an Insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the Holder of such Claim. The Debtors reserve their legal, equitable and contractual rights and defenses to dispute the liability and/or the amount of any Reinstated Claim in any court of competent jurisdiction after the Plan Effective Date.

1.111 **"Released Parties"** means, collectively, (a) the Debtors, (b) each Non-Debtor Subsidiary, (c) IUSA, (d) the Subsidiary Guarantors, (e) the Indenture Trustee, (f) each Noteholder, (g) each Existing Guarantor, (h) the current directors, officers and employees of the Debtors, the Non-Debtor Subsidiaries, IUSA and other members of the IUSA Group, and (i) the officers, directors, employees, agents, affiliates, predecessors, successors and assigns of each of the parties described in clauses (a) through (h).

1.112 **"Reorganized Debtor"** means each Debtor on and after the Plan Effective Date.

1.113 **"Restructuring Agreement"** means that certain Restructuring Agreement, entered into as of July 12, 2011, by and among IUSA, the Existing Guarantors and other subsidiary guarantors party thereto, and the Consenting Creditors, which may be amended prior to the Plan Effective Date pursuant to the terms and conditions therein, a copy of which is attached as Exhibit 3 to the Disclosure Statement.

1.114 **"Restructuring Transactions"** means the following transactions which shall be effectuated on the Plan Effective Date: (a) entry into the New Indentures by the relevant parties thereto, and (b) issuance of the New Notes, all as more fully described in section 8.7 of the Plan.

1.115 **"Retirement Plan"** means that certain Employees' Retirement Plan of Cambridge-Lee Industries, Inc., a defined benefit plan sponsored by the Retirement Plan Sponsor.

1.116 **"Retirement Plan Sponsor"** means Cambridge-Lee Industries, Inc.

1.117 **"Schedule of Assumed Contracts"** means the schedule included in the Plan Supplement listing certain executory contracts and unexpired leases to be assumed by the Debtors and assigned to the Reorganized Debtors, which may be amended from time to time prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement.

1.118 **"Schedule of Intercompany Claims"** means the schedule included in the Plan Supplement listing all Intercompany Claims, which may be amended from time to time prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement.

1.119 **"Schedule of Rejected Contracts"** means the schedule included in the Plan Supplement listing certain executory contracts and unexpired leases to be rejected by the Reorganized Debtors as of the Plan Effective Date, which may be amended from time to time prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement.

1.120 **"Schedule of Retained Causes of Action"** means the schedule included in the Plan Supplement listing the Causes of Action to be retained by the Reorganized Debtor as of the Plan Effective Date, which may be amended from time to time prior to the Plan Effective Date pursuant to the terms and conditions of the Restructuring Agreement.

1.121 **"Secured Claim"** means, pursuant to section 506 of the Bankruptcy Code, that portion of a Claim against any Debtor that is reflected in the schedules of assets and liabilities and the statements of financial affairs pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007, and the Official Forms of the Bankruptcy Rules or a proof of claim Filed as a secured claim which is (a) secured by a valid, perfected and enforceable security interest, lien, mortgage or other encumbrance, that is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, in or upon any right, title or interest of any Debtor in and to property of the relevant Estate, to the extent of the value of the Holder's interest in such property as of the relevant determination date or (b) Allowed as such pursuant to the terms of the Plan (subject to the occurrence of the Plan Effective Date). The defined term **"**Secured Claim**"** includes any Claim against any Debtor that is subject to a permissible setoff under section 553 of the Bankruptcy Code, to the extent of such permissible setoff.

1.122 **"Securities Act"** means the U.S. Securities Act of 1933, as amended.

1.123 **"Series A Eligible Debt"** means, collectively, the ESBDS I Loan and the Old 2016 Notes.

1.124 **"Series B Eligible Debt"** means, collectively, the Copper Debt and the Commercial Paper.

1.125 **"Subsidiary Guarantors"** means collectively, IUSA, S.A. de C.V., Industrias Unidas de Pastejé, S.A. de C.V., Gas Padilla, S.A. de C.V., IUSA Comercializadora, S.A. de C.V., Forgamex, S.A. de C.V., Centro Comercial y Cultural Pastejé, S.A. de C.V., and Convivencia y Educación Infantil Pastejé, S.A. de C.V.

1.126 **"Tubo"** means Tubo de Pastejé, S.A. de C.V.

1.127 **"Tubo Pledge Claims"** means all Claims, rights and interests against Tubo arising out of or related to the Old 2016 Notes, the Existing Indenture, the Existing Pledge Agreement, and any instruments, documents or agreements executed in connection therewith, including, without limitation, all accrued but unpaid interest thereon.

1.128 **"UCI"** means United Copper Industries, Inc.

1.129 **"Unimpaired"** means, with respect to a Class of Claims or Equity Interest, a Claim or Equity Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

1.130 **"Unsecured Parent Guaranty Claims"** means all Claims, rights and interests against CLH, IUSA, or any member of the IUSA Group arising out of or related to the ESBDS I Loan, and any instruments, documents or agreements executed in connection therewith, including, without limitation, all accrued by unpaid interest thereon.

1.131 **"U.S. Trustee"** means the Office of the United States Trustee for the District of Delaware.

SECTION 2.
INTERPRETATION, RULES OF CONSTRUCTION, COMPUTATION OF TIME, AND GOVERNING LAW

2.1 **Undefined Terms.** Any capitalized term used in the Plan that is not defined in the Plan, either in Section 1 or elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules has the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

2.2 **Rules of Interpretation.** For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) any reference in the Plan to a contract, instrument, release, note or other agreement or document being in a particular form or on particular terms and conditions means that such contract, instrument, release, note or other agreement or document shall be substantially in such form or substantially on such terms and conditions, but if there exists any inconsistency between a summary of, or reference to, any contract, instrument, release, note or other agreement or document in the Plan or the Confirmation Order and the contract, instrument, release, note or other agreement or document itself, the terms of the Confirmation Order shall control; (c) any reference in the Plan to an existing document Filed or to be Filed means such document, as it may have been or may subsequently be amended, modified or supplemented; (d) unless otherwise specified in a particular reference, all references in the Plan to "**section,**" "article," and "Exhibit" are references to a section, article, and Exhibit of or to the Plan; (e) the words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan; (f) captions and section headings are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (g) the rules of construction set forth in Bankruptcy Code section 102 shall apply.

2.3 **Time Periods.** In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

2.4 **Governing Law.** Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of New York shall govern the construction and implementation of the Plan and any agreements, documents, and

instruments executed in connection therewith, without giving effect to the principles of conflicts of law thereof which would require the application of the law of another jurisdiction, except as otherwise expressly provided for in such agreements, documents, and instruments.

2.5 **Limitation.** While this Plan provides for the issuance of New Series B Notes to holders of Series B Eligible Debt pursuant to section 1145 of the Bankruptcy Code in exchange for such Series B Eligible Debt, notwithstanding anything contained herein to the contrary, including, without limitation, Section 9 hereof, this Plan shall not otherwise affect any rights of such holders of such Series B Eligible Debt, unless, and then only to the extent, such holder is also a Holder of a Claim against or interest in a Debtor.

SECTION 3.
ADMINISTRATIVE CLAIMS, PROFESSIONAL FEE CLAIMS, PRIORITY TAX CLAIMS, AND INTERCOMPANY CLAIMS

3.1 **Administrative Claims.** Each Holder of an Allowed Administrative Claim will receive payment in full in Cash of the unpaid portion of such Allowed Administrative Claim (a) in the case of Professional Fee Claims and expenses for advisors to the Debtors, as soon as practicable after Bankruptcy Court approval thereof, as described more fully in Section 3.2 below, or, in the case of professionals retained by the Debtors in the ordinary course of their business, if any, on such terms as are customary between the Debtors and such professionals; (b) with respect to all other Holders of Allowed Administrative Claims, on, or as soon thereafter as reasonably practicable, the later of (i) the Plan Effective Date; (ii) the first Business Day that is thirty (30) calendar days after the date an Administrative Claim becomes an Allowed Claim, and (iii) the date on which such payment would be made in the ordinary course of the Debtors' business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements or regulations governing, instruments evidencing or other documents relating to such transactions; or (c) with respect to any Claims described in clauses (a) and (b) hereof, as otherwise agreed by the Holder of such Claim and the Debtors.

3.2 **Professional Fee Claims.** All entities seeking awards by the Bankruptcy Court of Professional Fee Claims shall File and serve on counsel for the Reorganized Debtors, the Committee, if any, the U.S. Trustee, and any other party specifically requesting a copy in writing, an application for its Professional Fee Claim no later than forty (40) days after the Plan Effective Date and be paid in full, in Cash, in such amounts as are Allowed by the Bankruptcy Court in accordance with the order relating to or Allowing any such Professional Fee Claim, including any amount previously held back, if any. Any interested party desiring to object to any Professional Fee Claim must File and serve its objection on the Reorganized Debtors, the Committee, if any, the U.S. Trustee, and the affected Professional Person no later than sixty (60) days after the Plan Effective Date. Notwithstanding anything else provided herein, the Reorganized Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

3.3 **Priority Tax Claims.** Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, each Holder of an Allowed Priority Tax Claim shall, in full satisfaction, release and discharge of such Allowed Priority Tax Claim, receive, in

the Reorganized Debtors' discretion, (a) on the applicable Distribution Date, Cash in an amount equal to such Allowed Priority Tax Claim, (b) such other treatment as to which the Debtors and the Holder of such Allowed Priority Tax Claim have agreed upon in writing, (c) deferred Cash payments following the Plan Effective Date over a period ending not later than five (5) years after the Petition Date, in an aggregate amount equal to the Allowed amount of such Priority Tax Claim, or (d) such other treatment as will cause such Claim not to be Impaired; *provided*, *however*, that any such Priority Tax Claim not due and owing on the Plan Effective Date will be paid when such Claim becomes due and owing.

3.4 **Intercompany Claims and Intercompany Interests.** Notwithstanding anything to the contrary contained in this Plan, Intercompany Claims and Intercompany Interests shall be Unimpaired and shall remain in full force and effect after the Plan Effective Date, provided that such Intercompany Claims are subject to the requirements of and restrictions (including, without limitation, the relative ranking and priority of such Intercompany Claims) contained in the New Indentures.

SECTION 4.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee Claims, Intercompany Claims and Intercompany Interests, and Priority Tax Claims have not been classified and thus the Holders thereof are excluded from the Classes of Claims entitled to vote on the Plan.

4.1 **Summary of Classification.** All Claims and Equity Interests, other than the Administrative Claims, Professional Fee Claims, Intercompany Claims and Intercompany Interests, and Priority Tax Claims, are classified in the Classes set forth in this Section 4 for all purposes, including voting, Confirmation, and distributions pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Equity Interest is classified in a particular Class only to the extent that such Claim or Equity Interest is within the description of that Class and is classified in another Class to the extent that any remainder of such Claim or Equity Interest belongs within such other Class or Classes. A Claim or Equity Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or Equity Interest in the Class and has not been paid, released, or otherwise satisfied prior to the Plan Effective Date.

Class	**Claim**	**Status**	**Voting Rights**
T1	Other Priority Claims against Tubo	Unimpaired	Deemed to Accept
T2	Other Secured Claims against Tubo	Unimpaired	Deemed to Accept
T3	Noteholder Pledge Claims	Impaired	Entitled to Vote
T4	General Unsecured Claims against Tubo	Unimpaired	Deemed to Accept
T5	Equity Interests in Tubo	Unimpaired	Deemed to Accept
C1	Other Priority Claims against CLH	Unimpaired	Deemed to Accept
C2	Other Secured Claims against CLH	Unimpaired	Deemed to Accept
C3	Unsecured Parent Guaranty Claims	Impaired	Entitled to Vote
C4	General Unsecured Claims against CLH	Unimpaired	Deemed to Accept
C5	Equity Interests in CLH	Unimpaired	Deemed to Accept

4.2 **Treatment of Claims and Equity Interests.** To the extent a Class contains Allowed Claims or Equity Interests with respect to a particular Debtor, the treatment provided to each Class for distribution purposes is specified below:

4.2.1 *Classes T1 and C1 – Other Priority Claims.*

(a) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim agrees to less favorable treatment, each Holder of an Allowed Priority Claim shall have its Claim Reinstated to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.

(b) *Voting:* Classes T1 and C1 are Unimpaired under the Plan and, consequently, the Holders of Other Priority Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.2.2 *Classes T2 and C2 – Other Secured Claims.*

(a) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment, each Holder of an Allowed Other Secured Claim shall have its Claim Reinstated and shall retain its Lien, to the same extent in existence and valid as of the Plan Effective Date, on the property that secures each such Claim, to the extent such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.

(b) *Voting:* Classes T2 and C2 are Unimpaired under the Plan and, consequently, the Holders of Other Secured Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.2.3 *Class T3 – Noteholder Pledge Claims.*

(a) *Allowance:* On the Plan Effective Date, the Noteholder Pledge Claims shall be deemed Allowed in full.

(b) *Treatment:* Each Holder of a Noteholder Pledge Claim as of the Distribution Record Date shall receive on the Plan Effective Date, in accordance with the Restructuring Transactions, in full and final satisfaction of each such Holder's Allowed Noteholder Pledge Claim, New Series A Notes to be issued by IUSA in the principal amount equal to U.S.$1,143.22, which is equal to (i) the 2016 Base Amount, plus (ii) the amount of accrued and unpaid interest on such 2016 Base Amount from May 15, 2009 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 2016 Notes Restructuring Fee, and (b) the interest accrued on the 2016 Notes Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, which New Series A Notes shall be guaranteed by Tubo and secured by a pledge of the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group).

(c) *Voting:* Class T3 is Impaired under the Plan and, consequently, the Holders of Allowed Noteholder Pledge Claims are entitled to vote on the Plan.

4.2.4 *Class C3 – Unsecured Parent Guaranty Claims.*

(a) *Allowance:* On the Plan Effective Date, the Unsecured Parent Guaranty Claims against CLH shall be deemed Allowed in full.

(b) *Treatment:* Each Holder of an Unsecured Parent Guaranty Claim as of the Distribution Record Date shall receive on the Plan Effective Date, in accordance with the Restructuring Transactions, in full and final satisfaction of each such Holder's Allowed Unsecured Parent Guaranty Claim, New Series A Notes to be issued by IUSA in the principal amount of U.S.$1,036.18, which is equal to (i) the ESBDS I Base Amount, plus (ii) the amount of accrued and unpaid interest on such ESBDS I Base Amount from October 12, 2010 through November 15, 2011, at the ESBDS I Interest Rate, compounded quarterly, plus (iii) a restructuring fee

equal to the sum of (a) the ESBDS I Restructuring Fee, and (b) the interest accrued on the ESBDS I Restructuring Fee from May 15, 2011 through November 15, 2011, at the ESBDS I Interest Rate compounded quarterly, which New Series A Notes shall be guaranteed by Tubo and secured by a pledge of the capital stock of CLH (along with other guarantees and collateral from members of the IUSA Group).

(c) *Voting:* Class C3 is Impaired under the Plan and, consequently, the Holders of Allowed Unsecured Parent Guaranty Claims are entitled to vote on the Plan.

4.2.5 *Classes T4 and C4 – General Unsecured Claims.*

(a) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, each Holder of an Allowed General Unsecured Claim shall have its Claim Reinstated to the extent that such Claim is not paid in the ordinary course of business prior to the Plan Effective Date.

(b) *Voting:* Classes T4 and C4 are Unimpaired under the Plan and, consequently, the Holders of General Unsecured Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

4.2.6 *Classes T5 and C5 – Equity Interests.*

(a) *Treatment:* The Equity Interests are unaltered by the Plan and each Holder of Equity Interests will retain its interests to the same extent as if the Chapter 11 Cases had not been commenced.

(b) *Voting:* Classes T5 and C5 are Unimpaired under the Plan and, consequently, the Holders of Equity Interests are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote on the Plan.

SECTION 5.
ACCEPTANCE OR REJECTION OF THE PLAN

5.1 **Acceptance or Rejection of Plan.**

5.1.1 *Voting Classes.* Classes T3 and C3 are Impaired under the Plan, and Holders of Claims in Classes T3 and C3 are entitled to vote on the Plan.

5.1.2 *Presumed Acceptance of the Plan.* Classes T1, C1, T2, C2, T4, C4, T5 and C5 are Unimpaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

5.2 **Acceptance by Impaired Classes.** An Impaired Class of Claims shall have accepted the Plan if (i) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

SECTION 6.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 **Assumption.**

6.1.1 Except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, each Executory Contract of the Debtors that has not expired by its own terms before the Plan Effective Date that: (1) is listed on the Schedule of Assumed Contracts; (2) is not rejected prior to the Plan Effective Date; (3) is not the subject of a motion to reject Filed on or before the Confirmation Date upon which the Bankruptcy Court has not entered an Order; (4) is not listed on the Schedule of Rejected Contracts; or (5) has not been otherwise modified or superseded by agreement of the parties thereto, shall be deemed to have been assumed by the applicable Debtor as of the Plan Effective Date, pursuant to section 365 of the Bankruptcy Code. Nothing herein, any annex to the Plan, or any document executed or delivered in connection with the Plan or any such annex creates any obligation or liability on the part of the Debtors, the Reorganized Debtors or any other person or entity that is not currently liable for such obligation, with respect to any Executory Contract except as otherwise provided in the Plan. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) each Executory Contract assumed hereunder is an executory contract which may be assumed by the Debtors, (ii) there are no defaults of the Debtors, no cure amounts owing pursuant to section 365(b)(i) of the Bankruptcy Code (the "Cure Amount"), no compensation due for any actual pecuniary loss, and there is adequate assurance of future performance with respect to each Executory Contract, (iii) such assumption is in the best interest of the Debtors and their estates, (iv) upon the Plan Effective Date, the assumed Executory Contracts constitute legal, valid, binding, and enforceable contracts in accordance with the terms thereof, and (v) the counterparty to each assumed Executory Contract is required to and ordered to perform under and honor the terms of the assumed Executory Contract.

6.1.2 Each Executory Contract assumed pursuant to Section 6.1 shall revest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan. Nothing in the Plan or any Plan Document shall create any obligation or liability on the part of any Debtor, any Reorganized Debtor or any other Person that does not currently have such liability or obligation, with respect to any Executory Contract.

6.1.3 Each Executory Contract that is assumed shall include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such Executory Contract and (ii) all Executory Contracts appurtenant to the premises, including all

easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, vaults, tunnel or bridge agreements, or franchises, and any other interests in real estate or rights *in rem* related to such premises, but excluding any agreement rejected pursuant to an order of the Bankruptcy Court.

6.1.4 In the event of a dispute (each, a "Cure Dispute") regarding: (i) the Cure Amount; (ii) the ability of the applicable Reorganized Debtor to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract to be assumed; or (iii) any other matter pertaining to the proposed assumption, any party in interest may file an objection to confirmation pursuant to the procedures established in the order approving the Disclosure Statement. Any objection that raises a Cure Dispute must identify the disputed Executory Contract and set forth with particularity the basis of the Cure Dispute. To the extent a Cure Dispute relates solely to the Cure Amount, the applicable Debtor may assume the applicable Executory Contract prior to the resolution of the Cure Dispute provided that such Debtor reserves Cash in an amount sufficient to pay the full amount asserted as cure payment by the non-Debtor party to such Executory Contract (or such smaller amount as may be fixed or estimated by the Bankruptcy Court). Any party that fails to object shall be forever barred, estopped, and enjoined from raising a Cure Dispute in the Bankruptcy Court, in any other court, in any arbitration or otherwise.

6.1.5 The Confirmation Order shall constitute an Order of the Court under sections 365 and 1123(b) of the Bankruptcy Code approving the assumptions described above, as of the Plan Effective Date. Each Executory Contract assumed pursuant to the Plan shall be assumed only to the extent that any such contract or lease constitutes an Executory Contract. Assumption of a contract or lease pursuant to the Plan shall not constitute an admission by the Debtors, the Reorganized Debtors or the Plan Proponents (as applicable) that such contract or lease is an Executory Contract or that the Debtors or the Reorganized Debtors (as applicable) have any liability thereunder. All Executory Contracts that are assumed will be assumed under their present terms or upon such terms as are agreed to in writing between the applicable Debtor and the counterparty to such contract or lease.

6.2 **Rejection.**

6.2.1 Effective immediately prior to the Plan Effective Date, each Executory Contract of the Debtors listed on the Schedule of Rejected Contracts is rejected, to the extent, if any, each constitutes an executory contract or unexpired lease, and without conceding that each constitutes an executory contract or unexpired lease or that the Debtors have any liability under each. Listing a contract or lease on the Schedule of Rejected Contracts is not deemed an admission by the Debtors or the Reorganized Debtors that such contract is an Executory Contract or that the Debtors or the Reorganized Debtors have any liability thereunder or under the Plan. The Debtors reserve the right at any time before Confirmation to amend the Schedule of Rejected Contracts, including to (a) delete any Executory Contract on such Schedule and provide for its assumption or (b) add any Executory Contract to such Schedule, thus providing for its rejection. The Debtors shall provide notice of any amendment of such Schedule to the party to the affected executory contract or unexpired lease and the U.S. Trustee.

6.2.2 The Confirmation Order shall constitute an Order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving all such rejections as described above, as of the Plan Effective Date. If the rejection by the Debtors, pursuant to the Plan or otherwise, of an Executory Contract results in a Claim that is not theretofore evidenced by a timely filed proof of claim or a proof of claim that is deemed to be timely filed under applicable law, then such Claim shall be forever barred and shall not be enforceable against the Debtors or Reorganized Debtors, or the properties of the Debtors or Reorganized Debtors, unless a proof of claim for damages arising from the rejection under the Plan of an Executory Contract is Filed within thirty (30) days after the mailing of notice of Confirmation. Any such Claims that become Allowed Claims shall be classified in Class T4 or C4 of the Plan, as applicable.

6.3 **Indemnification of Directors, Officers and Employees.** For purposes of the Plan, the obligation of a Debtor to exculpate, indemnify and advance any expenses to any Person serving at any time before, on or after the Petition Date as one of its current, former or future directors or officers (each, an "Indemnitee") by reason of such Person's service in such capacity, for acts or omissions occurring at or prior to the consummation of the Plan, whether asserted or claimed prior to, at or after the consummation of the Plan, to the extent provided in such Debtor's Corporate Documents, a written agreement with the Debtor, in accordance with any applicable law, or any combination of the foregoing or otherwise, shall: (a) survive confirmation of the Plan and the Plan Effective Date and continue in full force and effect (and not be modified, amended or terminated in any manner adverse to any Indemnitee without the written consent of the affected Indemnitee); (b) become an obligation of the applicable Reorganized Debtor; and (c) not be discharged in accordance with section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with an event occurring before, on, or after the Petition Date.

6.4 **D&O Liability Insurance Policies.** Notwithstanding anything herein to the contrary, as of the Plan Effective Date, the Debtors shall assume (and assign to any of the Reorganized Debtors as necessary to continue the D&O Liability Insurance Policies in full force) all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained herein, Confirmation of the Plan shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed.

6.5 **Compensation and Benefits Plans.**

6.5.1 Except and to the extent previously assumed by an order of the Bankruptcy Court, on or before the Confirmation Date, all employee compensation and Benefit Plans, including Benefit Plans and programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated, shall be deemed to be, and shall be treated as if they were, Executory Contracts that are to be assumed hereunder. The Debtors' obligations under such plans and programs shall survive confirmation of the Plan, except for (1) employee compensation plans or Benefit Plans specifically rejected

pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (2) such employee compensation plans or Benefit Plans as have previously been rejected, are the subject of a motion to reject as of the Confirmation Date or have been specifically waived by the beneficiaries of any of such Benefit Plans or employee compensation plans.

6.5.2 Neither of the Debtors is a sponsor of a defined benefit pension plan under ERISA. However, the Retirement Plan Sponsor, a Non-Debtor Subsidiary, is the sponsor of the Retirement Plan that has been frozen since 1993. As of the most recent FAS valuation of the Retirement Plan for the fiscal year ended December 31, 2009, the Retirement Plan was adequately funded, with funding in excess of the aggregate pension benefit obligations under the Retirement Plan. After the Plan Effective Date, the respective obligations, if any, of the Reorganized Debtors and the Retirement Plan Sponsor will be reinstated under the Plan.

SECTION 7.
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 **Timing and Calculation of Amounts to Be Distributed.** Except as otherwise provided in the Plan, on the Plan Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Plan Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtors as of the Distribution Record Date shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class and in the manner provided herein. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Section 7.5 hereof. Except as otherwise provided herein, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Plan Effective Date.

7.2 **No Duplication of Recoveries on Series A Eligible Debt.** For the avoidance of doubt, a Holder of a Noteholder Pledge Claim or a Holder of an Unsecured Parent Guaranty Claim shall only be entitled to receive a single recovery on account of such Holders' claims against the primary obligor, guarantor, or pledgor, arising under the Old 2016 Notes or the ESBDS I Loan, as applicable (i.e., a Claim for $1,000 unpaid principal amount of Old 2016 Notes and a related Claim against Tubo in respect of any pledged stock of CLH shall be deemed to be a single Noteholder Pledge Claim for $1,000 principal amount of Old 2016 Notes. Similarly, a Claim for $1,000 unpaid principal amount arising under the ESBDS I Loan against IUSA, as guarantor, and any related claims against IUSA, S.A. de C.V., as borrower, or any other member of the IUSA Group in respect of the ESBDS I Loan shall be deemed to be a single Unsecured Parent Guaranty Claim for $1,000 principal amount arising under the ESBDS I Loan).

7.3 **Disbursing Agent.**

7.3.1 Except as otherwise provided herein, all distributions under the Plan shall be made on the Plan Effective Date by the Reorganized Debtors as Disbursing Agents or such other Entity designated by the Reorganized Debtors as a Disbursing Agent. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. In the event that a Disbursing Agent is so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

7.3.2 Distributions of the New Series A Notes on account of the Old 2016 Notes shall be made by IUSA to the Indenture Trustee for the benefit of the Holders of the Noteholder Pledge Claims.

7.4 **Rights and Powers of Disbursing Agent.**

7.4.1 *Powers of Disbursing Agent.* The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

7.4.2 *Expenses Incurred On or After Plan Effective Date.* Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Plan Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors. Notwithstanding the foregoing, the Reorganized Debtors shall have no obligation to pay any fees or expenses incurred, or any compensation or expense reimbursement claims made, by IUSA on account of the distributions of the New Series A Notes.

7.5 **Distributions on Account of Claims Allowed After the Plan Effective Date.**

7.5.1 *Payments and Distributions on Disputed Claims.* Distributions made after the Plan Effective Date to Holders of Disputed Claims that are not Allowed Claims as of the Plan Effective Date but which later become Allowed Claims shall be deemed to have been made on the Plan Effective Date.

7.5.2 *Special Rules for Distributions to Holders of Disputed Claims.* Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Debtors or the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the Holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

7.6 **Delivery of Distributions and Undeliverable or Unclaimed Distributions.**

7.6.1 *Delivery of Distributions in General.* Except as otherwise provided herein, the Reorganized Debtors shall make distributions to Holders of Allowed Claims, except for Holders of Allowed Claims in Class T3, at the address for each such Holder as indicated on the Debtors' books and records as of the date of any such distribution; *provided*, *however*, that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; and provided, further, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in the Debtors' books and records or, as applicable, any Proof of Claim filed by that Holder. Distributions of New Series A Notes of the Reorganized Debtors to Holders of Allowed Claims in Class T3 shall be made to the Indenture Trustee for the benefit of the Holders of the Noteholder Pledge Claims as provided herein. The Indenture Trustee shall, in turn, promptly administer the distributions to the Holders of Allowed Noteholder Pledge Claims, in accordance with the Plan and the Existing Indenture.

7.6.2 *Distributions Free and Clear.* Except as otherwise provided herein, any distributions under the Plan and the issuance and distribution of the New Notes shall be free and clear of any Liens, Claims and encumbrances, and no other entity, including but not limited to the Debtors, the Reorganized Debtors, or the members of the IUSA Group shall have any interest, legal, beneficial or otherwise, in assets transferred to holders of Allowed Claims or Eligible Debt pursuant to the Plan; *provided*, *however*, that nothing herein shall affect the Indenture Trustee's charging lien, which lien is expressly preserved and shall survive confirmation of the Plan and the Plan Effective Date.

7.6.3 *Undeliverable Distributions and Unclaimed Property.* In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided*, *however*, such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Plan Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors or IUSA, as applicable (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such Claim shall be discharged and forever barred.

7.6.4 *Compliance with Tax Requirements/Allocations.* In connection with the Plan, to the extent applicable, the Reorganized Debtors and/or the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony,

child support, and other spousal awards, liens and encumbrances. Except as otherwise provided herein, distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest. For the avoidance of doubt, nothing contained herein shall require the Indenture Trustee to comply with any tax withholding or reporting requirements in connection with the distribution to be made to the Noteholders.

7.6.5 *Setoff.* Each Debtor and each Reorganized Debtor may withhold (but not set off except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim (other than a Noteholder Pledge Claim or the Unsecured Parent Guaranty Claims) an amount equal to any claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim. In the event that any such claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim) the amount of any adjudicated or resolved claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claims, Equity Interests, rights, and Causes of Action that the Debtors or the Reorganized Debtors may possess against any such Holder, except as specifically provided herein.

SECTION 8.
MEANS FOR IMPLEMENTATION OF THE PLAN

8.1 **Continued Corporate Existence.** The Reorganized Debtors shall continue to exist after the Plan Effective Date as separate corporate entities in accordance with applicable law under their respective Corporate Documents, except to the extent such Corporate Documents may be amended including to comply with section 1123(a)(6) of the Bankruptcy Code, without the need for any further corporate action. Any proposed amendments to the Corporate Documents, including but not limited to any changes in the corporate and organizational structure of the Debtors, shall be filed in the Plan Supplement. On and after the Plan Effective Date, the Corporate Documents, as so amended, if necessary, shall continue to govern the Reorganized Debtors' operations. After the Plan Effective Date, the Reorganized Debtors shall be authorized to (i) establish new by-laws or corporate charters for either of the Reorganized Debtors, and/or (ii) change the corporate structure (e.g., corporation to limited liability company) of either Reorganized Debtor under the law of its applicable jurisdiction of organization, without further order of the Bankruptcy Court.

8.2 **Revesting of Assets.** Except as otherwise set forth herein or in the Confirmation Order, as of the Plan Effective Date, the property of the Estates, together with any property of the Debtors that is not property of the Estates and that is not specifically disposed of pursuant to the

Plan, shall revest in the applicable Reorganized Debtors free and clear of all Claims, Liens, encumbrances and other interests of the Holders of Claims or Equity Interests. Thereafter, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code, Bankruptcy Rules, and Bankruptcy Court.

8.3 **Operation of Business and Properties.** Without limiting the generality of the foregoing, all rights, privileges, entitlements, authorizations, grants, permits, licenses, easements, franchises, and other similar items which constitute part of, or are necessary or useful in the operation of the property or the business of the Debtors or the Reorganized Debtors, whether in the United States, Mexico or elsewhere, shall be vested in the applicable Reorganized Debtors on the Plan Effective Date, and shall thereafter be exercisable and usable by the Reorganized Debtors to the same extent they would have been exercisable and usable by the Debtors before the Petition Date or by the Estates or Debtors in Possession during the pendency of the Chapter 11 Cases.

8.4 **Retention of Causes of Action.** Except to the extent any Causes of Action are expressly and specifically waived, released or abandoned under the Plan or the Confirmation Order, or pursuant to any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code: (1) any and all Causes of Action accruing to any Debtor or its Estate against any Person shall remain assets of and vest in the applicable Reorganized Debtor, whether or not litigation relating thereto is pending on the Plan Effective Date, and whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Bankruptcy Court; and (2) neither any Debtor nor any Reorganized Debtor waives, relinquishes, or abandons (nor shall they be estopped or otherwise precluded from asserting) any Causes of Action: (a) whether or not such Causes of Action have been listed or referred to in the Plan, the Disclosure Statement, the Schedule of Retained Causes of Action, or any other document Filed with the Bankruptcy Court; (b) whether or not such Causes of Action are currently known to the Debtors; and (c) whether or not a defendant in any litigation relating to such Causes of Action Filed a Proof of Claim, a notice of appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, including, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion or any similar doctrine, the failure to list, disclose, describe, identify, or refer to any Causes of Action in the Plan, the Schedule of Retained Causes of Action or any other document Filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any Causes of Action that any Debtor or any Reorganized Debtor has, or may have, as of the Confirmation Date.

8.4.1 Without limiting the generality of the foregoing, except as otherwise provided in the Plan, the Confirmation Order, any other order of the Bankruptcy Court or any Plan Document, nothing shall affect any Debtor's or Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Disputed Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments against such Claims.

8.4.2 Due to the Plan's Unimpaired and/or agreed treatment of Claims, the Debtors and the Reorganized Debtors waive their rights to institute or prosecute any Avoidance Actions.

8.5 **Cancellation of Existing Agreements.**

8.5.1 Except as provided in Section 8.5.3 of this Plan, or otherwise expressly provided in the Plan or the Confirmation Order, on the Plan Effective Date, the Existing Indenture, the Existing Pledge Agreement and any and all notes, instruments or other documents evidencing the Old 2016 Notes, the Noteholder Pledge Claims, the ESBDS I Loan and the Unsecured Parent Guaranty Claims shall be deemed cancelled, extinguished, discharged, and of no further force and effect, and, upon the delivery to the Holders of the Allowed Noteholder Pledge Claims and Allowed Unsecured Parent Guaranty Claims their ratable distribution of the New Series A Notes as set forth in Section 4, the obligations and/or duties of the Debtors, the Non-Debtor Subsidiaries, IUSA, the Existing Guarantors, the Indenture Trustee, and any of their respective affiliates to the Holders of the Old 2016 Notes and ESBDS I Loan for obligations arising under or related to the Old 2016 Notes and the ESBDS I Loan, respectively, shall be discharged. The Indenture Trustee is authorized to take whatever action may be necessary or appropriate (in each case, as requested by Tubo or reorganized Tubo) to effectuate the terms and conditions specified herein. Without limiting the generality of the foregoing, the Indenture Trustee shall be expressly obligated to deliver to the Debtors, the Reorganized Debtors, or the New Indenture Trustee, as directed by the Debtors, the shares pledged pursuant to the New Pledge Agreement to be held as collateral for the New Series A Notes.

8.5.2 For the avoidance of doubt, this Section 8.5 shall apply only to notes, instruments or other documents which evidence the Old 2016 Notes, the ESBDS I Loan and any guaranties and pledges thereunder, and except as otherwise expressly provided herein or the Confirmation Order, all other notes, instruments, and other documents evidencing Claims against any Debtor shall continue in full force and effect after the Plan Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

8.5.3 Notwithstanding the foregoing, the Existing Indenture, the Old 2016 Notes and the Existing Pledge Agreement, shall continue in effect for the purposes of allowing (a) the Holders of the Noteholder Pledge Claims to receive their distributions hereunder, (b) IUSA and/or the Indenture Trustee to make all distributions on account of the Allowed Noteholder Pledge Claims pursuant to the Plan and to perform any other necessary administrative functions with respect thereto, and (c) permitting the Indenture Trustee to assert its charging lien against such distribution for payment of any fees and expenses.

8.6 **Satisfaction of Copper Debt and Commercial Paper.** As a prerequisite to the Plan Effective Date, pursuant to the Consensual Exchange, IUSA is requesting holders of the Copper Debt and the Commercial Paper to exchange their Copper Debt or Commercial Paper, as applicable, for New Series B Notes. Pursuant to the Consensual Exchange, and consistent with the Plan, IUSA will issue the New Series B Notes pursuant to the Plan in exchange for the Series B Eligible Debt held by the holders of Copper Debt and Commercial Paper. Upon the delivery to the holders of the Copper Debt and Commercial Paper their ratable distribution of the New Series B Notes, as set forth in the Consensual Exchange Documents, the obligations of IUSA,

and any of its affiliates to the holders of the Copper Debt and Commercial Paper for obligations arising under the Series B Eligible Debt held by such holder, respectively, shall be fully discharged, released and satisfied.

8.7 **New Notes.** A full description of the New Series A Notes and New Series B Notes is attached to the Disclosure Statement as Exhibit 4, and the New Indentures shall be included in the Plan Supplement.

The New Notes will be IUSA's direct senior obligations and be guaranteed by substantially all of IUSA's existing and future direct and indirect Mexican subsidiaries (except the Excluded Businesses). The New Notes will mature on November 15, 2016 and accrue interest at a rate of 11.50% per annum.

The New Notes will be secured by, with respect to IUSA and its direct and indirect subsidiaries (other than the Excluded Businesses and CLH and its direct and indirect subsidiaries) (i) all future and current real property, including land and buildings; (ii) substantially all other future and current unencumbered long-term assets, properties and machinery and equipment, including, without limitation, all owned capital stock (other than capital stock of subsidiaries and IUSA-GE); (iii) 30% of the future and current amounts in a lockbox account related to royalties for the use of certain payment cards in Mexico; (iv) all capital stock of IUSA's future and current direct and indirect Mexican Subsidiaries, except the Excluded Businesses; (v) a second priority lien on currently encumbered assets; and (vi) the proceeds of each of the assets described in (i) through (v) above.

In addition, the New Series A Notes (but not the New Series B Notes) will be secured by a first-priority pledge of capital stock of CLH.

8.8 **Restructuring Transactions.** The Consensual Exchange is an integral part of the Plan. The Plan Proponents believe that the Consensual Exchange is in the best interests of the Debtors' creditors and the Estates and that the Consenting Creditors would not agree to support the Plan absent consummation of the Consensual Exchange and issuance of the New Series B Notes pursuant to the Plan. On the Plan Effective Date, the following Restructuring Transactions shall be effectuated:

8.8.1 IUSA shall enter into the New Indentures for the New Notes;

8.8.2 IUSA shall issue and distribute the New Series A Notes to the (a) Holders of Old 2016 Notes/Allowed Noteholder Pledge Claims and (b) Holders of the ESBDS I Loan/ Allowed Unsecured Parent Guaranty Claims, in each instance in full and final satisfaction and discharge of all such obligations of any member of the IUSA Group with respect to such obligations;

8.8.3 IUSA shall issue and distribute the New Series B Notes to the Holders of Series B Eligible Debt that have elected to participate in the Consensual Exchange, in each instance in full and final satisfaction and discharge of Series B Eligible Debt owed by any member of the IUSA Group with respect to such Series B Eligible Debt.

(a) Each holder of the Copper Base Amount shall receive pursuant to the terms of the Consensual Exchange in the Restructuring Agreement Series B Notes with a principal amount ranging from U.S.$1,100.34 to U.S.$1,121.73, depending on the Copper Debt Interest Accrual Date applicable to the specific series of Copper Debt, which is equal to (i) the Copper Debt Base Amount, plus (ii) the amount of accrued and unpaid interest on each component of such Copper Debt Base Amount from the applicable Copper Debt Interest Accrual Date through November 15, 2011, at an interest rate of 3.717% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the Copper Debt Restructuring Fee, and (b) the interest accrued on the Copper Debt Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 3.717% per annum compounded quarterly.

(b) Each holder of the 9.75% CP Base Amount shall receive pursuant to the terms of the Exchange Offer Series B notes with a principal amount equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from the stated maturity date of the 9.75% CP Base Amount through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 9.75% CP Restructuring Fee and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly.

(c) Each holder of the 12% CP Base Amount shall receive pursuant to the terms of the Exchange Offer Series B notes with a principal amount equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from the stated maturity date of the 12% CP Base Amount through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) the 12% CP Restructuring Fee, and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly.

8.8.4 Tubo, and each other subsidiary of IUSA that has agreed to guarantee the New Notes pursuant to the terms of the Restructuring Agreement, shall execute and deliver the New Indentures as a guarantor thereunder; and

8.8.5 Tubo shall execute and deliver the New Pledge Agreement.

8.9 **Effectuating Documents; Further Transactions.** The entry of the Confirmation Order shall constitute a direction to and authorization for the Plan Proponents and the

Reorganized Debtors (as the case may be) and their respective directors and officers to take or cause to be taken any action that they deem necessary or appropriate to consummate the transactions contemplated by this Plan and the Plan Supplement, and to execute any contracts, instruments, and other agreements or documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, in each case, without further order by the Bankruptcy Court.

8.9.1 The appropriate officers (including the chief executive officer, chief financial officer, president, treasurer, or any vice president thereof) of each Reorganized Debtor, each acting singly, shall be authorized to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents, and take such actions, as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the transactions contemplated by the Plan and the Plan Supplement, without any requirement of further action by the board of directors or stockholders of the applicable Debtor. The secretary, assistant secretary or other appropriate officer of each Reorganized Debtor shall be authorized to certify or attest to any of the foregoing actions.

8.10 **Management of Reorganized Debtors.** Subject to the New Corporate Documents, on the Plan Effective Date, the management, control, and operation of each Reorganized Debtor shall become the general responsibility of its respective board of directors in accordance with applicable non-bankruptcy law. Except as otherwise disclosed on or before the Confirmation Date, the individuals serving as members of the Board of Directors of each Debtor as of the Petition Date shall continue to serve as directors of each respective Reorganized Debtor. Subject to the New Corporate Documents, the directors of each Reorganized Debtor shall have the responsibility for the management, control, and operation of each respective Reorganized Debtor on and after the Plan Effective Date.

8.10.1 As part of the Plan Supplement, but in any event prior to the Confirmation Date, the Debtors will File a schedule disclosing such additional information as is necessary to satisfy section 1129(a)(5) of the Bankruptcy Code including the (1) identity and affiliation of any individual who is proposed to serve as an officer or director of any Reorganized Debtor; (2) identity of any other insider who will be employed or retained by any Reorganized Debtor; and (3) compensation for each such individual.

SECTION 9.
DISCHARGE, RELEASES AND EXCULPATION

9.1 **Discharge.**

9.1.1 **Except as otherwise provided in the Plan or the Confirmation Order, all consideration distributed under this Plan shall be in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims and Equity Interests of any nature whatsoever against the Debtors or any of their Estates, assets, properties or interests in property, and regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of such Claims and Equity Interests. Except as otherwise provided herein, upon the Plan Effective Date, the Debtors shall be deemed discharged and released under section 1141(d)(1)(A) of the Bankruptcy Code from any and**

all Claims and Equity Interests, including, but not limited to, demands and liabilities that arose before the Plan Effective Date, and all debts of the kind specified in sections 502(g), 502(h) and 502(i) of the Bankruptcy Code, regardless of whether or not: (a) a Proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (b) the Claim is Allowed, or (c) the Holder of a Claim based on such debt has accepted the Plan or is entitled to receive a distribution thereunder. Upon entry of the Confirmation Order, and subject to the occurrence of the Plan Effective Date, any Holder of such discharged Claim shall be precluded from asserting against the applicable Debtor or Reorganized Debtor, their successors and assigns, or their assets or properties any other or future Claims based upon any document, instrument, act or omission, transaction or other activity of any kind or nature that occurred before the Plan Effective Date. The Reorganized Debtors shall not be responsible for any Claims against or Equity Interests in the Debtors or the Debtors in Possession except (a) those payments and distributions expressly provided for or due under this Plan and (b) Claims and Equity Interests that are Unimpaired under the Plan and not previously satisfied in full.

9.1.2 **In addition to the terms of Section 9.1.1 above, upon the Plan Effective Date, each Holder of a Noteholder Pledge Claim or an Unsecured Parent Guaranty Claim and any affiliate of such Holder shall be deemed to have waived, released and discharged IUSA and each member of the IUSA Group from any Liens, Claims, Causes of Action, rights or liabilities arising from the notes issued under, and the guarantees issued pursuant to, either of the Existing Indenture or the ESBDS I Loan. In addition, the Confirmation Order shall provide that the Indenture Trustee is authorized and directed to take all such actions necessary to effectuate the foregoing. Upon the Plan Effective Date, all such persons shall be forever precluded and enjoined from prosecuting or asserting any such discharged Claim against IUSA, the IUSA Group, the Reorganized Debtors, or any of their respective affiliates. Notwithstanding any other provision in the Plan to the contrary, the Indenture Trustee's charging lien shall not be discharged, released, or otherwise impaired by confirmation of the Plan.**

9.2 **Exculpation.** ***To the extent permitted by applicable law and approved by the Bankruptcy Court, as of the Plan Effective Date, the Released Parties and any attorneys, financial advisors, investment bankers, accountants, consultants, or other professionals of the Released Parties shall neither have nor incur any liability to, or be subject to any right of action by, any Holder of a Claim or Equity Interest, or any other party-in-interest, or any of their respective employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of these Chapter 11 Cases, including without limitation (i) formulating, negotiating and executing this Plan, the Disclosure Statement, the Restructuring Agreement and any related agreements, instruments or other documents, (ii) the solicitation of votes for and the pursuit of this Plan, (iii) the consummation of this Plan, or (iv) the implementation and administration of this Plan or the property to be distributed in conjunction with this Plan; provided, however, that the foregoing provision shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence, or criminal conduct.***

9.3 **Release by Debtors and Plan Proponents.** ***To the extent permitted by applicable law and approved by the Bankruptcy Court, on the Plan Effective Date, for good and valuable consideration, including the service of the Released Parties to facilitate the restructuring of the Debtors and the implementation of the restructuring contemplated by this Plan, the adequacy of which is hereby confirmed, the Debtors, the Reorganized Debtors and IUSA, in their individual capacities and, as applicable, as debtors in possession on behalf of the Debtors' Estates, shall be deemed to have unconditionally released the Released Parties and any attorneys, financial advisors, investment bankers, accountants, consultants, or other professionals of the Released Parties from any and all claims, Causes of Action, obligations, rights, suits, damages, remedies, and liabilities whatsoever, including any claims that could be asserted on behalf of the Debtors (whether derivatively or otherwise) including chapter 5 actions, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that the Debtors or their subsidiaries would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Plan Effective Date; provided, however, that these releases shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence, or criminal conduct. The releases set forth in this paragraph shall be binding upon any chapter 7 trustee in the event the Chapter 11 Cases are converted to chapter 7.***

9.4 **Releases by Holders of Claims.** ***Except as specifically set forth in the Plan or the Confirmation Order, to the fullest extent permitted by applicable law and approved by the Bankruptcy Court, on the Plan Effective Date, for good and valuable consideration, including the service of the Released Parties to facilitate the restructuring of the Debtors and the implementation of the restructuring contemplated by this Plan, the adequacy of which is hereby confirmed, each Holder of a Claim shall unconditionally release the Released Parties from any and all claims, Causes of Action, obligations, rights, suits, damages, remedies and liabilities whatsoever, including any claims that could be asserted on behalf of the Debtors (whether derivatively or otherwise) including chapter 5 actions, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that the Debtors or their subsidiaries would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Plan Effective Date, in any way relating or pertaining to, (x) the Debtors or Reorganized Debtors, (y) the Chapter 11 Cases or (z) the negotiation, formulation, implementation and preparation of the Restructuring Agreement, this Plan, the Disclosure Statement, and any related agreements, instruments or other document, provided, however, the foregoing provision shall not apply to any Causes of Action arising out of an act or omission that is determined by a Final Order entered by a court of competent jurisdiction to have constituted actual or intentional fraud, willful misconduct, gross negligence, or criminal conduct; provided, further, however, the foregoing provision shall not apply to any claim, Cause of Action, right, suit, damage or remedy against UCI held by GECC (or any other lender or holder of obligations, if any, related to the GECC Loan), or to any obligation or liability of UCI to GECC (or any other***

lender or holder of obligations, if any, related to the GECC Loan), arising from or related to the GECC Loan; provided, further, however, nothing in the Chapter 11 Cases, the Confirmation Order, the Plan, or section 1141 of the Bankruptcy Code shall in any way be construed to discharge, release, exculpate, limit, or relieve the Released Parties, or any other entity that may be liable with respect to the Cambridge-Lee Industries, Inc. Employees Retirement Plan or any other IUSA Group defined benefit plan from the claims of the PBGC or the Cambridge-Lee Industries, Inc. Employees Retirement Plan under any law, governmental policy, or regulatory provision, and the PBGC, the Cambridge-Lee Industries, Inc. Employees Retirement Plan, and any other IUSA Group defined benefit plan shall not be enjoined or precluded from enforcing such liability or responsibility by any of the provisions of the Plan, Confirmation Order, or section 1141 of the Bankruptcy Code. Nevertheless, the PBGC is not aware of any claims or causes of action as of the Plan Effective Date that the PBGC or the Cambridge-Lee Industries, Inc. Employee Retirement Plan would assert against the Released Parties, any member of the IUSA Group, or any other entity.

9.5 **Injunction.** ***Except as otherwise provided in the Plan or the Confirmation Order, and in addition to the injunction provided under sections 524(a) and 1141 of the Bankruptcy Code, all Persons who have held, currently hold or may hold a Claim or other debt or liability or Equity Interest which is released, discharged or terminated under the Plan, are permanently enjoined, on and after the Plan Effective Date, from taking any of the following actions against a Released Party or its property on account of such released, discharged or terminated Claims, debts, liabilities or Equity Interests: (1) commencing or continuing in any manner (including by directly or indirectly assisting or facilitating the commencement or continuation of) any action or other proceeding of any kind; (2) enforcing, levying, attaching, collecting or otherwise recovering in any manner any judgment, award, decree or order; (3) creating, perfecting or enforcing any lien or encumbrance of any kind; (4) except as provided herein, asserting any setoff, right of subrogation or recoupment of any kind against any obligation due from any Released Party; and (5) commencing, continuing or in any manner taking part or participating in any action, proceeding or event (whether directly or indirectly) that would be in contravention of the terms, conditions and intent of the Plan. The foregoing injunction will extend to the benefit of the successors of the Released Parties and their respective properties and interests in property. Any Person injured by any willful violation of such injunction may recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may recover punitive damages from the willful violator.***

9.6 **Term of Injunctions and Stays.** Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Plan Effective Date.

SECTION 10.
CLAIM RESOLUTION PROCESS

10.1 **No Bar Date; No Proofs of Claim.** Except as otherwise provided in this Plan, Holders of Claims against and Equity Interests in the Debtors shall not be required to file proofs of Claim or proofs of Equity Interest with the Bankruptcy Court. For the avoidance of doubt,

holders of Claims that are Allowed pursuant to the terms of the Plan need not file proofs of claim as to the amounts expressly Allowed under the Plan.

10.2 **Administrative Claim and Priority Tax Claims Allowed as Set Forth in Books and Records.** Except as otherwise specified in this Plan, the amount set forth in the books and records of the applicable Debtor (or agreed to by the applicable Debtor and the Holder in the ordinary course) shall constitute the amount of the Allowed Administrative Claim an/or Allowed Priority Tax Claim of such Holder, subject to the right of such Holder to object to the amount of such Claim.

SECTION 11.
RETENTION OF JURISDICTION

Except as otherwise provided herein, under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Plan Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law (except in the case of the New Indentures, the New Notes and the Restructuring Agreement, and each of the documents and agreements relating to any of them, which, in each case, shall be subject to the jurisdiction or exclusive jurisdiction, as applicable, indicated in the definitive documentation thereof), including, without limitation, jurisdiction to:

11.1 Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims;

11.2 Hear and construe and take any action to execute and enforce the Plan, the Confirmation Order or any other order of the Bankruptcy Court, issue such orders as may be necessary for the implementation, execution, performance, and consummation of the Plan, all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order, and all matters referred to herein, and determine all matters that may be pending before the Bankruptcy Court in the Chapter 11 Cases on or before the Plan Effective Date;

11.3 Rule on any and all Professional Fee Claims under sections 330, 331, 503(b), 1103, and 1129(a)(4) of the Bankruptcy Code; *provided*, *however*, that from and after the Plan Effective Date, the payment of the fees and expenses of any retained Professional Persons of the Reorganized Debtors shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

11.4 Hear and resolve any dispute arising in connection with the consummation, implementation, enforcement or interpretation of the Plan, or the Plan Documents;

11.5 Resolve all applications, adversary proceedings, contested matters, and other litigated matters arising out of, under, or related to, the Chapter 11 Cases;

11.6 Hear and determine such other matters and to perform other functions as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

11.7 Modify the Plan under section 1127 of the Bankruptcy Code, to remedy any apparent nonmaterial defect or omission in the Plan, or to reconcile any nonmaterial inconsistency in the Plan so as to carry out its intent and purposes;

11.8 Issue injunctions, enter and implement other orders, or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any entity;

11.9 Issue such orders in aid of execution, implementation or consummation of the Plan or the Plan Documents and the Confirmation Order, notwithstanding any otherwise applicable non-bankruptcy law, with respect to any entity, to the full extent authorized by the Bankruptcy Code;

11.10 Hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which a Debtor may be liable, including, if necessary, any Cure Amount or the liquidation or allowance of any Claims arising therefrom;

11.11 Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified or vacated, or distributions pursuant to the Plan are enjoined or stayed;

11.12 Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases;

11.13 Recover all assets of the Debtors and property of the Estate, wherever located;

11.14 Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

11.15 Hear and determine all disputes involving the existence, nature or scope of the Debtors' discharge and/or the Released Parties' release;

11.16 Enforce performance of and payments under the provisions of the Plan and the Plan Documents; and

11.17 Enter a final decree closing the Chapter 11 Cases.

SECTION 12.
MISCELLANEOUS PROVISIONS

12.1 **Exemption from Certain Transfer Taxes.** Pursuant to section 1146 of the Bankruptcy Code, any transfers from any Debtor to the applicable Reorganized Debtor or any other Person pursuant to the Plan shall not be subject to any document recording tax, stamp tax,

conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any instruments evidencing such transfers without the payment of any such tax or governmental assessment.

12.2 **Section 1145 Exemption.** Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of the New Notes and the guarantees thereof contemplated by the Restructuring Agreement, this Plan and all agreements incorporated herein, shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of securities. In addition, under section 1145 of the Bankruptcy Code, the New Notes and any and all agreements incorporated therein, including the guarantees thereof, will be freely tradable by the recipients thereof, subject to (1) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act; (2) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; and (3) applicable regulatory approval.

12.3 **Payment of Statutory Fees.** All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Plan Effective Date. All such fees that arise after the Plan Effective Date but prior to the closing of the Chapter 11 Cases shall be paid by the Reorganized Debtors.

12.4 **Payment of Indenture Trustee Expenses.** The Indenture Trustee Expenses incurred through the Plan Effective Date shall be paid, in full in Cash, on or before the Plan Effective Date by either IUSA or the Debtors. Any Indenture Trustee Expenses incurred after the Plan Effective Date shall be paid in full in Cash within 20 days of receipt of the Indenture Trustee's invoice.

12.5 **Manner of Payment.** Except as specifically provided herein, at the option of the Debtors, any Cash payment to be made hereunder may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

12.6 **Successors and Assigns.** The rights, benefits, and obligations of any entity named or referred to in the Plan are binding on, and will inure to the benefit of, any permitted heirs, executors, administrators, successors or assigns of such entity.

12.7 **Amendment and Modification.**

12.7.1 The Plan Proponents may amend or modify the Plan before the Confirmation Date, pursuant to the terms and conditions of the Restructuring Agreement, to the extent provided by section 1127 of the Bankruptcy Code, provided that the Plan, as altered, amended or modified satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code and the Plan Proponents have complied with section 1125 of the Bankruptcy Code.

12.7.2 After the Confirmation Date and prior to substantial consummation of the Plan, as defined in section 1101(2) of the Bankruptcy Code, the Plan Proponents may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Plan Documents, the Disclosure Statement, or the Confirmation Order, and to accomplish such matters as may be necessary or appropriate to carry out the purposes and effects of the Plan; *provided*, *however*, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court, and that the Plan, as altered, amended or modified satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code and the Plan Proponents have complied with section 1129 of the Bankruptcy Code. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as altered, amended, modified or clarified in accordance with this section, unless the proposed alteration, amendment, modification or clarification adversely changes the treatment of the Claim of such Holder.

12.7.3 Notwithstanding anything herein to the contrary, prior to the Plan Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan or the Plan Documents without further order or approval of the Bankruptcy Court, provided, however, that, such technical adjustments and modifications are made in accordance with the terms and conditions of the Restructuring Agreement and do not adversely affect in a material way the treatment of Holders of Claims or Equity Interests.

12.7.4 The Plan Proponents reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan Proponents revoke or withdraw the Plan, or if Confirmation does not occur, then the Plan shall be null and void, and nothing contained in the Plan shall: (1) constitute a waiver or release of any Claims against, or Equity Interests in, any Debtor; or (2) prejudice in any manner the rights of the Debtors or any other Person in any further proceedings; or (3) constitute an admission of any sort by any Debtor or any other Person.

12.8 **Binding Effect.** The Plan shall be binding on and inure to the benefit of the Debtors, IUSA, the other members of the IUSA Group, all current and former Holders of Claims against and Equity Interests in the Debtors and their respective successors and assigns, including, but not limited to, the Reorganized Debtors, and all other parties-in-interest in the Chapter 11 Cases.

12.9 **Notices.** Any notice, request, or demand required or permitted to be made or provided to or on the Plan Proponents, the Debtors or the Reorganized Debtors under the Plan shall be (i) in writing, (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission, and (iii) deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

Tubo de Pastejé, S.A. de C.V.
c/o Industrias Unidas, S.A. de C.V.
Paseo de la Reforma, Penthouse
Colonia Lomas Altas
11950, Mexico, D.F.

México

-and-

Cambridge-Lee Holdings, Inc.
86 Tube Drive
Reading, Pennsylvania 19605

-and-

Industrias Unidas, S.A. de C.V.
Paseo de la Reforma, Penthouse
Colonia Lomas Altas
11950, Mexico, D.F.
México

with a copy to the Debtors' co-counsel:

PACHULSKI STANG ZIEHL & JONES LLP
Laura Davis Jones, Esq. (Bar No. 2436)
Michael R. Seidl, Esq. (Bar No. 3889)
919 North Market Street, 17th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705
(Courier 19801)

-and-

DEWEY & LEBOEUF LLP
1301 Avenue of the Americas
New York, New York 10019
Attention: Philip Abelson, Esq.
Lauren C. Cohen, Esq.
Telephone: (212) 259-8000
Facsimile: (212) 259-6333

12.10 **Substantial Consummation.** Substantial consummation of the Plan under Bankruptcy Code section 1101(2) shall be deemed to occur on the Plan Effective Date.

12.11 **Inconsistencies.** In the event the terms or provisions of the Plan are inconsistent with the terms and provisions of the exhibits to the Plan or documents executed in connection with the Plan, the terms of the Plan shall control.

SECTION 13.
CONDITIONS TO CONFIRMATION AND PLAN EFFECTIVE DATE

13.1 **Conditions to Confirmation.** Confirmation of the Plan shall not occur unless and until each of the conditions set forth below has been satisfied or duly waived by the Debtors:

13.1.1 The Bankruptcy Court shall have entered an order in form and substance satisfactory to the Debtors, approving the Disclosure Statement used in connection with the solicitation of the votes with respect to the Plan as containing "adequate information" within the meaning of section 1125 of the Bankruptcy Code.

13.1.2 The Confirmation Order, in form and substance satisfactory to the Debtors, shall have been entered by the Bankruptcy Court.

13.2 **Conditions to Effectiveness.** The Plan Effective Date shall not occur unless and until each of the conditions set forth below has been satisfied or duly waived by the Debtors (and the applicable parties provided for in the Restructuring Agreement), in accordance with and subject to Section 13.3 of this Plan.

13.2.1 The Confirmation Order shall become a Final Order, shall not have been modified (except as consented to by the Debtors) and shall be in full force and effect.

13.2.2 There shall not be in effect any order or law staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Plan.

13.2.3 No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

13.2.4 All necessary consents, approvals and actions of, filings with and notices to any governmental or regulatory authority necessary to permit the Reorganized Debtors to perform their obligations under the Plan and to permit the Reorganized Debtors to consummate the transactions contemplated hereby shall have been duly obtained, made or given and shall be in full force and effect, and all terminations or expirations of waiting periods imposed by any governmental or regulatory authority necessary for the consummation of the transactions contemplated by the Plan shall have occurred.

13.2.5 All conditions to the effectiveness of the Consensual Exchange and Restructuring Agreement shall have been satisfied or waived (to the extent capable of being waived) in accordance with the terms thereof; the Consensual Exchange and Restructuring Agreement shall be successfully completed simultaneously with the effectiveness of this Plan.

13.2.6 All conditions precedent to the issuance of the New Notes shall have been satisfied or waived (to the extent capable of being waived) in accordance with the terms thereof and the Consensual Exchange shall be successfully completed simultaneously.

13.2.7 All other actions, documents, and agreements necessary to implement this Plan shall have been effected or executed.

13.3 **Waiver of Conditions.** Each of the conditions set forth in Section 13.2 may be waived in whole or in part by the Debtors, without any notice to parties in interest or the Bankruptcy Court and without a hearing; *provided that*, Sections 13.2.5 and 13.2.6 may not be waived by the Debtors except as may be provided in the Consensual Exchange, the Restructuring Agreement and the New Notes. The failure to satisfy or waive any condition to the Plan

Effective Date may be asserted by the Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the Debtors or any of them). The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

13.4 **Effects of Failure of Conditions.** If, following entry of the Confirmation Order, the Restructuring Agreement has terminated in accordance with its terms prior to the occurrence of the Plan Effective Date, then the Confirmation Order shall be vacated by the Bankruptcy Court without further notice or order. If the Confirmation Order is vacated pursuant to this Section 13.4 of the Plan, (a) the Debtors shall File a notice to this effect with the Bankruptcy Court, (b) the Plan shall be null and void in all respects, and (c) nothing contained in the Plan shall (x) constitute a waiver or release of any Claim against or Equity Interest in any Debtor or (y) prejudice in any manner the rights of the Debtors or the Holder of any Claim or Equity Interest.

* * *

The Plan Proponents request Confirmation of the Plan under Bankruptcy Code section 1129.

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Dated: July 15, 2011

TUBO DE PASTEJÉ, S.A. DE C.V.

/s/ Rafael Dávila Olvera
By: Rafael Dávila Olvera
Title: Attorney in Fact

/s/ Carlos Mochón Sacal
By: Carlos Mochón Sacal
Title: Attorney in Fact

CAMBRIDGE-LEE HOLDINGS, INC.

/s/ Rafael Dávila Olvera
By: Rafael Dávila Olvera
Title: Attorney in Fact

INDUSTRIAS UNIDAS, S.A. DE C.V.

/s/ Rafael Dávila Olvera
By: Rafael Dávila Olvera
Title: Attorney in Fact

/s/ Carlos Mochón Sacal
By: Carlos Mochón Sacal
Title: Attorney in Fact

IUSA, S.A. DE C.V.

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Title: Attorney in Fact

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INDUSTRIAS UNIDAS DE PASTEJÉ, S.A. DE C.V.

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CENTRO COMERCIAL Y CULTURAL PASTEJÉ, S.A. DE C.V.

/s/ Carlos Mochón Sacal
By: Carlos Mochón Sacal
Title: Attorney in Fact

CONVIVENCIA Y EDUCACIÓN INFANTIL PASTEJÉ, S.A. DE C.V.

/s/ Carlos Mochón Sacal
By: Carlos Mochón Sacal
Title: Attorney in Fact

Schedule A

Agreed Accrual Rate

Eligible Debt	**Agreed Accrual Rate (per annum, compounded quarterly)**	**Applicable Date**
2016 Notes	4.750%	5/15/2009
ESBDS I Loan	(L+1.50%) x (4.75%/11.5%)	10/12/2010
12% Commercial Paper	12% x (4.75%/11.5%)	3/26/2009
9.75% Commercial Paper	9.75% x (4.75%/11.5%)	8/6/2009
August 2009 Finalization Amount	9% x (4.75%/11.5%)	8/31/2009
Agreed Costs	9% x (4.75%/11.5%)	October 22, 2010
Copper Debt Pagare Reference		
400-JAN	9% x (4.75%/11.5%)	8/7/09
401-JAN	9% x (4.75%/11.5%)	8/6/09
429-FEB	9% x (4.75%/11.5%)	8/3/09
437-FEB	9% x (4.75%/11.5%)	8/3/09
438-FEB	9% x (4.75%/11.5%)	7/27/09
439-FEB	9% x (4.75%/11.5%)	7/28/09
440-FEB	9% x (4.75%/11.5%)	7/29/09
441-FEB	9% x (4.75%/11.5%)	7/30/09
442-FEB	9% x (4.75%/11.5%)	7/31/09
443-FEB	9% x (4.75%/11.5%)	7/31/09
444-FEB	9% x (4.75%/11.5%)	8/4/09
445-FEB	9% x (4.75%/11.5%)	8/4/09
446-FEB	9% x (4.75%/11.5%)	8/4/09
447-FEB	9% x (4.75%/11.5%)	8/5/09
448-FEB	9% x (4.75%/11.5%)	8/7/09
449-FEB	9% x (4.75%/11.5%)	8/10/09
450-FEB	9% x (4.75%/11.5%)	8/10/09
451-FEB	9% x (4.75%/11.5%)	8/11/09
452-FEB	9% x (4.75%/11.5%)	8/5/09
453-FEB	9% x (4.75%/11.5%)	8/6/09
454-FEB	9% x (4.75%/11.5%)	8/7/09
455-FEB	9% x (4.75%/11.5%)	8/6/09
456-FEB	9% x (4.75%/11.5%)	8/14/09

457-FEB	9% x (4.75%/11.5%)	8/18/09
461-FEB	9% x (4.75%/11.5%)	8/13/09
462-FEB	9% x (4.75%/11.5%)	8/14/09
463-FEB	9% x (4.75%/11.5%)	8/17/09
464-FEB	9% x (4.75%/11.5%)	8/17/09
465-FEB	9% x (4.75%/11.5%)	8/18/09
466-FEB	9% x (4.75%/11.5%)	8/21/09
467-FEB	9% x (4.75%/11.5%)	8/24/09
468-FEB	9% x (4.75%/11.5%)	8/25/09
469-FEB	9% x (4.75%/11.5%)	8/26/09
470-FEB	9% x (4.75%/11.5%)	8/19/09
471-FEB	9% x (4.75%/11.5%)	8/20/09
472-MAR	9% x (4.75%/11.5%)	8/13/09
473-MAR	9% x (4.75%/11.5%)	8/19/09
474-MAR	9% x (4.75%/11.5%)	8/20/09
475-MAR	9% x (4.75%/11.5%)	8/21/09
476-MAR	9% x (4.75%/11.5%)	8/24/09
477-MAR	9% x (4.75%/11.5%)	8/25/09
478-MAR	9% x (4.75%/11.5%)	8/26/09
479-MAR	9% x (4.75%/11.5%)	8/27/09
480-MAR	9% x (4.75%/11.5%)	8/27/09
481-MAR	9% x (4.75%/11.5%)	8/28/09
482-MAR	9% x (4.75%/11.5%)	8/28/09
483-MAR	9% x (4.75%/11.5%)	8/31/09
484-MAR	9% x (4.75%/11.5%)	8/31/09
485-MAR	9% x (4.75%/11.5%)	9/1/09
486-MAR	9% x (4.75%/11.5%)	9/1/09
487-MAR	9% x (4.75%/11.5%)	9/2/09
488-MAR	9% x (4.75%/11.5%)	9/2/09
489-MAR	9% x (4.75%/11.5%)	9/3/09
490-MAR	9% x (4.75%/11.5%)	9/3/09
491-MAR	9% x (4.75%/11.5%)	9/4/09
492-MAR	9% x (4.75%/11.5%)	9/4/09
493-MAR	9% x (4.75%/11.5%)	9/4/09
494-MAR	9% x (4.75%/11.5%)	8/12/09
495-MAR	9% x (4.75%/11.5%)	8/18/09
496-MAR	9% x (4.75%/11.5%)	8/20/09
497-MAR	9% x (4.75%/11.5%)	8/25/09
498-MAR	9% x (4.75%/11.5%)	8/26/09
499-MAR	9% x (4.75%/11.5%)	8/27/09
500-MAR	9% x (4.75%/11.5%)	8/28/09
501-MAR	9% x (4.75%/11.5%)	8/31/09
502-MAR	9% x (4.75%/11.5%)	9/1/09
503-MAR	9% x (4.75%/11.5%)	9/2/09
504-MAR	9% x (4.75%/11.5%)	9/3/09

505-MAR	9% x (4.75%/11.5%)	9/8/09
506-MAR	9% x (4.75%/11.5%)	9/8/09
507-MAR	9% x (4.75%/11.5%)	9/8/09
508-MAR	9% x (4.75%/11.5%)	9/9/09
509-MAR	9% x (4.75%/11.5%)	9/9/09
510-MAR	9% x (4.75%/11.5%)	9/9/09
511-MAR	9% x (4.75%/11.5%)	9/10/09
512-MAR	9% x (4.75%/11.5%)	9/10/09
513-MAR	9% x (4.75%/11.5%)	9/10/09
514-MAR	9% x (4.75%/11.5%)	9/11/09
515-MAR	9% x (4.75%/11.5%)	9/11/09
516-MAR	9% x (4.75%/11.5%)	9/14/09
517-MAR	9% x (4.75%/11.5%)	9/14/09
518-MAR	9% x (4.75%/11.5%)	9/15/09
519-MAR	9% x (4.75%/11.5%)	9/15/09
520-MAR	9% x (4.75%/11.5%)	9/16/09
521-MAR	9% x (4.75%/11.5%)	9/16/09
522-MAR	9% x (4.75%/11.5%)	9/14/09
523-MAR	9% x (4.75%/11.5%)	9/15/09
524-MAR	9% x (4.75%/11.5%)	9/17/09
525-MAR	9% x (4.75%/11.5%)	9/18/09
526-MAR	9% x (4.75%/11.5%)	9/21/09
527-MAR	9% x (4.75%/11.5%)	9/22/09
528-MAR	9% x (4.75%/11.5%)	9/23/09
529-MAR	9% x (4.75%/11.5%)	9/24/09
530-MAR	9% x (4.75%/11.5%)	9/25/09
531-MAR	9% x (4.75%/11.5%)	9/25/09
532-MAR	9% x (4.75%/11.5%)	9/21/09
533-MAR	9% x (4.75%/11.5%)	9/24/09
534-APR	9% x (4.75%/11.5%)	9/22/09
535-APR	9% x (4.75%/11.5%)	9/23/09
536-APR	9% x (4.75%/11.5%)	9/28/09
537-APR	9% x (4.75%/11.5%)	9/29/09
538-APR	9% x (4.75%/11.5%)	10/1/09
539-APR	9% x (4.75%/11.5%)	10/1/09
540-APR	9% x (4.75%/11.5%)	10/2/09
541-APR	9% x (4.75%/11.5%)	10/2/09
542-APR	9% x (4.75%/11.5%)	10/2/09
543-APR	9% x (4.75%/11.5%)	10/5/09
544-APR	9% x (4.75%/11.5%)	10/6/09
545-APR	9% x (4.75%/11.5%)	10/7/09
546-APR	9% x (4.75%/11.5%)	10/7/09
547-APR	9% x (4.75%/11.5%)	10/8/09
548-APR	9% x (4.75%/11.5%)	10/9/09
549-APR	9% x (4.75%/11.5%)	10/9/09

550-APR	9% x (4.75%/11.5%)	10/14/09
551-APR	9% x (4.75%/11.5%)	10/15/09
552-APR	9% x (4.75%/11.5%)	9/21/09
553-APR	9% x (4.75%/11.5%)	9/22/09
554-APR	9% x (4.75%/11.5%)	9/23/09
555-APR	9% x (4.75%/11.5%)	9/24/09
556-APR	9% x (4.75%/11.5%)	9/25/09
557-APR	9% x (4.75%/11.5%)	10/5/09
558-APR	9% x (4.75%/11.5%)	10/6/09
559-APR	9% x (4.75%/11.5%)	10/7/09
560-APR	9% x (4.75%/11.5%)	10/8/09
561-APR	9% x (4.75%/11.5%)	9/28/09
562-APR	9% x (4.75%/11.5%)	10/13/09
563-APR	9% x (4.75%/11.5%)	10/13/09
564-APR	9% x (4.75%/11.5%)	10/13/09
565-APR	9% x (4.75%/11.5%)	10/14/09
566-MAR	9% x (4.75%/11.5%)	9/18/09
567-APR	9% x (4.75%/11.5%)	9/30/09
568-MAR	9% x (4.75%/11.5%)	9/17/09
569-MAR	9% x (4.75%/11.5%)	9/18/09
570-APR	9% x (4.75%/11.5%)	10/15/09
571-APR	9% x (4.75%/11.5%)	10/16/09
572-APR	9% x (4.75%/11.5%)	10/20/09
573-APR	9% x (4.75%/11.5%)	10/15/09
575-APR	9% x (4.75%/11.5%)	8/19/09
581-APR	9% x (4.75%/11.5%)	8/14/09
583-APR	9% x (4.75%/11.5%)	10/19/09
584-APR	9% x (4.75%/11.5%)	10/20/09
585-APR	9% x (4.75%/11.5%)	10/21/09
586-APR	9% x (4.75%/11.5%)	10/21/09
587-APR	9% x (4.75%/11.5%)	10/22/09
588-APR	9% x (4.75%/11.5%)	10/23/09
589-APR	9% x (4.75%/11.5%)	10/16/09
590-MAY	9% x (4.75%/11.5%)	10/23/09
591-MAY	9% x (4.75%/11.5%)	10/26/09
592-MAY	9% x (4.75%/11.5%)	10/27/09
593-MAY	9% x (4.75%/11.5%)	10/28/09
594-MAY	9% x (4.75%/11.5%)	11/2/09
595-MAY	9% x (4.75%/11.5%)	11/2/09
596-MAY	9% x (4.75%/11.5%)	8/21/09
597-MAY	9% x (4.75%/11.5%)	11/4/09
598-MAY	9% x (4.75%/11.5%)	11/3/09
599-MAY	9% x (4.75%/11.5%)	10/22/09
600-MAY	9% x (4.75%/11.5%)	10/26/09
601-MAY	9% x (4.75%/11.5%)	10/27/09

602-MAY	9% x (4.75%/11.5%)	10/28/09
603-MAY	9% x (4.75%/11.5%)	10/29/09
604-MAY	9% x (4.75%/11.5%)	8/18/09
605-MAY	9% x (4.75%/11.5%)	10/30/09
606-MAY	9% x (4.75%/11.5%)	10/30/09
607-MAY	9% x (4.75%/11.5%)	11/5/09
608-MAY	9% x (4.75%/11.5%)	11/6/09
609-MAY	9% x (4.75%/11.5%)	11/4/09
610-MAY	9% x (4.75%/11.5%)	11/5/09
611-MAY	9% x (4.75%/11.5%)	8/24/09
612-MAY	9% x (4.75%/11.5%)	10/30/09
613-MAY	9% x (4.75%/11.5%)	11/9/09
614-MAY	9% x (4.75%/11.5%)	11/9/09
615-MAY	9% x (4.75%/11.5%)	11/9/09
616-MAY	9% x (4.75%/11.5%)	11/10/09
617-MAY	9% x (4.75%/11.5%)	11/10/09
618-MAY	9% x (4.75%/11.5%)	11/13/09
619-MAY	9% x (4.75%/11.5%)	11/13/09
620-MAY	9% x (4.75%/11.5%)	11/12/09
621-MAY	9% x (4.75%/11.5%)	11/10/09
622-MAY	9% x (4.75%/11.5%)	11/12/09
623-MAY	9% x (4.75%/11.5%)	8/26/09
624-MAY	9% x (4.75%/11.5%)	11/16/09
625-MAY	9% x (4.75%/11.5%)	11/17/09
626-MAY	9% x (4.75%/11.5%)	11/16/09
627-MAY	9% x (4.75%/11.5%)	8/25/09
628-JUN	9% x (4.75%/11.5%)	11/25/09
629-JUN	9% x (4.75%/11.5%)	11/25/09
630-JUN	9% x (4.75%/11.5%)	11/30/09
631-JUN	9% x (4.75%/11.5%)	11/30/09
632-JUN	9% x (4.75%/11.5%)	12/1/09
633-JUN	9% x (4.75%/11.5%)	12/1/09
634-JUN	9% x (4.75%/11.5%)	12/4/09
635-JUN	9% x (4.75%/11.5%)	12/7/09
636-JUN	9% x (4.75%/11.5%)	12/7/09
637-JUN	9% x (4.75%/11.5%)	12/8/09
638-JUN	9% x (4.75%/11.5%)	12/8/09
639-JUN	9% x (4.75%/11.5%)	12/3/09
640-JUN	9% x (4.75%/11.5%)	12/4/09
641-JUN	9% x (4.75%/11.5%)	12/2/09
642-JUN	9% x (4.75%/11.5%)	12/4/09
643-JUN	9% x (4.75%/11.5%)	12/3/09
644-JUN	9% x (4.75%/11.5%)	12/4/09
645-JUN	9% x (4.75%/11.5%)	12/7/09
646-JUN	9% x (4.75%/11.5%)	12/8/09

647-JUN	9% x (4.75%/11.5%)	12/9/09
648-JUN	9% x (4.75%/11.5%)	12/14/09
649-JUN	9% x (4.75%/11.5%)	12/15/09
650-JUN	9% x (4.75%/11.5%)	12/16/09
651-JUN	9% x (4.75%/11.5%)	12/10/09
652-JUN	9% x (4.75%/11.5%)	12/11/09
653-JUN	9% x (4.75%/11.5%)	12/10/09
654-JUN	9% x (4.75%/11.5%)	12/11/09
655-JUN	9% x (4.75%/11.5%)	12/10/09
656-JUN	9% x (4.75%/11.5%)	12/2/09
657-JUN	9% x (4.75%/11.5%)	12/9/09
658-JUN	9% x (4.75%/11.5%)	12/14/09
659-JUN	9% x (4.75%/11.5%)	12/15/09
665A-JUN	9% x (4.75%/11.5%)	8/20/09
665B-JUN	9% x (4.75%/11.5%)	12/15/09
666-JUN	9% x (4.75%/11.5%)	12/16/09
667-JUN	9% x (4.75%/11.5%)	12/17/09
668-JUN	9% x (4.75%/11.5%)	12/18/09
669-JUN	9% x (4.75%/11.5%)	12/21/09
670-JUN	9% x (4.75%/11.5%)	12/22/09
671-JUN	9% x (4.75%/11.5%)	12/23/09
673-AUG	9% x (4.75%/11.5%)	2/1/10
674-AUG	9% x (4.75%/11.5%)	2/1/10
675-AUG	9% x (4.75%/11.5%)	2/2/10
676-AUG	9% x (4.75%/11.5%)	2/2/10
677-AUG	9% x (4.75%/11.5%)	2/3/10
678-AUG	9% x (4.75%/11.5%)	2/3/10
679-AUG	9% x (4.75%/11.5%)	2/4/10
680-AUG	9% x (4.75%/11.5%)	2/4/10
681-AUG	9% x (4.75%/11.5%)	2/5/10
682-AUG	9% x (4.75%/11.5%)	2/5/10
683-AUG	9% x (4.75%/11.5%)	2/5/10
684-AUG	9% x (4.75%/11.5%)	2/8/10
685-AUG	9% x (4.75%/11.5%)	2/8/10
686-AUG	9% x (4.75%/11.5%)	2/8/10
687-AUG	9% x (4.75%/11.5%)	2/9/10
688-AUG	9% x (4.75%/11.5%)	2/9/10
689-AUG	9% x (4.75%/11.5%)	2/10/10
100-JUL	9% x (4.75%/11.5%)	11/19/09
101-JUL	9% x (4.75%/11.5%)	11/24/09
102-JUL	9% x (4.75%/11.5%)	11/25/09
103-JUL	9% x (4.75%/11.5%)	11/20/09
104-JUL	9% x (4.75%/11.5%)	11/20/09
105-JUL	9% x (4.75%/11.5%)	11/23/09
106-JUL	9% x (4.75%/11.5%)	11/18/09

107-JUL	9% x (4.75%/11.5%)	11/18/09
108-JUL	9% x (4.75%/11.5%)	1/6/10
109-JUL	9% x (4.75%/11.5%)	1/6/10
110-JUL	9% x (4.75%/11.5%)	1/4/10
111-JUL	9% x (4.75%/11.5%)	1/4/10
112-JUL	9% x (4.75%/11.5%)	1/5/10
113-JUL	9% x (4.75%/11.5%)	1/8/10
130-JUL	9% x (4.75%/11.5%)	9/10/09
131-JUL	9% x (4.75%/11.5%)	9/11/09

Exhibit 2

Liquidation Analysis

Liquidation Analysis

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CM[1] has performed the Liquidation Analysis, as of June 20, 2011, of the liquidation scenarios for all holdings of the Debtors, Cambridge Lee Holdings, Inc. ("CLH") and Tubo de Pastejé, S.A. de C.V. ("Tubo"). This analysis was performed using the most up to date information available to CM. Most values are based on financial results as of May 2011.

The purpose of this Liquidation Analysis is to provide a disinterested statement of value of the subject assets based on current market conditions and founded on the basis of a forced liquidation scenario and an orderly liquidation scenario.

VALUE CONCLUSIONS

A. General Assumptions Applied

In performing the below analysis, several general assumptions were applied to allow for an estimate of value to be determined. These assumptions are grouped into two categories: value assumptions and scenario assumptions.

There are two general value assumptions made in the process of completing this analysis. The first assumption was that the most recent appraisals and valuations of certain assets remain a good estimate of value today and were accurate when performed.

In addition, the following scenario assumptions have been applied to the Liquidation Analysis. The first is a high case, or an orderly liquidation, which assumes liquidation would take place over a 6-month period where the business operations would continue as needed to achieve the greatest recovery possible as the entities are liquidated. The second liquidation scenario is a low case, or a forced liquidation, which assumes liquidation would take place over a 3-month period where the business operations would likely cease immediately. Also assumed is that the liquidation of all the entities will occur simultaneously with the final cash distributions rolling from the bottom to the top of the organization chart, or from Cambridge Lee Industries, LLC. ("CLI") up to the Debtors.

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement.

B. Cambridge Lee Industries, LLC.

CLI is the operating subsidiary of United Copper Industries, Inc. ("UCI"), which is a subsidiary of CLH and as such would complete its liquidation first. Once the liquidation is finalized, the liquidation proceeds would be distributed to its sole shareholder, UCI, as a cash distribution. Below is the summary schedule illustrating the liquidation value of CLI under a high case, or orderly liquidation scenario, and under a low case, or forced liquidation scenario:

Cambridge Lee Industries, LLC. - Liquidation Analysis - Prepared June 20, 2010

		Forecasted Realization			
	Book	High Case [2]		Low Case [3]	
(Dollars in millions unless otherwise noted)	***Value [1]***	***Recovery %***	***Recovery $***	***Recovery %***	***Recovery $***
Cash and Cash Equivalents [4]	$ 0.971	100%	$ 0.971	100%	$ 0.971
Trade Accounts Receivable [5]	65.574	71%	46.663	50%	32.939
Other Accounts Receivable	15.359	2%	0.328	2%	0.328
Inventory, net [6]	59.632	94%	56.308	83%	49.614
Prepaid Items	3.162	69%	2.195	35%	1.097
Deferred Income Taxes	0.666	100%	0.666	100%	0.666
Total Current Assets	***145.365***	***74%***	***107.130***	***59%***	***85.615***
Total Property Plant Equipment [7]	***45.032***	***41%***	***18.491***	***20%***	***8.933***
Investments in Subsidiaries	2.348	0%	-	0%	-
Deferred Financing Fees	0.504	0%	-	0%	-
Other Assets	1.273	0%	-	0%	-
Other Long term assets	***4.125***	***0%***	-	***0%***	-
Total Assets	***$ 194.521***	***65%***	***$ 125.622***	***75%***	***$ 94.548***
Estimated cost to liquidate [8]	-		***(3.724)***		***(2.661)***
Net asset proceeds	***$ 194.521***		***$ 121.897***		***$ 91.887***
Net Asset Proceeds - Secured Real Estate Loans	$ 5.000		$ 5.000		$ 4.250
Secured Debt - Texas Community Bank Mortgage	1.457		1.457		1.457
Subtotal Additional Proceeds Available to Secured [9]	$ 3.543		$ 3.543		$ 2.793
Secured Real Estate Debt Recovery	***100.0%***		***100.0%***		***100.0%***
Net Asset Proceeds - Secured Loans	$ 194.521		$ 120.440		$ 90.430
Secured Debt - First Lien [10]	46.198		46.198		46.198
Subtotal Available to Cover Priority Unsecured	$ 148.324		$ 74.242		$ 44.232
Secured Debt Recovery	***100.0%***		***100.0%***		***100.0%***
Net Asset Proceeds - Priority Unsecured	$ 148.324		$ 74.242		$ 44.232
Taxes	21.447		21.447		21.447
Subtotal Available to General Unsecured	$ 126.877		$ 52.796		$ 22.785
Priority Payments Recovery	***100.0%***		***100.0%***		***100.0%***
Net Asset Proceeds - General Unsecured	$ 126.877		$ 52.796		$ 22.785
Other Long Term Debt	0.252		0.252		0.252
Accounts Payable, Accrued Expenses, Interco Payables	21.888		21.888		21.888
Subtotal Available for Equity [11]	***$ 104.737***		***$ 30.656***		***$ 0.645***
General Unsecured Recovery	***100.0%***		***100.0%***		***100.0%***

(1) - All numbers are as of CLI's May 2011 month end unless otherwise noted.

(2) - The high case assumes an orderly liquidation of assets including continued production of some goods if recovery can be maximized.

(3) - The low case assumes a forced liquidation of assets.

(4) - Cash and equivalents includes a $5,000,000 letter of credit from CLI to UCI that would be drawn in a liquidation of UCI.

(5) - Accounts receivable recovery percentages assumes 85% recovery on eligible receivables in the high case and 60% in the low case. Ineligibles are derived from the current borrowing base.

(6) - Inventory is net of ineligibles as defined by the borrowing base calculation. Recovery rates used in the high and low case scenarios are based on the most recent Gordon Brothers Group inventory appraisal and qualified by management's best estimate under current conditions.

(7) - Recovery rates used in the high and low case scenarios were taken from the Colliers International real estate appraisal from September 2010, the CBRE real estate appraisal from December 2010 and the Hilco M&E appraisal from August 2010.

(8) - Costs to liquidate are based on estimates from the above listed appraisals and an estimate of actual time and cost of professionals to liquidate the assets.

(9) - Additional proceeds in excess of outstanding mortgage balance are assumed to flow back into the pool of proceeds available to general secured creditors.

(10) - The May 2011 ending revolver balance of $39.672 has been increased by the three outstanding letters of credit totaling $6.526 million.

(11) - Cash available to equity after liquidation is assumed to be distributed to UCI.

Based on the above analysis, under an orderly liquidation scenario, the anticipated cash distribution to UCI from the liquidation of CLI would be $30.656 million after the satisfaction of all CLI liabilities and obligations. Based on the above analysis, under a forced liquidation scenario the anticipated cash distribution to UCI from the liquidation of CLI would be $645 thousand after the satisfaction of all CLI liabilities and obligations.

C. United Copper Industries, Inc.

The liquidation proceeds of UCI, including the liquidation proceeds of CLI, will be distributed to its sole shareholder, CLH, as a cash distribution. Below is the summary schedule illustrating the liquidation value of UCI under a high case and under a low case:

United Copper Industries, Inc. - Liquidation Analysis - Prepared June 20, 2010

		Forecasted Realization			
	Book	High Case [2]		Low Case [3]	
(Dollars in millions unless otherwise noted)	***Value [1]***	***Recovery %***	***Recovery $***	***Recovery %***	***Recovery $***
Cash and Cash Equivalents [4]	$ 2.878	100%	$ 2.878	100%	$ 2.878
Proceeds from the Liquidation of CLI [5]	63.501	48%	30.656	1%	0.645
Trade Accounts Receivable [6]	61.883	73%	45.235	52%	31.930
Other Accounts Receivable	1.515	0%	-	0%	-
Inventory, net [7]	42.739	83%	35.402	66%	28.045
Prepaid Items	0.414	25%	0.104	0%	-
Deferred Income Taxes	0.949	100%	0.949	100%	0.949
Total Current Assets	***173.879***	***66%***	***115.223***	***37%***	***64.447***
Total Property Plant Equipment [8]	***36.017***	***40%***	***14.258***	***21%***	***7.615***
Other Long term assets	***0.786***	***75%***	***0.586***	***100%***	***0.586***
Total Assets	***$ 210.682***	***62%***	***$ 130.067***	***56%***	***$ 72.648***
Estimated cost to liquidate [9]	-		***(4.504)***		***(2.148)***
Net asset proceeds	***$ 210.682***		***$ 125.564***		***$ 70.500***
Net Asset Proceeds - Secured Real Estate Loans	$ 16.248		$ 3.906		$ -
Secured Debt - WMF Mortgage	8.893		8.893		8.893
Subtotal Additional Proceeds Available to Secured [10]	$ 7.355		$ (4.987)		$ (8.893)
Secured Real Estate Debt Recovery	***100.0%***		***43.9%***		***0.0%***
Net Asset Proceeds - Secured Loans	$ 201.789		$ 121.658		$ 70.500
Secured Debt - First Lien	59.207		59.207		59.207
Subtotal Available to Cover Priority Unsecured	$ 142.582		$ 62.451		$ 11.293
Secured Debt Recovery	***100.0%***		***100.0%***		***100.0%***
Net Asset Proceeds - Priority Unsecured	$ 142.582		$ 62.451		$ 11.293
Employee Compensation	0.538		0.538		0.538
Taxes	14.595		14.595		14.595
Subtotal Available to General Unsecured	$ 127.449		$ 47.318		$ (3.840)
Priority Payments Recovery	***100.0%***		***100.0%***		***74.6%***
Net Asset Proceeds - General Unsecured	$ 127.449		$ 47.318		$ (3.840)
Accounts Payable	3.547		3.547		3.547
Real Estate Debt - Unsecured	-		4.987		8.893
Other Payables	0.283		0.283		0.283
Subtotal Available for Equity [11]	***$ 123.619***		***$ 38.501***		***$ (16.563)***
General Unsecured Recovery	***100.0%***		***100.0%***		***0.0%***

(1) - All numbers are as of UCI's May 2011 month end unless otherwise noted.

(2) - The high case assumes an orderly liquidation of assets including continued production of some goods if recovery can be maximized.

(3) - The low case assumes a forced liquidation of assets.

(4) - Cash and equivalents includes a $5,000,000 letter of credit from CLI that would be drawn in a liquidation.

(5) - Please see the liquidation analysis provided for CLI for additional detail. The book value stated is the book value of shareholders' equity at CLI as of May 31, 2011.

(6) - Accounts receivable recovery percentages assumes 85% recovery on eligible receivables in the high case and 60% in the low case. Ineligibles are derived from the current borrowing base.

(7) - Inventory is net of ineligibles as defined by the borrowing base calculation. Recovery rates used in the high and low case scenarios are based on the most recent Gordon Brothers Group inventory appraisal and qualified by management's best estimate under current conditions.

(8) - Recovery rates used in the high and low case scenarios were taken from the Hilco machinery and equipment appraisal from August 2010 and the Henry S. Miller Consulting real estate appraisal from August 2010.

(9) - Costs to liquidate are based on estimates from the above listed appraisals and an estimate of actual time and cost of professionals to liquidate the assets.

(10) - Additional proceeds in excess of outstanding mortgage balance are assumed to flow back into the pool of proceeds available to general secured creditors.

Based on the analysis above, under the orderly liquidation scenario the anticipated cash distribution to CLH from the liquidation of UCI would be $38.501 million after the satisfaction of all known UCI liabilities and obligations. Based on the analysis above, under a forced liquidation scenario there would not be a cash distribution to CLH from the liquidation of UCI.

D. Cambridge Lee Holdings, Inc./ Tubo de Pastejé, S.A. de C.V.

Claims at the CLH level total $3.590 million, providing for a 100% recovery to all claimholders under an orderly liquidation scenario and no recovery to claimholders under a forced liquidation scenario. Under the orderly liquidation scenario the remaining $34.911 million will then be distributed to Tubo and will go to pay the claims of the secured bond holders holding $200 million in bonds (excluding interest that accrued but was unpaid as of the petition date) providing a 17% recovery to such holders. Under a forced liquidation scenario, no funds will be distributed from CLH to Tubo resulting in no recoveries to holders of claims at Tubo.

CAMBRIDGE LEE INDUSTRIES, LLC.

A. Cash and equivalents

Cash and equivalents are assumed to have full value in a liquidation. The beginning cash balance as of the end of May was $971 thousand.

B. Accounts receivable

The Liquidation Analysis assumes that under the orderly liquidation scenario, the recovery on gross trade accounts receivable of $65.574 million will be 71% or $46.663 million. Under the forced liquidation scenario, the Liquidation Analysis assumes a recovery of 50% on gross trade accounts receivable, or $32.939 million.

In addition to the trade accounts receivable, CLI has other accounts receivable of $15.359 million of which only $328 thousand is assumed to be recoverable. The below schedule lists the intercompany receivables:

Intercompany Accounts Receivable	May 31, 2011 Book Value	Recovery %	Recovery $
Cambridge Lee Europe	$ 1.523	0%	$ -
Cambridge Lee Holland	0.001	0%	-
Cambridge Lee UK	0.252	0%	-
United Copper	0.328	100%	0.328
Eagle Tube	1.082	0%	-
IUSA - TUBOS	1.402	0%	-
IUSA - Cobrealeacion	1.259	0%	-
Total Current Intercompany AR	5.848	**5.6%**	0.328
Note Receivable Interco IUSA	8.990	0%	-
Total Intercompany AR	$ 14.838	2%	$ 0.328

In the above schedule it is assumed that only the intercompany receivables from UCI of $328 thousand will be recoverable. This assumption is based on management's best estimates of what cash would be available from these entities to make payments down to the subsidiaries. Given the current financial condition of IUSA, it is reasonable to assume that IUSA will not have the means to make payments sufficient to satisfy the above receivables. The European entities were liquidated in 2010. All proceeds that were available at the end of that liquidation process

were transferred to CLI. Accordingly, the Liquidation Analysis assumes the above receivables will not be paid.

C. Inventory

Using the recovery values discussed below, the inventory is likely to recover $56.308 million, or 94% under the orderly liquidation scenario and $49.614 million, or 83%, under the forced liquidation scenario. The most recent inventory appraisal for CLI was performed in August 2010 by the Gordon Brothers Group. Copper prices have increased since the appraisal was performed further decreasing the impact of production expenses on finished goods values on a percentage basis. Accordingly, recovery values for raw materials, work-in-process ("WIP"), and finished goods were assumed to have remained steady for purposes of this Liquidation Analysis. The recovery values determined by the Gordon Brothers Group appraisal are 99.5% for raw materials, 88.5% for WIP, and 95.4% for finished goods. Under the forced liquidation scenario, the above recovery rates have been further discounted to 85% for raw material, 75% for WIP, and 85% for finished goods.

D. Prepaid items and deferred taxes

Of the total $3.162 million in prepaid items, $2.195 million, or 69%, should be recoverable under the orderly liquidation scenario, and $1.097 million, or 35%, should be recoverable under the forced liquidation scenario. These recoveries represent recoveries of prepaid rent, fuel, payments to manufacturing clearing house, open hedging activity, vendor prepayments, and letters of credit.

Deferred tax assets of $666 thousand are assumed to be recovered in full as an offset to all tax liabilities in the Liquidation Analysis.

E. Property, plant and equipment

The total recovery estimated for CLI's plant, property and equipment is estimated to be $18.491 million, or 41%, under the orderly liquidation scenario and $8.933, or 20%, under the forced liquidation scenario. These recoveries were predominantly derived from the appraisals performed in August 2010 as detailed below.

The projected recovery on the land in Reading, PA, which was appraised by Colliers International, is $6.260 million under the orderly liquidation scenario and $5.321 million under the forced liquidation scenario. The projected recovery on the real estate in Laredo, TX, which was appraised by CBRE, is $5 million under the orderly liquidation scenario and $4.250 million under the forced liquidation scenario.

The Machinery & Equipment ("M&E"), as appraised by Hilco Appraisal Services, LLC, results in a recovery of $9.495 million under the orderly liquidation scenario and $1.024 million under the forced liquidation scenario.

Additionally, CLI has $931 thousand in furniture, fixtures and improvements net of depreciation. Based on management's best estimates, recovery on these assets is assumed to be

$177 thousand under the orderly liquidation scenario and $28 thousand under the forced liquidation scenario.

F. Other long term assets

No recovery is anticipated from CLI's other long term assets. CLI's other long term assets can be grouped into three categories, investments in subsidiaries, deferred financing fees and pension fund assets. The first two, investments in subsidiaries and deferred financing fees are both assumed to have no value under either liquidation scenario. The pension fund liability at CLI is overfunded as of the latest audit which was performed in March 2011. However, the cost of recovery will likely offset the overfunded amount. Therefore, no recovery is anticipated.

G. Liquidation costs

CLI will incur expenses in performing the liquidation, which are estimated to total $3.724 million under the orderly liquidation scenario and $2.661 million under the forced liquidation scenario. These costs can be broken down into three categories, professional fees, commissions and direct liquidation costs. Based on the experience of CM, for the purposes of this Liquidation Analysis it has been assumed that under the orderly liquidation scenario, which is assumed to take six months, professional fees would total $2.080 million, which consists of $1.583 million for financial advisors and $520 thousand of legal costs. Under the forced liquidation scenario, which is assumed to take three months, professional fees would total $1.404 million, which consists of $1.037 million for financial advisors and $390 thousand for legal costs. Commissions on the real estate and the M&E would total $1.114 million under the orderly liquidation scenario and $721 thousand under the forced liquidation scenario. These values are arrived at by taking 7.5% on real estate, 5% on M&E, and 1% on office equipment under the orderly liquidation scenario and 7.5% on real estate and 1% on office equipment under the forced liquidation scenario. Commissions on the Laredo property are all taken at the CLI level against the proceeds of the liquidation. Based on information provided in the above appraisals for the property, plant and equipment, direct liquidation costs for the M&E would be $508 thousand and $514 thousand under the orderly and forced liquidation scenarios, respectively.

H. Secured debt obligations

Using the above assumptions, net proceeds of $121.897 million, under the orderly liquidation scenario, and $91.887 million under the forced liquidation scenario, would be available to creditors of CLI providing a full recovery on the following obligations. CLH guaranteed a real estate loan with Texas Community Bank secured by the Laredo real estate owned by CLI as discussed above. Additionally, CLI is the obligor under a revolving credit facility with Bank of America, as agent, which is secured by the assets of CLI (the "BofA Revolver").

At the end of May, the mortgage balance was $1.457 million. The Liquidation Analysis assumes the real estate collateral would be liquidated and the proceeds used to pay down the balance owed on the mortgage. Any excess proceeds would flow back into total net proceeds from liquidation. Liquidation of the real estate collateral would yield proceeds of $5 million under the orderly liquidation scenario and $4.250 million under the forced liquidation scenario. The satisfaction of this loan satisfies the guarantee at CLH on this facility. After satisfaction of

the real estate loan, net proceeds available to the BofA Revolver would be $120.440 million under an orderly liquidation scenario and $90.430 million under a forced liquidation scenario.

At the end of May, the BofA Revolver balance was $39.672 million. In addition, CLI has three letters of credit outstanding. Two are for workers compensation coverage, $714 thousand and $815 thousand, and the third is to General Electric Capital Corporation ("GECC") on behalf of UCI in the amount of $5 million. The liquidation analysis assumes that all three letters of credit would be drawn upon liquidation. The cash impact of these draws against the BofA Revolver results in a net revolver balance upon liquidation of $46.198 million.

I. Priority unsecured creditors

After the above secured obligations have been satisfied, net proceeds of $74.242 million and $44.232 million under the orderly liquidation scenario and the forced liquidation scenario, respectively, would be available to priority unsecured creditors. Under both liquidation scenarios, the proceeds will be sufficient to satisfy 100% of CLI's priority unsecured claims. CLI has deferred tax liabilities and other tax liabilities on their books of $21.447 million which include accrued tax liability, deferred tax liabilities and FIN 48 provisions which are due to the difference in book basis and tax basis in their accounting approach. Based on management's direction and due to the sensitivity of these payments, the Liquidation Analysis assumes that the full liability on these taxes will be owed upon liquidation.

J. General unsecured creditors

After the above priority unsecured obligations have been satisfied, net proceeds of $52.796 million and $22.785 million under the orderly liquidation scenario and the forced liquidation scenario, respectively, would be available to general unsecured creditors of CLI. Under both liquidation scenarios, general unsecured creditors are expected to receive 100% recovery on their claims. CLI's general unsecured creditors are broken down into other long-term debt and accounts payable, accrued expenses and intercompany payables. Long-term debt on the books is $252 thousand. Accounts payable, accrued expenses, and intercompany payables totals $21.888 million.

After the general unsecured creditors' claims have been satisfied, the remaining proceeds from liquidation of CLI will be available for distribution to UCI. Based on the above analysis, the cash distribution to UCI is estimated to be $30.656 million under the orderly liquidation scenario and $0.645 million under the forced liquidation scenario.

UNITED COPPER INDUSTRIES, INC.

A. Cash and equivalents

Cash and equivalents are assumed to all have full value in a liquidation. The beginning cash balance as of the end of May was $3.206 million. As discussed above, UCI would likely pay the intercompany payable owed to CLI of $328 thousand. The net effect of this payment results in cash available for distribution of $2.878 million.

B. Accounts receivable

The Liquidation Analysis assumes that under the orderly liquidation scenario the recovery on gross trade accounts receivable of $61.883 million will be 73% or $45.235 million. Under the forced liquidation scenario, the Liquidation Analysis assumes a recovery of 52% on gross trade accounts receivable, or $31.930 million.

There are additional accounts receivable on the books of $1.515 million. Based on management's best estimates these receivables are assumed to not be recoverable under either scenario.

C. Inventory

Using the recovery values established in the most recent inventory appraisal, the inventory balance, net of ineligibles, of $42.739 million recovers $35.402 million under the orderly liquidation scenario and $28.045 million under the forced liquidation scenario. The most recent inventory appraisal for UCI was performed in August 2010, by the Gordon Brothers Group. Recovery values for raw materials, WIP, and finished goods were assumed to have remained steady for purposes of this Liquidation Analysis. The recovery values determined by the Gordon Brothers Group appraisal are 91.2% for raw materials and scrap, 75% for WIP, and 83.4% for finished goods. Under the forced liquidation scenario, the above recovery rates have been further discounted to 85% for raw material and scrap, 60% for WIP, and 65% for finished goods.

D. Prepaid items and deferred taxes

Of the total $414 thousand in prepaid items, the Liquidation Analysis assumes a 25%, or $104 thousand, recovery on these items under the orderly liquidation scenario, and that there will be no recovery of these prepaid items under a forced liquidation scenario.

Deferred tax assets of $949 thousand are assumed to be recovered in full as an offset to all tax liabilities in the Liquidation Analysis.

E. Property, plant and equipment

The total recovery estimated for UCI's plant, property and equipment is estimated at $14.258 million, or 40%, under the orderly liquidation scenario and $7.615, or 21%, under the forced liquidation scenario. These recoveries were predominantly derived from the appraisals performed in August 2010.

The projected recovery on the land in Denton, TX, which was appraised by Henry S. Miller Consulting, LLC, is $3.906 million under the orderly liquidation scenario. It is assumed there will be no recovery on the real estate under the forced liquidation scenario. UCI owns two pieces of real estate in Denton, TX, the land and facility where UCI's operations reside and a neighboring vacant property. The real estate appraisals value these properties at $16 million and $2.590 million, respectively. In April 2011, it was brought to UCI management's attention that the vacant property may be affected by environmental issues present at a neighboring unrelated property. UCI Management has contacted the owner of the neighboring property and is in the

process of obtaining an Innocent Owner Occupier Certificate from the Texas Commission on Environmental Quality. At this time the extent of any liabilities are unknown. To this point, for the purpose of this Liquidation Analysis, under an orderly liquidation scenario, the recovery on the real estate has been discounted to 25% of net book value or $3.906 million. Under the forced liquidation scenario, the Liquidation Analysis assumes no recovery on account of these assets, but also assumes no additional liabilities from these assets.

M&E is projected to obtain a recovery of $10.216 million under the orderly liquidation scenario and $7.569 million under the forced liquidation scenario. The M&E at UCI was appraised by Hilco Appraisal Services, LLC at $11.352 million and $8.410 million under orderly and forced liquidation scenarios, respectively. Due to the continued deterioration of the building wire market, for the purposes of this Liquidation Analysis, these values have been further discounted by 10%.

Additionally, UCI has $1.547 million in furniture, fixtures and improvements net of depreciation. Based on management's best estimates, recovery on these assets is assumed to be $136 thousand under the orderly liquidation scenario and $46 thousand under the forced liquidation scenario.

F. Other long-term assets

UCI's other long term assets consist of deferred taxes and debt issuance costs of which only deferred tax assets of $586 thousand are assumed to be recovered in full as an offset to all tax liabilities in the Liquidation Analysis. Debt issuance costs are assumed to have no value under either liquidation scenario.

G. Liquidation costs

UCI will incur expenses in performing the liquidation which are estimated to total $4.504 million under the orderly liquidation scenario and $2.148 million under the forced liquidation scenario. These costs can be broken down into three categories, professional fees, commissions and direct liquidation costs. Based on the experience of CM, for the purposes of this Liquidation Analysis it has been assumed that under the orderly liquidation scenario, which is assumed to take six months, professional fees would be a total of $2.095 million. Under the forced liquidation scenario, which is assumed to take three months, professional fees would total $1.404 million. UCI would require the same professional support as CLI and, therefore, the breakdown is the same as discussed above for CLI. Commissions on the real estate and the M&E would total $1.088 million under the orderly liquidation scenario and $5 thousand under the forced liquidation scenario. The same methodology was used in determining the values for UCI as was used for CLI. Based on information provided in the above appraisals for the property, plant and equipment, direct liquidation costs for the M&E would be $1.320 million and $740 thousand under the orderly and forced liquidation scenarios, respectively.

H. Secured debt obligations

Using the above assumptions and the cash distribution from CLI of $30.656 million under the orderly liquidation scenario and $0.645 million under the forced liquidation scenario,

net proceeds of $125.564 million under the orderly liquidation scenario and $70.500 million under the forced liquidation scenario, would be available to creditors of UCI.

UCI has a real estate loan held by Lasalle Bank National Association, Trustee for the Registered Holders of Heller Financial Commercial Mortgage Asset Corp, Mortgage Pass-Through Certificates, Series 2000 PH-1 which is secured by the real estate in Denton, TX discussed above. At the end of May, the mortgage balance was $8.893 million and the GECC Revolver balance was $59.207 million after the draw on the $5 million of letters of credit from CLI. The Liquidation Analysis assumes the real estate collateral would be liquidated and the proceeds used to pay down the balance owed on the mortgage. Excess proceeds would flow back into total net proceeds from liquidation. Any remaining balance due on the mortgage after the liquidation of the real estate collateral would be treated as a general unsecured claim. Under the orderly liquidation scenario, liquidation of the real estate collateral would yield proceeds of $3.906 million, resulting in a general unsecured claim of $4.987 million with respect to the mortgage obligations. Under the forced liquidation scenario, no recovery is expected from the liquidation of the real estate collateral, and the entire obligation due under the mortgage would be treated as a general unsecured claim.

UCI is the obligor under that certain revolving credit facility with GECC which is secured by the assets of UCI (the "GECC Revolver"). After satisfaction of the secured obligations due under the real estate loan, net proceeds available to GECC would be $121.658 million under an orderly liquidation scenario and $70.500 million under a forced liquidation scenario. Under both liquidation scenarios, the proceeds from the liquidation of UCI's assets are sufficient to satisfy 100% of the GECC Revolver balance.

I. Priority unsecured creditors

After the above secured obligations have been satisfied, net proceeds of $62.451 million under the orderly liquidation scenario and $11.293 million under the forced liquidation scenario would be available for distribution to priority unsecured creditors of UCI. Under the orderly liquidation scenario, the proceeds of liquidating UCI would be sufficient to satisfy 100% of the priority unsecured creditors' claims, while under the forced liquidation scenario, proceeds available would allow for only a 75% recovery by priority unsecured creditors. UCI has deferred tax liabilities and other tax liabilities on their books of $14.595 million, which include taxes payable and deferred tax liabilities. Based on management's direction and due to the sensitivity of these payments, the Liquidation Analysis assumes the full liability with respect to these taxes will be owed upon liquidation. Also employee compensation payments of $538 thousand will be due.

J. General unsecured creditors

After the above priority unsecured obligations of UCI have been satisfied, net proceeds of $47.318 million would remain under an orderly liquidation scenario resulting in a full recovery to general unsecured creditors of UCI. General unsecured creditors of UCI would not receive a recovery under the forced liquidation scenario. The general unsecured creditors are broken down into other accounts payable, other payables, and the remaining unsecured portion of the real estate loan discussed above. Accounts payable and other payables total $3.830 million under both liquidation scenarios. This payable balance is increased by the remaining unsecured

balance on the real estate loan. This increase would be $4.987 million under the orderly liquidation scenario and $8.893 million under a forced liquidation scenario, for a total general unsecured claims balance of $8.817 million and $12.723 million respectively. Under an orderly liquidation scenario proceeds of liquidation will be available for distribution to CLH. Based on the above analysis, the cash distribution to CLH is estimated to be $38.501 million under the orderly liquidation scenario. No cash is expected to be available for distribution to CLH under the forced liquidation scenario.

CAMBRIDGE LEE HOLDINGS, INC./TUBO DE PASTEJÉ, S.A. DE C.V.

A. Liquidating assets – Cambridge Lee Holdings, Inc.

As detailed above, under the orderly liquidation scenario $38.501 million would flow up to CLH upon satisfaction of UCI's liabilities. No cash currently exists in CLH accounts.

B. Creditor recovery – Cambridge Lee Holdings, Inc.

The net proceeds available will allow for a full recovery to unsecured creditors at CLH under the orderly liquidation scenario. Creditors will not experience a recovery under the forced liquidation scenario. According to management, there would be two unsecured claims that would exist at CLH after the liquidation of CLI and UCI as detailed above. First, CLH has guaranteed certain bank loans from Espirito Santo Bank in the total amount of $3.470 million. Second, there is a recent bill from Hartford Financial Services for $120 thousand that would be due. All other unsecured obligations of CLH originally scheduled and filed with the court in these Chapter 11 Cases have been satisfied in the ordinary course or pursuant to court order. Accordingly, under the orderly liquidation scenario, the net proceeds available to Tubo are $34.911 million. Under the forced liquidation scenario there would be no available proceeds for distribution to Tubo.

C. Creditor recovery – Tubo de Pastejé, S.A. de C.V.

As detailed above, under the orderly liquidation scenario, net proceeds available to secured creditors of Tubo would total $34.911 million. 100% of this amount would be distributed to the Noteholders to satisfy their claims against Tubo as pledgor under the Old 2016 Notes. This distribution would present a 17% recovery on the $200 million (excluding interest that accrued but was unpaid as of the petition date).

Exhibit 3

Restructuring Agreement

SEE THE RESTRUCTURING AGREEMENT
ATTACHED AS ANNEX A TO
THE INFORMATION MEMORANDUM

Exhibit 4

Description of Notes

SEE THE DESCRIPTION OF THE NEW NOTES
ATTACHED AS ANNEX C
TO THE INFORMATION MEMORANDUM

Exhibit 5

Information Memorandum

SEE THE INFORMATION MEMORANDUM

Exhibit 6

Projected Financial Statements

Projected Financial Statements

The estimates and assumptions in the Financial Projections, while considered reasonable by the Plan Proponents may not be realized, and are inherently subject to uncertainties and contingencies. The Financial Projections are also based on factors such as industry performance, general business, economic, competitive, regulatory, market and financial conditions, all of which are difficult to predict and generally beyond the Plan Proponents' control. Because future events and circumstances may well differ from those assumed and unanticipated events or circumstances may occur, the Plan Proponents expect that the actual and projected results will differ and the actual results may be materially greater or less than those contained in the Financial Projections. No representations can be made as to the accuracy of the Financial Projections or the ability to achieve the projected results. Therefore, the Financial Projections may not be relied upon as a guaranty or other assurance of the actual results that will occur. The inclusion of the Financial Projections herein should not be regarded as an indication that the Plan Proponents considered or consider the Financial Projections to predict reliable future performance. The Financial Projections are subjective in many respects, and thus are susceptible to interpretations and periodic revisions based on actual experience and recent developments. The Plan Proponents do not intend to update or otherwise revise the Financial Projections to reflect the occurrence of future events, even in the event that assumptions underlying the Financial Projections are not borne out. The Financial Projections should be read in conjunction with the assumptions and qualifications set forth in the Disclosure Statement.

Consolidated Balance Sheet (a)	**2010 Actual**	**2010 Proforma (b) (c)**	**2011 (b) (c)**	**2012 (b) (c)**	**2013 (b) (c)**	**2014 (b) (c)**	**2015 (b) (c)**	**2016 (c) (c)**
Current assets:								
Cash and cash equivalents	21,160	21,160	10,000	10,000	10,000	10,000	10,000	18,395
Accounts receivable – Net	137,779	137,779	150,305	156,625	167,471	174,183	180,895	187,262
Inventories – Net	74,897	74,897	92,607	95,563	103,828	109,076	114,109	118,934
Other current assets	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367
Total current assets	235,203	235,203	254,278	263,554	282,665	294,625	306,370	325,957
Investment in associated companies	159,112	159,112	167,548	178,660	191,734	206,552	222,900	241,357
Property, plant and equipment – Net	281,083	281,083	261,956	242,561	222,896	202,963	182,762	162,291
Other assets – Net	26,670	26,670	24,003	21,336	18,669	16,002	13,335	10,668
TOTAL ASSETS	**702,067**	**702,067**	**707,785**	**706,111**	**715,964**	**720,143**	**725,366**	**740,273**
Current liabilities								
Notes payable to financial institutions	13,701	13,701	5,107	5,107	5,107	5,107	5,107	0
Current portion of long term debt	259,645	34,341	27,448	39,416	43,674	36,997	20,443	7,286

Trade accounts payable	205,579	59,579	66,727	71,464	78,474	82,467	86,245	89,815
Accrued expenses and taxes other than income taxes	68,986	6,685	6,685	6,685	6,685	6,685	6,685	6,685
Advances from customers	432	432	432	432	432	432	432	432
Due to related parties	20,317	20,317	0	0	0	0	0	0
Total current liabilities	568,660	135,055	106,399	123,103	134,371	131,688	118,911	104,217
Long term debt	5,885	423,175	419,853	417,290	417,290	417,290	417,290	417,290
Labor and other long-term obligations	4,703	4,703	4,703	4,703	4,703	4,703	4,703	4,703
Income tax payable	1,972	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Financial instruments – Valuation	8,101	8,101	8,101	8,101	8,101	8,101	8,101	8,101
TOTAL LIABILITIES	**589,321**	**573,006**	**541,028**	**555,170**	**566,438**	**563,754**	**550,977**	**536,284**
Stockholders equity								
Capital stock	390,509	390,509	415,509	415,509	415,509	415,509	415,509	415,509
Additional paid-in capital	24,209	30,909	30,909	30,909	30,909	30,909	30,909	30,909
Contributions for future capital increases	6,700	0	0	0	0	0	0	0
Accumulated deficit	-341,236	-324,922	-312,227	-328,042	-329,457	-322,594	-304,594	-274,994
Insufficiency in restated stockholders´ equity	15,029	15,029	15,029	15,029	15,029	15,029	15,029	15,029
Cumulative initial effect of deferred income taxes	-2	-2	-2	-2	-2	-2	-2	-2
Translation effects of foreign operations or entities	18,695	18,695	18,695	18,695	18,695	18,695	18,695	18,695
Valuation of financial instruments	-1,157	-1,157	-1,157	-1,157	-1,157	-1,157	-1,157	-1,157
Controlling interest	112,747	129,061	166,756	150,941	149,525	156,388	174,389	203,989
TOTAL Stockholders equity	**112,747**	**129,061**	**166,757**	**150,941**	**149,526**	**156,389**	**174,389**	**203,989**
TOTAL Liabilities and Stockholders Equity	**702,067**	**702,067**	**707,785**	**706,111**	**715,964**	**720,143**	**725,366**	**740,273**

Notes to Balance Sheet:

(a) The Balance Sheet is not prepared in accordance with Generally Accepted Accounting Principles.

(b) The Pro Forma 2010 and Estimated 2011-2016 balance sheets are presented assuming that a restructuring consistent with the Restructuring Agreement and Plan has been completed.

(c) The Plan Proponents have assumed, for the purposes of these Projections, that all businesses currently operated by IUSA and its subsidiaries will continue to operate in the ordinary course throughout the projection period.

Guarantors Profit and Loss Statement (a)	**2010 Actual**	**2011 (b) (c)**	**2012 (b) (c)**	**2013 (b) (c)**	**2014 (b) (c)**	**2015 (b) (c)**	**2016 (b) (c)**
Total Revenues	623,298	811,224	883,547	987,424	1,048,194	1,108,961	1,166,129
Cost of Sales	526,588	746,801	809,510	899,877	953,540	1,004,580	1,053,091
Total Gross Profit	96,710	64,423	74,037	87,547	94,654	104,381	113,037
SG&A	88,026	60,000	53,560	55,182	56,870	58,624	60,449
Income from Operations	8,684	4,423	20,477	32,365	37,784	45,756	52,588
Net Interest Expense	45,279	5,301	52,163	52,421	52,314	51,473	49,993
Other Financing Costs	2,122	0	0	0	0	0	0
Total Net Comprehensive Financial Cost	47,401	5,301	52,163	52,421	52,314	51,473	49,993
Other Expense, Net	21,161	(7,952)	(11,529)	(13,959)	(16,696)	(19,064)	(21,681)
Income Tax and Statutory Profit Sharing	1,672	2,816	6,771	8,393	10,121	11,695	13,133
Equity in Income (Loss) of Associated Companies	(965)	8,436	11,113	13,073	14,819	16,348	18,458
Net Income (Loss)	**(62,515)**	**12,695**	**(15,815)**	**(1,416)**	**6,863**	**18,000**	**29,600**

Notes to Cash Flows:

(a) The Projections are not prepared in accordance with Generally Accepted Accounting Principles.

(b) The Estimated 2011-2016 cash flows are presented assuming that a restructuring consistent with the Restructuring Agreement and Plan has been completed.

(c) The Plan Proponents have assumed, for the purposes of these Projections, that all businesses currently operated by IUSA and its subsidiaries will continue to operate in the ordinary course throughout the projection period.

Exhibit 7

Historical Financials

SEE THE CONSOLIDATED FINANCIAL STATEMENTS
ATTACHED TO THE
INFORMATION MEMORANDUM

ANNEX C

DESCRIPTION OF THE NEW NOTES

DESCRIPTION OF THE NEW NOTES

General

Industrias Unidas, S.A. de C.V. (the "Issuer") will issue two series of notes (the "Series A notes" and the "Series B notes," and collectively, "the new notes") under one or more indentures (each an "Indenture") among itself, the Subsidiary Guarantors and U.S. Bank National Association, as trustee (the "Trustee" under each such Indenture), in a private transaction that is not subject to the registration requirements of the Securities Act. The terms of the new notes include those stated in the Indentures and those made part of the Indentures by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The following description is only a summary of the material provisions of the Indentures, the new notes and the Subsidiary Guarantees. Because it is a summary it does not describe every aspect of the Indentures, the new notes or the Subsidiary Guarantees. We urge you to read the Indentures, including the forms of the new notes and the Subsidiary Guarantees, because they, not this description, define your rights as holders of these new notes. You may request copies of the agreements referred to in this "Description of the New Notes" at our address set forth under the heading "Available Information."

Certain terms used in this description are defined under the subheading "—Certain Definitions."

The new notes will:

- be senior secured obligations of the Issuer;
- rank equally in right of payment with all existing and future Senior Indebtedness of the Issuer, subject to priorities set forth under the *Ley de Concursos Mercantiles* and other applicable laws of Mexico;
- rank senior in right of payment to any existing or future Subordinated Indebtedness of the Issuer;
- be fully and unconditionally guaranteed on a general senior secured basis by each Subsidiary Guarantor; and
- and be structurally subordinated to all existing and future obligations of the Issuer's Subsidiaries that do not guarantee the new notes.

Principal, Maturity and Interest

For each U.S.$1,000 principal amount of 2016 Notes (each, a "2016 Base Amount"), on the Issue Date, the Issuer will issue Series A notes with a principal amount equal to U.S.$1,143.22, which is equal to (i) the 2016 Base Amount, plus (ii) the amount of accrued and unpaid interest on such 2016 Base Amount from May 15, 2009 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 2016 Base Amount (the "2016 Notes Restructuring Fee") and (b) the interest accrued on the 2016 Notes Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.75% per annum compounded quarterly.

For each U.S.$1,000 principal amount of ESBDS Loan (each, an "ESBDS Base Amount"), on the Issue Date, the Issuer will issue Series A notes with a principal amount equal to U.S.$1,036.18——which is equal to (i) the ESBDS Base Amount, plus (ii) the amount of accrued and unpaid interest on such ESBDS Base Amount from October 12, 2010 through November 15, 2011, at an interest rate per annum equal to the average six-month LIBOR for the period plus 1.5%, multiplied by the quotient of 4.75% divided by 11.5% (the "ESBDS Interest Rate"), compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the ESBDS Base Amount (the "ESBDS Restructuring Fee") and (b) the interest accrued on the ESBDS Restructuring Fee from May 15, 2011 through November 15, 2011, at the ESBDS Interest Rate compounded quarterly.

For each U.S.$1,000 stated face value of Copper Debt (each, a "Copper Debt Base Amount"), on the Issue Date, the Issuer will issue Series B notes with a principal amount ranging from U.S.$1,100.34 to U.S.$1,121.73, depending on the Copper Debt Interest Accrual Date applicable to the specific series of Copper Debt, which is equal to (i) the Copper Debt Base Amount, plus (ii) the amount of accrued and unpaid interest on such Copper Debt Base Amount from the applicable Copper Debt Interest Accrual Date through November 15, 2011, at an interest rate of 3.717% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the Adjusted Copper Debt Base Amount (the "Copper Debt Restructuring Fee") and (b) the interest accrued on the Copper Debt Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 3.717% per annum compounded quarterly.

For each U.S.$1,000 stated face value of 9.75% Commercial Paper (each, a "9.75% CP Base Amount"), on the Issue Date, the Issuer will issue Series B notes with a principal amount equal to U.S.$1,129.265, which is equal to (i) the 9.75% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 9.75% CP Base Amount from the stated maturity date of the 9.75% CP Base Amount through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 9.75% CP Base Amount (the "9.75% CP Restructuring Fee") and (b) the interest accrued on the 9.75% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.027% per annum compounded quarterly.

For each U.S.$1,000 stated face value of 12% Commercial Paper (each, a "12% CP Base Amount"), on the Issue Date, the Issuer will issue Series B notes with a principal amount equal to U.S.$1,136.525, which is equal to (i) the 12% CP Base Amount, plus (ii) the amount of accrued and unpaid interest on such 12% CP Base Amount from the stated maturity date of the 12% CP Base Amount through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly, plus (iii) a restructuring fee equal to the sum of (a) 1.75% of the 12% CP Base Amount (the "12% CP Restructuring Fee") and (b) the interest accrued on the 12% CP Restructuring Fee from May 15, 2011 through November 15, 2011, at an interest rate of 4.957% per annum compounded quarterly.

The Issuer will issue the new notes in minimum denominations of U.S.$1.00 and any integral multiple of U.S.$1.00.

The new notes will mature on November 15, 2016, at which time the principal amount of the new notes Outstanding on such date will become due and payable.

Each series of new notes will be treated as a separate class for all purposes under the Indentures, including, without limitation, waivers, amendments, redemptions and offers to purchase, other than certain decisions to be taken with respect to the Collateral, as provided in "—Security—Required Creditors".

Interest on the new notes will accrue at the rate of 11.5% per annum (the "Applicable Interest Rate") and will be payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year (each a "Payment Date"), commencing on February 15, 2012.

Interest on the new notes will accrue from November 15, 2011 or from the most recent Payment Date on which interest was paid on such new notes, regardless of whether the Issue Date occurs prior to November 15, 2011. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest accrued on the new notes will be payable in cash in arrears on each Payment Date. We will make each interest payment to the holders of record of these new notes as of each January 31, April 30, July 31 and October 31 preceding the applicable Payment Date. If any Payment Date would otherwise be a day that is not a Business Day, the related payment of principal and/or interest will be made on the next succeeding Business Day as if it were made on the date the payment was due, and no interest will accrue on the amounts so payable for the period from and after the Payment Date to the next succeeding Business Day. Upon the occurrence and during the continuance of an Event of Default, the Outstanding principal amount of new notes will bear interest at 1% per annum in excess of the Applicable Interest Rate and we will pay interest on overdue installments of interest at such higher rate to the extent lawful.

Maturity

The Issuer will pay the outstanding principal amount due on the new notes, together with any accrued and unpaid interest and Additional Amounts thereon, on November 15, 2016.

Security

General

All obligations under the new notes, including the Subsidiary Guarantees, and obligations to repurchase or redeem new notes from time to time, will be secured by Liens on the following property of the Issuer and the Credit Group Subsidiaries (other than the CLH Entities) (the "Collateral Group Subsidiaries", and together with the Issuer, the "Collateral Group"):

(i) all future and current real property of the Collateral Group, including land and buildings (collectively, the "Real Property Collateral");

(ii) substantially all other future and current unencumbered long-term assets, properties and machinery and equipment owned by the Collateral Group, including, without limitation, all of the Capital Stock (other than (x) Capital Stock of subsidiaries and (y) the Excluded Businesses) held by the Collateral Group (collectively, the "Additional Long-Term Collateral");

(iii) 30% of the future and current amounts in the Lockbox Account (as defined in "—Meter Reload Revenue and Royalties" below) (the "Lockbox Collateral");

(iv) all Capital Stock of the Issuer's future and current direct and indirect Mexican Subsidiaries, except the Excluded Businesses (the "Mexican Subsidiary Stock Collateral"); and

(v) the proceeds of each of the assets described in (i) through (iv) above ("Proceeds", and together with the Real Property Collateral, the Additional Long-Term Collateral, the Mexican Subsidiary Stock Collateral and the Lockbox Collateral, the "Joint Collateral").

All of the Liens on the Joint Collateral securing the new notes will be first-priority Liens (subject to any Collateral Permitted Liens), except for Liens on certain of the Real Property Collateral and Additional Long-Term Collateral (the "Issue Date Encumbered Assets") that are encumbered by other Liens as of the Issue Date (the "Issue Date Liens"), which will be second-priority Liens pursuant to second-priority mortgages (*hipoteca civil en segundo lugar* and *hipoteca industrial en segundo lugar*). In the event that any of the Issue Date Encumbered Assets become unencumbered after the Issue Date, the Issuer and the Collateral Group Subsidiaries will cause the Liens on such collateral to become first-priority Liens. All of the Liens on the Joint Collateral will be created in favor of a Mexican banking institution acceptable to the holders as collateral agent (together with any successor collateral agent, the "Joint Collateral Agent") for the benefit of the holders of the new notes. As of the Issue Date, we are unaware of any Liens on the Joint Collateral other than the Issue Date Liens and Collateral Permitted Liens.

The Liens on the Joint Collateral will be created pursuant to pledge agreements (*prendas sobre acciones* and, with respect to the Lockbox Collateral, a pledge on intangible rights), mortgages (*hipotecas civiles en primer* and *segundo lugar*, *hipotecas industriales en primer* and *segundo lugar*), account control agreements (*instrucciones irrevocables*) and other collateral documents (collectively, the "Joint Collateral Documents") to be entered into from time to time by the Issuer or the Collateral Group Subsidiaries and the Joint Collateral Agent for the benefit of the holders of the new notes.

In addition, all obligations under the Series A notes only, including the Subsidiary Guarantees of the Series A notes, and obligations to repurchase or redeem Series A notes from time to time will be secured by a first-priority lien (subject to any Collateral Permitted Liens) on all future and current Capital Stock of CLH and the proceeds thereof (the "Series A Collateral", and collectively with the Joint Collateral, the "Collateral"). All of the Liens on the Series A Collateral will be created in favor of Banco Invex SA as

collateral agent (together with any successor collateral agent, the "Series A Collateral Agent") for the benefit of the holders of the Series A notes. As of the Issue Date, we are unaware of any Liens on the Series A Collateral, other than those created pursuant to the stock pledge agreement on such Series A Collateral, described below.

The Collateral

Real Property Collateral. On the Issue Date, each of the Issuer and the Collateral Group Subsidiaries will create Liens on the Real Property Collateral owned by it on the Issue Date. Such Liens will be created pursuant to mortgage instruments in favor of the Joint Collateral Agent (the "Mortgages") on the Real Property Collateral owned by the Collateral Group on the Issue Date by executing the Mortgages in the form of *hipotecas civiles* before a Mexican notary public and promptly (but in no event more than five calendar days after the Issue Date) filing them with the applicable public registries of property (*registros públicos de propiedad*) relating to such Real Property Collateral. Each piece of Real Property Collateral owned by the Issuer or a Collateral Group Subsidiary on the Issue Date will be subject to a preventive notice (*aviso preventivo*) in favor of the Joint Collateral Agent prior to the Issue Date. All references to preventive notices herein mean preventive notices in favor of the Joint Collateral Agent. The Issuer or any Collateral Group Subsidiary will deliver to the Trustee and the Joint Collateral Agent evidence of the filings of the Mortgages with the applicable public registries of property within two Business Days of such filings. The Issuer or any Collateral Group Subsidiary will use its reasonable best efforts to perfect (via registration) the Mortgages within 120 days of the Issue Date. Mortgages on the Real Property Collateral will be perfected and enforceable against third parties only after the Mortgages are registered in the applicable public registries of property of the location of the relevant Real Property Collateral, in the understanding that perfection will be retroactive to the date of filing. In the event that the Issuer or any Collateral Group Subsidiary does not file, deliver evidence of the filing of, or perfect any Mortgage on Real Property Collateral owned by the Issuer or a Collateral Group Subsidiary on the Issue Date within the time periods set forth above, or in the event that any preventive notice on such Real Property Collateral lapses prior to the filing of the Mortgage without a new preventive notice having been filed in respect of such Real Property Collateral, an Event of Default will occur. See "Defaults".

The Liens on the Real Property Collateral will be first-priority Liens, other than the Liens on the Issue Date Encumbered Assets, which will be second-priority Liens for so long as the Issue Date Liens remain on the Issue Date Encumbered Assets. If at any time all Issue Date Liens cease to exist on any Issue Date Encumbered Asset (the "Conversion Date"), the Issuer and each Collateral Group Subsidiary will take all necessary actions to convert such second-priority Liens to first-priority Liens, including making the appropriate filings in any applicable public registry within five days of the Conversion Date. The Issuer or any Collateral Group Subsidiary will deliver to the Trustee and Joint Collateral Agent evidence of such filings within two Business Days of such filings. The Issuer or any Collateral Group Subsidiary will use its reasonable best efforts to perfect (via registration) such first-priority Liens within 120 days of the Conversion Date. In the event that the Issuer or any Collateral Group Subsidiary does not file, deliver evidence of the filing of, or perfect any Mortgages in respect of any Issue Date Encumbered Assets within the time periods set forth above, an Event of Default will occur. See "Defaults".

First-priority Liens will also be created by the Issuer and each Collateral Group Subsidiary pursuant to Mortgages on any Real Property Collateral acquired by it after the Issue Date. Within 15 calendar days of the acquisition of any real property by the Issuer or a Collateral Group Subsidiary, the Issuer or such Collateral Group Subsidiary will execute Mortgages on such after-acquired Real Property Collateral in the form of *hipotecas civiles* before a Mexican notary public, and file them with the applicable public registries of property relating to such after-acquired Real Property Collateral; *provided that* if the Mortgage on any after-acquired Real Property Collateral is not filed contemporaneously with the acquisition of such Real Property Collateral, the Issuer or any Collateral Group Subsidiary will have caused a preventive notice to have been filed in favor of the Joint Collateral Agent on the date of the acquisition of such Real Property Collateral. The Issuer or any Collateral Group Subsidiary will deliver to the Trustee and the Joint Collateral Agent evidence of the filings of the Mortgages and preventive notices, as applicable, with the applicable public registries of property within two Business Days of such filings. The Issuer or any Collateral Group Subsidiary will use its reasonable best efforts to perfect (via registration) any Mortgages

on such after-acquired Real Property Collateral within 120 days of the acquisition of such Real Property Collateral. In the event that the Issuer or any Collateral Group Subsidiary does not file, deliver evidence of the filing of, or perfect any Mortgage on after-acquired Real Property Collateral within the time periods set forth above, or, in the event that any preventive notice on such after-acquired Real Property Collateral lapses prior to the filing of the Mortgage without a new preventive notice having been filed in respect of such after-acquired Real Property Collateral, an Event of Default will occur. See "Defaults".

The Mortgages will contain provisions requiring the Issuer to generate and deliver to the Joint Collateral Agent reports annually on each January 31, commencing on the first January 31 following the Issue Date, in respect of the status of the Real Estate Collateral, the book value thereof and an estimate of the approximate market value thereof.

Each Mortgage will be governed by Mexican law and the law of the state of Mexico where the Real Property Collateral is situated, and thus remedies including foreclosure over the Real Property Collateral will be subject to Mexican law and the law of the applicable Mexican states. The Issuer and each Collateral Group Subsidiary granting a Mortgage may continue to retain possession and use, have the right to exploit, and subject to "—Certain Covenants—Negative Covenants—Limitations on the Disposition of Assets and Subsidiary Stock—Collateral Asset Sales", dispose of the Real Property Collateral, in the ordinary course of their business and consistent with past practice, in each case unless and until the Joint Collateral Agent, upon the occurrence and during the continuation of an Event of Default, instructs otherwise or takes other enforcement action in accordance with the terms of the Collateral Documents. Upon the occurrence and during the continuation of an Event of Default, the Issuer and Collateral Group Subsidiaries will not be permitted to sell, transfer or otherwise dispose of, or to incur non-consensual Collateral Permitted Liens (other than Collateral Permitted Liens existing prior to the occurrence of such Event of Default) upon, the Real Property Collateral, *provided that* upon an Event of Default specified in clauses (iii), (iv), (v), (vi), (viii), (ix), (xii), (xiii), (xiv) or (xvi) of "Defaults" and prior to the receipt of any contrary instruction from the Joint Collateral Agent or from the Required Creditors, the Issuer and the Collateral Group Subsidiaries will be permitted to sell, transfer or dispose of, in the ordinary course of business consistent with past practice, Real Property Collateral with an aggregate fair market value of up to U.S.$1.0 million.

Additional Long-Term Collateral. On the Issue Date, the Issuer and each Collateral Group Subsidiary will create a Lien in favor of the Joint Collateral Agent pursuant to a mortgage (*hipoteca industrial*) (the "Industrial Mortgages") or, in the case of Capital Stock constituting Additional Long-Term Collateral ("Other Capital Stock"), pursuant to stock pledge agreements (*prendas sobre acciones*) (the "Other Stock Pledge Agreements"), over:

- all of the existing Additional Long-Term Collateral owned by it on the Issue Date, including all of the equipment of the Issuer and Collateral Group Subsidiaries; and

- all Additional Long-Term Collateral acquired by it after the Issue Date (including all such assets made part of the Collateral as Replacement Collateral as described under "—Certain Covenants— Negative Covenants— Limitation on Sales of Assets and Subsidiary Stock").

The Liens on the Additional Long-Term Collateral will be first-priority Liens, other than the Liens on the Issue Date Encumbered Assets, which will be second-priority Liens for so long as the Issue Date Liens remain on the Issue Date Encumbered Assets. If at any time all Issue Date Liens cease to exist on any Issue Date Encumbered Asset (the "Conversion Date"), the Issuer and each Collateral Group Subsidiary will take all necessary actions to convert such second-priority Liens to first-priority Liens, including making the appropriate filings in any applicable public registry (the Registry of Movable Assets (*Registro Único de Garantías Mobiliarias*)) within five days of the Conversion Date. The Issuer or any Collateral Group Subsidiary will deliver to the Trustee and Joint Collateral Agent evidence of registration within five Business Days of such filings. In the event that the Issuer or any Collateral Group Subsidiary does not file, deliver evidence of the filing of, or perfect any Industrial Mortgages in respect of any Issue Date Encumbered Assets within the time periods set forth above, an Event of Default will occur. See "Defaults".

The Industrial Mortgages in respect of Additional Long-Term Collateral owned by the Issuer and each Collateral Group Subsidiary on the Issue Date will be executed by the Issuer or such Collateral Group Subsidiary before a Mexican notary public on the Issue Date and will be filed promptly (but in no event more than three calendar days after the Issue Date) with the Registry of Movable Assets. The Issuer or any Collateral Group Subsidiary will deliver to the Trustee and the Joint Collateral Agent evidence of the registration of the Industrial Mortgages with the applicable public registries within five Business Days of such filings. Industrial Mortgages in respect of the Additional Long-Term Collateral (other than Capital Stock) will be perfected and enforceable against third parties only after the Mortgages are registered in the Registry of Movable Assets, in the understanding that perfection will be retroactive to the date of filing. In the event that the Issuer or any Collateral Group Subsidiary does not file, deliver evidence of the filing of, or perfect any Industrial Mortgages in respect of Additional Long-Term Collateral owned by the Issuer or a Collateral Group Subsidiary on the Issue Date within the time periods set forth above, an Event of Default will occur. See "Defaults".

Any property that constitutes Additional Long-Term Collateral (other than Capital Stock) acquired by the Issuer and each Collateral Group Subsidiary after the Issue Date will be automatically incorporated into the applicable Industrial Mortgage as provided in the respective Industrial Mortgage Agreement, provided however, that (i) each Fiscal Quarter, the Issuer and each Collateral Group Subsidiary will notify the Joint Collateral Agent of the acquisition of any property that constitutes Additional Long-Term Collateral with an individual or aggregate value in excess of U.S.$100,000, which notice will be ratified by a Mexican Notary Public and filed with the Mexican Registry of Movable Assets within 15 days of the end of such Fiscal Quarter, and (ii) on the date of acquisition, the Issuer and/or each Collateral Group Subsidiary will notify the Joint Collateral Agent of the acquisition of any property that constitutes Additional Long-Term Collateral with an individual value in excess of U.S.$250,000, which notice will be ratified by a Mexican Notary Public and filed with the Mexican Registry of Movable Assets within 15 days of such acquisition. The Issuer and/or any Collateral Group Subsidiary will deliver to the Trustee and the Joint Collateral Agent evidence of the registration of any after-acquired Additional Long-Term Collateral, as applicable, within five Business Days of the filings. In the event that the Issuer or any Collateral Group Subsidiary does not notify the Joint Collateral Agent, file notification, deliver evidence of the filing of, or perfect any addendums to such Industrial Mortgages in respect of such after-acquired Additional Long-Term Collateral within the time periods set forth above an Event of Default will occur. See "Defaults".

The Industrial Mortgages will contain provisions requiring the Issuer to generate and deliver to the Joint Collateral Agent reports annually on each January 31, commencing on the first January 31 following the Issue Date, in respect of the status of the Additional Long-Term Collateral, the book value thereof and an estimate by the Issuer of the approximate market value thereof.

The Liens created by these Industrial Mortgages will be governed by Mexican law and remedies including foreclosure will be subject to Mexican law. Pursuant to the provisions of each Industrial Mortgage, the Collateral Group will retain possession and use, have the right to exploit, and subject to "—Certain Covenants—Negative Covenants—Limitations on the Disposition of Assets and Subsidiary Stock—Collateral Asset Sales", dispose of the Additional Long-Term Collateral, subject to Liens under the Industrial Mortgages, in the ordinary course of their business and consistent with past practice, in each case unless and until the Joint Collateral Agent, upon the occurrence and during the continuation of an Event of Default, instructs otherwise or takes other enforcement action in accordance with the terms of the Collateral Documents.

The Liens on Other Capital Stock will be perfected by delivering, on or before the Issue Date, the certificates representing Other Capital Stock to the Joint Collateral Agent, duly endorsed to the Joint Collateral Agent as pledgee and, as necessary, an annotation of the respective pledge in the stock registry book of the applicable entity. The Liens on such Other Capital Stock, including remedies in respect thereof, will be governed by Mexican commercial and procedural law, in addition to the law of any jurisdiction in which the Joint Collateral Agent holds such Capital Stock at the time of foreclosure. In the event that the Issuer or any Collateral Group Subsidiary does not perfect the Lien on any such Other Capital Stock on the Issue Date, an Event of Default will occur. See "Defaults". On the Issue Date, such Other Capital Stock will not be registered securities under the securities laws of any jurisdiction, including

Mexico or the United States, and may not be publicly offered in Mexico or in the United States, or traded on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) or on any U.S. securities exchange. Upon the occurrence and during the continuation of an Event of Default, each Other Stock Pledge Agreement will grant voting rights to the Joint Collateral Agent, either pursuant to an irrevocable power of attorney to be granted in favor of the Joint Collateral Agent or through other means. In the event that the Issuer or any Collateral Group Subsidiary acquires any additional Other Capital Stock after the Issue Date (including without limitation any non-cash consideration from an Eagle Asset Sale), the Issuer or such Collateral Group Subsidiary will promptly, but in any event within five Business Days thereof, enter into an Other Stock Pledge Agreement in respect of such Other Capital Stock, deliver the certificates representing such Other Capital Stock to the Joint Collateral Agent, duly endorsed to the Joint Collateral Agent as pledgee and will cause, as necessary, the annotation of such pledge in the stock registry book of the applicable entity. In the event any Other Capital Stock is listed on a stock exchange, the Issuer and Collateral Group Subsidiaries will take all necessary actions to amend the relevant Other Stock Pledge Agreement to reflect such listing and to cause the Joint Collateral Agent's Lien on such Other Capital Stock to become perfected within five Business Days of such listing. In the event that the Issuer or any Collateral Group Subsidiary does not perfect the Lien on any such after-acquired Other Capital Stock, or amend such Other Stock Pledge Agreement and cause the perfection of the Lien on such Other Capital Stock within the time period set forth above, an Event of Default will occur. See "Defaults".

Upon the occurrence and during the continuation of an Event of Default, the Issuer and Collateral Group Subsidiaries will not be permitted to sell, transfer or otherwise dispose of, or to incur non-consensual Collateral Permitted Liens (other than Collateral Permitted Liens existing prior to the occurrence of such Event of Default) upon, the Additional Long-Term Collateral (including Other Capital Stock) *provided that* upon an Event of Default specified in clauses (iii), (iv), (v), (vi), (viii), (ix), (xii), (xiii), (xiv) or (xvi) of "—Defaults" and prior to the receipt of any contrary instruction from the Joint Collateral Agent or from the Required Creditors, the Issuer and the Collateral Group Subsidiaries will be permitted to sell, transfer or dispose of, in the ordinary course of business consistent with past practice, Additional Long-Term Collateral (including Other Capital Stock) with an aggregate fair market value of up to U.S.$1.0 million.

Lockbox Collateral. On the Issue Date, the Issuer will create a first-priority Lien over the Lockbox Collateral, pursuant to a pledge on intangible rights (the "Lockbox Collateral Pledge Agreement").

The Lockbox Account will be maintained with the Reload Paying Agent. For further details on the Lockbox Account and the Reload Paying Agent, see "—Reload Royalties". On the Issue Date, the Issuer will irrevocably and unconditionally instruct the Reload Paying Agent to cause 30% of the amount in the Lockbox Account to be transferred from the Lockbox Account to the Creditor Escrow Account, and 70% of the amount in the Lockbox Account to be transferred from the Lockbox Account according to written instructions by Meter Co., in each case prior to the close of each Business Day and as provided in "—Meter Reload Revenue and Royalties—The Lockbox Account and the Creditor Escrow Account".

On or before the Issue Date, the Issuer will cause the perfection of the Lockbox Collateral Pledge Agreement by filing the agreement with the Registry of Movable Property *(Registro Único de Garantias Mobilarias)* in Mexico. The Issuer will deliver to the Trustee and the Joint Collateral Agent evidence of the filing of the Lockbox Collateral Pledge Agreement with the registry of movable property within two Business Days of the Issue Date. The first-priority Liens created by the Lockbox Collateral Pledge Agreements will be governed by Mexican law and remedies including foreclosure will be subject to Mexican law.

Meter Co. will not have the ability to use, exploit or dispose of any Lockbox Collateral.

Mexican Subsidiary Stock Collateral. On the Issue Date, the Issuer will cause first-priority Liens (*prendas*) to be created, pursuant to one or more stock pledge agreements (the "Mexican Stock Pledge Agreements"), on all of the Mexican Subsidiary Stock Collateral. The Liens on the Mexican Subsidiary Stock Collateral will be perfected by delivering, on or before the Issue Date, the certificates representing such Mexican Subsidiary Stock Collateral to the Joint Collateral Agent, duly endorsed to the Joint

Collateral Agent as pledgee and an annotation of the respective pledge in the stock registry book of the applicable Mexican Subsidiary. In the event that the Issuer or any Collateral Group Subsidiary does not perfect the Lien on any such Mexican Subsidiary Stock Collateral on or before the Issue Date, an Event of Default will occur. See "Defaults". The Liens on the Mexican Subsidiary Stock Collateral, including remedies in respect thereof, will be governed by Mexican commercial and procedural law, in addition to the law of any jurisdiction in which the Joint Collateral Agent holds such Pledged Mexican Stock at the time of foreclosure. On the Issue Date, the Mexican Subsidiary Stock Collateral will not be registered securities under the securities laws of any jurisdiction, including Mexico or the United States, and may not be publicly offered in Mexico or in the United States, or traded on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) or on any U.S. securities exchange. The Issuer and the Collateral Group Subsidiaries will not be permitted to list any of the Mexican Subsidiary Stock Collateral (or any securities fungible with Mexican Subsidiary Stock Collateral) on any stock exchange. Upon the occurrence and during the continuation of an Event of Default, each Mexican Stock Pledge Agreement will grant full and unlimited voting rights to the Joint Collateral Agent with respect to any matter to which a shareholder could be entitled to vote thereon, including, without limitation, voting rights in respect of directors, dividends and distributions, whether at any ordinary or extraordinary meeting of shareholders or by consent, either pursuant to an irrevocable power of attorney to be granted in favor of the Joint Collateral Agent or through other means. Upon the occurrence and during the continuation of an Event of Default, the Joint Collateral Agent must be given written notice of each shareholder meeting (whether ordinary or extraordinary under the terms of the laws of any relevant country or the governing documents of any relevant entity) at least 15 days prior thereto. Upon the occurrence and during the continuation of an Event of Default, the Collateral Group will not be permitted to sell, transfer or otherwise dispose of, or to incur non-consensual Collateral Permitted Liens (other than Collateral Permitted Liens existing prior to the occurrence of such Event of Default) upon, the Mexican Subsidiary Stock Collateral.

If, after the Issue Date, the Issuer or any Collateral Group Subsidiary acquires or otherwise becomes the owner of any additional shares of Mexican Subsidiary Stock Collateral (whether as the result of the creation of a new Mexican Restricted Subsidiary, a capital increase or similar transaction in respect of any Mexican Restricted Subsidiary or otherwise), the Issuer or such Collateral Group Subsidiary will promptly, and in any event within five Business Days thereof, deliver the certificates representing such Mexican Subsidiary Stock Collateral to the Joint Collateral Agent, duly endorsed to the Joint Collateral Agent as pledgee. In the event that the Issuer or any Collateral Group Subsidiary does not perfect the Lien on such additional shares of Mexican Subsidiary Stock Collateral within five Business Days of the acquisition thereof, an Event of Default will occur. See "Defaults".

Unless and until an Event of Default has occurred, the Joint Collateral Agent will not have any rights to cash dividends or distributions, or any voting rights, in respect of the Mexican Subsidiary Stock Collateral.

Proceeds. Each of the Joint Collateral Documents will provide for Liens on Proceeds. The Liens on Proceeds will be first-priority Liens, other than Liens on proceeds of Issue Date Encumbered Assets, which will be second-priority Liens if and for so long as the Issue Date Liens extend to proceeds of the Issue Date Encumbered Assets. In the event that the Issue Date Liens cease to exist on proceeds of Issue Date Encumbered Assets, the Issuer or the Collateral Group Subsidiary, as applicable, will cause the Joint Collateral Agent's Lien on such proceeds to be a first-priority Lien. Unless and until an Event of Default has occurred and is continuing, the Issuer and its Restricted Subsidiaries will have the ability to use or dispose of ordinary cash dividends or other distributions made in respect of the Mexican Subsidiary Stock Collateral or Other Capital Stock constituting Additional Long-Term Collateral, in each case in the ordinary course of business consistent with past practice and the terms and conditions of the Indentures.

The Liens on Proceeds will, as necessary, be created pursuant to pledge agreements, mortgages, account control agreements and other collateral documents in form and substance substantially similar to the Joint Collateral Documents. In the event that any Proceeds consist of cash or listed Capital Stock (including any cash or listed Capital Stock being held pending investment in Replacement Collateral or application to redeem new notes, in each case in accordance with "—Certain Covenants—Negative Covenants—Limitations on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales", but

excluding, prior to the occurrence and continuation of an Event of Default, ordinary cash dividends and other distributions), the Proceeds will be paid directly to the Joint Collateral Agent, pursuant to the Indentures, and will be held by the Joint Collateral Agent in a collateral account at a banking institution in Mexico.

CLH Stock Pledge. On the Issue Date, the Issuer will cause a first-priority Lien to be created, pursuant to a stock pledge agreement (the "CLH Stock Pledge Agreement"), on all of the Series A Collateral. The Liens on the Series A Collateral will be perfected by delivering, on or before the Issue Date, the certificates representing such Series A Collateral to the Series A Collateral Agent, duly endorsed to the Series A Collateral Agent as pledgee. In the event that the Issuer or any Collateral Group Subsidiary does not perfect the Lien on the Series A Collateral on or before the Issue Date, an Event of Default will occur. See "Defaults". The Liens on the Pledged CLH Stock will be governed by U.S. law and thus remedies including foreclosure on the Pledged CLH Stock will be subject to U.S. commercial and procedural law, including the laws of any applicable U.S. states. On the Issue Date, shares of the Pledged CLH Stock will not be registered securities under Mexican or U.S. securities laws, and may not be publicly offered in Mexico or in the U.S. or traded on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) or on any U.S. securities exchange. Upon the occurrence and during the continuation of an Event of Default, the CLH Stock Pledge Agreement will grant voting rights to the Series A Collateral Agent, either pursuant to an irrevocable power of attorney to be granted in favor of the Series A Collateral Agent or through other means. Upon the occurrence and during the continuation of an Event of Default, the Collateral Group will not be permitted to sell, transfer or otherwise dispose of, or to incur non-consensual Collateral Permitted Liens (other than Collateral Permitted Liens existing prior to the occurrence of such Event of Default) upon, the Series A Collateral.

If, after the Issue Date, the Issuer or any Collateral Group Subsidiary acquires or otherwise becomes the owner of any additional shares of Series A Collateral (whether as the result of a capital increase or similar transaction in respect of CLH or otherwise), the Issuer or such Collateral Group Subsidiary will promptly, and in any event within two Business Days thereof, deliver the certificates representing such Series A Collateral to the Series A Collateral Agent, duly endorsed to the Series A Collateral Agent as pledgee. In the event that the Issuer or any Collateral Group Subsidiary does not perfect the Lien on such additional shares of Series A Collateral within two Business Days of the acquisition thereof, an Event of Default will occur. See "Defaults".

Unless and until an Event of Default has occurred and is continuing, the Issuer and its Restricted Subsidiaries will have the ability to use or dispose of ordinary cash dividends or other distributions made in respect of the Pledged CLH Stock.

The Lien on any proceeds of Series A Collateral will be created pursuant to pledge agreements, mortgages, account control agreements and other collateral documents in form and substance substantially similar to the Series A Collateral Documents. In the event that any proceeds of the Series A Collateral consist of cash or listed Capital Stock (including any cash or listed Capital Stock being held pending application to redeem Series A notes in accordance with "—Certain Covenants—Negative Covenants—Limitations on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales"), but excluding, prior to the occurrence and continuation of an Event of Default, ordinary cash dividends and other distributions), the Proceeds will be paid directly to the Series A Collateral Agent, pursuant to the Indentures, and will be held by the Series A Collateral Agent in a collateral account at a banking institution in the United States.

The Pledged CLH Stock will be used to secure the Series A notes only.

Use of the Collateral

Subject to the terms and conditions of the Indentures and the Collateral Documents, and except as provided above, the Issuer and the Collateral Group Subsidiaries will be entitled, unless an Event of Default has occurred and is continuing, to receive all cash dividends, interest and other payments made upon or in respect of the Pledged Stock (if any), and to exercise any voting and other rights in respect thereof, to generally remain in possession of and/or to retain exclusive control over the Collateral, to freely

operate, occupy and/or use the Collateral, to dispose of the Collateral in accordance with "—Certain Covenants—Negative Covenants—Limitations on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales" and to collect, invest and dispose of any income in respect of any Collateral, in each case in the ordinary course of business consistent with past practice. In addition, upon the occurrence and during the continuation of certain specified Events of Default and prior to the receipt of contrary instructions by the Joint Collateral Agent or the Required Creditors, the Issuer and the Collateral Group Subsidiaries will have the right to dispose of certain Real Property Collateral and Additional Long-Term Collateral as specified in "—Real Property Collateral" and "—Additional Long-Term Collateral."

Release of the Collateral

Upon the full and final payment and performance by the Issuer and each Collateral Group Subsidiary party thereto of their respective Obligations under the new notes, the Indentures and the Joint Collateral Documents, the Joint Collateral Documents will terminate and the Liens on all of the Joint Collateral will be released.

The Joint Collateral Agent or Series A Collateral Agent, as the case may be, will release the Liens in favor of the Joint Collateral Agent or Series A Collateral Agent, as the case may be, in

(i) any Joint Collateral to be sold pursuant to a Collateral Asset Sale in accordance with "—Certain Covenants—Negative Covenants—Limitations on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales";

(ii) at the time of their application, any Proceeds that are applied in accordance with "—Certain Covenants—Negative Covenants—Limitations on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales" or "—Certain Covenants—Negative Covenants—Limitations on Sales of Assets and Subsidiary Stock—Events of Loss";

(iii) certain obsolete or other assets that are to be disposed of in a transaction not considered a Collateral Asset Sale pursuant to clause (i) of the exclusion to the definition thereof;

(iv) at the time of its application, any Lockbox Collateral that is applied to the Creditor Escrow Account in accordance with "—Meter Reload Revenue and Royalties—The Lockbox Account and the Creditor Escrow Account"; or

(v) any Joint Collateral or Series A Collateral in accordance with a duly executed waiver or amendment to the Joint Collateral Documents or Series A Collateral Documents in accordance therewith;

provided in each case that the Issuer and/or such Collateral Group Subsidiary complies with the provisions of the Indentures as well as any provisions relating to such release contained in any of the Issuer's or Restricted Subsidiaries' Indebtedness at such time outstanding, and the Issuer provides an Officer's Certificate certifying thereto.

Required Creditors

Pursuant to the terms of the Indentures and the Collateral Documents, the exercise of any rights under the Collateral Documents will be undertaken solely through the Joint Collateral Agent or Series A Collateral Agent, as applicable, upon the direction of the Trustee or, as may be required or permitted by the Indentures, on instructions of the Voting Creditors holding, in the aggregate, sufficient principal amounts of the new notes or Series A notes, as applicable, to satisfy the applicable thresholds under the definition of "Required Creditors" below.

Under the Indentures, the "Required Creditors" with respect to the Joint Collateral (or Series A Collateral, as applicable) will consist of Voting Creditors:

(1) with respect to remedies in respect of the Joint Collateral (or Series A Collateral, as applicable) following the occurrence of a Non-Payment Default, Voting Creditors holding at least a majority of the aggregate Outstanding principal amount of both series of the new notes (or the Series A notes, as applicable) held by Voting Creditors, voting as a single class;

(2) with respect to remedies in respect of the Joint Collateral (or Series A Collateral, as applicable) following the occurrence of a Payment Default, Voting Creditors holding at least 25% of the aggregate Outstanding principal amount of both series of the new notes (or the Series A notes, as applicable) held by Voting Creditors, voting as a single class;

(3) with respect to remedies in respect of the Joint Collateral (or Series A Collateral, as applicable) following the occurrence of an Event of Default described in clause (vii) of "—Defaults", Voting Creditors holding at least 10% of the aggregate Outstanding principal amount of both series of the new notes (or Series A notes, as applicable); *provided* that each holder of Outstanding new notes, or Series A notes, will have the right to participate either individually or through the Trustee in accordance with the terms of the Indentures in any receivership, insolvency, liquidation, bankruptcy, reorganization, *concurso mercantil*, arrangement, adjustment, composition, or other judicial proceeding relative to the Issuer or any Collateral Group Subsidiary or their respective property, to the extent such participation is permissible under applicable law, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

(4) with respect to amendments and modifications of the Joint Collateral Documents, or Series A Collateral Documents, generally, the granting of waivers thereunder or any release of Joint Collateral or Series A Collateral:

(a) in the case of the release of, or amendment or waivers of provisions adversely affecting the Liens on the Series A Collateral, Voting Creditors holding 85% of the aggregate Outstanding principal amount of the Series A notes held by Voting Creditors;

(b) in the case of the release of, or amendments or waivers of provisions adversely affecting the Liens on all or substantially all of the Joint Collateral, Voting Creditors holding 100% of the aggregate Outstanding principal amount of the new notes held by Voting Creditors;

(c) in the case of the release of, or amendments or waivers of provisions adversely affecting the Liens on the Joint Collateral that individually or taken together with all other Joint Collateral previously released (or subject to provisions previously amended or waived), has a fair market value in excess of U.S.$50.0 million, Voting Creditors holding at least 75% of the aggregate Outstanding principal amount of each series of the new notes held by Voting Creditors, voting as separate classes;

(d) in the case of the release of, or amendments or waivers of provisions adversely affecting the Liens on the Joint Collateral that individually or taken together with all other Joint Collateral previously released (or subject to provisions previously amended or waived), has a fair market value below U.S.$25.0 million, Voting Creditors holding at least 66 2/3% of the aggregate Outstanding principal amount of each series of the new notes held by Voting Creditors, voting as separate classes;

(e) in the case of all other releases, amendments or waivers of provisions affecting the Liens on the Joint Collateral (where the Issuer maintains an Investment Grade Rating for the two immediately preceding consecutive Fiscal Quarters), Voting Creditors holding at least 66 2/3% of the aggregate Outstanding principal amount of each series of the new notes held by Voting Creditors, voting as separate classes, and, where the Issuer has not maintained an Investment Grade Rating for the two immediately preceding consecutive Fiscal Quarters, Voting Creditors holding at least 75% of the aggregate Outstanding principal amount of each series of the new notes held by Voting Creditors, voting as separate classes;

(f) in the case of all other releases, amendments or waivers of provisions affecting the Liens on the Series A Collateral (where the Issuer maintains an Investment Grade Rating for the two immediately preceding consecutive Fiscal Quarters), Voting Creditors holding at least 66 2/3% of the aggregate Outstanding principal amount of Series A notes held by Voting Creditors, and, where the Issuer has not maintained an Investment Grade Rating for the two immediately preceding consecutive Fiscal Quarters, Voting Creditors holding at least 75% of the aggregate Outstanding principal amount of Series A notes held by Voting Creditors.

If more than one voting threshold could apply in any situation—for example, if more than one type of Event of Default has occurred—the lowest applicable voting threshold will apply, except that the threshold for a Bankruptcy Event of Default will always be used if a Bankruptcy Event of Default has occurred.

Except as provided in clause (3) above, each holder of new notes or Series A notes, as applicable, will agree that, among the holders of the new notes or Series A notes, as applicable, only the Required Creditors may exercise any such power, and will have no duty whatsoever to consider the interests of any parties in so exercising, other than the interests of the Voting Creditors. The holders of the new notes, or Series A notes, will agree not to take independently any enforcement or related action in respect of the Joint Collateral or Series A Collateral. In addition, each holder of the new notes or Series A notes will agree to distribute to the Joint Collateral Agent or Series A Collateral Agent, as applicable, for distribution in accordance with the terms of the Indentures, any proceeds received by such holder (by way of set-off or otherwise) from any sale, transfer or other disposition of any Joint Collateral or Series A Collateral, as applicable.

Notices; Remedies Upon Event of Default. If the Joint Collateral Agent, the Series A Collateral Agent or the applicable Trustee has notice of an Event of Default, the Joint Collateral Agent, the Series A Collateral Agent or the applicable Trustee will send a notice to each of the applicable Voting Creditors, requesting instructions from the Required Creditors regarding whether and to what extent the Joint Collateral Agent or the Series A Collateral Agent, as applicable, should take any enforcement or other action in respect of the Joint Collateral or the Series A Collateral, respectively. The Joint Collateral Agent and the Series A Collateral Agent will be empowered to take certain actions without instruction from the Required Creditors, in their discretion, and will be required, promptly following notice of the occurrence of a Bankruptcy Event of Default, to take available enforcement action and exercise other remedies in respect of the Joint Collateral or the Series A Collateral, as applicable (to the maximum extent permitted by law) pending receipt of instructions from the Required Creditors in the exercise of their reasonable discretion for the protection of the interests of the holders of the Outstanding new notes or the Series A notes, as applicable.

Upon delivery of a remedies instruction by the Required Creditors or the Trustee, the Joint Collateral Agent or Series A Collateral Agent will be required to act in accordance with such instruction, to the maximum extent permitted by law. If conflicting remedies instructions are given by one or more groups of Required Creditors, the instruction given by the group representing the largest Outstanding principal amount will control, except that any remedies instruction that provides for the initiation of any enforcement action consisting of foreclosure or other sale of Joint Collateral or Series A Collateral, as applicable (pursuant to judicial proceedings or otherwise), will prevail over any remedies instruction not providing for the initiation of any such action with respect to such Joint Collateral or Series A Collateral, respectively, regardless of the principal amount represented thereby. Once a remedies instruction providing for such initiation of foreclosure or other sale of Joint Collateral or Series A Collateral, respectively, has been received by the Joint Collateral Agent or Series A Collateral Agent, respectively, it may not be rescinded or modified, and no other enforcement action likely to impair or frustrate the enforcement action provided for in such remedies instruction may be initiated, unless another remedies instruction is given by a group of Required Creditors that includes holdings of at least 66 2/3% of the obligations held by Voting Creditors that were voted in favor of delivering the original remedies instruction.

Enforcement and Disposition of Collateral

The Indentures, the Joint Collateral Documents and the Series A Collateral Documents provide that,

upon the occurrence and during the continuation of an Event of Default:

- all rights of the Issuer and its Subsidiaries to exercise voting and other rights with respect to any pledged Capital Stock will cease, and all these rights will become vested in the Joint Collateral Agent or Series A Collateral Agent, as applicable, which, to the fullest extent permitted by applicable law, will have the exclusive right to exercise these rights;

- all rights of the Issuer and its Subsidiaries to receive cash dividends, interest and other payments made upon or in respect of the Joint Collateral or Series A Collateral, as applicable (other than lease payments with respect to real property or cash proceeds from other receivables that are used to satisfy certain labor and tax obligations of the Issuer and the Credit Group Subsidiaries) will cease and all such cash dividends, interest and other payments in respect of the Collateral will be paid to the Joint Collateral Agent or Series A Collateral Agent, as applicable, and held in one or more collateral accounts (collectively, the "Collateral Accounts") established by the Joint Collateral Agent or Series A Collateral Agent, as applicable, to hold cash proceeds in respect of the Joint Collateral or Series A Collateral, as applicable for distribution to the holders of the new notes (on a *pro rata* basis among each series of new notes and within each series of new notes) or, with respect to the Series A Collateral, for distribution to the holders of the Series A notes, on a *pro rata* basis within such series of new notes; and

- the Joint Collateral Agent or Series A Collateral Agent, as applicable, may enter upon all or any portion of the Issuer's and its Subsidiaries' premises that comprises the Joint Collateral or Series A Collateral, as applicable, to inspect the Joint Collateral or Series A Collateral, as applicable, and may exercise other rights with respect to the Joint Collateral or Series A Collateral, as applicable, available under applicable law, subject to the right of the Issuer and the Collateral Group Subsidiaries to sell, transfer or dispose of such Real Property Collateral during certain Events of Default as specified in "—Real Property Collateral".

The cash proceeds of sales of, or collections on, any Joint Collateral received upon the exercise of remedies, including pursuant to a bankruptcy proceeding, will be applied pursuant to the Indentures in the following order of priority:

- First, to the payment of all unpaid fees, expenses, reimbursements, indemnifications and advancements of the Joint Collateral Agent and the Trustee under the Joint Collateral Documents and the Indentures;

- Second, to the payment of accrued and unpaid interest and Additional Amounts under the new notes (on a *pro rata* basis among each series of new notes and within each series of new notes);

- Third, to the payment of principal under the new notes (on a *pro rata* basis among each series of new notes and within each series of new notes);

- Fourth, to the payment of any other obligations under the new notes (on a *pro rata* basis among each series of new notes and within each series of new notes); and

- Fifth, to the Issuer and its Subsidiaries or to whomever else may lawfully be entitled to receive such proceeds or as a court of competent jurisdiction may direct.

The cash proceeds of sales of, or collections on, any Series A Collateral received upon the exercise of remedies, including pursuant to a bankruptcy proceeding, will be applied pursuant to the Indentures in the following order of priority:

- First, to the payment of all unpaid fees, expenses, reimbursements, indemnifications and advancements of the Series A Collateral Agent and the Trustee under the Series A Collateral Documents and the Indentures;

- Second, to the payment of accrued and unpaid interest and Additional Amounts under the Series A notes on a *pro rata* basis among such series of new notes;

- Third, to the payment of principal under the Series A notes on a *pro rata* basis among such series of new notes;

- Fourth, to the payment of any other obligations under the Series A notes on a *pro rata* basis among such series of new notes; and

- Fifth, to the Issuer and its Subsidiaries or to whomever else may lawfully be entitled to receive such proceeds or as a court of competent jurisdiction may direct.

Other than for the Real Property Collateral, no appraisal of any of the other Joint Collateral or Series A Collateral has been prepared by or on behalf of the Issuer in connection with the issuance and sale of the new notes or otherwise. There can be no assurance that the proceeds from the sale of the Joint Collateral or Series A Collateral in whole or in part pursuant to the Joint Collateral Documents or Series A Collateral Documents would be sufficient to satisfy payments due in respect of the new notes or Series A notes, as applicable. By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. The exercise of remedies may be restricted or limited with respect to some or all of the Joint Collateral or Series A Collateral. In addition, certain of the Joint Collateral or Series A Collateral may be subject to additional legal or other restrictions that may inhibit or significantly delay its disposition. Accordingly, there can be no assurance that the Collateral can be disposed of in a short period of time, or at all.

The preceding description of the Joint Collateral Documents and the Series A Collateral Documents is a summary and does not restate the Joint Collateral Documents or the Series A Collateral Documents in their entirety. We urge you to read the Joint Collateral Documents and the Series A Collateral Documents, which can be obtained as described under "Available Information."

Excess Cash Flow Sweep

Commencing on May 15, 2012 and on each May 15 thereafter during the term of the new notes (each an "Excess Cash Payment Date"), the Issuer will apply 50% of any Excess Cash Flow from the preceding Fiscal Year to mandatorily redeem new notes on such Excess Cash Payment Date (on a *pro rata* basis among each series of new notes and within each series of new notes) in accordance with "—Redemptions" below.

The Issuer will calculate the amount of Excess Cash Flow accrued on a quarterly and annual basis based on the Issuer's consolidated financial statements, in accordance with MFRS, and will deliver to the Trustees a copy of such calculations within five Business Days from the date on which quarterly or annual audited consolidated financial statements are required to be delivered in respect of such quarterly period in accordance with "—Reports". All calculations of Excess Cash Flow will be verified or certified by the Auditor and accompanied by an Officer's Certificate signed by the Issuer's chief financial officer and one other senior officer of the Issuer certifying in reasonable detail such Excess Cash Flow calculation. The Trustees will promptly deliver all calculations of Excess Cash Flow to the holders of the new notes.

No later than December 31 of each Fiscal Year, the Issuer will apply 25% of Excess Cash Flow from the immediately preceding Fiscal Year to: (i) make capital expenditures in excess of Permitted Capital Expenditures, (ii) make optional redemptions of the new notes as provided in "—Optional Redemption" below, (iii) make Market Purchases of new notes, or (iv) make restricted payments or dividends, subject to the limitations set forth under "—Certain Covenants—Negative Covenants—Limitations on Restricted

Payments." The remaining 25% of Excess Cash Flow may be used in accordance with the terms of the new notes.

Meter Reload Revenue and Royalties

The Lockbox Account and the Creditor Escrow Account

On or prior to the Issue Date, Meter Co. will irrevocably and unconditionally instruct each obligor on accounts currently payable to it to make payments to, and will take all other necessary actions to cause all Reload Royalties to be deposited into, a cash account established by it (the "Lockbox Account") and maintained with an independent Mexican banking institution (the "Reload Paying Agent"). On or prior to the Issue Date, Meter Co., the Joint Collateral Agent and the Reload Paying Agent will enter into an agreement governing the Lockbox Account (the "Lockbox Account Agreement"). On the Issue Date, the Joint Collateral Agent will hold a perfected first-priority Lien on 30% of the amount in the Lockbox Account from time to time and the proceeds thereof for the benefit of the new notes. See "—Security—Lockbox Collateral."

It will be an Event of Default under the new notes if Water/Gas Meter Co. or Electricity Meter Co. fails to take any actions described in this section and such failure remains uncured for five Business Days or more. See "Defaults".

The Lockbox Account Agreement will provide that on each Business Day the Reload Paying Agent will transfer (i) 30% of all Reload Royalties in the Lockbox Account into a cash account maintained solely in the name of the Joint Collateral Agent, solely for the benefit of the holders of the new notes (the "Creditor Escrow Account") and (ii) the remaining 70% of Reload Royalties in the Lockbox Account, to an account (other than the Lockbox Account and the Creditor Escrow Account) notified in writing to the Reload Paying Agent by Meter Co. five Business Days prior to such day (the "Meter Co. Account"); *provided that*, if no notice to the Reload Paying Agent is provided, the Meter Co. Account shall be the last account notified in writing by Meter Co. to the Reload Paying Agent. Meter Co. will be responsible for all fees and expenses associated with the Lockbox Account, the Creditor Escrow Account and the Meter Co. Account, and no amounts will be deducted from the Reload Royalties prior to the distribution described in clause (i) of the first sentence of this paragraph. The Creditor Escrow Account will be the property of the Joint Collateral Agent (for the benefit of the new notes) and Meter Co. will have no rights in respect of it. The Meter Co. Account will be the property of Meter Co., and amounts therein will be available to Meter Co. and its Affiliates at all times, including, without limitation, during the existence of an Event of Default under the new notes.

Within five Business Days of the date on which quarterly or annual audited consolidated financial statements are required to be delivered in respect of such quarterly or annual period in accordance with "—Reports", the Issuer will deliver a report, certified by the Auditor, setting forth (i) the amount of gross revenues generated by Meter Co., including the amount of the Reload Royalties attributable to the Mexican Electricity Payment Card Business, the Mexican Water Payment Card Business and the Mexican Gas Payment Card Business, (ii) the amount of Reload Royalties deposited into the Lockbox Account and (iii) the amount of Reload Royalties transferred to the Creditor Escrow Account, in each case in respect of such Fiscal Quarter or Fiscal Year. In addition, the Issuer will notify the Trustee, in writing, of the occurrence of the Water Condition Date or the Gas Condition Date within three Business Days thereof.

"Reload Royalties" means:

(1) all gross revenues (excluding amounts received and actually paid in respect of value-added tax) received by Electricity Meter Co. in respect of payment cards for the use of electricity in Mexico (the "Mexican Electricity Payment Card Business");

(2) beginning on the Water Condition Date, all gross revenues (excluding amounts received and actually paid in respect of value-added tax) received by Water/Gas Meter Co. in respect of payment cards for the use of water in Mexico (the "Mexican Water Payment Card Business"); and

(3) beginning on the Gas Condition Date, all gross revenues (excluding amounts received and actually paid in respect of value-added tax) received by Water/Gas Meter Co. in respect of payment cards for the use of gas in Mexico (the "Mexican Gas Payment Card Business");

provided that all gross revenues (excluding amounts received and actually paid in respect of value-added tax) received by Meter Co. from its operations in Mexico will be classified by the Issuer as attributable to the Mexican Electricity Payment Card Business, the Mexican Water Payment Card Business or the Mexican Gas Payment Card Business.

"Water Condition Date" means the date on which Water/Gas Meter Co. has received gross revenues (excluding amounts received and actually paid in respect of value-added tax) equal to U.S.$1,000,000 (or the equivalent thereof) in respect of the Mexican Water Payment Card Business.

"Gas Condition Date" means the date on which Water/Gas Meter Co. has received gross revenues (excluding amounts received and actually paid in respect of value-added tax) equal to U.S.$1,000,000 (or the equivalent thereof) in respect of the Mexican Gas Payment Card Business.

The initial Reload Paying Agent will be HSBC. The Lockbox Account Agreement will provide that the Reload Paying Agent may be removed and/or replaced for cause or upon an Event of Default, by the Joint Collateral Agent acting at the written direction of Voting Creditors holding a majority of the aggregate Outstanding principal amount of the new notes held by Voting Creditors, voting as a single class.

Redemptions Funded with Creditor Escrow Account

On each Payment Date, the Joint Collateral Agent will apply all amounts in the Creditor Escrow Account first to pay, on behalf of the Issuer, any interest due on the new notes on such Payment Date (on a *pro rata* basis among each series of new notes and within each series of new notes) and second to redeem new notes on such Payment Date (on a *pro rata* basis among each series of new notes and within each series of new notes), in each case pursuant to "—Interest Rates and Payment Dates" above and "—Redemptions" below. The 70% of the Reload Royalties transferred to the Meter Co. Account will be available to Meter Co. at all times and will not constitute Joint Collateral.

Intellectual Property

On or prior to the Issue Date, and at any time as required thereafter, Meter Co. will take all necessary actions to grant to the Issuer and IUSA-GE (and any successor to, or transferee of, any business operated by IUSA-GE on the Issue Date) the right, on a perpetual, royalty-free basis, to (i) use the intellectual property of Meter Co. and (ii) transfer or assign such right of use to any other member of the Credit Group without charge. In addition, Meter Co. will prohibit members of the Credit Group that do not have the right to use the intellectual property of Meter Co. from paying for the use of such intellectual property. Meter Co. will also grant to all members of the Credit Group, if reasonably requested, the right, on a perpetual, royalty-free basis, to use the intellectual property of Meter Co.

Redemptions

Mandatory Redemptions

The Issuer will, and will cause each of its Restricted Subsidiaries to, apply 100% of the Net Available Cash from the Incurrence of (i) any Indebtedness of the Company or any of its Restricted Subsidiaries (other than the Incurrence of indebtedness permitted by clauses (a) and (b) of the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness") and (ii) any Refinancing Indebtedness Incurred to Refinance the new notes, to redeem the new notes, within two Business Days following the receipt thereof.

If the Issuer or any of its Restricted Subsidiaries directly or indirectly make any prepayment in respect of any unsecured Indebtedness (other than the use of the proceeds of Refinancing Indebtedness to prepay

the Indebtedness being Refinanced) (such Indebtedness, "Specified Indebtedness" and such prepayment, a "Discretionary Prepayment"), the Issuer will redeem a proportion of the principal amount of new notes equal to the proportion of Specified Indebtedness prepaid by the Discretionary Prepayment, on the same date on which such Discretionary Prepayment is made.

Optional Redemptions

The Issuer may redeem the new notes at its option, without penalty or premium, at par value plus accrued interest at any time in whole or from time to time in part. All optional redemptions of the new notes by the Issuer will be made on a *pro rata* basis among each series of new notes and within each series of new notes.

Procedures for Redemptions

If the Issuer is required to redeem, or optionally redeems, new notes, it will provide the holders of new notes with not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address.

In the case of any partial redemption of new notes, selection of the new notes for redemption within each series will be made by the Trustee on a *pro rata* basis (within each series of new notes), by lot or by such other method as the Trustee in its sole discretion deems to be fair and appropriate (subject to the procedures of DTC), although no note of U.S.$100 in original principal amount or less will be redeemed in part. If any note is to be redeemed in part only, the notice of redemption relating to such note will state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note. Any partial redemption will be applied *pro rata* among each series of new notes.

New notes called for redemption become due and payable on the date fixed for redemption. The Issuer will pay the redemption price for any new note together with accrued and unpaid interest thereon through the date of redemption. On and after the redemption date, interest will cease to accrue on the new notes or portion thereof called for redemption as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price pursuant to the Indentures. Upon redemption of any new notes by the Issuer, such redeemed new notes will be cancelled.

Sinking Fund

The new notes will not be entitled to the benefit of any sinking fund.

Additional Amounts

The Issuer and the Subsidiary Guarantors are required to make all payments in respect of the new notes and the Subsidiary Guarantees free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges of whatever nature (or interest on any taxes, duties, fines, penalties, assessments or other governmental charges of whatsoever nature) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by (i) Mexico or any political subdivision or governmental authority thereof or therein having the power to tax and (ii) any jurisdiction (or any political subdivision or governmental authority thereof or therein) (x) in which the Issuer or any existing or future Subsidiary Guarantor (or any of their successors) is organized, is a resident for tax purposes or conducts business or (y) from or through which such payments are made, unless in each case such withholding or deduction is required by law. In the event that any such withholding or deduction is so required, the Issuer and the Subsidiary Guarantors are required to pay to the holders of the new notes such additional amounts ("Additional Amounts") as may be necessary to ensure that the amounts received by the holders of the new notes after such withholding or deduction are equal to the amounts which would have been receivable in respect of the new notes in the absence of such withholding or deduction. Notwithstanding the foregoing, no such Additional Amounts will be payable with respect to:

(a) any Taxes which are imposed on, or deducted or withheld from, payments made to the holder or beneficial owner of a new note by reason of the existence of any connection between the holder or beneficial owner of the new note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder or beneficial owner, if such holder or beneficial owner is an estate, trust, corporation or partnership) and Mexico (or any political subdivision or territory or possession thereof or area subject to its jurisdiction) (including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) (i) being or having been a citizen or resident thereof, (ii) maintaining or having maintained an office, permanent establishment, fixed base or branch therein, or (iii) being or having been present or engaged in trade or business therein), except for a connection relating to or otherwise arising from the mere ownership of, or receipt of payment under, such note or the exercise of rights under such new note or the Indentures (personally or through the applicable Trustee);

(b) any estate, inheritance, gift, sales, stamp, transfer or personal property Tax;

(c) any Taxes that are imposed on, or withheld or deducted from, payments made to the holder or beneficial owner of a note to the extent such Taxes would not have been so imposed, deducted or withheld but for the failure by such holder or beneficial owner of such new note to comply with any certification, identification, information, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or beneficial owner of such new note if (i) such compliance is required or imposed by a statute, treaty, regulation, rule, ruling, written interpretation by Mexican tax authorities or administrative practice in order to make any claim for exemption from, or reduction in the rate of, the imposition, withholding or deduction of any Taxes, and (ii) at least 60 days prior to the first payment date with respect to which the Issuer will apply this clause (c), the Issuer will have notified all the holders of new notes, in writing, that such holders or beneficial owners of the new notes will be required to provide such information or documentation;

(d) any Taxes imposed by Mexico on, or withheld or deducted by Mexico from, payments made to a holder or beneficial owner of a new note at a rate in excess of the 4.9% rate of tax in effect on the date hereof and uniformly applicable in respect of payments made by the Issuer to all holders or beneficial owners eligible for the benefits of a treaty for the avoidance of double taxation to which Mexico is a party without regard to the particular circumstances of such holders or beneficial owners; *provided* that, upon any subsequent increase in the rate of tax that would be applicable to payments to all such holders or beneficial owners without regard to their particular circumstances, such increased rate will be substituted for the 4.9% rate for purposes of this clause (d), 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 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 Taxes under such treaty or under any statute, regulation, rule, ruling or administrative practice, and (ii) at least 60 days prior to the first payment date with respect to which the Issuer will make such reasonable request, the Issuer will have notified the holders of the new notes, in writing, that such holders or beneficial owners of new notes will be required to provide such information, documentation or other evidence;

(e) to or on behalf of a holder of a new note in respect of Taxes that would not have been imposed but for the presentation by such holder for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holder of such new note would have been

entitled to Additional Amounts in respect of such Taxes on presenting such note for payment on any date during such 30-day period;

(f) any payment on a new note or a Subsidiary Guarantee in respect thereof to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of a note or a note guarantee; or

(g) any combination of (a), (b), (c), (d) ,(e) or (f) above

(the Taxes described in clauses (a) through (f), for which no Additional Amounts are payable, are hereinafter referred to as "Excluded Taxes"). Notwithstanding the foregoing, the limitations on the Issuer's obligation to pay Additional Amounts set forth in clauses (c) and (d) above will not apply if (i) the provision of information, documentation or other evidence described in such clauses (c) and (d) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a new note (taking into account any relevant differences between U.S. and Mexican law rules, regulations 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-8, W-8BEN and W-9) or (ii) Rule 1.3.17.11 issued by the Ministry of Finance and Public Credit published in the Official Gazette of the Federation (*Diario Oficial*) on July 1, 2011 or a substantially similar successor of such rule is in effect, unless the provision of the information, documentation or other evidence described in clauses (c) and (d) is expressly required by statute, regulation, rule, ruling or administrative practice in order to apply Rule 1.3.17.11 (or a substantially similar successor of such 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 1.3.17.11 (or such successor of such rule). In addition, such clauses (c) and (d) will not be construed to require that a non-Mexican pension or retirement fund or a non-Mexican financial institution or another holder register with the Ministry of Finance and Public Credit for the purpose of establishing eligibility for an exemption from or reduction of Mexican withholding tax or to require that a holder or beneficial owner certify or provide information concerning whether it is or is not a tax-exempt pension or retirement fund.

Reference to principal, interest, premium, purchase prices in connection with a purchase of new notes or other amounts payable in respect of the new notes will be deemed also to refer to any Additional Amounts which may be payable.

The Issuer or any Subsidiary Guarantor, as the case may be, must provide to the applicable Trustee documentation evidencing payment of withholding taxes within 30 days after payment thereof. Copies of such documentation must be provided to holders upon request therefor.

The Issuer and the Subsidiary Guarantors will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery, enforcement or registration of the new notes or the Subsidiary Guarantees or any other document or instrument in relation thereto, excluding such taxes, charges or similar levies imposed by any jurisdiction outside of Mexico, except as described above, and have agreed to indemnify the holders of new notes for any such taxes paid by holders.

The obligations described under this heading will survive any termination, defeasance or discharge of the Indentures and will apply *mutatis mutandis* to any jurisdiction in which any successor Person to the Issuer is organized or any political subdivision or taxing authority or agency thereof or therein.

Redemption for Tax Reasons

The Issuer may redeem the new notes in whole, but not in part, upon giving not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at 100% of their

principal amount, plus accrued and unpaid interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) and including Additional Amounts, if any, payable in respect of such payment, if (i) the Issuer certifies to the Trustee immediately prior to the giving of such notice that as a result of any change in or amendment to the laws, regulations or general rules of Mexico or any political subdivision or governmental authority thereof or therein having the power to tax, or any change in the application or written interpretation of such laws, regulations or general rules, which change or amendment becomes effective after the Issue Date, the Issuer has or will become obligated to pay Additional Amounts with respect to the new notes in excess of the Additional Amounts that would be payable were payments of interest or discounts deemed to be interest on the new notes subject to a 4.9% withholding tax ("Excessive Additional Amounts") and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it; *provided, however,* that (a) no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Excessive Additional Amounts if a payment in respect of the new notes were then due and (b) at the time such notice is given, the Issuer's obligation to pay such Additional Amounts (including any Excessive Additional Amounts) remains in effect. Prior to the giving of any notice of redemption described in this paragraph, the Issuer will deliver to the Trustee an Officers' Certificate stating that (i) the Issuer is entitled to effect such redemption in accordance with the terms set forth in the Indentures and setting forth in reasonable detail a statement of the facts relating thereto and (ii) the Issuer cannot avoid payment of such Excessive Additional Amounts by taking reasonable measures available to it (together with a written Opinion of Counsel to the effect that the Issuer has become obligated to pay such Excessive Additional Amounts as a result of a change or amendment described above and that all governmental approvals 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).

Guarantees

The obligations of the Issuer pursuant to the new notes, including the repurchase obligation resulting from a Change of Control, will be fully and unconditionally guaranteed, jointly and severally, by each of the Subsidiary Guarantors (*obligados solidarios*) (such Guarantees, the "Subsidiary Guarantees").

Each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other liabilities (including trade payables and accrued liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such liabilities, a Subsidiary Guarantor's liability on its Subsidiary Guarantee could be reduced to zero.

The obligations of each Subsidiary Guarantor will be a senior secured obligation of each Subsidiary Guarantor. On the Issue Date, all of our current Restricted Subsidiaries (other than the CLH Entities) will be Subsidiary Guarantors. On the Issue Date, IUSA-GE, Medidores IUSA, Inversiones IUSA DPM, C.A. and Deformaciones Plasticas de Metales, C.A. will be Unrestricted Subsidiaries and accordingly will not be Subsidiary Guarantors. On the Issue Date, Electricity Meter Co. and Water/Gas Meter Co., which are not Subsidiaries of the Issuer, will not be Subsidiary Guarantors.

Upon (i) the sale or other disposition of the Capital Stock of a Subsidiary Guarantor following which such Subsidiary Guarantor is no longer a direct or indirect subsidiary of the Issuer, (ii) the sale or disposition of all or substantially all the assets of a Subsidiary Guarantor (including by way of a merger or consolidation) for at least fair market value (in each case other than to the Issuer or an Affiliate of the Issuer and as permitted by the Indentures), (iii) a Subsidiary Guarantor becoming an Unrestricted Subsidiary or (iv) a "legal defeasance" or "covenant defeasance" of the new notes, in each case in accordance with the applicable Indenture, such Subsidiary Guarantor will be released and relieved from all its obligations under its Subsidiary Guarantee in respect of the new notes, *provided* that the Net Available Cash from such sale or disposition under clause (i) or (ii) above is applied in accordance with the relevant

provisions of the applicable Indenture. See "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales."

If, after the Issue Date:

(i) any subsidiary (other than a CLH Entity or a subsidiary in an Excluded Business) becomes a Significant Subsidiary (a "Newly-Significant Subsidiary"); or

(ii) the Issuer or any Restricted Subsidiary (other than a CLH Entity) creates any subsidiary (other than a subsidiary in an Excluded Business), or the Capital Stock of any subsidiary (other than a subsidiary in an Excluded Business) is acquired, merged, or consolidated with the Issuer or any Restricted Subsidiary (other than a CLH Entity) after the Issue Date and such subsidiary is a Significant Subsidiary (a "New Significant Subsidiary");

the Company will cause such Newly Significant Subsidiary or New Significant Subsidiary, concurrently upon becoming a Newly Significant Subsidiary or New Significant Subsidiary, to become a Subsidiary Guarantor of the new notes on a senior secured basis by executing a supplemental indenture.

Ranking

The indebtedness evidenced by the new notes will be senior secured obligations of the Issuer, will rank equally in right of payment with all existing and future senior secured indebtedness of the Issuer and will be senior in right of payments to all existing and any future Subordinated Indebtedness of the Issuer. The indebtedness evidenced by the new notes will be senior to all existing and any future senior unsecured indebtedness, to the extent of the Joint Collateral. In addition, the indebtedness evidenced by the Series A Guarantees of the Series A notes will be secured by the Series A Collateral.

The indebtedness evidenced by the Subsidiary Guarantees will be senior secured obligations of the Subsidiary Guarantors, will rank equally in right of payment with all existing and future senior secured indebtedness of the Subsidiary Guarantors and will be senior in right of payments to all existing and any future Subordinated Indebtedness of the Subsidiary Guarantors. The Subsidiary Guarantees will be senior to all existing and any future senior unsecured indebtedness, to the extent of the Joint Collateral. In addition, the Subsidiary Guarantees of the Series A notes will be secured by the Series A Collateral.

As of December 31, 2010, the outstanding consolidated indebtedness of the Credit Group was approximately Ps.4,783.2 million (U.S.$386.8 million). The new notes and the Subsidiary Guarantees will be junior to any secured indebtedness of the Credit Group to the extent of the currently-encumbered assets securing such indebtedness under existing debt arrangements. As of December 31, 2010, the secured indebtedness outstanding of the Credit Group (excluding the new notes) was Ps.670.6 million (U.S.$54.2 million). Neither the Issuer nor any Subsidiary Guarantor has any Subordinated Indebtedness outstanding.

Claims of creditors of Subsidiaries of the Issuer that are not Subsidiary Guarantors, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by such Subsidiaries, generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Issuer, including holders of the new notes. The new notes, therefore, will effectively be subordinated to creditors (including trade creditors) of such Subsidiaries. At December 31, 2010, the amount of total liabilities of such Subsidiaries was approximately Ps.2,323.8 million (U.S.$187.9 million), including trade payables, and approximately Ps.2,048.5 million (U.S.$165.7 million), excluding trade payables. At December 31, 2010, the total amount of secured debt of such Subsidiaries was Ps.1,330.5 million (U.S.$107.6 million).

In addition, substantially all of the covenants and events of default included in the Indentures will not apply to any of the Unrestricted Subsidiaries; *provided, however*, that the covenants set forth below under "—Certain Covenants—Negative Covenants—Limitation on Affiliate Transactions" and "—Certain Covenants—Negative Covenants—Limitation on Intercompany Claims" will apply to all Subsidiaries of the Issuer, including Unrestricted Subsidiaries. Consequently, there is no limitation on the ability of the

Unrestricted Subsidiaries to incur debt, pledge or otherwise encumber their assets, make asset sales, make restricted payments, permit restrictions on their ability to pay dividends or make other distributions to the Issuer or issue their stock to third parties.

As a result, investors should not, in evaluating the credit risk of the Credit Group and making an investment decision with respect to the new notes, consider that the assets or cash flow, if any, or the equity interest of the Issuer in the Unrestricted Subsidiaries will be available to make payments of interest on or repay the principal of the new notes.

Change of Control

Upon the occurrence of any of the following events (each a "Change of Control"), each holder will have the right to require that the Issuer repurchase such holder's new notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest and principal due on the relevant Payment Date):

(i) prior to the earlier to occur (the "Public Date") of (A) the first public offering of common stock of Parent or (B) the first public offering of common stock of the Issuer, the Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting power of the Voting Stock of the Issuer, whether as a result of issuance of securities of Parent or the Issuer, any merger, consolidation, liquidation or dissolution of Parent or the Issuer, any direct or indirect transfer of securities by Parent or otherwise (for purposes of this clause (i) and clause (ii) below, the Permitted Holders will be deemed to beneficially own any Voting Stock of a corporation (the "specified corporation") held by any other corporation (the "parent corporation") so long as the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the voting power of the Voting Stock of the parent corporation);

(ii) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, is or becomes the beneficial owner (as defined in clause (i) above, except that for purposes of this clause (ii) such person will be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; *provided, however*, that the Permitted Holders beneficially own (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Issuer than such other person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors (for the purposes of this clause (ii), such other person will be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such other person is the beneficial owner (as defined in this clause (ii)), directly or indirectly, of more than 50% of the voting power of the Voting Stock of such parent corporation and the Permitted Holders beneficially own (as defined in clause (i) above), directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent corporation and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of such parent corporation);

(iii) following the Public Date, individuals who on the Public Date constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the shareholders of the Issuer was approved by a vote of 66⅔% of the directors of the Issuer then still in office who were either directors on the Issue 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 then in office;

(iv) the adoption of a plan relating to the liquidation or dissolution of the Issuer; or

(v) the merger or consolidation of the Issuer with or into another Person, or the merger of another Person with or into the Issuer, or the sale of all or substantially all the assets of the Issuer to another Person (in each case, other than a Person that is controlled by the Permitted Holders), and, in the case of any such merger or consolidation, the securities of the Issuer that are outstanding immediately prior to such transaction and which represent 100% of the aggregate voting power of the Voting Stock of the Issuer are changed into or exchanged for cash, securities or property, unless pursuant to such transaction such securities are changed into or exchanged for, in addition to any other consideration, securities of the surviving corporation that represent, immediately after such transaction, at least a majority of the aggregate voting power of the Voting Stock of the surviving corporation.

Within 30 days following any Change of Control, the Issuer will mail a notice to each holder with a copy to the Trustees (the "Change of Control Offer") stating: (1) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder's new notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on the relevant Payment Date); (2) the circumstances and relevant facts regarding such Change of Control (including information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control); (3) the repurchase date (which will be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by applicable law or regulation); and (4) the instructions determined by the Issuer, consistent with the covenant described hereunder, that a holder must follow in order to have its new notes purchased.

The Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in each Indenture applicable to a Change of Control Offer made by the Issuer and purchases all new notes validly tendered and not withdrawn under such Change of Control Offer. In addition, notwithstanding the occurrence of a Change of Control, the Issuer will not be obligated to make a Change of Control Offer if, prior to the Change of Control, the Issuer and the Subsidiary Guarantors have irrevocably exercised their right to redeem all the new notes under the terms of the section titled "—Optional Redemption."

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant described hereunder. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of any Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of such Indenture by virtue of such compliance.

Management has no present intention to engage in a transaction involving a Change of Control, although it is possible that the Issuer would decide to do so in the future. Subject to the limitations discussed below, the Issuer could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indentures, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the Issuer's capital structure or credit ratings. The Indentures will contain certain covenants that restrict the ability of the Issuer to incur additional Indebtedness, including those that are contained in the covenants described under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness," "—Limitation on Liens" and "—Limitation on Sale/Leaseback Transactions." Such restrictions can be waived only with the consent of the holders of a majority in principal amount of each series of the new notes then Outstanding. Except for the limitations contained in such covenants, however, the Indentures will not contain any covenants or

provisions that may afford holders of the new notes protection in the event of a highly leveraged transaction.

Certain current and future indebtedness of the Issuer may contain prohibitions on the occurrence of certain events that would constitute a Change of Control or require such indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the new notes could cause a default under such indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the holders of notes following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

The definition of "Change of Control" includes, among other transactions, a disposition of "all or substantially all" of the Issuer's property and assets. With respect to the disposition of property or assets, the phrase "all or substantially all" as used in the Indentures varies according to the facts and circumstances of the subject transactions, has no clearly established meaning under relevant law and is subject to judicial interpretation. Accordingly, in certain circumstances, there may be a degree of uncertainty in ascertaining whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person, and therefore it may be unclear whether a Change of Control has occurred and whether the Issuer is required to make a Change of Control Offer.

Certain Covenants

The Indentures contain covenants including, among others, the following:

Suspension of Covenants

During any period of time that (i) the new notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event" and the date of the start of the Covenant Suspension Event being referred to as the "Suspension Date"), the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the Indentures described under:

1. "−Limitation on Indebtedness";

2. "−Limitation on Guarantees";

3. "−Limitation on Restrictions on Distributions from Restricted Subsidiaries"; and

4. "−Limitation on Sales of Assets and Subsidiary Stock—(a) Asset Dispositions";

(collectively, the "Suspended Covenants").

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one of the Rating Agencies withdraws its Investment Grade Rating or downgrades its rating assigned to the new notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the Suspension Date and the Reversion Date is referred to as the "Suspension Period." Notwithstanding that the suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred pursuant to the first paragraph of "−Limitation on Indebtedness" below or one of the

clauses set forth in the second paragraph of "−Limitation on Indebtedness" below (to the extent such Indebtedness would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to Indebtedness incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred pursuant to the first or second paragraph of "−Limitation on Indebtedness", such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4) of the second paragraph of "−Limitation on Indebtedness". Calculations made after the Reversion Date of the amount available to be made as Restricted Payment under "−Limitation on Restricted Payments" will be made as though the covenant described under "−Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of "−Limitation on Restricted Payments."

Negative Covenants

Limitation on Indebtedness. (a) The Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness (other than Permitted Indebtedness); ***provided, however***, that the Issuer and any Restricted Subsidiary may Incur unsecured Indebtedness if, on the date of such Incurrence and after giving effect thereto and the receipt and application of the proceeds therefrom, the Issuer's Consolidated Coverage Ratio exceeds 2.0 to 1, the Issuer's Consolidated Leverage Ratio is less than 3.0 to 1 and no Default or Event of Default is continuing or would result from such Incurrence; *provided* that 50% of the net proceeds of any Indebtedness Incurred pursuant to this clause (a) will be used to redeem new notes in accordance with "—Redemptions".

(b) Notwithstanding the foregoing paragraph (a), the Issuer and any Restricted Subsidiary, to the extent specified, may Incur any or all of the following Indebtedness ("Permitted Indebtedness"):

(1) Indebtedness having a maturity no later than one year after the Incurrence thereof solely to finance working capital; ***provided, however***, that after giving effect to any such Incurrence, the aggregate principal amount of such Indebtedness does not exceed an amount equal to (x) U.S.$50.0 million, less (y) any consideration in the form of cash or cash-equivalents from an Eagle Asset Sale not applied to repurchase notes, and such Indebtedness is secured, if at all, only by a Lien on the inventory, work in progress and receivables of the Issuer and its Restricted Subsidiaries;

(2) Subject to "—Affirmative Covenants—Limitation on Intercompany Claims," Indebtedness owed to and held by the Issuer or a Restricted Subsidiary; ***provided, however***, that (i) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Issuer or a Restricted Subsidiary) will be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon and (ii) if the Issuer or any Restricted Subsidiary is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the new notes;

(3) the new notes;

(4) Indebtedness (i) outstanding on the Issue Date (other than the Subsidiary Credit Facilities) or (ii) either (x) Incurred or outstanding under the Joint Facility or (y) Incurred or outstanding under the Subsidiary Credit Facilities);

(5) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Issuer

(other than Indebtedness Incurred in connection with, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary of or was acquired by the Issuer); *provided, however*, that on the date of such acquisition and after giving effect thereto, the Issuer would have been able to Incur at least U.S.$1.00 of additional Indebtedness pursuant to paragraph (a) of this covenant;

(6) Refinancing Indebtedness in respect of Indebtedness Incurred pursuant to paragraph (a) or permitted to be incurred pursuant to clause (4) or (5) or this clause (6) (other than (i) Indebtedness repaid pursuant to paragraph (a) of the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock" and (ii) Indebtedness consisting of Guarantees by the Issuer or any of its Subsidiaries of obligations of an Affiliate of the Issuer (other than a Subsidiary of the Issuer);

(7) Subject to "—Affirmative Covenants—Hedging Policy," Hedging Obligations and commodity swaps (or other similar agreements designed to protect against fluctuations in commodity prices) directly related to Indebtedness permitted to be Incurred by the Issuer or a Restricted Subsidiary pursuant to the Indentures;

(8) Subsidiary Guarantees of the Subsidiary Guarantors;

(9) Indebtedness of the Issuer or any of its Restricted Subsidiaries represented by letters of credit for the account of the Issuer or any Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business (in each case other than for the payment of borrowed money);

(10) Indebtedness of the Issuer or any Restricted Subsidiary represented by Capital Lease Obligations or Purchase Money Indebtedness, in each case Incurred for the purpose of acquiring or financing all or any part of the purchase price or cost of construction or improvement of property or equipment a used in a Permitted Business in an aggregate amount at any time not to exceed the greater of U.S.$15.0 million or (ii) 1.0% of Consolidated Tangible Assets;

(11) Indebtedness in respect of bid, performance or surety bonds in the ordinary course of business for the account of the Issuer or any of its Restricted Subsidiaries, including Guarantees or obligations of the Issuer or any Restricted Subsidiary with respect to letters of credit supporting such bid, performance or surety obligations (in each case other than for the payment of borrowed money); and

(12) Indebtedness of the Issuer in an aggregate principal amount which, together with all other Indebtedness of the Issuer outstanding on the date of such Incurrence (other than Indebtedness permitted by clauses (1) through (11) above or paragraph (a)), does not exceed U.S.$15.0 million.

(c) Notwithstanding the foregoing, the Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to Incur any Indebtedness that is subordinate in right of payment to any other Indebtedness, unless such Indebtedness is expressly subordinate in right of payment to the new notes to the same extent and on the same terms as such Indebtedness is subordinate to such other Indebtedness.

(d) In addition to the foregoing restrictions, the Issuer will not permit CLH or any subsidiary of CLH, to Incur, directly or indirectly, any Indebtedness, other than:

(1) in the case of working capital Indebtedness that has an aggregate outstanding principal amount (or if Incurred with original issue discount, an aggregate issue price) that, when added together with all other Indebtedness of the CLH Entities that are subsidiaries outstanding on the date of such Incurrence, is equal to or less than the greater of (A) U.S. $180,000,000 and (B) the sum of (1) 65% of the Value of Eligible Inventories and (2) 85% of the Value of Eligible Accounts collectively owed to the U.S. Subsidiaries; *provided* that the amount of any Guarantee of the foregoing Indebtedness by CLH or a CLH Entity shall not be included in the foregoing amounts;

(2) one or more secured term loans in an aggregate principal amount at any time not to exceed U.S.$25.0 million *provided* that the foregoing term loans shall be used (x) first, to refinance the Scheduled CLH Debt and (y) the remainder, for working capital or additional capital expenditures;

(3) in the case of Indebtedness Incurred by any of the CLH Entities to finance the CLH Eagle Asset Sale and the disassembly, transport and reassembly of the Eagle Plant in either Reading, Pennsylvania or Louisiana; *provided* that the aggregate principal amount Incurred to finance such purchase and such disassembly, transport and reassembly shall not exceed U.S.$40.0 million; and

(4) in the case of Indebtedness other than working capital Indebtedness and Indebtedness permitted to be Incurred pursuant to clauses (d)(2) and (d)(3) above, if on the date of such Incurrence and after giving effect thereto and the receipt and application of the proceeds therefrom, the CLH Leverage Ratio does not exceed 3.0 to 1.

(e) For purposes of determining compliance with the foregoing covenants, (i) 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, will classify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the above clauses and (ii) an item of Indebtedness may be divided and classified in more than one of the types of Indebtedness described above and may later re-divide or re-classify all or a portion of such item of Indebtedness in a manner that complies with this covenant. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may incur pursuant to this covenant will not be deemed to be exceeded solely as a result of currency fluctuations in exchange rates or currency values.

Limitation on Intercompany Claims. All existing and future Intercompany Claims will be subordinated through a subordination and revolving credit agreement, governed by Mexican law, which will provide for the subordination of all existing and future Intercompany Claims, including that (i) no cash payments will be permitted to be made in respect of such Intercompany Claims upon the occurrence and during the continuation of an Event of Default specified in clauses (i), (ii), (vi), (vii) or (x) of "—Defaults"), all such Intercompany Claims (other than Intercompany Claims held by the CLH Entities) will be subordinated to the new notes in liquidation and in right of payment; (ii) upon the occurrence and during the continuation of an Event of Default other than those specified in clause (i) of this paragraph, Intercompany Claims may be paid only to the extent that they are incurred in respect of purchases of goods and services in the ordinary course of business consistent with past practice and that are necessary to the ordinary course operation of the business of the Credit Group and (iii) the Joint Collateral Agent will be entitled, pursuant to an *estipulacion a favor de terceros*, to vote Intercompany Claims upon an Event of Default described in clause (vi) of "—Defaults" in accordance with the instructions of Voting Creditors that hold 25% of the new notes held by Voting Creditors. Prior to the occurrence of an Event of Default, the Credit Group and their Affiliates will be entitled to make and collect payments in respect of Intercompany Claims. For the

avoidance of doubt, any Intercompany Claims incurred in the ordinary course of business and with respect to trade claims or intercompany transfers will be deemed to be incurred pursuant to the revolving credit agreement described above, it being understood that (a) the outstanding balance of such Intercompany Claims will vary from time to time and (b) the Issuer will not be obligated to report such balances pursuant to the "—Certain Covenants—Affirmative Covenants—Reports," except upon the occurrence and during the continuance of a Default or an Event of Default as set forth thereunder.

Limitation on Guarantees. The Issuer will not permit any Restricted Subsidiary of the Issuer that is not a Subsidiary Guarantor to Guarantee any Indebtedness of the Issuer or to secure any Indebtedness of the Issuer with a Lien on the assets of such Restricted Subsidiary, unless contemporaneously therewith (or prior thereto) effective provision is made to Guarantee or secure the new notes on an equal and ratable basis with such Guarantee or Lien for so long as such Guarantee or Lien remains effective, and in an amount equal to the amount of Indebtedness so Guaranteed or secured. Any Guarantee by any such Restricted Subsidiary of Subordinated Indebtedness of the Issuer will be subordinated and junior in right of payment to the contemporaneous Guarantee of the new notes by such Restricted Subsidiary.

Limitation on Restricted Payments. The Issuer will not, and will not permit any Restricted Subsidiary, directly or indirectly, to make a Restricted Payment:

(a) in any Fiscal Year, other than with the Issuer's 50% share of Excess Cash Flow for such Fiscal Year;

(b) in any Fiscal Year, if such Restricted Payment consists of the payment of ECF Management Fees, other than with half of the Issuer's 50% share of Excess Cash Flow; and

(c) if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default will have occurred and be continuing (or would result therefrom);

(2) the Issuer is not able to Incur an additional U.S.$1.00 of Indebtedness pursuant to clause (a) of the covenant described under "—Limitation on Indebtedness"; or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since the Issue Date would exceed the sum of, without duplication:

(A) 50% of the Consolidated Net Income accrued during the period (treated as one accounting period) from the beginning of the Fiscal Quarter during which the new notes are originally issued to the end of the most recent Fiscal Quarter ending at least 45 days prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit, minus 100% of such deficit);

(B) 100% of the aggregate Net Cash Proceeds and the fair market value of property other than cash received by the Issuer from the issuance or sale of its Capital Stock (other than Disqualified Stock) subsequent to the Issue Date (other than (i) an issuance or sale to a Subsidiary of the Issuer, (ii) an issuance or sale to an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees and (iii) any Net Cash Proceeds from a Public Equity Offering to the extent used to redeem the new notes in compliance with the applicable provisions set forth under "Optional Redemption");

(C) the amount by which Indebtedness of the Issuer is reduced on the Issuer's balance sheet upon the conversion or exchange (other than by a Subsidiary of the Issuer) subsequent to the Issue Date of any Indebtedness of the Issuer convertible or exchangeable for Capital Stock (other than Disqualified Stock) of the Issuer (less the amount of any cash, or the fair market value of any other property, distributed by the Issuer upon such conversion or exchange);

(D) other than in the case of Designated Unrestricted Subsidiaries (except to the extent of the amount of Investments made after the Issue Date (and treated as a Restricted Payment) by the Issuer or any Restricted Subsidiary in a Designated Unrestricted Subsidiary), an amount equal to the sum of (i) the net reduction in Investments in Unrestricted Subsidiaries resulting from dividends, permanent repayment of loans or advances or other permanent transfers of assets, in each case to the Issuer or any Restricted Subsidiary from Unrestricted Subsidiaries, and (ii) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of an Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; *provided, however*, that the foregoing sum will not exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made (and treated as a Restricted Payment) by the Issuer or any Restricted Subsidiary in such Unrestricted Subsidiary;

(E) an amount equal to the sum of the cash dividends or other distributions paid to the Issuer or any Restricted Subsidiary by the Designated Unrestricted Subsidiaries, but in the case of each such dividend or distribution, only to the extent of the consolidated net income (calculated in a manner consistent with the calculation of Consolidated Net Income) of the Designated Unrestricted Subsidiary paying such dividend or distribution for the period in respect of which the dividend or distribution is paid (net of taxes accrued or payable by the Issuer or any Restricted Subsidiary) in respect of such dividend or distribution; and

(F) U.S.$8.0 million.

Notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries will be permitted to make Restricted Payments consisting of the following:

(i) any acquisition of any Capital Stock of the Issuer made out of the proceeds of the substantially concurrent sale of, or made by exchange for, Capital Stock of the Issuer (other than Disqualified Stock and other than Capital Stock issued or sold to a Subsidiary of the Issuer or an employee stock ownership plan or to a trust established by the Issuer or any of its Subsidiaries for the benefit of their employees); *provided, however*, that (A) such acquisition of Capital Stock will be excluded in the calculation of the amount of Restricted Payments and (B) the Net Cash Proceeds from such sale will be excluded from the calculation of amounts under clause (3)(B) of paragraph (a) above;

(ii) dividends or other distributions paid within 60 days after the date of declaration thereof if at such date of declaration such dividend or distribution would have complied with this covenant; *provided, however*, that at the time of payment of such dividend or distribution, no other Default will have occurred and be continuing (or result therefrom); *provided further*, *however*, that such

dividend or distribution will be included in the calculation of the amount of Restricted Payments;

(iii) the repurchase or other acquisition of shares of, or options to purchase shares of, common stock of the Issuer or any of its Subsidiaries from employees, former employees, directors or former directors of the Issuer or any of its Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors) (in each case, other than Permitted Holders), pursuant to the terms of the agreements (including employment agreements) or plans (or amendments thereto) approved by the Board of Directors under which such individuals purchase or sell, or are granted the option to purchase or sell, shares of such common stock; *provided, however*, that the aggregate amount of such repurchases and other acquisitions will not exceed U.S.$1.0 million in any calendar year; *provided further*, *however*, that such repurchases and other acquisitions will be excluded in the calculation of the amount of Restricted Payments;

(iv) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Refinancing Indebtedness for such Subordinated Indebtedness; or

(v) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Issuer or any Restricted Subsidiary pursuant to and in accordance with the terms of a "change of control" covenant set forth in the indenture or other agreement pursuant to which such Subordinated Indebtedness is issued and such "change of control" covenant is substantially similar to the Change of Control provision included in the Indentures; *provided* that the Issuer (or another Person) has repurchased all notes required to be repurchased by the Issuer under the caption "—Change of Control" prior to the purchase, redemption or other acquisition or retirement for value of such Subordinated Indebtedness pursuant to the applicable "change of control" covenant;

provided, in each case, that such Restricted Payments do not constitute the payment of Management Fees.

In addition, notwithstanding the foregoing, the Issuer and its Restricted Subsidiaries will be permitted to pay Management Fees up to the Management Fee Cap in compliance with "—Certain Covenants—Negative Covenants—Limitation on Management Fees" below.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this covenant will be determined in good faith by the Board of Directors of the Issuer. The Issuer's determination must be based upon an opinion or appraisal issued by an internationally recognized independent investment banking firm if the fair market value exceeds U.S.$10.0 million.

In addition to the foregoing, the Series A notes will include a covenant that the CLH Entities will not, directly or indirectly, pay cash dividends or distributions to, or purchase, redeem or otherwise acquire or retire for cash any Capital Stock of CLH Entities held directly or indirectly by the Issuer and its Affiliates ("CLH Restricted Payments"), unless such CLH Restricted Payment and all other CLH Restricted Payments since the Issue Date would not exceed the sum of 25% of the aggregate amount of CLH Excess Cash Flow, if any accrued during the period (treated as one accounting period) from the beginning of the

Fiscal Quarter during which the Series A notes are originally issued, to the end of the most recent Fiscal Quarter ending at least 45 days prior to the date of such CLH Restricted Payment.

Limitation on Management Fees. The Issuer and the Credit Group Subsidiaries will not pay, cause to be paid or otherwise transfer any cash or other non-cash compensation (whether in the form of payments, salary, in-kind transfers, dividends, distributions or otherwise) (together, the "Management Fees") to Affiliates not in the Credit Group (i) in exchange for management, accounting, legal, database and/or other services or (ii) in respect of debt or equity securities or other interests, in excess of U.S.$3.25 million in any Fiscal Quarter (the "Management Fee Cap"); *provided* that the Issuer and the Credit Group Subsidiaries will not pay any mark-up or allocation for overhead, administrative costs or similar amounts in respect of any of the services described in clause (i)*; provided further* that reasonable and documented fees, at cost, for (a) management, accounting, legal, database, or similar services provided by individuals that are not Affiliates (who may, however, be employed as an officer of a member of the Credit Group or both a member of the Credit Group and an Affiliate), (b) management, accounting, legal, database, or similar services provided by third parties that are not Affiliates and invoiced directly, with a detailed and itemized invoice with respect to any such amount in excess of U.S.$10,000, to a member of the Credit Group with no markup or allocation for overhead, administrative costs, or similar amounts, or (c) SAP computer services provided by the Issuer pursuant to computer services or similar agreements shall not be subject to the Management Fee Cap; *provided further* that, in addition to the foregoing restriction, the Issuer will cause the CLH Entities not to pay, cause to be paid or otherwise transfer Management Fees (i) in exchange for management, accounting, legal, database and/or other services or (ii) in respect of debt or equity securities or other interests to the Credit Group or any of its Affiliates (other than dividends and distributions to a member of the Credit Group) in excess of U.S.$1.625 million in any Fiscal Quarter; *provided further* that, to the extent such Management Fees are paid by the CLH Entities to Affiliates that are not in the Credit Group, they will count towards the Management Fee Cap.

In addition to the Management Fee Cap, the Issuer may use half of its 50% of Excess Cash Flow in any Fiscal Year to pay additional Management Fees (the "ECF Management Fees") as described above in "— Excess Cash Flow Sweep."

Neither the Management Fees nor the ECF Management Fees will be permitted to be paid unless (i) such payment is permitted by applicable law, (ii) no Default or Event of Default has occurred and is continuing or would result therefrom, (iii) the amount is paid on a quarterly basis (except that this clause (iii) shall not apply to amounts relating to salaries, and reimbursements for travel and relocation expenses payable in the ordinary course of business consistent with past practice and on a more frequent basis) and (iv) the Permitted Holders or their Permitted Designees will have made cash equity distributions required to have been made at that time, the proceeds of which may be used to retire Scheduled Permitted Indebtedness of the Issuer and the Subsidiary Guarantors and/or for working capital purposes, in the following amounts and according to the following schedule:

- within 90 days after the Issue Date: U.S.$5,555,000;
- within 180 days after the Issue Date: U.S.$5,555,000; and
- within 270 days after the Issue Date: U.S.$5,557,000.

The Issuer will deliver, within ten Business Days of the date on which annual consolidated financial statements are required to be delivered, a report, describing the amount of Management Fees and ECF Management Fees paid in the previous Fiscal Year, which report will be reviewed and certified by the Auditor.

Limitation on Restrictions on Distributions from Restricted Subsidiaries. The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on its Capital Stock to the Issuer or a Restricted Subsidiary or pay any

Intercompany Claims owed to the Issuer, (b) make any loans or advances to the Issuer or (c) transfer any of its property or assets to the Issuer, except:

(i) any encumbrance or restriction pursuant to (A) an agreement in effect on the Issue Date or (B) under the Joint Facility;

(ii) any encumbrance or restriction with respect to a Restricted Subsidiary that is not a subsidiary of the Issuer on the Issue Date pursuant to an agreement relating to any Indebtedness Incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Issuer (other than Indebtedness Incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary or was acquired by the Issuer) and outstanding on such date;

(iii) in the case of clause (c) above, any such encumbrance or restriction consisting of customary nonassignment provisions in leases governing leasehold interests to the extent such provisions restrict the transfer of the lease or the property leased thereunder;

(iv) in the case of clause (c) above, restrictions contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such restrictions restrict the transfer of the property subject to such security agreements or mortgages;

(v) any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary otherwise permitted by the indenture pending the closing of such sale or disposition;

(vi) any such encumbrance or restriction existing under or by reason of or pursuant to applicable law, rule, regulation or order;

(vii) an agreement governing Refinancing Indebtedness of the Issuer or any Restricted Subsidiaries permitted to be Incurred subsequent to the date of the Indentures in accordance with the covenant described above under the caption "—Limitation on Indebtedness" *provided* that the provisions relating to such encumbrance or restriction contained in such agreement are no more restrictive than those contained in the Indebtedness being Refinanced;

(viii) Purchase Money Indebtedness for property acquired in the ordinary course of business and Capital Lease Obligations to finance the acquisition, construction or improvement of property of the Issuer or a Restricted Subsidiary used in a Permitted Business, permitted to be Incurred subsequent to the date of the Indentures in accordance with the covenant described above under the caption "—Limitation on Indebtedness", that impose restrictions only on the property purchased with such Indebtedness of the nature described in paragraph (c) of this covenant and the Lien securing such Indebtedness will be created within 90 days of such acquisition, construction or improvement;

(ix) restrictions that limit the right of the debtor to dispose of assets securing Indebtedness under Liens permitted to be incurred

under the provisions of the covenant described below under the caption "—Limitation on Liens";

(x) provisions limiting the payment of dividends or the disposition or distribution of assets or property or transfer of Capital Stock in joint-venture agreements, sale leaseback agreements, limited liability company organizational documents entered into in connection with joint ventures and other similar agreements entered into in accordance with the terms of the Indentures and (a) in the ordinary course of business consistent with past practice and (b) with the approval of the Issuer's Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements; or

(xi) customary ratios or thresholds on cash, cash equivalents, marketable securities, net worth or other deposits imposed by customers, suppliers or lessors under contracts or leases entered into in the ordinary course of business to secure trade payable obligations.

Limitation on Sales of Assets and Subsidiary Stock. (a) Asset Dispositions. The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Disposition unless

(i) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Disposition at least equal to the fair market value (including as to the value of all non-cash consideration), as determined in good faith by the Board of Directors (whether or not the determination is required under applicable law), of the shares and assets subject to such Asset Disposition and at least 75% of the consideration thereof received by the Issuer or such Restricted Subsidiary consists of cash or cash equivalents, and the remaining 25% of the consideration thereof received by the Issuer or a Restricted Subsidiary consists of:

(A) 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 Related Business;

(B) Capital Stock in one or more Persons principally engaged in a Related Business that are or thereby become Restricted Subsidiaries; and/or

(C) marketable securities issued by a company organized under the laws of the United States or Mexico that are listed on a national stock exchange in at least one of the United States or Mexico; and

(ii) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Issuer (or such Restricted Subsidiary, as the case may be)

(A) *first*, to the extent the Issuer elects (or is required by the terms of any such Indebtedness), to prepay, repay, redeem or purchase Senior Indebtedness or Indebtedness (other than any Disqualified Stock) of a Restricted Subsidiary (in each case other than Intercompany Claims) within 270 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

(B) *second*, to the extent of the balance of such Net Available Cash after application in accordance with clause (A), to the extent the Issuer elects, to acquire Additional Assets within 270 days from the later of the date of such Asset Disposition or the receipt of such Net Available Cash;

(C) *third*, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A) and (B), to make an offer to the holders of the new notes on a *pro*

rata basis among each series of new notes and within each series of new notes (and to holders of other Senior Indebtedness designated by the Issuer, if required) to purchase new notes on a *pro rata* basis among each series of new notes and within each series of new notes (and such other Senior Indebtedness) pursuant to and subject to the conditions contained in the Indentures; and

(D) *fourth*, to the extent of the balance of such Net Available Cash after application in accordance with clauses (A), (B) and (C) to (x) the acquisition by the Issuer or any Restricted Subsidiary of Additional Assets or (y) the prepayment, repayment or purchase of Indebtedness (other than any Disqualified Stock) of the Issuer (other than Indebtedness owed to an Affiliate of the Issuer) or Indebtedness of any Subsidiary (other than Indebtedness owed to the Issuer or an Affiliate of the Issuer), in each case within 270 days from the later of the receipt of such Net Available Cash and the date the offer described in clause (f) below is consummated; *provided, however*, that in connection with any prepayment, repayment or purchase of Indebtedness pursuant to clause (A), (C) or this clause (D), the Issuer or such Restricted Subsidiary will permanently retire such Indebtedness and will cause the related loan commitment (if any) to be permanently reduced in an amount equal to the principal amount so prepaid, repaid or purchased. Notwithstanding the foregoing provisions of this paragraph, the Issuer and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this paragraph except to the extent that the aggregate Net Available Cash from all Asset Dispositions which are not applied in accordance with this paragraph exceeds U.S.$3.0 million. Pending application of Net Available Cash pursuant to this covenant, such Net Available Cash will be invested in Permitted Investments.

Any consideration received from any Asset Disposition by the Issuer or any Subsidiary Guarantor will only be applied for the prepayment, repayment or purchase of any Indebtedness of the Issuer or a Subsidiary Guarantor or the acquisition of Additional Assets for the Issuer or a Subsidiary Guarantor. Any consideration received from any Asset Disposition by a Restricted Subsidiary that is not a Subsidiary Guarantor will only be applied for the prepayment, repayment or purchase of any Indebtedness of the Issuer or a Restricted Subsidiary or the acquisition of Additional Assets for the Issuer or a Restricted Subsidiary.

(b) Collateral Asset Sales. The Issuer will not, and will not permit any of its Subsidiaries to, consummate a Collateral Asset Sale unless no Default or Event of Default has occurred and is continuing, and:

(i) with respect to a Collateral Asset Sale in respect of the Series A Collateral or the Mexican Subsidiary Stock Collateral:

(A) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Collateral Asset Sale at least equal to the fair market value of such Collateral;

(B) with respect to each such Collateral Asset Sale, the Issuer delivers an Officers' Certificate to the Trustee dated no more than 15 days prior to the date of consummation of the relevant Collateral Asset Sale, certifying that such sale complies with clause (A) above;

(C) 85% of the consideration received for the Collateral sold by the Issuer or its Restricted Subsidiaries, as the case may be, is in the form of cash or cash equivalents received at the time of such Collateral Asset Sale, and the remaining 15% of the consideration thereof received by the Issuer or such Restricted Subsidiary consists of

(x) 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 Related Business and/or

(y) Capital Stock in one or more Persons principally engaged in a Related Business that are or thereby become Restricted Subsidiaries; and;

(D) the Net Available Cash therefrom is applied to redeem the Series A notes, in the case of a Collateral Asset Sale of the Series A Collateral, or the new notes, in the case of a Collateral Asset Sale of the Mexican Subsidiary Stock Collateral, in each case in accordance with "—Redemptions" and

(E) any non-cash consideration therefrom constitutes "Replacement Collateral".

(ii) with respect to an Eagle Asset Sale:

(A) if it is a CLH Eagle Asset Sale, 100% of the consideration received for the Collateral sold by the Issuer or its Restricted Subsidiaries, as the case may be, is in the form of cash or cash equivalents and, if it is a Qualifying Eagle Asset Sale, at least 70% of the consideration received for the Collateral sold by the Issuer or its Restricted Subsidiaries, as the case may be, is in the form of cash or cash equivalents received at the time of such Eagle Asset Sale, and the remaining 30% of the consideration thereof received by the Issuer or such Restricted Subsidiary consists of

(x) 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 Related Business and/or

(y) Capital Stock in one or more Persons principally engaged in a Related Business;

(B) the Net Available Cash therefrom is applied as follows:

(x) if the Issuer has generated positive Cash Flow from Operations during the prior quarter, *first* to finance working capital, in an amount not to exceed U.S.$10.0 million, and *second* to redeem the new notes in accordance with "—Redemptions",

(y) if the Issuer has not generated positive Cash Flow from Operations during the prior quarter, to redeem the new notes in accordance with "—Redemptions";

(C) the Net Available Cash therefrom, other than that applied to working capital in accordance with clause (B) above, is paid directly by the purchaser thereof to the Joint Collateral Agent, pursuant to the Indentures, as Proceeds, and, pending application in accordance with clause (B) above, is held by the Joint Collateral Agent in a collateral account at a banking institution in the United States.

(D) any non-cash consideration therefrom constitutes "Replacement Collateral".

(iii) with respect to a Collateral Asset Sale in respect of Real Property Collateral, the Additional Long-Term Collateral or Proceeds that are not also Series A Collateral or Mexican Subsidiary Stock Collateral (such Collateral, "Specified Collateral"), other than an Eagle Asset Sale:

(A) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Collateral Asset Sale at least equal to the fair market value (including as to the value of all non-cash consideration) of such Collateral;

(B) with respect to each such Collateral Asset Sale, the Issuer delivers an Officers' Certificate to the Trustee dated no more than 15 days prior to the date of consummation of the relevant Collateral Asset Sale, certifying that such sale complies with clause (A) above;

(C) at least 75% of the consideration received for the Collateral sold by the Issuer or its Restricted Subsidiaries, as the case may be, is in the form of cash or cash equivalents received at

the time of such Collateral Asset Sale, and the remaining 25% of the consideration thereof received by the Issuer or such Restricted Subsidiary consists of

(x) 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 Related Business and/or

(y) Capital Stock in one or more Persons principally engaged in a Related Business that are or thereby become Restricted Subsidiaries; and

(D) the Net Available Cash therefrom is applied as follows:

(x) to redeem the new notes in accordance with "—Redemptions";

(y) if the aggregate Net Available Cash from Collateral Asset Sales of Specified Collateral, from the Issue Date to the date of and including such Collateral Asset Sale:

(a) equals or exceeds U.S.$50.0 million, then, with the consent of Voting Creditors that are holders of at least a majority of the aggregate Outstanding principal amount of the new notes, to purchase or otherwise invest in Replacement Collateral within 270 days of such Collateral Asset Sale;

(b) is less than U.S.$50.0 million, then to purchase or otherwise invest in Replacement Collateral within 270 days of such Collateral Asset Sale;

provided that any such Net Available Cash not so applied in such time frames is applied to redeem the new notes in accordance with "—Redemptions".

(E) the Net Available Cash therefrom is paid directly by the purchaser thereof to the Joint Collateral Agent, pursuant to the Indentures, as Proceeds, and, pending application in accordance with clause (D) above, is held by the Joint Collateral Agent in a collateral account at a banking institution in the United States. The Issuer or Subsidiary, as applicable, may request that such Net Available Cash be applied in accordance with clause (D) above by providing an Officer's Certificate stating that all conditions, including the absence of a pending Default or Event of Default, to such application have been met; and

(F) any non-cash consideration therefrom constitutes "Replacement Collateral".

(c) Events of Loss. If the Issuer or a Restricted Subsidiary suffers an Event of Loss, the Net Available Cash therefrom will be paid directly by the party providing such Net Available Cash to the Joint Collateral Agent, pursuant to the applicable Collateral Document, as Proceeds. As any portion or all of the Net Available Cash from any such Event of Loss are received by the Joint Collateral Agent, the Issuer may apply all of such amount or amounts, as received, together with all interest earned thereon, individually or in combination,

(1) to redeem the new notes in accordance with "—Redemptions"; or

(2) if no Default or Event of Default has occurred and is continuing, if the aggregate Net Available Cash from Events of Loss from the Issue Date to the date of, and including such Event of Loss:

(a) equals or exceeds U.S.$50.0 million, then, with the consent of Voting Creditors that are holders of at least a majority of the aggregate Outstanding principal amount of the new notes, to purchase or otherwise invest in

Replacement Collateral or to restore the Collateral within 270 days of such Event of Loss;

(b) is less than U.S.$50.0 million, then to purchase or otherwise invest in Replacement Collateral or to restore the Collateral within 270 days of such Event of Loss;

provided that any such Net Available Cash not so applied in such time frames will be applied to redeem the new notes in accordance with "—Redemptions".

In the event that the Issuer elects to restore the relevant Collateral pursuant to the foregoing clause (c)(2), within 180 days of receipt of such Net Available Cash from an Event of Loss, the Issuer will:

(i) give the Trustee irrevocable written notice of such election, and

(ii) enter into a binding commitment to restore such Collateral, a copy of which will be supplied to the Trustee, and will have 270 days from the date of such binding commitment to complete such restoration, which will be carried out with due diligence.

(d) Replacement Collateral. Under the terms of the Indentures, in the event that the Issuer receives Replacement Collateral as consideration in respect of a Collateral Asset Sale or decides pursuant to the foregoing provisions to apply any portion of the Net Available Cash from a Collateral Asset Sale or an Event of Loss to purchase or otherwise invest in Replacement Collateral or to restore the Collateral:

(i) the Issuer will deliver an Officers' Certificate to the Trustee dated no more than 30 days prior to the date of consummation of the relevant investment in Replacement Collateral or to restore Collateral, certifying that the purchase price for the amount of the investment in Replacement Collateral or to restore Collateral does not exceed the fair market value of such Replacement Collateral or the costs of such restoration;

(ii) the Issuer will deliver an Officer's Certificate to the Joint Collateral Agent and the Trustee in compliance with the provisions of the Indentures and requesting the release of such certified purchase price (or cost) to the seller of such Replacement Collateral (or to the Persons restoring such Collateral), free of the Lien of the Joint Collateral Documents; and

(iii) the Issuer will take such actions, at its sole expense, as may be required to permit the Joint Collateral Agent, pursuant to the applicable Joint Collateral Document, to release such Net Available Cash, together with any interest thereon, from the Lien of the applicable Joint Collateral Document and to ensure that the Joint Collateral Agent has, from the date of such purchase or investment, a first-priority Lien (or, if the Joint Collateral that was sold was subject to an Issue Date Lien and such Issue Date Lien continues on a first-priority basis to such Replacement Collateral, a second-priority Lien) on such Replacement Collateral pursuant to appropriate Joint Collateral Documents (or that the Joint Collateral Agent's Lien continues in such Joint Collateral after such restoration on a first-priority or second-priority basis, as applicable), and that such Lien is perfected upon creation of such Lien, or, in the case of a Lien on real property constituting Replacement Collateral, within the time limits set forth in "—Security—Collateral—Real Property Collateral".

(e) Cash and Cash Equivalents. For the purposes of this covenant, the following are deemed to be cash or cash equivalents: (x) the unconditional assumption of Indebtedness of the Issuer or any Restricted Subsidiary and the release of the Issuer or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition and (y) securities received by the Issuer or any

Restricted Subsidiary from the transferee that are or can be promptly converted by the Issuer or such Restricted Subsidiary into cash.

(f) Asset Sale Offers. In the event of an Asset Disposition that requires the purchase of the new notes (and other Senior Indebtedness) as set forth above, the Issuer will be required to purchase new notes tendered pursuant to an offer by the Issuer for the new notes (and other Senior Indebtedness, if applicable) at a purchase price of 100% of their principal amount (without premium) plus accrued but unpaid interest (or, in respect of such other Senior Indebtedness, such lesser price, if any, as may be provided for by the terms of such Senior Indebtedness) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indentures. If the aggregate purchase price of new notes (and any other Senior Indebtedness, if applicable) tendered pursuant to such offer is less than the Net Available Cash allotted to the purchase thereof, the Issuer will be required to apply the remaining Net Available Cash in accordance with clause (a)(ii)(D) above.

The Issuer will not be required to make such an offer to purchase new notes (and other Senior Indebtedness, if applicable) pursuant to this covenant if the Net Available Cash available therefor is less than U.S.$5.0 million (which lesser amount will be carried forward for purposes of determining whether such an offer is required with respect to the Net Available Cash from any subsequent Asset Disposition). Pending application of Net Available Cash pursuant to clause (a) of this covenant, such Net Available Cash will be invested by the Issuer in Permitted Investments.

(g) Compliance with Laws and Regulations. The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws or regulations and will not be deemed to have breached its obligations under this clause by virtue thereof.

(h) Unrestricted Asset Dispositions. The Issuer will not permit any Unrestricted Subsidiary to, directly or indirectly, consummate any Unrestricted Asset Disposition if (i) (x) such Unrestricted Subsidiary does not receive fair consideration or reasonably equivalent value therefor and (y) such Unrestricted Subsidiary, at the time thereof, was insolvent, was rendered insolvent, was engaged in a business or transaction for which its remaining unencumbered assets constituted unreasonably small capital or intended to incur or believed that it would incur debts beyond its ability to pay such debts as they matured or (ii) such Unrestricted Asset Disposition was entered into with an intent to hinder, delay or defraud such Unrestricted Subsidiary's creditors.

Limitation on Affiliate Transactions. (a) The Issuer will not, and will not permit any Subsidiary to, enter into or permit to exist any transaction or series of transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with any Affiliate of the Issuer, any Affiliate of any Restricted Subsidiary, or any holder of 5% or more of any class of Voting Stock of the Issuer or any Restricted Subsidiary or any Affiliate thereof (an "Affiliate Transaction") unless the terms thereof:

(1) are no less favorable to the Issuer or such Subsidiary than those that could be obtained at the time of such transaction in comparable arm's length dealings with a Person who is not such an Affiliate or holder of such Voting Stock,

(2) if such Affiliate Transaction involves an amount in excess of U.S.$1.0 million, (i) are set forth in writing and (ii) have been approved by a majority of the members of the Board of Directors having no personal stake in, and not otherwise having any conflict of interest in respect of, such Affiliate Transaction, and

(3) if such Affiliate Transaction involves an amount in excess of U.S.$5.0 million, are (i) set forth in writing and (ii) have been determined by an internationally recognized independent investment banking firm to be fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries.

(b) The provisions of the foregoing paragraph (a) will not prohibit

(i) any Restricted Payment described in clause (i) of the definition of "Restricted Payment" and permitted to be paid pursuant to the covenant described under "—Limitation on Restricted Payments",

(ii) Management Fees and ECF Management Fees permitted to be paid in accordance with the covenant described in "—Limitation on Management Fees",

(iii) any issuance of Capital Stock (other than Disqualified Stock) of the Issuer to any director, officer or employee of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business consistent with past practice and approved in good faith by the Board of Directors (other than issuances that would constitute Management Fees),

(iv) loans or advances for travel, moving and other relocation expenses to (A) employees (other than those included in subclause (B) below) in the ordinary course of business in accordance with the past practices of the Issuer or its Restricted Subsidiaries and (B) directors, executive officers and other members of senior management of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business in accordance with the past practices of the Issuer or its Restricted Subsidiaries, but in any event not to exceed U.S.$1.0 million in the aggregate outstanding at any one time (other than fees that would constitute Management Fees),

(v) the payment of reasonable and customary fees to directors of the Issuer and its Restricted Subsidiaries who are Disinterested Directors (other than fees that would constitute Management Fees) in an amount not to exceed the lower of (A) U.S.$500,000 in the aggregate per annum and (B) U.S.$100,000 per director per annum,

(vi) any Affiliate Transaction (A) between the Issuer and a Subsidiary Guarantor or between Subsidiary Guarantors or (B) between the Issuer or a Subsidiary Guarantor and a Restricted Subsidiary that is not a Subsidiary Guarantor, or between Restricted Subsidiaries that are not Subsidiary Guarantors in accordance with "—Limitation on Transactions with Non-Guarantor Subsidiaries" (in each case, other than purchases, leases or sales of Collateral or land held by the Issuer or any Subsidiary (i) the Capital Stock of which is pledged or required to be pledged or (ii) the real property of which is mortgaged or required to be mortgaged as described under "—Security" above), and

(vii) any agreement as in effect on the Issue Date (other than any agreement in respect of the payment of Management Fees) and set forth on a schedule to the Indentures.

In addition to the foregoing, the Series A notes will include a covenant that all transactions other than the payment of Management Fees between the CLH Entities, on one hand, and the Issuer and its Affiliates, on the other hand, be at fair market value and entered into on an arms' length basis or on terms favorable to the CLH Entities (or in the case of the CLH Eagle Asset Sale, fair to the CLH Entities, on one hand, and the Issuer and its Affiliates, on the other hand).

Limitation on Transactions with Non-Guarantor Subsidiaries. The Issuer will not, and will not permit any Subsidiary Guarantor to, enter into or permit to exist any transaction or series of transactions (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with any Restricted Subsidiary that is not a Subsidiary Guarantor ("Non-Guarantor Subsidiary"), unless (i) the terms thereof are no less favorable to the Issuer or the Subsidiary Guarantor than those that could be obtained at the time of such transaction in comparable arm's length dealings with a third party, and (ii) the transaction is in the ordinary course of business in accordance with the past practice of the Issuer or the Subsidiary Guarantor; *provided* that the amount or fair market value, as applicable, of all transactions between the Issuer or a Subsidiary Guarantor and a Restricted Subsidiary that is not a Subsidiary Guarantor (other than (i) sales of raw copper and copper-related products by the Issuer or Subsidiary Guarantor to a Restricted Subsidiary that is not a Subsidiary Guarantor at market prices in the ordinary course of business and (ii) the CLH Eagle Asset Sale) shall not exceed, in the aggregate, U.S.$1.0 million.

Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries. The Issuer will not sell or otherwise dispose of any Capital Stock of any Restricted Subsidiary to any Person, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell or otherwise dispose of any of its Capital Stock to any Person, in each case, other than to

(1) a Subsidiary Guarantor (in the case of an issuance or disposition by the Issuer or a Restricted Subsidiary that is a Subsidiary Guarantor) or to the Issuer or a Restricted Subsidiary (in the case of an issuance or disposition by a Restricted Subsidiary that is not a Subsidiary Guarantor); *provided* that such Restricted Subsidiary complies with all provisions of the Indentures relating to such sale, issuance or disposition, including "—Collateral—Mexican Subsidiary Stock Collateral"; or

(2) any other person, if:

(i) immediately after giving effect to such issuance, sale or other disposition, neither the Issuer nor any of its Subsidiaries own any Capital Stock of such Restricted Subsidiary; or

(ii) immediately after giving effect to such issuance, sale or other disposition, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any Investment in such Person remaining after giving effect thereto would have been permitted to be made under the covenant described under "—Limitation on Restricted Payments" if made on the date of such issuance, sale or other disposition; and

(iii) the proceeds from such issuance or sale are applied in accordance with the "Limitation on Sales of Assets and Subsidiary Stock" covenant.

Limitation on Liens. The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Liens of any kind against or upon any of the Collateral (except for Collateral Permitted Liens).

Furthermore, the Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur or permit to exist any Lien of any nature whatsoever on any of its properties other than the Collateral, whether owned at the Issue Date or thereafter acquired, other than Permitted Liens, without effectively providing that the new notes will be secured equally and ratably with (or prior to) the obligations so secured for so long as such obligations are so secured.

Limitation on Sale/Leaseback Transactions. The Issuer will not, and will not permit any Restricted Subsidiary to, enter into any Sale/Leaseback Transaction with respect to any Collateral. In addition, the

Issuer will not, and will not permit any Restricted Subsidiary to, enter into any Sale/Leaseback Transaction with respect to any property unless (i) the Issuer or such Restricted Subsidiary would be entitled to (A) Incur Indebtedness in an amount equal to the Attributable Debt with respect to such Sale/Leaseback Transaction pursuant to the covenant described under "—Limitation on Indebtedness" and (B) create a Lien on such property securing such Attributable Debt without equally and ratably securing the new notes pursuant to the covenant described under "—Limitation on Liens," (ii) the net proceeds received by the Issuer or such Restricted Subsidiary in connection with such Sale/Leaseback Transaction are at least equal to the fair value (as determined by the Board of Directors) of such property and (iii) the Issuer applies the proceeds of such transaction in compliance with the covenant described under "—Limitation on Sales of Assets and Subsidiary Stock."

Merger and Consolidation. The Issuer will not consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all its assets to, any Person, unless:

(i) the resulting, surviving or transferee Person (the "Successor Company") is a Person organized and existing under the laws of Mexico, the United States of America or any State thereof or the District of Columbia, and the Successor Company (if not the Issuer) expressly assumes, by a supplemental indenture, executed and delivered to the Trustees, in form satisfactory to the Trustees, and by any other documents required under the Collateral Documents, all the obligations of the Issuer under the new notes, the Indentures and the Collateral Documents;

(ii) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary as a result of such transaction as having been Incurred by such Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default will have occurred and be continuing;

(iii) immediately after giving effect to such transaction, the Successor Company (x) would be able to Incur an additional U.S.$1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Limitation on Indebtedness" and (y) the Successor Company would have a Consolidated Coverage Ratio no less than the Consolidated Coverage Ratio of the Issuer immediately before giving effect to such transaction, and the Successor Company would have a Consolidated Leverage Ratio no greater than the Consolidated Leverage Ratio of the Issuer immediately before giving effect to such transaction;

(iv) the Issuer will have delivered to the Trustees an Officer's Certificate and an Opinion of Counsel (in form and substance satisfactory to each Trustee), each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indentures; and

(v) the Issuer will have delivered to the Trustees an Opinion of Counsel (in form and substance satisfactory to each 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 such transaction and will be subject to United States Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred;

provided, however, that clauses (iii) and (iv) above will not be applicable to a Restricted Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Issuer. The Successor Company will be the successor to the Issuer and will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indentures, but the Issuer in the case of a

conveyance, transfer or lease will not be released from the obligation to pay the principal of and interest on the new notes.

The Issuer will not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person unless:

> (i) such transaction would be permitted pursuant to "—Limitation on Sales of Assets and Subsidiary Stock—Collateral Asset Sales"
>
> (ii) the resulting, surviving or transferee Person (if not such Subsidiary) will be a Person organized and existing under the laws of Mexico, of the jurisdiction under which such Subsidiary Guarantor was organized or under the laws of the United States of America or any State thereof or the District of Columbia, and such Person will expressly assume, by a Guarantee Agreement, in a form satisfactory to the Trustee, all the obligations of such Subsidiary Guarantor, if any, under its Subsidiary Guarantee;
>
> (iii) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness that becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default or Event of Default will have occurred and be continuing;
>
> (iv) immediately after giving effect to such transaction, (x) the resulting, surviving or transferee Person would, be able to Incur an additional U.S.$1.00 of Indebtedness pursuant to paragraph (a) of the covenant described under "—Limitation on Indebtedness" and (y) the Consolidated Coverage Ratio would be no less than the Consolidated Coverage Ratio of the Issuer immediately before giving effect to such transaction, and the Consolidated Leverage Ratio would be no greater than the Consolidated Leverage Ratio of the Issuer immediately before giving effect to such transaction; and
>
> (v) the Issuer delivers to the Trustees an Officers' Certificate and an Opinion of Counsel (in form and substance satisfactory to each Trustee), each stating that such consolidation, merger or transfer and such Guarantee Agreement, if any, complies with the Indentures. See "—Guarantees."

provided, however, that clause (ii) will not permit a Subsidiary Guarantor organized under the laws of the United States of America or any State thereof or the District of Columbia to consolidate with or merge with or into, or convey, transfer or lease, in one transaction or a series of transactions, all or substantially all of its assets to any Person such that the resulting, surviving or transferee Person (if not such Subsidiary) will be a Person organized and existing under the laws of Mexico.

No Impairment of Security Interests. Neither the Issuer nor any of the Restricted Subsidiaries will be permitted to take any action, or knowingly or negligently omit to take any action, which action or omission might or would have the result of materially impairing the security interest with respect to the Joint Collateral for the benefit of the Joint Collateral Agent, the Trustees and the holders of the new notes or with respect to the Series A Collateral for the benefit of the Series A Collateral Agent, the Trustee for the Series A notes and the holders of the Series A notes, including the failure to obtain any required shareholder approval or any material defect in the creation, perfection or first-priority status of any Lien granted pursuant to the Joint Collateral Documents or the Series A Collateral Documents, as applicable. The Issuer will cause each of the Collateral Group Subsidiaries to comply with their obligations under the Joint Security Documents and the Series A Documents.

No Amendments or Modifications of Constitutive Documents. Neither the Issuer nor any of the Restricted Subsidiaries will amend, modify or otherwise change their articles of incorporation, by-laws, *estatutos sociales*, or similar constituent documents in a manner that would be adverse to the holders of the new notes.

Affirmative Covenants

After-Acquired Assets. If Issuer or any Collateral Group Subsidiary acquires any property after the Issue Date that constitutes Joint Collateral or Series A Collateral ("New Collateral"), the Issuer or such Collateral Group Subsidiary will promptly, and in any event within three Business Days of acquiring such New Collateral: (i) execute and deliver to the Joint Collateral Agent or Series A Collateral Agent, as applicable, with a copy to the Trustees, such supplements or amendments to the Joint Collateral Documents or Series A Collateral Documents, as applicable, or such other documents as the Joint Collateral Agent or Series A Collateral Agent, as applicable, deems necessary or advisable to grant to the Joint Collateral Agent or Series A Collateral Agent, as applicable, for the benefit of the holders of the new notes (or Series A notes, as applicable), a first-priority security interest in such property and (ii) take all actions necessary or advisable to perfect such first-priority security interest, including without limitation the filing of UCC-1 financing statements in such jurisdictions as may be required by the Joint Collateral Documents or Series A Collateral Documents, as applicable, or by law or as may be requested by the Joint Collateral Agent or Series A Collateral Agent, as applicable.

Copper Purchases. In connection with copper purchases, the Issuer will, and will cause each of its Subsidiaries to, purchase copper (i) at "M+1" pricing whereby the price is based on the daily average of the "Comex HG 1st pos." quotation as published in Platt's "Metals Week," by McGraw-Hill in New York, over a period consisting of the calendar month that follows the calendar month in which the purchase is delivered, where available on commercially reasonable terms, or, (ii) if not available at "M+1" pricing on commercially reasonable terms, at "M" pricing whereby the price is based on the daily average of the "Comex HG 1st pos." quotation as published in Platt's "Metals Week," by McGraw-Hill in New York, over a period consisting of the calendar month in which the purchase is delivered.

Mexican Electronic Watt-Hour Meter Business. In connection with its Mexican electronic watt-hour meter business, the Issuer will, (i) on or prior to the Issue Date, cause IUSA, S.A. de C.V. or a Subsidiary Guarantor to acquire at least 50.1% of the capital stock of IUSA-GE, (ii) from and after the Issue Date, cause IUSA, S.A. de C.V. to act as the sole bidding party with respect to, and sole marketer to, the *Comisión Federal de Electricidad* and all other customers of its Mexican electronic watt-hour meter business and (iii) from and after the Issue Date, cause any Unrestricted Subsidiary and IUSA Medicion to not be used for any business originating from Mexico of any member of the Credit Group.

Notice of Other Events. In addition to notice of any Default or Event of Default in accordance with the requirements set forth under "—Defaults", the Issuer will furnish to the Trustee, no later than seven Business days after the Issuer obtains knowledge thereof:

(a) notice of any litigation, claim, action, investigation or proceeding pending or threatened in writing before any governmental authority (i) against the Issuer or any of its Subsidiaries, in which there is a probability of success by the plaintiff on the merits and which, if determined adversely to the Issuer or such Subsidiary, could be reasonably expected to be adverse to the holders of the new notes in any material respect, (ii) which could reasonably be expected to result in liability of the Issuer or any of its Subsidiaries in an aggregate amount exceeding U.S.$10.0 million (or the U.S. dollar equivalent thereof) or (iii) relating to the new notes;

(b) notice of the modification of any consent, license, approval or authorization referred to in "—Certain Covenants—Affirmative Covenants—Maintenance of Governmental Approvals"; and

(c) notice of any other event or development of which the Issuer obtains knowledge that has had or could reasonably be expected to be adverse to the holders of the new notes in any material respect.

Maintenance of Existence; Conduct of Business. (a) The Issuer will, and will cause each Restricted Subsidiary to: (i) maintain in effect its corporate existence and all registrations necessary therefor; (ii) take all necessary actions to maintain all rights, privileges, titles to property, franchises and the like, necessary or desirable in the normal conduct of its business (as now conducted and as proposed to be conducted), activities or operations; and (iii) maintain and preserve all of its property and keep such property in good working order or condition; *provided, however*, that this covenant will not prohibit any transaction by the Issuer or any of its Subsidiaries otherwise permitted under "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock," "—Certain Covenants—Negative Covenants—Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries," and "—Certain Covenants—Negative Covenants—Merger and Consolidation," nor will it require any Subsidiary to maintain any such right, privilege, title to property or franchise or the Issuer to preserve the corporate existence of any Subsidiary (other than a subsidiary whose Capital Stock constitutes Collateral) if the Issuer will determine in good faith that the maintenance or preservation thereof is no longer desirable in the conduct of the business of the Issuer or its Subsidiaries and that the loss thereof could not reasonably be expected to be adverse to the holders of the new notes in any material respect.

(b) The Issuer will, and will cause each of the Restricted Subsidiaries to, continue to engage only in a Permitted Business.

Insurance. The Issuer will, and will cause each of the Restricted Subsidiaries to, maintain, and pay all premiums with respect to, insurance with financially sound, responsible and reputable insurance companies in such amounts and covering such risks as are usually carried by companies of good repute engaged in similar businesses and owning and/or operating properties similar to those owned and/or operated by the Issuer or such Restricted Subsidiary, as the case may be, in the same general areas in which the Issuer or such Restricted Subsidiary owns and/or operates its properties, in accordance with normal industry practice; *provided* that the Issuer and the Restricted Subsidiaries will not be required to maintain such insurance for damaged, obsolete or worn-out equipment or other property (in each case subject to the requirements set forth under "—Security" and "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock") that is no longer used in or useful to the business or if the failure to maintain such insurance could not reasonably be expected to be adverse to the holders of the new notes in any material respect.

Maintenance of Governmental Approvals. The Issuer will, and will cause each of its Subsidiaries to, maintain in full force and effect all governmental approvals (including any exchange control approvals), consents, licenses, permits, concessions and authorizations ("Governmental Authorizations") which may be necessary or appropriate for the conduct of its business (except where the failure to maintain any such approval, consent, license or authorization could not reasonably be expected to be adverse to the holders of the new notes in any material respect) or for the performance its obligations under the new notes and for the validity or enforceability thereof. The Issuer will, and, if applicable, will cause each of its Subsidiaries to, file all applications necessary for, and will use its reasonable best efforts to obtain, any additional Government Authorization as soon as possible after determination that such Government Authorization is required or appropriate for the Issuer or Subsidiary, as applicable, to conduct its business or to perform its obligations under the new notes or for the validity or enforceability thereof.

Payment of Obligations. The Issuer will, and will cause each of its Subsidiaries to, pay promptly (i) all taxes, assessments and other governmental charges imposed upon it or any of its property in respect of any of its franchises, businesses, income or profits before any penalty or interest accrues thereon, and (ii) all Indebtedness and other obligations or claims (including claims for labor, services, materials and supplies) for sums that have become due and payable in accordance with their terms and that by law have or might become a Lien upon its property, except (a) if the failure to make such payment has not had and would not reasonably be expected to be adverse to the holders of the new notes in any material respect or (b) if such charge or claim is being contested in good faith by appropriate provision promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as will be required by MFRS (or, in the case of Persons organized under laws of any other jurisdiction, the applicable GAAP therein) will have been made therefor.

Ranking; Priority. The Issuer will, and will cause each of the Subsidiary Guarantors to, promptly take all actions as may be necessary to ensure that its obligations under the new notes will at all times constitute direct, unconditional and general obligations thereof ranking at least equal in right of payment among themselves and with all existing and future senior secured Indebtedness of the Issuer, except such Indebtedness ranking senior by operation of law (and not by contract or agreement).

Compliance with Laws. (a) The Issuer will, and will cause each of its Subsidiaries to, comply in all respects with all applicable law, except (i) where the necessity of compliance therewith is contested in good faith by appropriate proceedings promptly initiated and diligently conducted and if such reserves or other appropriate provision, if any, as will be required by MFRS (or, in the case of Persons organized under laws of any other jurisdiction, the applicable GAAP therein) will have been made therefor or (ii) where any non-compliance could not reasonably be expected to be adverse to the holders of the new notes in any material respect.

Maintenance of Books and Records. The Issuer will, and will cause each of the Credit Group Subsidiaries organized under the laws of Mexico to, maintain books, accounts and other records in accordance with MFRS, and the Issuer will cause the Credit Group Subsidiaries organized under the laws of any other jurisdiction to maintain their books and records in accordance either with the GAAP of the applicable jurisdiction or MFRS.

Corporate Credit Rating. The Issuer will use commercially reasonable efforts to maintain public corporate credit ratings of the new notes from S&P or Moody's.

Hedging Policy. The Issuer will adopt and maintain in effect a policy governing the activities of the Issuer and its Subsidiaries with respect to Hedging Obligations, which will be approved by the Board of Directors of the Issuer (or by a committee duly delegated by such Board of Directors that is comprised of two or more members thereof). Pursuant to such policy, the Issuer will not, and will not permit any of its Subsidiaries to, enter into any Hedging Obligations other than Hedging Obligations entered into in the ordinary course of business consistent with past practice, consistent with industry practice, and not for speculative purposes, to hedge or mitigate risks to which the Issuer or its Subsidiaries is exposed in the conduct of its business or the management of its liabilities.

In addition, the Issuer will not, and will not permit any Restricted Subsidiary to, Incur any Hedging Obligations or any transaction under any Hedging Obligations, other than:

(a) commodity Hedging Obligations in respect of, and whose notional value (together with the notional value of all other Hedging Obligations in effect) will not exceed, 150% of the amount of such commodity used for operational purposes in the ordinary course of business of such Issuer or Restricted Subsidiary during the four Fiscal Quarters immediately preceding the date such commodity Hedging Obligation is Incurred;

(b) forward purchase contracts for dollars in respect of, and whose nominal value will not exceed, the interest payments required to be made by the Issuer or its Restricted Subsidiaries in dollars within the 365 days following the date of such currency hedge or future pursuant to Debt permitted to be Incurred under the covenant described in "—Negative Covenants—Limitation on Indebtedness"; and

(c) interest rate Hedging Obligations in respect of, and whose nominal value will not exceed, the interest payments required to be made by the Issuer or its Restricted Subsidiaries in the Average Life (as of the date of the Incurrence of such Hedging Obligation) of Indebtedness permitted to be Incurred under the covenant described in —Negative Covenants—Limitation on Indebtedness".

Further Assurances. The Issuer will, and will cause each of the Credit Group Subsidiaries to, at the Issuer's own cost and expense, execute and deliver to the Trustee, the Joint Collateral Agent, the Series A

Collateral Agent and the Reload Paying Agent, all such other documents, instruments and agreements and do all such other acts and things as may be reasonably required in the opinion of the applicable Trustee, the Joint Collateral Agent, the Series A Collateral Agent and the Reload Paying Agent or their respective counsel, as applicable, to enable the applicable Trustee, the Joint Collateral Agent, the Series A Collateral Agent and the Reload Paying Agent , as applicable to exercise and enforce its rights under, and to enable the applicable Trustee, the Joint Collateral Agent, the Series A Collateral Agent, the Reload Paying Agent, the Issuer or any of the Credit Group Subsidiaries, as applicable to carry out the intent of the Indentures, the Joint Collateral Documents or the Series A Collateral Documents, as applicable, and in order to grant, preserve, protect and perfect the validity and first priority of the security interests created or intended to be created by the Joint Collateral Documents and the Series A Collateral Documents, as applicable, including in each case (i) filing UCC and other financing statements, (ii) making payments of fees and other charges, (iii) issuing and, if necessary, filing or recording supplemental documentation, including continuation statements, (iv) discharging all claims or other Liens affecting the Joint Collateral or Series A Collateral, as applicable, in accordance with the terms of the Indentures, and (v) publishing or otherwise delivering notice to third parties.

Payments for Consent. Neither the Issuer nor any of its Restricted Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any holder of any Indebtedness for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of such Indebtedness or agree to forebear from exercising any rights or remedies thereunder if a consent, waiver or amendment of any terms or provisions of the Indentures, the Collateral Documents or the new notes or forebearance with respect thereto is being solicited substantially contemporaneously, unless that consideration is offered to be paid or agreed to be paid to all holders of the new notes which so consent, waive or agree to amend or forbear in the time frame set forth in solicitation documents relating to that consent, waiver, agreement or forbearance.

Maintenance of Current Ownership in Significant Subsidiaries. Other than as permitted under "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock" and "—Certain Covenants—Negative Covenants—Merger and Consolidation," the Issuer will, and will cause each of its Restricted Subsidiaries to, maintain at least its current ownership in any Significant Subsidiary.

Reports. The Issuer will make available to the Trustees, holders of the new notes and a password protected website to which the Trustees, holders of the new notes, prospective investors, broker-dealers, and securities analysts are given access no later than (a) 120 days following the end of each Fiscal Year, annual audited consolidated MFRS balance sheets, income statements, statements of changes in financial position and cash flow statements with comparison to prior year and a management's discussion and analysis of financial results; (b) 60 days following the end of each successive Fiscal Quarter beginning with the Fiscal Quarter ended immediately following the Issue Date, quarterly unaudited consolidated MFRS balance sheets, income statements and statements of changes in financial position with comparison to corresponding period in prior year and a management's discussion and analysis of financial results; and (c) periodic disclosure of material developments similar to those required of companies that are publicly traded in Mexico; *provided* that the annual and quarterly financial information provided in respect of clauses (a) and (b) above will include, without limitation, revenue, operating profit, EBITDA and calculation of Excess Cash Flow in respect of the Mexican Operations, in accordance with "—Excess Cash Flow Sweep" above (or sufficient information to allow calculation thereof); *provided, further*, that in lieu of a debt footnote, such financial information will include a debt summary for Mexico consolidated business operations. The Issuer will also make available to the Trustees, the holders of the new notes and on the password protected website separate CLH quarterly unaudited consolidated financial statements and separate annual CLH financial statements, including income statement, balance sheet and cash flow statements. In connection with the foregoing, the Indentures will not require the Issuer to comply with article 33 of section I of the *Disposiciones de Carácter General Aplicables a las Emisoras de Valores y a otros Participantes del Mercado de Valores* issued by the CNBV. The Issuer will also make available on the password protected website three years of complete audited financial statements for Mexico and U.S. consolidated business operations, including footnotes (except for the debt summary in lieu of the debt footnote as described above).

The Issuer will issue quarterly press releases through Business Wire and Bloomberg that will include (i) a description of the business during the quarter and (ii) the consolidated balance sheet, income statement and cash flow statement of each of the Issuer and CLH, in each case without footnotes. In addition, the Issuer will furnish to the holders of the new notes and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the new notes are not freely transferable under the Securities Act.

The Issuer will also deliver to the Trustees: (1) within five days after the date on which its financial statements are due in accordance with the foregoing, (A) an Officer's Certificate stating that the Issuer has complied with its obligations under the Indentures or, if there has been a Default, specifying the Default and its nature and status and (B) a list of all Significant Subsidiaries; and (2) as soon as possible and in any event within 10 days after the Issuer or any Credit Group Subsidiary becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Issuer proposes to take with respect thereto.

All reports will be made available to the Trustees and the holders of the new notes in English.

Upon the occurrence and during the continuation of any Event of Default, the Issuer will deliver to the Trustees, no later than ten Business Days after the end of each calendar month, a report containing the parties to, and balances of, each Intercompany Claim.

Defaults

An Event of Default is defined in the Indentures as

(i) a default in the payment of interest or any Additional Amounts on any of the new notes when due, continued for 30 days,

(ii) a default in the payment of principal of any of the new notes when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration of acceleration or otherwise,

(iii) the failure by the Issuer or any Restricted Subsidiary to comply with its obligations under: "—Certain Covenants—Negative Covenants—Merger and Consolidation", "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments," "—Limitation on Management Fees," "—Limitation on Sales of Assets and Subsidiary Stock—(b) Collateral Asset Sales", "—Limitation on Sales of Assets and Subsidiary Stock—(c) Events of Loss", "Limitations on Sales of Assets and Subsidiary Stock—(d) Replacement Collateral", "—Limitation on Affiliate Transactions," "—Limitation on Transactions with Non-Guarantor Subsidiaries", "—Limitation on Guarantees", "—Limitation on the Sale or Issuance of Capital Stock of Restricted Subsidiaries", "—Affirmative Covenants—After-Acquired Assets", "—Limitation on Intercompany Claims", and "—Future Guarantors" above,

(iv) the failure by the Issuer to comply for 30 days after either (A) written notice to the Issuer by the Trustee or the Issuer and the Trustee by the holders of 25% or more in aggregate principal amount of the new notes or (B) knowledge of the Issuer of its failure to comply with any of its obligations in the covenants described above under "Change of Control" (other than a failure to purchase notes covered under clause (ii) above) or under "—Certain Covenants—Negative Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries," "—Limitation on Sales of Assets and Subsidiary Stock—(a) Asset Dispositions" (other than a failure to purchase notes covered under clause (ii) above), "—Limitation on Indebtedness" or "—Limitation on Liens," "—Limitation on Sale/Leaseback Transactions," "—Reports", any obligations other than the redemption of principal in "—Excess Cash Flow" or "—No Impairment of Security Interests",

(v) the failure by the Issuer to comply for 60 days after written notice to the Issuer by the applicable Trustee or to the Issuer and applicable Trustee by 25% or more in aggregate principal amount of either series of the new notes with its other agreements contained in the applicable Indenture,

(vi) Indebtedness of the Issuer or any Significant Subsidiary is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated exceeds U.S.$15.0 million,

(vii) certain events of bankruptcy, insolvency or reorganization of the Issuer, any Restricted Subsidiary or Meter Co. (the "bankruptcy provisions"),

(viii) any final judgment or decree that can no longer be appealed for the payment of money in excess of U.S.$10.0 million is entered against the Issuer or any Significant Subsidiary remains outstanding for a period of 60 days following such judgment and is not discharged, waived or stayed within 10 days after notice (the "judgment default provision"),

(ix) a Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee or the Indentures), or a Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee,

(x) any repudiation by the Issuer or any Subsidiary party thereto of its obligations under the Collateral Documents or the unenforceability of any of the Collateral Documents against the Issuer or any Subsidiary party thereto for any reason, including the failure to enter into, execute, file or record any of the Collateral Documents within the allotted time period, relating to Collateral the aggregate value of which is in excess of U.S.$10 million,

(xi) failure by the Permitted Holders or their Permitted Designees to contribute any of the specified post-closing equity contributions within the time periods and in the amounts specified in, and otherwise in accordance with, the penultimate paragraph of "—Certain Covenants—Negative Covenants—Limitation on Management Fees,"

(xii) any governmental authority Expropriates all or a substantial portion of (x) the property of the Issuer and its Subsidiaries taken as a whole, (y) the common stock of the Issuer or (z) the Collateral; *provided* that, solely with respect to any Expropriation of any Collateral, an Event of Default will not be deemed to have occurred if the Issuer (1) pays to the Joint Collateral Agent or Series A Collateral Agent, as applicable, on behalf of the holders of the new notes the Net Available Cash (if any) received as a result of such Expropriation within five days of the receipt thereof, (2) identifies in a written notice to the applicable Trustee, within five days of such Expropriation, Replacement Collateral that will be pledged to the Joint Collateral Agent or Series A Collateral Agent, as applicable, on behalf of the holders of the new notes and is of equal or greater value than an amount equal to the difference between (x) the fair market value of the Collateral that was Expropriated and (y) the amount of Net Available Cash paid to the Joint Collateral Agent or Series A Collateral Agent, as applicable, on behalf of the holders of the new notes and (3) grants to the Joint Collateral Agent or Series A Collateral Agent, as applicable, for the benefit of the holders of the new notes a first-priority Lien (or, in the case of Liens pursuant to second-priority Industrial Mortgages, a second-priority Lien) on such Replacement Collateral within 30 days of such Expropriation,

(xiii) the failure, suspension, repudiation or unenforceability of any kind with respect to obligations set forth in "—Meter Reload Revenue and Royalties" and such failure, suspension, repudiation or unenforceability remains uncured for more than seven Business Days,

(xiv) (A) with respect to the Mortgages on the Real Property Collateral owned by the Issuer or any Collateral Group Subsidiary on the Issue Date,

(i) any such Mortgages are not filed with the applicable public registries of property within five calendar days of Issue Date,

(ii) any preventive notice fails to remain in effect until the Mortgage relating to such Real Property Collateral is filed in the applicable public registry of property unless a new preventive notice has been filed in respect of such Real Property Collateral, or

(iii) any Mortgage relating to any Real Property Collateral is not registered in the applicable public registries of property within 120 calendar days of the Issue Date,

(B) with respect to the Industrial Mortgages in respect of the Additional Long-Term Collateral (other than Other Capital Stock) owned by the Issuer or any Collateral Group Subsidiary on the Issue Date, any such Industrial Mortgages are not filed with the applicable public registries of property within five calendar days of Issue Date,

(C) with respect to the Mortgages on the Real Property Collateral acquired and owned by the Issuer or any Collateral Group Subsidiary after the Issue Date,

(i) any such Mortgages are not filed with the applicable public registries of property within fifteen calendar days of the date of acquisition of such after-acquired Real Property Collateral,

(ii) any preventive notice is not filed in respect of such after-acquired Real Property Collateral, if the Mortgage in respect thereof is not filed contemporaneously with the acquisition of such after-acquired Real Property Collateral,

(iii) any preventive notice referred to in clause (ii) fails to remain in effect until the Mortgage relating to such after-acquired Real Property Collateral is filed in the applicable public registry of property unless a new preventive notice has been filed in respect of such after-acquired Real Property Collateral, or

(iv) any Mortgage relating to any after-acquired Real Property Collateral is not registered in the applicable public registries of property within 120 calendar days of the date of acquisition of such after-acquired Real Property Collateral,

(D) with respect to the Industrial Mortgages on the Additional Long-Term Collateral (other than Other Capital Stock) acquired and owned by the Issuer or any Collateral Group Subsidiary after the Issue Date,

(i) any after-acquired Additional Long-Term Collateral is not automatically incorporated into the applicable Industrial Mortgage as provided in the respective Industrial Mortgage Agreement,

(ii) the Issuer and/or each Collateral Group Subsidiary does not notify the Joint Collateral Agent of after-acquired Additional Long-Term Collateral with an individual or aggregate value in excess of U.S.$100,000 each Fiscal Quarter or such notice is not ratified by a Mexican Notary Public and filed with the Mexican Registry of Movable Assets within 15 days of the end of such Fiscal Quarter,

(iii) the Issuer and/or each Collateral Group Subsidiary does not notify the Joint Collateral Agent of after-acquired Additional Long-Term Collateral with an individual value in excess of U.S.$250,000 on the date of such acquisition or such notice is not ratified by a Mexican Notary Public and filed with the Mexican Registry of Movable Assets within 15 days of such acquisition,

(E) with respect to any Issue Date Encumbered Asset for which all Issue Date Liens cease to exist, any filings with the applicable public registries of property to convert the second-priority Lien in favor of the Joint Collateral Agent on such Issue Date Encumbered Asset into a first-priority Lien are not filed within five calendar days of the Conversion Date of such Issue Date Encumbered Asset,

(F) evidence of the filing of any Mortgage on Real Property Collateral or any Industrial Mortgage on Additional Long-Term Collateral is not delivered to the Trustee or Joint Collateral Agent within five Business Days of such filing, or

(G) at any time, any previously perfected Liens created by Mortgages on Real Property Collateral or Industrial Mortgages on Additional Long Term Collateral (other than Other Capital Stock), ceases, or otherwise fails, to be perfected,

(xv) other than as set forth in clause (xiv), any Liens created by any Joint Collateral Documents (or, with respect to the Series A notes, the Series A Collateral Documents) on Collateral owned by the Issuer or any Collateral Group Subsidiary on the Issue Date fail to be perfected on the Issue Date or at any time thereafter, or any Liens created by any Joint Collateral Documents (or, with respect to the Series A notes, the Series A Collateral Documents) on Collateral acquired by the Issuer or any Collateral Group Subsidiary after the Issue Date fail to be perfected on the date of such acquisition or at any time thereafter,

(xvi) any third party files a preventive notice on the subject Real Property Collateral prior to the applicable Mortgage being registered in the applicable registries,

(xvii) any payment by the Issuer or any Subsidiary or any Affiliate thereof in respect of Holdout Debt, other than (A) as required by a final and non-appealable court order, judgment or decree by a court of competent jurisdiction, or (B) pursuant to a settlement in which a Holdout Creditor receives an amount of new notes equal to the amount such Holdout Creditor would have received pursuant to "—Principal, Maturity and Interest", or

(xviii) the occurrence of any of the foregoing Events of Default under either series of new notes.

If an Event of Default occurs and is continuing (other than a bankruptcy provision) with respect to a series of new notes, the applicable Trustee or the Voting Creditors holding at least 25% in aggregate principal amount of the new notes of any series then held by Voting Creditors, by written notice to the Issuer (and to the applicable Trustee if the notice is given by the holders), may, and the applicable Trustee at the request of such holders, will, declare the principal of and accrued interest on the new notes of both series to be immediately due and payable. Upon such a declaration, such principal, premium, if any, and interest will be due and payable immediately. If an Event of Default relating to a bankruptcy provision occurs and is continuing, the principal of, premium, if any, and accrued but unpaid interest on all the new notes will *ipso facto* become and be immediately due and payable without any declaration, notice or other act on the part of the Trustees or any holders of the new notes.

Under certain circumstances, the holders of a majority in principal amount of a series of the Outstanding new notes may rescind any such acceleration with respect to such series of new notes and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default under such series of new notes have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal that has become due otherwise than by such declaration of acceleration, has been paid; and

(4) if the Company has paid the applicable Trustee its reasonable compensation and reimbursed the applicable Trustee for its reasonable expenses, disbursements and advances.

No rescission will affect any subsequent Default or impair any rights relating thereto.

Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder of a new note may pursue any remedy with respect to the Indentures or the new notes unless (i) such holder has previously given the applicable Trustee notice that an Event of Default is continuing, (ii) holders of at least 25% in principal amount of such series new notes have requested the Trustee to pursue the remedy, (iii) such holders have offered the applicable Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the applicable Trustee has not complied with such request within 30 days after the receipt thereof and the offer of security or indemnity and (v) the holders of a majority in principal amount of such series of Outstanding new notes have not given the applicable Trustee a direction inconsistent with such request within such 30-day period; *provided* that each holder of the new notes, or Series A notes, will have the right to participate either individually or through the Trustee in any receivership, insolvency, liquidation, bankruptcy, reorganization, *concurso mercantil*, arrangement, adjustment, composition, or other judicial proceeding relative to the Issuer or any subsidiary or their respective property, to the extent such participation is permissible under applicable law, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same. Subject to certain restrictions, the holders of a majority in Outstanding principal amount of a series of new notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the applicable Trustee or of exercising any trust or power conferred on the applicable Trustee. The applicable Trustee, however, may refuse to follow any direction that conflicts with law or the applicable Indenture or that the applicable Trustee determines is unduly prejudicial to the rights of any other holder of a new note of such series or that would involve the applicable Trustee in personal liability.

The Indentures provide that if a Default occurs and is continuing and is known to the applicable Trustee, the applicable Trustee must mail to each holder of the applicable series of new notes notice of the Default within 60 days after it occurs. Except in the case of a Default in the payment of principal of or interest on any note, the applicable Trustee may withhold notice if and so long as a committee of its trust officers determines that withholding notice is in the interest of the holders of the new notes. In addition, the Issuer is required to deliver to the applicable Trustee, within 120 days after the end of each Fiscal Year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the applicable Trustee, within ten days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

Satisfaction and Discharge

The applicable Indenture will cease to be of further effect (except as to certain matters expressly provided for in the applicable Indenture) as to all Outstanding new notes of a series, when (i) either (a) all such new notes theretofore authenticated and delivered (except lost, stolen or destroyed new notes that have been replaced or paid) have been delivered to the applicable Trustee for cancellation and the Issuer has paid all sums payable by it thereunder or (b) all such new notes not theretofore delivered to the applicable Trustee for cancellation have become due and payable or will become due and payable at their Stated

Maturity within one year or will be called for redemption within one year and the Issuer has irrevocably deposited or caused to be deposited with the applicable Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on such series of new notes not theretofore delivered to the applicable Trustee for cancellation, for principal of, premium, if any, and interest to the date of deposit (in the case of new notes that have become due and payable) or to the date such new notes will become due and payable or to the date of redemption, as the case may be (in the case of new notes that will become due and payable at their Stated Maturity within one year or that will be called for redemption within one year); (ii) the Issuer has paid all other sums payable under the applicable Indenture and Joint Collateral Documents (and, if applicable, Series A Collateral Documents) by the Issuer; and (iii) the Issuer has delivered to the applicable Trustee an Officers' Certificate and an Opinion of Counsel each stating (and such statements will be true) that all conditions precedent under the applicable Indenture relating to the satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the applicable Indenture or any other material agreement or instrument (which, in the case of the Opinion of Counsel, would be any other material agreement or instrument known to such counsel after due inquiry) to which the Issuer is a party or by which it is bound.

Amendments and Waivers

Subject to certain exceptions, including exceptions with respect to collateral, each Indenture may be amended with the consent of the holders of at least a majority in Outstanding principal amount of the applicable new notes then Outstanding (including, without limitation, consents obtained in connection with a tender offer or exchange for such new notes) and any past or existing default or compliance with any provisions may also be waived with the consent of the holders of a majority in Outstanding principal amount of each series of new notes then Outstanding. However, without the consent of each holder of a series of Outstanding new notes affected thereby, no amendment or waiver may, among other things,

(i) reduce the principal amount of such new notes whose holders must consent to an amendment or waiver,

(ii) reduce the rate of or change the time for payment of interest on any such new note,

(iii) reduce the principal of or change the Stated Maturity of any such new note,

(iv) reduce the amount payable upon the redemption or required amortization of any such new note or change the time at which any such new note may or is required to be redeemed or early amortized,

(v) waive an Event of Default in the payment of principal of or premium, if any, or interest on such series of new notes (except a rescission of acceleration of such series of new notes by the holders of at least a majority in aggregate Outstanding principal amount of such series of new notes),

(vi) make any new note of such series payable in money other than that stated in such new note,

(vii) impair the right of any holder of such series of new notes to receive payment of principal of and interest on such holder's new notes of such series on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's new notes of such series,

(viii) make any change in the amendment provisions which require each holder's consent or in the waiver provisions,

(ix) make any change in any Subsidiary Guarantee that would adversely affect the holders of such series of new notes,

(x) terminate, or deprive any holder of the new notes of the benefit of, the Liens of the Joint Collateral Documents on all or substantially all of the Joint Collateral, other than to the extent expressly permitted by the Indentures or the Joint Collateral Documents,

(xi) make any change in the provisions of the Indentures described under the "—Additional Amounts" that adversely affects the rights of any holder of such series of new notes or amend the terms of such new notes or the applicable Indenture in a way that would result in the loss of an exemption from any of the Taxes described thereunder,

(xii) make any change in the provisions of the applicable Indenture or the Intercompany Revolving Agreement that would adversely affect the subordination of the Intercompany Claims,

(xiii) provide that any such new notes will be issued only in certificated form or for any restrictions upon the transfer of such new notes (other than those existing on the Issue Date),

(xiv) change the definition of "Voting Creditors" or "Outstanding",

(xv) change the governing law, submission to jurisdiction, appointment of a process agent or similar provisions,

(xvi) waive a redemption payment or early amortization payment with respect to any new note of such series,

(xvii) after the time an Offer to Purchase is required to have been made, reduce the purchase amount or purchase price, or extend the latest expiration date or purchase date thereunder,

(xviii) modify any prepayment, required amortization, redemption or Offer to Purchase provision in a manner that alters the *pro rata* sharing of payments or *pro rata* nature of the Offer to Purchase required thereby, or

(xix) modify or change any provision affecting the ranking of the new notes, or any relevant Subsidiary Guaranty in a manner adverse to the holders of the new notes or waive or amend any provision requiring that the new notes rank *pari passu* with all other senior secured debt of the Company;

In addition, without the consent of each holder of an Outstanding Series A note affected thereby, no amendment or waiver may terminate, or deprive any holder of the Series A notes of the benefit of, the Liens created by the Series A Collateral Documents, other than to the extent expressly permitted by the Indenture to the Series A Collateral Documents.

Without the consent of any holder of a series of new notes, the Issuer, the Subsidiary Guarantors and the Trustee may amend the applicable Indenture to (i) cure any ambiguity, omission, defect or inconsistency; (ii) provide for the assumption by a successor corporation or other legal entity of the obligations of the Issuer under such Indenture; (iii) make any change that would provide any additional rights or benefits to the holders of all new notes, including, but not limited to adding guarantees with respect to all new notes, securing all new notes, adding to the covenants of the Issuer for the benefit of the holders of all new notes or surrendering any right or power conferred upon the Issuer or to make any

change that does not adversely affect the rights of any holder of all new notes; (iv) evidence and provide for the acceptance of appointment by a successor trustee, successor Joint Collateral Agent or successor Series A Collateral Agent; or (v) conform the text of the applicable Indenture or any new notes to any provision of this "Description of the New Notes".

The consent of the holders of a new note is not necessary under the Indentures to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under either Indenture becomes effective, the Issuer is required to promptly mail to holders of all of the new notes a notice briefly describing such amendment. However, the failure to give such notice to all holders of the new notes, or any defect therein, will not impair or affect the validity of the amendment.

Defeasance

The Issuer at its option at any time may terminate all its obligations under both series of new notes and the applicable Indenture and have all obligations of the Subsidiary Guarantors in respect of the new notes discharged with respect to their Subsidiary Guarantees ("legal defeasance"), except for certain obligations, including those with respect to the defeasance trust and obligations to register the transfer or exchange of new notes, to replace mutilated, destroyed, lost or stolen new notes and to maintain a registrar and paying agent in respect of the new notes. The Issuer at any time may terminate its obligations under either Indenture under "—Change of Control" and under the covenants described under "—Certain Covenants" (other than the covenant described under "—Negative Covenants—Merger and Consolidation"), the operation of the cross acceleration provision, the bankruptcy provisions with respect to Restricted Subsidiaries and CLH and the judgment default provision described under "—Defaults" above and the limitations contained in clauses (iii) and (iv) under "—Certain Covenants—Negative Covenants—Merger and Consolidation" above ("covenant defeasance").

The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the new notes may not be accelerated because of an Event of Default with respect thereto. If the Issuer exercises its covenant defeasance option, payment of the new notes may not be accelerated because of an Event of Default specified in clause (iv), (v), (vi), (vii) (with respect only to Significant Subsidiaries) or (viii) under "—Defaults" above or because of the failure of the Issuer to comply with clause (iii) or (iv) under "—Certain Covenants—Negative Covenants—Merger and Consolidation" above. If the Issuer exercises its legal defeasance option or its covenant defeasance option, each Subsidiary Guarantor will be released from all of its obligations with respect to its Subsidiary Guarantee, as the case may be.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee money or U.S. Government Obligations for the payment of principal and interest, and Additional Amounts, if any, on the new notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the applicable Trustee of (i) an Opinion of Counsel to the effect that holders of the new notes will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts 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, in the case of legal defeasance only, such Opinion of Counsel must be based on a ruling of the Internal Revenue Service or other change in applicable Federal income tax law) and (ii) an Opinion of Counsel in Mexico to the effect that (A) holders of the new notes will not recognize income, gain or loss for Mexican tax purposes as a result of such legal defeasance or covenant defeasance, as applicable, and will be subject to Mexican Taxes, in the same manner and at the same times as would have been the case if such legal defeasance or covenant defeasance, as applicable, had not occurred, and (B) payments from the defeasance trust will be made free and clear of, and without withholding or deduction for or on account of any present or future Taxes imposed, levied, collected, withheld or assessed by Mexico or any political subdivision or governmental authority thereof or therein having power to tax.

Unclaimed Amounts

Any moneys deposited with the applicable Trustee or any paying agent or held by the Issuer in trust for the payment of principal or interest on any new note, that remains unclaimed for two years after such principal or interest has become due and payable, will be paid to the Issuer upon its written request or, if held by the Issuer, will be discharged from such trust. The holder of such new note will thereafter, as a secured general creditor, look only to the Issuer for payment thereof.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee or shareholder of the Issuer, any Subsidiary Guarantor (other than the Issuer), as such, will have any liability for any obligations of the Issuer under the new notes, the Indentures or the Subsidiary Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes, by accepting a note, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the new notes.

Concerning the Trustee

U.S. Bank National Association is to be the Trustee under both of the Indentures and has been appointed by the Issuer as Registrar and Paying Agent with regard to both series of the new notes.

Each Indenture contains certain limitations on the rights of the applicable Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. Each Trustee will be permitted to engage in other transactions; *provided, however*, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

The Voting Creditors that are holders of a majority in principal amount of each series of the then Outstanding new notes held by Voting Creditors will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy in respect of such series of new notes available to the applicable Trustee (other than any remedy in respect of the Joint Collateral, or in the case of the Series A notes, the Series A Collateral), subject to certain exceptions. Each Indenture provides that if an Event of Default occurs (and is not cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of its own affairs. Subject to such provisions, the applicable Trustee will be under no obligation to exercise any of its rights or powers under the applicable Indenture at the request of any holder of such series of new notes, unless such holder will have offered to the applicable Trustee security and indemnity satisfactory to it against any loss, liability or expense and then only to the extent required by the terms of the applicable Indenture.

Listing

Application has been made to list the new notes on the Official List of the Luxembourg Stock Exchange and to admit the new notes to trading on the Euro MTF. In the event that the new notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF, the Issuer will use its reasonable best efforts to maintain such listing and trading.

Governing Law

Each Indenture provides that it and the new notes will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application would be of the law of another jurisdiction required thereby.

Enforceability of Judgments

Since most of the operating assets of the Issuer and its Subsidiaries are outside the United States, any judgment obtained in the United States against the Issuer or a Subsidiary, including judgments with respect

to the payment of principal, interest, Additional Amounts, redemption price and any purchase price with respect to the new notes, may not be collectible within the United States.

Under the Mexican Monetary Law, in the event that proceedings were brought in Mexico seeking to enforce in Mexico the obligations of the Issuer, any Subsidiary Guarantors under the new notes, the Issuer or the Subsidiary Guarantors would not be required to discharge such obligations in Mexico in a currency other than Mexican currency. According to such law, an obligation in a currency other than Mexican currency, which is payable in Mexico, may be satisfied in Pesos at the rate of exchange in effect on the date and in the place payment occurs. Such rate is currently determined by the Mexican Central Bank every business banking day in Mexico, published the second following business banking day in the Official Gazette of the Federation.

Currency Indemnity

U.S. dollars are the sole currency of account and payment for all sums payable by the Issuer or the Subsidiary Guarantors under or in connection with the new notes, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer or the Subsidiary Guarantors or otherwise) by any holder of a new note in respect of any sum expressed to be due to it from the Issuer or the Subsidiary Guarantors will constitute a discharge to the Issuer, or the Subsidiary Guarantors only to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient under any new note, the Issuer or the Subsidiary Guarantors will indemnify the recipient against any loss sustained by it as a result. In any event, the Issuer or the Subsidiary Guarantors will indemnify the recipient against the cost of making any such purchase. For the purposes of this paragraph, it will be sufficient for the holder of a new note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received or recovered in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Issuer or the Subsidiary Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a new note and will constitute in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any new note.

Consent to Jurisdiction and Service

Each Indenture will provide that the Issuer and each Subsidiary Guarantor will appoint CT Corporation Systems as its agent for actions brought under Federal or state securities laws, each Indenture, the Joint Collateral Documents and the Series A Collateral Documents, as applicable, and each new note in any Federal or state court located in the State of New York, County of New York and will submit to such jurisdiction.

Book Entry; Delivery and Form

Each of the new notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the "Global Notes").

Each Global Note will be deposited upon issuance with the applicable Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, S.A. Luxembourg ("Clearstream").

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for new notes in certificated form except in the limited circumstances described below under "—Exchange of Book-Entry Notes for Certificated Notes."

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

No service charge will be imposed in connection with any transfer or exchange of any New Note, but the Company may in general require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

Depositary Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the systems or their participants directly to discuss these matters.

DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "Participants") and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC's records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the designated accounts of Participants with portions of the principal amount of the Global Notes; and

- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream) that are Participants or Indirect Participants in such system. Euroclear and Clearstream will hold interests in the new notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank, S.A./N.V., as operator of Euroclear, and Clearstream. The depositaries, in turn, will hold interests in the new notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in a Global Note, including those held through Euroclear or Clearstream, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream will also be subject to the procedures and requirements of these systems. The laws of some states require that

certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the new notes, see "—Exchange of Book-Entry Notes for Certificated Notes."

Except as described below, owners of interests in the Global Notes will not have new notes registered in their names, will not receive physical delivery of new notes in certificated form and will not be considered the registered owners or holders thereof under the Indentures for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the trustee (or the Paying Agents if other than the trustee) to DTC in its capacity as the registered holder under the applicable Indenture. The Issuer and the applicable Trustee will treat the persons in whose names the new notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, none of the Issuer, the applicable Trustee or any agent of the Issuer or such Trustee has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

The Issuer understands that its current practice, upon receipt of any payment in respect of securities such as the new notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of new notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the applicable Trustee or the Issuer. Neither the Issuer nor the applicable Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the new notes, and the Issuer and the applicable Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Transfers between Participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Central European time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement

requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a Business Day for Euroclear and Clearstream) immediately following the settlement date of DTC. The Issuer understands that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day for Euroclear or Clearstream following DTC's settlement date.

The Issuer understands that it will take any action permitted to be taken by a holder of new notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the new notes as to which such Participant or Participants has or have given such direction.

DTC, Euroclear and Clearstream are under no obligation to perform or to continue to perform the foregoing procedures to facilitate transfers of interests in the Global Notes, and the procedures may be discontinued at any time. Neither the Company nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream and their book-entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Exchange of Book-Entry Notes for Certificated Notes

The Global Notes are exchangeable for certificated notes in definitive, fully registered form without interest coupons (the "Certificated Notes") only in the following limited circumstances:

- DTC notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depositary, and in each ease the Issuer fails to appoint a successor depositary within 90 days of such notice;

- the Issuer notifies the applicable Trustee in writing that the Global Notes shall be so exchangeable; or

- if there shall have occurred and be continuing an Event of Default with respect to the new notes and the applicable Trustee has received a request from DTC.

In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

Certain Definitions

"*12% Commercial Paper*" means the certain 12% commercial paper issued by the Issuer with a principal amount outstanding of U.S.$15,000,000.

"*2016 Notes*" means 11.5% Senior Secured Notes due 2016 with a principal amount outstanding of U.S.$200,000,000 pursuant to an indenture dated as of November 13, 2006, entered into by and among the Issuer, the guarantors named therein and The Bank of New York, as trustee.

"*9.75% Commercial Paper*" means the certain 9.75% commercial paper issued by the Issuer with a principal amount outstanding of U.S.$9,500,000.

"*Additional Assets*" means (i) any property or assets (other than Indebtedness and Capital Stock) in a Related Business, (ii) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or another Restricted Subsidiary or (iii) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary; *provided, however*, that any such Restricted Subsidiary described in clause (ii) or (iii) above is primarily engaged in a Related Business.

"*Adjusted Copper Debt Base Amount*" means the applicable Copper Debt Base Amount, less the portion of Agreed Costs (as defined under the definition of "Copper Debt" below) attributed to the holder of such Copper Debt.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the avoidance of doubt, any (i) directors and officers of the Issuer or any Credit Group Subsidiary, (ii) any shareholder of the Issuer or any Credit Group Subsidiary and (iii) any spouse or relative (by blood or otherwise to the fourth degree of consanguinity), trust or other similar legal entity created for the benefit of any Affiliate or the estate of any of the foregoing shall be considered an Affiliate of the Issuer or such Credit Group Subsidiary.

"*Asset Disposition*" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Issuer or any Restricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of

(i) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Issuer or a Restricted Subsidiary), or

(ii) the assets of the Issuer or any Restricted Subsidiary

(other than, in the case of (i) and (ii) above, (1) the sale of inventory for value to a third party by the Issuer or a Restricted Subsidiary in the ordinary course of business, (2) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary (*provided*, in the case of dispositions from the Issuer or a Subsidiary Guarantor to a Restricted Subsidiary that is not a Subsidiary Guarantor, that such disposition complies with "—Limitation on Transactions with Non-Guarantor Subsidiaries"), (3) for purposes of the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock" only, a disposition that constitutes a Restricted Payment permitted by the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments", (4) a disposition prior to June 30, 2012 of any obsolete inventory with a fair market value of less than U.S.$2.0 million (or the equivalent in other currencies), (5) a disposition of any other individual asset with a fair market value of less than U.S.$1.0 million (or the equivalent in other currencies) (*provided* that such disposition, when taken together with any other disposition of assets with a fair market value of less than U.S.$1.0 million (or the equivalent in other currencies) or any disposition pursuant to clause (4) above, within the preceding twelve calendar months, does not cause the aggregate fair market value of all assets disposed of within the preceding twelve calendar months in reliance on the exclusion in this clause (5) to exceed U.S.$2.0 million (or the equivalent in other currencies)), (6) to the extent permitted by the covenant described under "—Merger and Consolidation," or (7) a Collateral Asset Sale.

"*Asset Sale Transaction*" means any Asset Disposition or Collateral Asset Sale.

"*Attributable Debt*" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the new notes, compounded annually) 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), determined in accordance with MFRS.

"*Auditor*" means any of PricewaterhouseCoopers, Deloitte, Ernst & Young or KPMG, to be chosen by the Issuer.

"*Average Life*" means, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (i) the sum of the products of numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (ii) the sum of all such payments.

"*Board of Directors*" means the Board of Directors of the Issuer or any committee thereof, if duly authorized to act under the Issuer's organizational documents including with respect to the Indentures.

"*BOFA Facility*" means the Third Amended and Restated Loan and Security Agreement dated as of May 10, 2006 among Cambridge Lee Industries, as borrower, and Bank of America N.A., as agent and lender, as amended.

"*Business Day*" means any day other than a Saturday or Sunday, or a day on which banking institutions in The City of New York or Mexico City are authorized or required by law, regulation or executive order to remain closed.

"*Cambridge-Lee Industries*" means Cambridge-Lee Industries, LLC and its successors and assigns.

"*Capital Lease Obligations*" means an obligation that is required to be classified and accounted for as a capital lease for financial reporting purposes in accordance with MFRS (or in the case of a Capital Lease Obligation of a Person organized under a jurisdiction other than Mexico, the applicable GAAP), and the amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation determined in accordance with MFRS (or applicable GAAP); and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty.

"*Capital Stock*" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) equity of such Person, including any Preferred Stock.

"*Cash Flow from Operations*" means "Income from Operations" as set forth on the Company's consolidated statement of income as determined in accordance with MFRS.

"*CLH*" means Cambridge-Lee Holdings, Inc. and successors and assigns.

"*CLH Eagle Asset Sale*" means the sale of property and equipment from the Eagle Plant to any of the CLH Entities, *provided that* (i) the sale is on arm's length terms and fair to the CLH Entities, on one hand, and the Issuer and its Affiliates, on the other hand, and 100% of the consideration paid by the CLH Entities is in the form of cash or cash equivalents (ii) the costs to the Issuer or any Subsidiary Guarantor of disassembly, transport and reassembly of the Eagle Plant shall not exceed, in the aggregate, U.S.$2.5 million, (iii) none of the Issuer or any Subsidiary Guarantor is required to contribute cash to the sale except as set forth in clause (ii) above, (iv) any cash proceeds other than those received and applied to the disassembly, transport and reassembly of the Eagle Asset Plant (not to exceed U.S.$2.5 million) are applied to repay Indebtedness secured by a Lien on the property and equipment from the Eagle Plant, and thereafter in accordance with –"*Collateral Asset Sales*" and (v) the Permitted Holders or their Permitted

Designees receive no proceeds from the sale and are not paid for any services associated with the Eagle Plant. For the avoidance of doubt, notwithstanding the foregoing, the Issuer and any Subsidiary Guarantors shall not, in the aggregate, pay more than U.S.$2.5 million for costs and expenses of disassembly, transport and reassembly of the Eagle Plant assets, and any such costs and expenses incurred above U.S.$2.5 million shall be paid by the CLH Entity purchasers.

"*CLH Entities*" means CLH and its direct and indirect Subsidiaries and their respective successors and assigns.

"*CLH Excess Cash Flow"* means, in respect of any Fiscal Year or Fiscal Quarter, without duplication, (i) the aggregate amount of EBITDA of the CLH Entities minus (ii) Permitted Capital Expenditures paid in cash in respect of the CLH Entities, minus (iii) cash taxes paid in respect of the CLH Entities, minus (iv) interest, amortization and other payments made in cash in respect of Scheduled Permitted Indebtedness and Indebtedness Incurred by the CLH Entities pursuant to clause (b)(1) under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness," plus (v) the net proceeds of disbursements under any Indebtedness Incurred by the CLH Entities pursuant to clause (b)(1) under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness".

"*CLH Leverage Ratio*" means, on any date of determination (the "transaction date"), the ratio of:

(x) Indebtedness (on a consolidated basis) of CLH and its Restricted Subsidiaries, to

(y) the aggregate amount of EBITDA of CLH and its Restricted Subsidiaries (on a consolidated basis) for the four Fiscal Quarters immediately prior to the transaction date for which internal consolidated financial statements are available (the "reference period");

provided that

(1) any Indebtedness that is repaid or redeemed on the transaction date will be excluded;

(2) pro forma effect will be given to:

(A) the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries of CLH,

(B) the acquisition or disposition of companies, divisions or lines of businesses by CLH and its Restricted Subsidiaries, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Restricted Subsidiary after the beginning of the reference period, and

(C) the discontinuation of any discontinued operations

, in each case, that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be based upon the most recent four full Fiscal Quarters for which the relevant financial information is available.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Collateral Asset Sale*" means any disposition of any Collateral, or a series of related dispositions by the Issuer or any of its Subsidiaries involving the Collateral, other than (i) the sale for fair market value of machinery, equipment, furniture, apparatus, tools or implements or other similar property that may be defective or may have become worn out or obsolete or no longer used or useful in the operations of the

Issuer; *provided* that the fair market value of any individual item of machinery, equipment, furniture, apparatus, tools or implements or other similar property sold does not exceed US$500,000 (or the equivalent in other currencies); *provided* that such sales, when taken together with any other disposition of machinery, equipment, furniture, apparatus, tools or implements or other similar property in reliance on the exclusion provided in this clause (i) within the preceding twelve calendar months, do not cause the aggregate fair market value of all machinery, equipment, furniture, apparatus, tools or implements or other similar property disposed of in reliance on the exclusion in this clause (i) within the preceding twelve calendar months to exceed U.S.$2.0 million (or the equivalent in other currencies) or (ii) a disposition of Collateral by the Issuer to a Collateral Group Subsidiary or by a Collateral Group Subsidiary to the Issuer or to another Collateral Group Subsidiary; *provided* that in the case of this clause (ii) the Lien on such Collateral created by the Joint Collateral Documents or Series A Collateral Documents, as the case may be, continues to be perfected immediately following such disposition. A Collateral Asset Sale will not include an Event of Loss or a disposition of ordinary cash dividends or distributions in respect of Series A Collateral or Mexican Subsidiary Stock Collateral.

"*Collateral Permitted Liens*" means any of the following:

(i) pledges or deposits by such Person under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review;

(iii) Liens for taxes, assessments or governmental charges or claims that are not yet subject to penalties for non-payment or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with MFRS or, in the case of a Person organized under the laws of a jurisdiction other than Mexico, GAAP has been made therefor;

(iv) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided, however*, that such letters of credit do not constitute Indebtedness;

(v) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not Incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(vi) Liens securing Purchase Money Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, property of such Person and in accordance with the clause (b)(10) of the

covenant in "—Certain Covenants—Negative Covenants—Limitation on Indebtedness"; *provided, however*, that the Lien be (a) limited to the property being improved, (b) limited to the extent of such improvement, and (c) the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(vii) Liens existing on the Issue Date and set forth on a schedule to the Indentures;

(viii) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods; and

(ix) Liens created pursuant to the Collateral Documents, including Liens thereon securing the new notes and the Subsidiary Guarantees.

"*Consolidated Coverage Ratio*" as of any date of determination means the ratio of (i) the aggregate amount of EBITDA for the period of the most recent four consecutive Fiscal Quarters ending at least 45 days prior to the date of such determination to (ii) Consolidated Interest Expense for such four Fiscal Quarters; *provided, however*, that (1) if the Issuer or any Restricted Subsidiary has Incurred any Indebtedness since the beginning of such period that remains outstanding or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, or both, EBITDA and Consolidated Interest Expense for such period will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period and the discharge of any other Indebtedness actually repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Indebtedness as if such discharge had occurred on the first day of such period, (2) if the Issuer or any Restricted Subsidiary has repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period, or if any Indebtedness is actually repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Coverage Ratio, EBITDA and Consolidated Interest Expense for such period will be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary has not earned the interest income actually earned during such period in respect of cash or Temporary Cash Investments used to repay, repurchase, defease or otherwise discharge such Indebtedness, (3) if since the beginning of such period the Issuer or any Restricted Subsidiary will have made any Asset Sale Transaction, the EBITDA for such period will be reduced by an amount equal to the EBITDA (if positive) directly attributable to the assets which are the subject of such Asset Sale Transaction for such period, or increased by an amount equal to the EBITDA (if negative), directly attributable thereto for such period and Consolidated Interest Expense for such period will be reduced by an amount equal to the Consolidated Interest Expense directly attributable to any Indebtedness of the Issuer or any Restricted Subsidiary actually repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and its continuing Restricted Subsidiaries in connection with such Asset Sale Transaction for such period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Issuer and its continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such sale), (4) if since the beginning of such period the Issuer or any Restricted Subsidiary (by merger or otherwise) will have made an Investment in any Restricted Subsidiary (or any person which becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction requiring a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, EBITDA and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such Investment or acquisition occurred on the first day of such period, (5) if since the beginning of such period any Person (that

subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) will have made any Asset Sale Transaction, any Investment or acquisition of assets that would have required an adjustment pursuant to clause (3) or (4) above if made by the Issuer or a Restricted Subsidiary during such period, EBITDA and Consolidated Interest Expense for such period will be calculated after giving pro forma effect thereto as if such Asset Sale Transaction, Investment or acquisition occurred on the first day of such period and (6) if since the beginning of such period any operations of the Issuer or a Restricted Subsidiary are discontinued, EBITDA and Consolidated Interest Expense will be calculated after giving pro forma effect thereto (including the Incurrence of any Indebtedness) as if such discontinuance had occurred on the first day of such period. For purposes of this definition, whenever pro forma effect is to be given to an acquisition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred in connection therewith, the pro forma calculations will be determined in good faith by a responsible financial or accounting Officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest of such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months).

"*Consolidated Interest Expense*" means, for any period, the total interest expense of the Issuer and its consolidated Restricted Subsidiaries, plus, to the extent not included in such total interest expense, and to the extent incurred by the Issuer or its Restricted Subsidiaries, without duplication,

(i) interest expense attributable to capital leases and the interest expense attributable to leases constituting part of a Sale/Leaseback Transaction,

(ii) amortization of debt discount and debt issuance cost,

(iii) capitalized interest,

(iv) non-cash interest expenses,

(v) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing,

(vi) net costs associated with Interest Rate Agreements (including amortization of fees),

(vii) cash dividends in respect of all Preferred Stock held by Persons other than the Issuer or a Wholly Owned Subsidiary,

(viii) interest incurred in connection with Investments in discontinued operations,

(ix) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is Guaranteed by (or secured by the assets of) the Issuer or any Restricted Subsidiary,

(x) the cash contributions to any employee stock ownership plan or similar trust to the extent such contributions are used by such plan or trust to pay interest or fees to any Person (other than the Issuer) in connection with Indebtedness Incurred by such plan or trust to pay interest or fees to any Person (other than the Issuer) in connection with Indebtedness Incurred by such plan or trust and

(xi) Taxes payable in respect of payments on the new notes, in each case, as determined in conformity with MFRS consistently applied.

"*Consolidated Leverage Ratio*" means, on any date of determination (the "transaction date"), the ratio of:

(x) Indebtedness (on a consolidated basis) of the Issuer and the Restricted Subsidiaries, to

(y) the aggregate amount of EBITDA of the Issuer and the Restricted Subsidiaries (on a consolidated basis) for the four Fiscal Quarters immediately prior to the transaction date for which internal consolidated financial statements are available (the "reference period");

provided that

(1) any Indebtedness that is repaid or redeemed on the transaction date will be excluded;

(2) pro forma effect will be given to:

(A) the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries,

(B) the acquisition or disposition of companies, divisions or lines of businesses by the Issuer and the Restricted Subsidiaries, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Restricted Subsidiary after the beginning of the reference period, and

(C) the discontinuation of any discontinued operations,

in each case, that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be based upon the most recent four full Fiscal Quarters for which the relevant financial information is available.

"*Consolidated Net Income*" means, for any period, and with respect to any Person (the "Specified Person"), the net income of the Specified Person and its consolidated Subsidiaries, as determined in conformity with MFRS consistently applied; *provided, however*, that there will not be included in such Consolidated Net Income:

(i) any net income of any Person (other than the Specified Person) if such Person is not a Restricted Subsidiary of such Person, except that subject to the exclusion contained in clause (iii) below, the Specified Person's equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Specified Person or a Restricted Subsidiary of such Specified Person as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary of such Specified Person, to the limitations contained in clause (iii) below);

(ii) any net income of any Restricted Subsidiary of a Specified Person if such Restricted Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Specified Person and such restrictions are permitted by the covenant described in "Covenants—Negative Covenants—Restrictions on Limitations on Distributions from Restricted Subsidiaries", except that (A) subject to the exclusion contained in clause (iii) below, the Specified Person's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the

aggregate amount of cash actually distributed by such Restricted Subsidiary during such period to such Specified Person or another Restricted Subsidiary of such Specified Person as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to another Restricted Subsidiary of such Specified Person, to the limitation contained in this clause) (B) the Specified Person's equity in a net loss of any such Restricted Subsidiary for such period will be included in determining such Consolidated Net Income and (C) in the case of Cambridge Lee and UCI, an aggregate amount not exceeding the amount permitted under Subsidiary Credit Facilities will be included in such Consolidated Net Income;

(iii) any net after-tax gain (or loss) realized upon the sale or other disposition of any assets of the Specified Person, its consolidated Subsidiaries or any other Person (including pursuant to any sale-and-leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain (or loss) realized upon the sale or other disposition of any Capital Stock of any Person;

(iv) net after-tax extraordinary gains or losses; and

(v) the cumulative effect of a change in accounting principles.

Notwithstanding the foregoing, for the purposes of the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments" only, there will be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries to the Specified Person or a Restricted Subsidiary of such Specified Person to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such covenant pursuant to clause (a)(3)(D) thereof.

"*Consolidated Tangible Assets*" means, for any Person at any time, the total consolidated assets of such person and its Restricted Subsidiaries as set forth on the balance sheet as of the most recent fiscal quarter of such person, prepared in accordance with GAAP, less Intangible Assets.

"*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of Voting Stock or other ability to exercise voting power, by contract or otherwise. The terms "controlling" and "controlled" have meanings correlative thereto.

"*Copper Debt*" means (i) (1) U.S.$145,696,154.54 aggregate principal amount of the promissory notes (*pagarés*) (the "Copper Debt Notes") issued pursuant to (A) that certain Amended and Restated Copper Cathode Sale Agreement, executed on August 1, 2009 and dated as of June 25, 2008, by and among Gerald Metals LLC, successor-in-interest to Gerald Metals, Inc. ("Gerald"), IUSA, S.A. de C.V. and the Issuer, as amended, including all annexes and exhibits thereto, and the guarantee issued by the Issuer in respect thereof, and (B) the Copper Cathode Sale Agreement, dated as of June 30, 2009, by and among Gerald, IUSA, S.A. de C.V. and the Issuer, as amended, including all annexes and exhibits thereto, and the guarantees issued by the Issuer and IUSA, S.A. de C.V. in respect thereof (together, the "Copper Contracts") (each of which such promissory note (*pagaré*), for the avoidance of doubt, includes any Copper Debt Note that was originally issued in connection with any such Copper Contract, whether such Copper Debt Note is currently held by the original holder thereof or a subsequent holder thereof) and (2) the agreed upon August 2009 finalization amount of U.S.$155,000.00 (the "August 2009 Finalization Amount"), and (ii) the legal and non-legal costs and expenses accrued in connection with the Copper Contracts prior to October 22, 2010 in an aggregate agreed amount of U.S.$2,000,000.

"*Copper Debt Interest Accrual Date*" means (i) with respect to the August 2009 Finalization Amount, August 31, 2009 and (ii) with respect to Copper Debt represented by a Copper Debt Note and the allocated

amount of the Agreed Costs, the date set forth on Schedule I hereto in respect of such Copper Debt Note and such amount of allocated Agreed Costs.

"*Credit Group*" means the Issuer and its direct and indirect Subsidiaries, but excluding the Excluded Businesses.

"*Credit Group Subsidiary*" means any Subsidiary that is part of the Credit Group.

"*CNBV*" means the Comision Nacional Bancaria y de Valores in Mexico.

"*Default*" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Unrestricted Subsidiaries*" means IUSA-GE, Medidores IUSA, Inversiones IUSA DPM, C.A., Deformaciones Plasticas de Metales, C.A and their respective successors and assigns or any of them individually.

"*Disinterested Director*" means a director of the Issuer or any Restricted Subsidiary who meets the independence standards set forth by the CNBV.

"*Disqualified Stock*" means, with respect to any Person, any class or series of Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event (i) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) is convertible or exchangeable for Indebtedness or Disqualified Stock or (iii) is redeemable or must be purchased, upon the occurrence of certain events or otherwise, by such Person at the option of the holder thereof, in whole or in part, in each case on or prior to the first anniversary of the Stated Maturity of the new notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the first anniversary of the Stated Maturity of the new notes will not constitute Disqualified Stock if (x) the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the new notes and described under "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock" and "—Change of Control" and (y) any such requirement only becomes operative after compliance with such terms applicable to the new notes, including the purchase of any notes tendered pursuant thereto.

"*Eagle Asset Sale*" means either the CLH Eagle Asset Sale or the Qualifying Eagle Asset Sale.

"*Eagle Plant*" means the copper tubing plant built between 2008 and 2009, located in the north zone of the Pastejé Industrial Complex.

"*EBITDA*" for any period, with respect to any Person, means the sum of Consolidated Net Income, plus Consolidated Interest Expense, plus the following to the extent deducted in calculating such Consolidated Net Income:

(i) all income tax expense and statutory profit sharing expense of the Issuer and its consolidated Restricted Subsidiaries (other than income taxes (either positive or negative) attributable to extraordinary gains or losses or to gains or losses on sales of assets),

(ii) depreciation expense of the Issuer and its consolidated Restricted Subsidiaries,

(iii) amortization expense of the Issuer and its consolidated Restricted Subsidiaries (excluding amortization expense attributable to a prepaid cash item that was paid in a prior period) and

(iv) all other non-cash charges of the Issuer and its consolidated Restricted Subsidiaries according to MFRS that are reported below the "operating income (loss) line" on the Issuer's consolidated income statement.

Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization and non-cash charges of, a Restricted Subsidiary will be added to Consolidated Net Income to compute EBITDA only to the extent (and in the same proportion) that the net income of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be dividended to the Issuer by such Restricted Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements permitted by the covenant "Covenants—Negative Covenants—Restrictions on Limitations on Distributions from Restricted Subsidiaries", instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Restricted Subsidiary or its stockholders.

"*Effective Date*" means the earlier of (a) May 15, 2011 and (b) the date on which (i) the Restructuring Agreement has been executed and (ii) all conditions precedent to the effectiveness of the Restructuring Agreement have been met or waived in accordance with the terms of the Restructuring Agreement.

"*Electricity Meter Co.*" means Control de Energía a la Medida EGA, S.A. de C.V.

"*Eligible Account*" means "Eligible Account" as such term is defined under the Subsidiary Credit Facilities.

"*Eligible Inventory*" means "Eligible Inventory" as such term is defined under the Subsidiary Credit Facilities.

"*ESBDS Loan*" means the unsecured loan issued pursuant to that certain Credit Agreement dated as of August 29, 2007, with a principal amount outstanding of $803,803.38, entered into by and among Espirito Santo Bank, as lender, IUSA, S.A. de C.V., as borrower, the Issuer and CLH, as Guarantors, and currently held by the Export-Import Bank of the United States.

"*Event of Loss*" means (i) the loss of, destruction of, or damage to any Collateral, (ii) the condemnation, appropriation, *rescate,* seizure, confiscation, requisition of the use or taking by exercise of the power of eminent domain or otherwise of any Collateral or (iii) any consensual settlement in lieu of any event listed in clause (ii), in each case whether in a single event or a series of related events, that results in Net Available Cash from all sources in excess of $2.0 million.

"*Excess Cash Flow*" means in respect of any Fiscal Year or Fiscal Quarter, without duplication, (i) EBITDA arising from Mexican Operations minus (ii) Permitted Capital Expenditures paid in cash in respect of the Mexican Operations, minus (iii) cash taxes paid in respect of the Mexican Operations, minus (iv) interest, amortization and other payments made in cash in respect of Scheduled Permitted Indebtedness and Indebtedness Incurred pursuant to clause (b)(1) under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness," plus (v) the net proceeds of disbursements under any Indebtedness Incurred pursuant to clause (b)(1) under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness," minus (vi) redemptions of the new notes made during the period, minus (vii) the amount, if any, necessary to replenish the amount of Unrestricted Cash as of the last day of such Fiscal Quarter or Fiscal Year to an amount equal to U.S.$40.0 million, as calculated in accordance with MFRS. For the avoidance of doubt, Reload Royalties will not be included in the calculation of Excess Cash Flow.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Excluded Businesses*" means, collectively, Meter Co. and the Excluded Subsidiaries.

"*Excluded Subsidiaries*" means, collectively, IUSA-GE, Medidores IUSA, Inversiones IUSA DPM, C.A., Deformaciones Plasticas de Metales, C.A. and future Unrestricted Subsidiaries.

"*Expropriate*" means, with respect to any property, to nationalize, seize or expropriate such property, or, if such property is a business, to assume control of the business and operations of such property by nationalization, seizure or expropriation.

"*Fiscal Quarter*" means any period of three calendar months ending on March 31, June 30, September 30 or December 31.

"*Fiscal Year*" means any year ending on December 31.

"*GAAP*" means generally accepted accounting principles, as in effect from time to time.

"*GE Facility*" means the Second Amended and Restated Loan and Security Agreement dated as of March 8, 2006 among UCI, as borrower, and General Electric Capital Corporation, as lender, as amended.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person 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 or other obligation of such Person (whether arising by virtue of partnership arrangements, or by agreements 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 the purpose 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, however*, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"*Guarantee Agreement*" means a supplemental indenture, in a form satisfactory to the Trustees, pursuant to which a Subsidiary Guarantor guarantees the Issuer's obligations with respect to the new notes on the terms provided for in the Indentures.

"*Hedging Obligations*" of any Person means (i) any interest rate swap agreement, interest rate cap agreement or other agreement designed to protect against fluctuations in interest rates or (ii) any foreign exchange forward contract, currency swap agreement or other agreement designed to protect against fluctuations in foreign exchange rates or (iii) any commodity or raw material futures contract or any other agreement designed to protect against fluctuations in raw material prices of any commodity or raw material used in a Permitted Business.

"*Holdout Creditor"* means any holder of Holdout Debt.

"Holdout Debt" means any Subject Debt that remains outstanding following the Issue Date.

"*Incur*" means issue, assume, Guarantee, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Subsidiary at the time it becomes a Subsidiary. The term "Incurrence" when used as a noun will have a correlative meaning. The accretion of principal of a non-interest-bearing or other discount security will not be deemed the Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any Person on any date of determination (without duplication):

(i) all indebtedness of such Person for money borrowed or evidenced by notes, debentures, bonds or other similar instruments for the payment of which

such Person is responsible or liable, including, in each case, any premium on such indebtedness to the extent such premium has become due and payable;

(ii) all Capital Lease Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;

(iii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business that have terms of less than 60 days, and are less than 30 days overdue);

(iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction;

(v) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, the liquidation preference with respect to, any Preferred Stock (but excluding, in each case, any accrued dividends);

(vi) all obligations of the type referred to in clauses (i) through (v) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee;

(vii) all obligations of the type referred to in clauses (i) through (vi) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured; and

(viii) to the extent not otherwise included in this definition, Hedging Obligations of such Person.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

"*Intangible Assets*" means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with MFRS, or, in the case of a Person organized under the laws of a jurisdiction other than Mexico, the applicable GAAP.

"*Intercompany Claims*" means any intercompany claims or debt (i) of the Issuer held by another entity in the Credit Group, (ii) between or among any entities in the Credit Group or (iii) of any entity in the Credit Group held by any individual, party or entity affiliated with any entity in the Credit Group (an "Affiliate"), including Meter Co.

"*Interest Rate Agreement*" means in respect of a Person any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement designed to protect such Person against fluctuations in interest rates.

"*Investment*" in any Person means any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as current accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of Guarantee or similar arrangement) 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, Indebtedness or other similar instruments issued by such Person. For purposes of the definition of "Unrestricted Subsidiary," the definition of "Restricted Payment" and the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments," (i) "Investment" will include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to (x) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less (y) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation; and (ii) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

"*Issue Date*" means, with respect to a series of new notes, the date on which such new notes are issued under the Indentures.

"*Issue Date Encumbered Assets"* means those assets listed in Schedule II hereto.

"*Issue Date Liens"* means those liens in existence on the Issue Date attached to the Issue Date Encumbered Assets, and listed in Schedule II hereto.

"*IUSA-GE*" means IUSA-GE, S. de R.L. de C.V.

"*Joint Facility*" means the Loan Agreement among any one or more of Cambridge-Lee Industries, UCI, and UCI Land Development, as borrowers, and the lenders and agents named therein, as amended, restated or modified from time to time, which will have replaced and Refinanced any of the Subsidiary Credit Facilities.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"*Market Purchases*" means, with respect to any new notes, the purchase of such new notes on the open market and at market prices; *provided* that no purchase of new notes from an Affiliate of the Issuer or its subsidiaries will be a Market Purchase.

"*Medidores IUSA*" means Medidores IUSA, S. de R.L. de C.V.

"*Meter Co.*" means, collectively, Electricity Meter Co. and Water/Gas Meter Co.

"*Mexican Operations*" means the activities and operations of the Issuer and its direct and indirect Mexican subsidiaries.

"*Mexican Subsidiaries*" means all of the Issuer's existing and future direct and indirect Mexican subsidiaries, except IUSA-GE, Unrestricted Subsidiaries, Electricity Meter Co. and Water/Gas Meter Co.

"*Mexico*" means the *Estados Unidos Mexicanos* (the United Mexican States) and any branch of power thereof and any ministry, department, authority or statutory corporation or other entity (including a trust), owned or controlled directly or indirectly by the Estados Unidos Mexicanos or any of the foregoing.

"*MFRS*" means Mexican Financial Reporting Standards issued by the *Consejo Mexicano para la Investigación y Desarollo de Normas de Información Financiera* ("CINIF") as in effect from time to time

(including, for the avoidance of doubt, any International Financial Reporting Standards adopted as MFRS by the CINIF from time to time) . All ratios and computations will be computed in conformity with MFRS applied on a consistent basis.

"*Moody's*" means Moody's Investors Service, Inc.

"*Net Available Cash*" from an Asset Disposition, Collateral Asset Sale or Event of Loss means cash payments received therefrom (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to such properties or assets or received in any other non-cash form), in each case net of (i) all reasonable and documented legal, title and recording tax expenses, commissions and other fees and expenses incurred, and all Federal, state, provincial, foreign and local taxes required to be accrued as a liability under MFRS, as a consequence of such Asset Disposition, Collateral Asset Sale or Event of Loss, (ii) any Indebtedness permitted by the covenant "—Certain Covenants—Negative Covenants—Limitations on Indebtedness" which is secured by any assets subject to such Asset Disposition, Collateral Asset Sale or Event of Loss, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, Collateral Asset Sale or Event of Loss, or by applicable law, be repaid out of the proceeds from such Asset Disposition, Collateral Asset Sale or Event of Loss, (iii) all distributions and other payments required to be made to holders of Capital Stock in Restricted Subsidiaries (other than the Issuer, the Restricted Subsidiaries or their respective Affiliates) as a result of such Asset Disposition, Collateral Asset Sale or Event of Loss and (iv) the deduction of appropriate amounts provided by the seller as a reserve, in accordance with MFRS, against any liabilities associated with the property or other assets disposed in such Asset Disposition, Collateral Asset Sale or Event of Loss and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition, Collateral Asset Sale or Event of Loss.

"*Net Cash Proceeds,*" with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of reasonable and documented attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"*Non-Payment Default*" means any Event of Default other than a Payment Default.

"*Obligations*" means with respect to any Indebtedness all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such indebtedness.

"*Officers' Certificate*" means a certificate signed by any two of the following: the Chairman of the Board, the Chief Executive Officer, the President or a Vice President, the Treasurer, an Assistant Treasurer, the Controller, an Assistant Controller, the Secretary or an Assistant Secretary of the Issuer, its principal financial officer, its principal accounting officer or any other officer, employee or agent of the Issuer duly authorized by a Board Resolution, and delivered to the Trustee. Wherever the Indentures require that an Officers' Certificate be signed also by an engineer or an accountant or other expert, such engineer, accountant or other expert (except as otherwise expressly provided in the Indentures) may be in the employment of the Issuer, and will be acceptable to the Trustee, whose acceptance will not be unreasonably withheld.

"*Opinion of Counsel*" means a written opinion of outside counsel. Such counsel will be acceptable to the Trustee, whose acceptance will not be unreasonably withheld.

"*Outstanding*" means, as of the date of determination, all new notes authenticated and delivered under the Indentures, except: (1) new notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation; (2) new notes, or portions thereof, for the payment, redemption or, deposited with the Trustee or any Paying Agent (other than the Company or an Affiliate of the Company) in trust or set aside and

segregated in trust by the Company or an Affiliate of the Company (if the Company or such Affiliate of the Company is acting as Paying Agent) for the holders of such new notes; provided that, if new notes (or portions thereof) are to be redeemed or purchased, notice of such redemption or purchase has been duly given pursuant to the Indentures or provision therefor reasonably satisfactory to the Trustee has been made; (3) new notes which have been surrendered to the Trustee pursuant to the Indentures in exchange for which or in lieu of which other new notes have been authenticated and delivered pursuant to the Indentures, other than any such new notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such new notes are held by a bona fide purchaser in whose hands such new notes are valid obligations of the Issuer; and (4) solely to the extent provided in "—Defeasance", new notes which are subject to defeasance as provided in "—Defeasance"; *provided*, however, that in determining whether the holders of the requisite aggregate principal amount of the Outstanding new notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, new notes owned by the Issuer or any other obligor upon the new notes or any Affiliate of the Issuer or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only new notes which a Trust Officer of the Trustee actually knows to be so owned shall be so disregarded. New 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 new notes and that the pledgee is not the Issuer or any other obligor upon the new notes or any Affiliate of the Issuer or of such other obligor.

"*Parent*" means Grupo IUSA, S.A. de C.V. and its respective successors and assigns.

"*Payment Default*" means any Event of Default involving a failure to pay principal or interest or any other amount when due (including any failure to redeem new notes or to make an Offer to Purchase) following the expiration of any applicable grace period under the new notes or the Indentures.

"*Permitted Business*" means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business ancillary or complimentary thereto.

"*Permitted Capital Expenditures*" means capital expenditures during any Fiscal Year not to exceed the greater of (a) U.S.$7 million and (b) 1% of the net revenue of the Restricted Subsidiaries for such Fiscal Year. For purposes of this definition, to the extent that the Issuer and its Restricted Subsidiaries do not expend the full amount of Permitted Capital Expenditures in any given Fiscal Year, the Issuer and its Restricted Subsidiaries will be permitted to carry forward any unused Permitted Capital Expenditures to the immediately following Fiscal Year; *provided* that in such following Fiscal Year, the Issuer and Restricted Subsidiaries will apply capital expenditures to the Permitted Capital Expenditures for such Fiscal Year before applying them to any carried-over Permitted Capital Expenditures.

"*Permitted Designees*" means Administracion y Control de Industrias, S.A. de C.V.

"*Permitted Holders*" means (i) Carlos Peralta Quintero; (ii) immediate family members of Carlos Peralta Quintero (including his spouse and his siblings and direct descendants and their spouses); (iii) any trusts created for the benefit of the Persons described in clauses (i) or (ii) or any trust for the benefit of any such trust or (iv) in the event of the incompetence or death of any of the Persons described in clauses (i) and (ii), such Person's estate, executor, administrator, committees or other personal representative or beneficiaries, in each case who at a particular date will beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Parent.

"*Permitted Investment*" means an Investment by the Issuer or any Restricted Subsidiary in

> (i) the Issuer, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary; *provided, however*, that the primary business of such Restricted Subsidiary is a Related Business;

(ii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary; *provided, however*, that such Person's primary business is a Related Business;

(iii) Temporary Cash Investments;

(iv) receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in less than 90 days and in accordance with customary trade terms; *provided, however*, that such trade terms may include such concessionary trade terms as the Issuer or any such Restricted Subsidiary deems reasonable under the circumstances;

(v) payroll, travel, relocation and similar advances, not to exceed U.S.$1.0 million outstanding at any time, to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business consistent with past practice;

(vi) Hedging Obligations that are not for speculative purposes and that do not increase the Indebtedness of the obligor outstanding at any time other than as a result of fluctuations in interest rates, foreign currency exchange rates or commodity prices or by reason of fees, indemnities and compensation payable thereunder, and are entered into in accordance with the covenant described in "Certain Covenants—Negative Covenants—Limitations on Hedging Obligations";

(vii) stock, obligations or securities received in settlement of debts created in the ordinary course of business consistent with past practice and owing by any Person, other than an Affiliate of the Issuer, to the Issuer or any Restricted Subsidiary or in satisfaction of judgments against any Person, other than an Affiliate of the Issuer or any Restricted Subsidiary;

(viii) any Person (other than an Affiliate of the Issuer or any Restricted Subsidiary) to the extent such Investment represents the non-cash portion of the consideration received for an Asset Sale Transaction as permitted pursuant to the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock"; and

(ix) other Investments (other than Investments that would constitute Management Fees) that do not exceed U.S.$5.0 million in the aggregate at any time outstanding.

"*Permitted Liens*" means, with respect to any Person,

(i) pledges or deposits by such Person under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business consistent with past practice;

(ii) Liens securing the new notes or any guarantees thereof;

(iii) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person will then be proceeding with an appeal or other proceedings for review; *provided* that any reserve or other appropriate provision as is required in conformity with MFRS, or, in the case of a Person organized under the laws of a jurisdiction other than Mexico, GAAP has been made therefor;

(iv) Liens for taxes, assessments or governmental charges or claims that are not yet subject to penalties for non-payment or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with MFRS, or, in the case of a Person organized under the laws of a jurisdiction other than Mexico, GAAP has been made therefor;

(v) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business consistent with past practice; *provided, however*, that such letters of credit do not constitute Indebtedness;

(vi) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(vii) Liens on property securing Purchase Money Indebtedness Incurred to finance the construction, purchase or lease of, or repairs, improvements or additions to, such property permitted under clause (b)(10) of the covenant described under "Certain Covenants—Negative Covenants—Limitations on Indebtedness"; *provided, however*, that the Lien may not extend to any other property owned by such Person or any of its Subsidiaries at the time the Lien is Incurred, and the Indebtedness (other than any interest thereon) secured by the Lien may not be Incurred more than 180 days after the later of the acquisition, completion of construction, repair, improvement, addition or commencement of full operation of the property subject to the Lien;

(viii) Liens to secure (x) either (i) Indebtedness and other ancillary obligations under the Joint Facility or (ii) Indebtedness under the Subsidiary Credit Facilities (and, in each case, any Refinancing Indebtedness in respect thereof permitted by clause (b)(6) under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness"), and (y) permitted pursuant to the provisions described in clause (b)(1) under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness"; *provided*, *that*, with respect to clause (y), such Liens are secured by the Credit Group's inventory, work in progress and/or receivables;

(ix) Liens existing on the Issue Date set forth on a schedule to the Indentures;

(x) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however*, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*

further, however, that such Lien may not extend to any other property owned by such Person or any of its Subsidiaries;

(xi) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided, however*, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such acquisition; *provided further*, *however*, that the Liens may not extend to any other property owned by such Person or any of its Subsidiaries;

(xii) Liens securing Hedging Obligations permitted by the applicable Indenture;

(xiii) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any, Indebtedness secured by any Lien referred to in the foregoing clauses (vii), (viii), (ix) and (x); *provided, however*, that (x) such new Lien will be limited to all or part of the same property that secured the original Lien (plus improvements to or on such property) and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clause (vi), (viii), (ix) or (x) at the time the original Lien became a Permitted Lien and (B) an amount necessary to pay any reasonable, documented and customary fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;

(xiv) judgment or attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made in conformity with MFRS, or, in the case of a Person organized under the laws of a jurisdiction other than Mexico, GAAP has been made therefor;

(xv) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(xvi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(xvii) Liens to secure a defeasance trust in respect of the new notes;

(xviii) Liens (other than Liens permitted pursuant to clauses (i)-(xvii) above) incurred in the ordinary course of business with respect to Obligations that do not exceed U.S.$10.0 million at any time outstanding.

Notwithstanding the foregoing, "Permitted Liens" will not include any Lien described in clause (vii), (ix) or (x) above to the extent such Lien applies to any Additional Assets acquired directly or indirectly from Net Available Cash pursuant to the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Sales of Assets and Subsidiary Stock." For purposes of this definition, the term "Indebtedness" will be deemed to include interest on such Indebtedness.

"*Person*" means any individual, corporation (including any non-profit corporation), and sociedad of any nature, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"*Preferred Stock,*" as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Principal*" of a note means the principal of the note plus the premium, if any, payable on the note which is due or overdue or is to become due at the relevant time.

"*Public Equity Offering*" means an underwritten public offering of capital stock (other than Disqualified Stock) of the Issuer, CLH or Cambridge-Lee Industries to the public generally with gross proceeds of at least U.S.$50.0 million pursuant to a registration statement that has been declared effective by the SEC pursuant to the Securities Act (other than a registration statement on Form S-4 (or any successor form covering substantially the same transactions), Form S-8 (or any successor form covering securities issued in acquisitions or substantially for the same type of transactions) or otherwise relating to equity securities issuable under any employee benefit plan of the Issuer).

"*Purchase Money Indebtedness*" means Indebtedness Incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement of any property; *provided,* that the aggregate principal amount of such Indebtedness does not exceed the lesser of the fair market value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

"*Qualifying Eagle Asset Sale*" means the sale of property and equipment from the Eagle Plant to a non-affiliated third party, *provided that* (i) the sale is on arm's length terms, (ii) the Issuer or a Subsidiary Guarantor receives cash and non-cash consideration with a total fair market value of at least U.S.$30 million for the purchase price of the property and equipment (exclusive of any amounts received for other items in connection with the sale, including, without limitation, payments for costs and expenses of disassembly, transport and reassembly), (iii) the net proceeds from the sale are sufficient to repay the debt secured by the property and equipment from the Eagle Plant and the Issuer uses the net proceeds to repay such debt, (iv) the costs to the Issuer or any Subsidiary Guarantor of disassembly, transport and reassembly of the Eagle Plant are paid solely from the cash proceeds, if any, in excess of the net proceeds in clause (iii) of the sale, (v) none of the Issuer or any Subsidiary Guarantor is required to contribute cash to the sale and (vi) the Permitted Holders or their Permitted Designees receive no proceeds from the sale and are not paid for any services associated with the Eagle Plant.

"*Rating Agencies*" mean Moody's and S&P. In the event that Moody's or S&P is no longer in existence or issuing ratings, such organization may be replaced by a nationally recognized statistical rating organization (as defined in Rule 15c3-1(c)(2)(vi)(F) of the U.S. Securities Exchange of 1934 or any successor provision) designated by the Issuer with notice to the Trustee.

"*Refinance*" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such indebtedness. "Refinanced" and "Refinancing" will have correlative meanings.

"*Refinancing Indebtedness*" means Indebtedness that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Issue Date or Incurred in compliance with the Indentures, including Indebtedness that Refinances Refinancing Indebtedness; *provided, however*, that

(i) such Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced,

(ii) such Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Average Life of the Indebtedness being Refinanced,

(iii) with respect to Indebtedness of the Issuer and any Restricted Subsidiary that is not incorporated in the United States, such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding or committed (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being Refinanced and

(iv) with respect to working capital Indebtedness of any Restricted Subsidiary that is incorporated in the United States, such Refinancing Indebtedness has an aggregate outstanding principal amount (or if Incurred with original issue discount, an aggregate issue price) that, when added together with all other Indebtedness of Cambridge-Lee Holdings and any U.S. Restricted Subsidiary outstanding on the date of such incurrence, is equal to or less than the greater of (A) U.S.$180,000,000 and (B) the sum of (1) 65% of the Value of Eligible Inventories and (2) 85% of the Value of Eligible Accounts collectively owed to the U.S. Subsidiaries; *provided* that the amount of any Guarantee of the foregoing Indebtedness by CLH or a CLH Entity and the amount of any existing Guarantees that are renewed thereunder shall not be included in the foregoing amounts;

provided further, *however*, that Refinancing Indebtedness will not include (x) Indebtedness of a Subsidiary (other than a Subsidiary Guarantor) that Refinances Indebtedness of the Issuer or (y) Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

"*Related Business*" means any business related, ancillary or complementary to the businesses of the Issuer and the Restricted Subsidiaries on the Issue Date.

"*Replacement Collateral"* means, at any relevant date in connection with a Collateral Asset Sale or Event of Loss, assets to be used in the business of the Issuer or its Subsidiaries, which on such date (i) constitute similar assets to Collateral disposed of or destroyed and do not constitute Capital Stock of any Person (other than with respect to any Event of Loss of Pledged Stock, to which this clause (i) will not apply), (ii) are to be acquired by the Issuer at a purchase price that does not exceed the fair market value of such Replacement Collateral, (iii) will be upon purchase free and clear of all Liens other than Collateral Permitted Liens, and (iv) are subject to Joint Collateral Documents to which the Issuer or Collateral Group Subsidiary that will be the owner of the Replacement Collateral is a party.

"*Restricted Payment*" with respect to any Person means

(i) the declaration or payment of any dividend or any other distribution of any sort in respect of its Capital Stock (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Capital Stock (other than dividends or distributions payable solely in its Capital Stock (other than Disqualified Stock) and dividends or distributions payable solely to the Issuer or a Restricted Subsidiary, and other than *pro rata* dividends or other distributions made by a Subsidiary that is not a Wholly Owned Subsidiary to minority stockholders (or owners of an equivalent interest in the case of a Subsidiary that is an entity other than a corporation)),

(ii) the purchase, redemption or other acquisition or retirement for value of any Capital Stock of the Issuer held by any Person or of any Capital Stock of a Restricted Subsidiary held by any Affiliate of the Issuer (other than a Restricted Subsidiary), including the exercise of any option to exchange any Capital Stock (other than into Capital Stock of the Issuer that is not Disqualified Stock),

(iii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Indebtedness (other than the purchase, repurchase or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of acquisition), or

(iv) the making of any Investment (other than a Permitted Investment) in any Person.

"*Restricted Subsidiary*" means any Subsidiary Guarantor or Credit Group Subsidiary other than an Unrestricted Subsidiary.

"*Restructuring Agreement*" means the Restructuring Agreement, dated as of July 12, 2011, by and among the Issuer, the Subsidiary Guarantors party thereto, and the Consenting Creditors (as defined in the Restructuring Agreement) party thereto.

"*S&P*" means Standard & Poor's Ratings Group.

"*Sale/Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or a Restricted Subsidiary leases it from such Person.

"*Scheduled CLH Debt*" means the indebtedness listed in the following table:

Creditor	**Maturity**	**Rate**	**Aggregate Outstanding Principal Amount (as of March 31, 2011)**	**Obligor**
Residential Funding – Prudential – UCI*	Dec-11	10.34%	U.S.$9,037,535.51	UCI Land Development Co.
Texas Community Bank – Eagle Tube*	Aug-13	L + 2%	U.S.$1,835,804	Eagle Tube Industries
UCI Term Loan (part of GE – UCI loan)*	Jul-11	LIBOR + 7%	U.S.$6,800,000	United Copper Industries

* Represents secured indebtedness.

"*Scheduled Permitted Indebtedness*" means the indebtedness listed in the following table:

Creditor	**Maturity**	**Rate**	**Aggregate Outstanding Principal Amount (as of March 31, 2011)**	**Obligor**
Aka Bank-Sket*	Sep-10	L + 0.75%	U.S.$252,746	Industrias Unidas, S.A. de C.V.
Societe Generale –	Sep-09	L + 0.75%	U.S.$282,557	Industrias Unidas, S.A.

Creditor	Maturity	Rate	Aggregate Outstanding Principal Amount (as of March 31, 2011)	Obligor
OCN*				de C.V.
Societe Generale – Schumag*	May-09	L + 0.75%	U.S.$743,363	IUSA, S.A. de C.V.
WestLB-Niehoff*	May-10	6 Month Euribor + 0.7%	U.S.$397,375	Industrias Unidas, S.A. de C.V.
Societe Generale - Danieli-Eagle*	Jun-15	5.67%	U.S.$22,880,383	IUSA, S.A. de C.V.
Espirito Santo Bank - MRB Schumag-Eagle*	Sep-11	L + 2.0%	U.S.$2,666,657	IUSA, S.A. de C.V.
Aka Bank-Otto Junker- Eagle*	May-14	L + 0.55%	U.S.$3,333,874	IUSA, S.A. de C.V.
HSBC*	Oct-10	TIIE + 5.5%	U.S.$5,366,980	IUSA, S.A. de C.V.
HSBC hipotecario LA**	Apr-14	TIIE + 6.0%	U.S.$8,349,828	Industrias Unidas, S.A. de C.V.
Grupo Xtra	Feb-11	20%	U.S.$3,784,598	IUSA, S.A. de C.V.
Inmobiliaria Reforma Lomas Altas**	Feb-12	TIIE + 5.5%	U.S.$4,973,733	Industrias Unidas, S.A. de C.V.
GE – UCI* (UCI Term Loan of $6,800,000 is included in this balance)	Dec-10	Various	U.S.$71,975,659	United Copper Industries
Residential Funding – Prudential – UCI*	Dec-11	10.34%	U.S.$8,961,212	UCI Land Development Co.
Bank of America – Cambridge-Lee Industries*	May-13	L + 4.25%	U.S.$57,519,625	Cambridge Lee Industries
Texas Community Bank – Eagle Tube*	Aug-13	L + 2%	U.S.$1,609,627	Eagle Tube Industries

* Represents secured indebtedness.

** Secured by assets of an Affiliate.

"*SEC*" means the Securities and Exchange Commission.

"*Senior Indebtedness*" of any Person means (i) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred, and (ii) accrued and unpaid interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person to the extent post-filing interest is allowed in such proceeding) in respect of indebtedness of such Person for money borrowed or evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable unless, in the case of (i) and (ii), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is provided that such obligations are subordinate or junior in right of payment to the new notes or the Subsidiary Guarantees; *provided, however*, that Senior Indebtedness will not include (1) any obligation of such Person to any Subsidiary or Affiliate of the Issuer or its Subsidiaries, (2) any liability for Federal, state, local or other taxes owed or owing by such Person, (3) any accounts payable or other liability to trade creditors arising in the ordinary course of business (including guarantees thereof or instruments evidencing such liabilities), (4) any Indebtedness of such Person (and any accrued and unpaid interest in respect thereof) which is subordinate or junior in any respect to any other Indebtedness or other obligation of such Person or (5) that portion of any Indebtedness which at the time of Incurrence is Incurred in violation of the Indentures.

"*Significant Subsidiary*" means any Person (with its direct and indirect subsidiaries) that either:

(i) individually represents 5% or more of the Issuer's consolidated revenues or 5% or more of the Issuer's consolidated assets; or

(ii) together with one or more other Subsidiaries of the Issuer that are not Significant Subsidiaries pursuant to clause (i) above, represents 5% or more of the Issuer's consolidated revenues or 5% or more of the Issuer's consolidated assets.

In determining whether a Person that has been directly or indirectly acquired by, or merged or consolidated into, the Issuer or a Restricted Subsidiary constitutes a Significant Subsidiary, the determination of whether such Person is a Significant Subsidiary will be made on a pro forma basis, based upon the most recent four Fiscal Quarters for which the relevant financial information is available. As of the Issue Date, the Issuer's Significant Subsidiaries were Forgamex, S.A. de C.V., Gas Padilla, S.A. de C.V., IUSA, S.A. de C.V., IUSA Comercializadora, S.A. de C.V., Tubo de Pastejé, S.A. de C.V. Medidores IUSA, IUSA-GE, Cambridge-Lee Industries, UCI and CLH.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subject Debt*" means 2016 Notes, ESBDS Note, Copper Debt, 9.75% Commercial Paper and 12% Commercial Paper.

"*Subordinated Indebtedness*" means any Indebtedness of any Person (whether outstanding on the Issue Date or thereafter Incurred) which is subordinate or junior in right of payment to the new notes or the Subsidiary Guarantees pursuant to a written agreement to that effect.

"*Subsidiary*" means, in respect of any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"*Subsidiary Credit Facilities*" means (i) the BOFA Facility, (ii) the GE Facility and (iii) the Deed of Trust and Security Agreement dated as of November 4, 1999, among UCI Land Development, as borrower,

and Residential Funding Corporation as lender, in each case as amended, replaced, refinanced, restated or modified from time to time.

"*Subsidiary Guarantor*" means any of the Issuer's existing and future direct and indirect Mexican Subsidiaries (except for the Excluded Businesses), which will Guarantee the Issuer's obligations with respect to the new notes on a senior secured basis.

"*Subsidiary Guarantee*" means a Guarantee by a Subsidiary Guarantor of the Issuer's obligations with respect to the new notes.

"*Temporary Cash Investments*" means any of the following:

(i) any investment in direct obligations of the United States of America or any agency thereof or obligations guaranteed by the United States of America or any agency thereof,

(ii) investments in time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of U.S.$500 million (or the foreign currency equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money-market fund sponsored by a registered broker dealer or mutual fund distributor,

(iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a bank meeting the qualifications described in clause (ii) above,

(iv) investments in commercial paper, maturing not more than 90 days after the date of acquisition, issued by a corporation (other than an Affiliate of the Issuer) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's Investors Service, Inc. or "A-l" (or higher) according to Standard and Poor's Ratings Group,

(v) investments in securities with maturities of six months or less from the date of acquisition issued or fully 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 least "A" by Standard & Poor's Ratings Group or "A" by Moody's Investors Service, Inc.,

(vi) *Certificados de la Tesorería de la Federación* (Cetes) or *Bonos de Desarrollo del Gobierno Federal* (Bondes) issued by the Mexican government and maturing not more than 180 days after the acquisition thereof,

(vii) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (i) through (vi) above,

(viii) demand deposit accounts with U.S. banks (or Mexican banks specified in clause (ix) of this definition) maintained in the ordinary course of business, and

(ix) certificates of deposit, bank promissory notes and bankers' acceptances denominated in Pesos, maturing not more than 180 days after the acquisition thereof and issued or Guaranteed by any one of the five largest banks (based on assets as of the immediately preceding December 31) organized under the laws of Mexico and which are not under intervention or controlled by the *Fondo Bancario de Protección al Ahorro* or any successor thereto;

provided, however, no such investments may be made with any Affiliate of the Issuer.

"*UCI*" means United Copper Industries, Inc. and its successors and assigns.

"*UCI Land Development*" means UCI Land Development, Inc., a Texas corporation.

"*Unrestricted Asset Disposition*" means any sale, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by any Unrestricted Subsidiary, including any disposition by means of a merger, consolidation or similar transaction (each referred to for the purposes of this definition as a "disposition"), of (i) all or substantially all the assets of any division or line of business of any Unrestricted Subsidiary or (ii) any other assets of any Unrestricted Subsidiary outside of the ordinary course of business of such Unrestricted Subsidiary.

"*Unrestricted Cash*" means, with respect to any Fiscal Quarter or Fiscal Year, unencumbered cash on the Company's consolidated balance sheet as of the last day of such Fiscal Quarter or Fiscal Year.

"*Unrestricted Subsidiary*" means any of the Designated Unrestricted Subsidiaries and (i) any Subsidiary of the Issuer that at the time of determination will be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided below and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless (i) such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated or (ii) the Capital Stock of such Subsidiary or any of its assets is part of the Joint Collateral or Series A Collateral; *provided, however*, that either (A) the Subsidiary to be so designated has total assets of U.S.$1,000 or less or (B) if such Subsidiary has assets greater than U.S.$1,000, such designation would be permitted under the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments" and *provided further,* that in no event will the business currently operated by any of the Subsidiary Guarantors, CLH, Cambridge-Lee Industries or UCI be transferred to or held directly or indirectly by an Unrestricted Subsidiary. The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided, however*, that immediately after giving effect to such designation (x) the Issuer could Incur U.S.$1.00 of additional Indebtedness under paragraph (a) of the covenant described under "—Certain Covenants—Negative Covenants—Limitation on Indebtedness" and (y) no Default or Event of Default will have occurred and be continuing. Any such designation by the Board of Directors will be evidenced to the Trustees by promptly filing with the Trustees a copy of the resolution of the Board of Directors giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions. In the event of any such designation, the Issuer will be deemed to have made an Investment constituting a Restricted Payment pursuant to the covenant "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments" for all purposes of the Indentures. The Indentures will further provide that the Issuer will not and will not permit any Restricted Subsidiary to, at any time (x) Guarantee any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness); *provided* that the Issuer or any Restricted Subsidiary may pledge Capital Stock or Indebtedness of any Unrestricted Subsidiary on a non-recourse basis such that the pledgee has no claim whatsoever against the pledgor other than to obtain such pledged Capital Stock or Indebtedness or (y) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary or (z) be directly or indirectly liable for any Indebtedness (other than Indebtedness existing on the Issue Date) which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any

Indebtedness of any Unrestricted Subsidiary (including any right to take enforcement action against such Unrestricted Subsidiary), except in the case of clause (x) or (y) to the extent permitted under "—Certain Covenants—Negative Covenants—Limitation on Restricted Payments."

"*U.S. Government Obligations*" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged and which are not callable at the Issuer's option.

"*U.S. Subsidiaries*" means any U.S. direct or indirect subsidiary of the Issuer.

"*Value*" means such term as defined under the Subsidiary Credit Facilities or the Joint Facility, as applicable.

"*Voting Creditors*" means, with respect to the new notes, the holders thereof, and with respect to the Series A notes, the holders thereof, in each case excluding the Issuer, its subsidiaries or any of its or their respective Affiliates.

"*Voting Stock*" of a Person means all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"*Water/Gas Meter Co.*" means Sistemas Integrales de Medicion y Control Stellum, S.A. de C.V.

"*Wholly Owned Subsidiary*" means any Restricted Subsidiary if all of the outstanding Capital Stock or other similar equity ownership interests (but not including Preferred Stock) in such Restricted Subsidiary (other than any directors' qualifying shares or Investments by foreign nationals mandated by applicable law) is owned directly or indirectly by the Issuer.

SCHEDULE I

Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date
400-JAN	Aug. 7, 2009	502-MAR	Sept. 1, 2009	567-APR	Sept. 30, 2009	639-JUN	Dec. 3, 2009
401-JAN	Aug. 6, 2009	503-MAR	Sept. 2, 2009	568-MAR	Sept. 17, 2009	640-JUN	Dec. 4, 2009
429-FEB	Aug. 3, 2009	504-MAR	Sept. 3, 2009	569-MAR	Sept. 18, 2009	641-JUN	Dec. 2, 2009
437-FEB	Aug. 3, 2009	505-MAR	Sept. 8, 2009	570-APR	Oct. 15, 2009	642-JUN	Dec. 4, 2009
438-FEB	July 27, 2009	506-MAR	Sept. 8, 2009	571-APR	Oct. 16, 2009	643-JUN	Dec. 3, 2009
439-FEB	July 28, 2009	507-MAR	Sept. 8, 2009	572-APR	Oct. 20, 2009	644-JUN	Dec. 4, 2009
440-FEB	July 29, 2009	508-MAR	Sept. 9, 2009	573-APR	Oct. 15, 2009	645-JUN	Dec. 7, 2009
441-FEB	July 30, 2009	509-MAR	Sept. 9, 2009	575-APR	Aug. 19, 2009	646-JUN	Dec. 8, 2009
442-FEB	July 31, 2009	510-MAR	Sept. 9, 2009	581-APR	Aug. 14, 2009	647-JUN	Dec. 9, 2009
443-FEB	July 31, 2009	511-MAR	Sept. 10, 2009	583-APR	Oct. 19, 2009	648-JUN	Dec. 14, 2009
444-FEB	Aug. 4, 2009	512-MAR	Sept. 10, 2009	584-APR	Oct. 20, 2009	649-JUN	Dec. 15, 2009
445-FEB	Aug. 4, 2009	513-MAR	Sept. 10, 2009	585-APR	Oct. 21, 2009	650-JUN	Dec. 16, 2009
446-FEB	Aug. 4, 2009	514-MAR	Sept. 11, 2009	586-APR	Oct. 21, 2009	651-JUN	Dec. 10, 2009
447-FEB	Aug. 5, 2009	515-MAR	Sept. 11, 2009	587-APR	Oct. 22, 2009	652-JUN	Dec. 11, 2009
448-FEB	Aug. 7, 2009	516-MAR	Sept. 14, 2009	588-APR	Oct. 23, 2009	653-JUN	Dec. 10, 2009
449-FEB	Aug. 10, 2009	517-MAR	Sept. 14, 2009	589-APR	Oct. 16, 2009	654-JUN	Dec. 11, 2009
450-FEB	Aug. 10, 2009	518-MAR	Sept. 15, 2009	590-MAY	Oct. 23, 2009	655-JUN	Dec. 10, 2009
451-FEB	Aug. 11, 2009	519-MAR	Sept. 15, 2009	591-MAY	Oct. 26, 2009	656-JUN	Dec. 2, 2009
452-FEB	Aug. 5, 2009	520-MAR	Sept. 16, 2009	592-MAY	Oct. 27, 2009	657-JUN	Dec. 9, 2009
453-FEB	Aug. 6, 2009	521-MAR	Sept. 16, 2009	593-MAY	Oct. 28, 2009	658-JUN	Dec. 14, 2009
454-FEB	Aug. 7, 2009	522-MAR	Sept. 14, 2009	594-MAY	Nov. 2, 2009	659-JUN	Dec. 15, 2009
455-FEB	Aug. 6, 2009	523-MAR	Sept. 15, 2009	595-MAY	Nov. 2, 2009	665A-JUN	Aug. 20, 2009
456-FEB	Aug. 14, 2009	524-MAR	Sept. 17, 2009	596-MAY	Aug. 21, 2009	665B-JUN	Dec. 15, 2009
457-FEB	Aug. 18, 2009	525-MAR	Sept. 18, 2009	597-MAY	Nov. 4, 2009	666-JUN	Dec. 16, 2009

Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date
461-FEB	Aug. 13, 2009	526-MAR	Sept. 21, 2009	598-MAY	Nov. 3, 2009	667-JUN	Dec. 17, 2009
462-FEB	Aug. 14, 2009	527-MAR	Sept. 22, 2009	599-MAY	Oct. 22, 2009	668-JUN	Dec. 18, 2009
463-FEB	Aug. 17, 2009	528-MAR	Sept. 23, 2009	600-MAY	Oct. 26, 2009	669-JUN	Dec. 21, 2009
464-FEB	Aug. 17, 2009	529-MAR	Sept. 24, 2009	601-MAY	Oct. 27, 2009	670-JUN	Dec. 22, 2009
465-FEB	Aug. 18, 2009	530-MAR	Sept. 25, 2009	602-MAY	Oct. 28, 2009	671-JUN	Dec. 23, 2009
466-FEB	Aug. 21, 2009	531-MAR	Sept. 25, 2009	603-MAY	Oct. 29, 2009	673-AUG	Feb. 1, 2010
467-FEB	Aug. 24, 2009	532-MAR	Sept. 21, 2009	604-MAY	Aug. 18, 2009	674-AUG	Feb. 1, 2010
468-FEB	Aug. 25, 2009	533-MAR	Sept. 24, 2009	605-MAY	Oct. 30, 2009	675-AUG	Feb. 2, 2010
469-FEB	Aug. 26, 2009	534-APR	Sept. 22, 2009	606-MAY	Oct. 30, 2009	676-AUG	Feb. 2, 2010
470-FEB	Aug. 19, 2009	535-APR	Sept. 23, 2009	607-MAY	Nov. 5, 2009	677-AUG	Feb. 3, 2010
471-FEB	Aug. 20, 2009	536-APR	Sept. 28, 2009	608-MAY	Nov. 6, 2009	678-AUG	Feb. 3, 2010
472-MAR	Aug. 13, 2009	537-APR	Sept. 29, 2009	609-MAY	Nov. 4, 2009	679-AUG	Feb. 4, 2010
473-MAR	Aug. 19, 2009	538-APR	Oct. 1, 2009	610-MAY	Nov. 5, 2009	680-AUG	Feb. 4, 2010
474-MAR	Aug. 20, 2009	539-APR	Oct. 1, 2009	611-MAY	Aug. 24, 2009	681-AUG	Feb. 5, 2010
475-MAR	Aug. 21, 2009	540-APR	Oct. 2, 2009	612-MAY	Oct. 30, 2009	682-AUG	Feb. 5, 2010
476-MAR	Aug. 24, 2009	541-APR	Oct. 2, 2009	613-MAY	Nov. 9, 2009	683-AUG	Feb. 5, 2010
477-MAR	Aug. 25, 2009	542-APR	Oct. 2, 2009	614-MAY	Nov. 9, 2009	684-AUG	Feb. 8, 2010
478-MAR	Aug. 26, 2009	543-APR	Oct. 5, 2009	615-MAY	Nov. 9, 2009	685-AUG	Feb. 8, 2010
479-MAR	Aug. 27, 2009	544-APR	Oct. 6, 2009	616-MAY	Nov. 10, 2009	686-AUG	Feb. 8, 2010
480-MAR	Aug. 27, 2009	545-APR	Oct. 7, 2009	617-MAY	Nov. 10, 2009	687-AUG	Feb. 9, 2010
481-MAR	Aug. 28, 2009	546-APR	Oct. 7, 2009	618-MAY	Nov. 13, 2009	688-AUG	Feb. 9, 2010
482-MAR	Aug. 28, 2009	547-APR	Oct. 8, 2009	619-MAY	Nov. 13, 2009	689-AUG	Feb. 10, 2010
483-MAR	Aug. 31, 2009	548-APR	Oct. 9, 2009	620-MAY	Nov. 12, 2009	100-JUL	Nov. 19, 2009
484-MAR	Aug. 31, 2009	549-APR	Oct. 9, 2009	621-MAY	Nov. 10, 2009	101-JUL	Nov. 24, 2009
485-MAR	Sept. 1, 2009	550-APR	Oct. 14, 2009	622-MAY	Nov. 12, 2009	102-JUL	Nov. 25, 2009

Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date	Copper Debt Note Reference	Copper Debt Interest Accrual Date
486-MAR	Sept. 1, 2009	551-APR	Oct. 15, 2009	623-MAY	Aug. 26, 2009	103-JUL	Nov. 20, 2009
487-MAR	Sept. 2, 2009	552-APR	Sept. 21, 2009	624-MAY	Nov. 16, 2009	104-JUL	Nov. 20, 2009
488-MAR	Sept. 2, 2009	553-APR	Sept. 22, 2009	625-MAY	Nov. 17, 2009	105-JUL	Nov. 23, 2009
489-MAR	Sept. 3, 2009	554-APR	Sept. 23, 2009	626-MAY	Nov. 16, 2009	106-JUL	Nov. 18, 2009
490-MAR	Sept. 3, 2009	555-APR	Sept. 24, 2009	627-MAY	Aug. 25, 2009	107-JUL	Nov. 18, 2009
491-MAR	Sept. 4, 2009	556-APR	Sept. 25, 2009	628-JUN	Nov. 25, 2009	108-JUL	Jan. 6, 2010
492-MAR	Sept. 4, 2009	557-APR	Oct. 5, 2009	629-JUN	Nov. 25, 2009	109-JUL	Jan. 6, 2010
493-MAR	Sept. 4, 2009	558-APR	Oct. 6, 2009	630-JUN	Nov. 30, 2009	110-JUL	Jan. 4, 2010
494-MAR	Aug. 12, 2009	559-APR	Oct. 7, 2009	631-JUN	Nov. 30, 2009	111-JUL	Jan. 4, 2010
495-MAR	Aug. 18, 2009	560-APR	Oct. 8, 2009	632-JUN	Dec. 1, 2009	112-JUL	Jan. 5, 2010
496-MAR	Aug. 20, 2009	561-APR	Sept. 28, 2009	633-JUN	Dec. 1, 2009	113-JUL	Jan. 8, 2010
497-MAR	Aug. 25, 2009	562-APR	Oct. 13, 2009	634-JUN	Dec. 4, 2009	130-JUL	Sept. 10, 2009
498-MAR	Aug. 26, 2009	563-APR	Oct. 13, 2009	635-JUN	Dec. 7, 2009	131-JUL	Sept. 11, 2009
499-MAR	Aug. 27, 2009	564-APR	Oct. 13, 2009	636-JUN	Dec. 7, 2009	Allocated Agreed Costs	Oct. 22, 2010
500-MAR	Aug. 28, 2009	565-APR	Oct. 14, 2009	637-JUN	Dec. 8, 2009		
501-MAR	Aug. 31, 2009	566-MAR	Sept. 18, 2009	638-JUN	Dec. 8, 2009		

SCHEDULE II

Encumbered Assets

Liens on machinery and equipment of the following credit contracts:

Creditor	Borrower	Original Currency	Balance USD[1]	Pledged Assets
Aka Bank-Sket	Industrias Unidas, SA de CV	USD	252,746	Financed machinery
SG-OCN	Industrias Unidas, SA de CV	USD	282,557	Financed machinery
SG-Schumag	IUSA, SA de CV	Euros[2]	743,363	Financed machinery
WestLB-Niehoff	Industrias Unidas, SA de CV	Euros[3]	397,375	Financed machinery
SG-Danieli-Eagle	IUSA, SA de CV	USD	22,880,383	Financed machinery
ESB-MRB Schumag-Eagle	IUSA, SA de CV	USD	2,666,657	Financed machinery
Aka Bank-Otto Junker- Eagle	IUSA, SA de CV	USD	3,333,874	Financed machinery

Liens on Industrias Unidas' and IRLA's plant and building due to the following credits:

Creditor	Borrower	Original Currency	Balance USD[4]	Pledged Assets
HSBC	IUSA, SA de CV	Pesos[5]	5,366,980	Mexico City, Aragon Plant owned by Industrias Unidas
HSBC hipotecario LA	Industrias Unidas, SA de CV	Pesos[6]	8,349,828	Mexico City, corporate building owned by IR LA

[1] The loan balances are as of March 31, 2011.
[2] Exchange rate: USD to Euros 1.4120 to 1.
[3] Exchange rate: USD to Euros 1.4120 to 1.
[4] The loan balances are as of March 31, 2011.
[5] Exchange rate: Pesos to USD 11.8903 to 1.
[6] Exchange rate: Pesos to USD 11.8903 to 1.

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Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Financial Statements for the Years Ended December 31, 2009 and 2008, and Independent Auditors' Report Dated October 22, 2010

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Independent Auditors' Report and Consolidated Financial Statements for 2009 and 2008

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Independent Auditors' Report to the Board of Directors and Stockholders of Industrias Unidas, S. A. de C. V.

We have audited the accompanying consolidated balance sheets of Industrias Unidas, S. A. de C. V. and subsidiaries (the "Company", a 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.) as of December 31, 2009 and 2008, and the related consolidated statements of operations, changes in stockholders' equity and cash flows 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 bases 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 are prepared in accordance with Mexican Financial Reporting Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards 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, such consolidated financial statements present fairly, in all material respects, the financial position of Industrias Unidas, S. A. de C. V. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations, changes in their stockholders' equity, and their cash flows for the years then ended, in conformity with Mexican Financial Reporting Standards.

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

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu

C. P. C. Marco Antonio Mayorquín Ruiz

October 22, 2010

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Balance Sheets

As of December 31, 2009 and 2008
(In thousands of Mexican pesos)

Assets

	2009	2008
Current assets:		
Cash and cash equivalents	$ 312,333	$ 302,615
Restricted cash	48,927	51,668
Accounts receivable – Net	2,533,354	2,724,066
Inventories – Net	2,325,960	2,318,940
Other current assets	120,280	63,675
Total current assets	5,340,854	5,460,964
Accounts receivable from related parties – long-term	595,868	935,616
Investments in associated companies	9,417	70,318
Property, plant and equipment – Net	5,436,481	6,540,394
Long-lived assets available-for-sale	55,544	58,656
Other assets – Net	130,699	175,968
Total	$ 11,568,863	$ 13,241,916

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Balance Sheets

As of December 31, 2009 and 2008
(In thousands of Mexican pesos)

Liabilities and Stockholders' Equity	**2009**	**2008**
Current liabilities:		
Notes payable to financial institutions	$ 380,375	$ 193,551
Current portion of long-term debt	4,209,055	2,299,737
Trade accounts payable	2,887,031	3,342,596
Income taxes, accrued expenses and taxes other than income taxes	971,441	660,817
Advances from customers	51,061	58,000
Due to related parties	172,200	84,409
Total current liabilities	8,671,163	6,639,110
Long-term debt	292,340	3,180,176
Labor and other long-term obligations	36,939	54,499
Income tax payable	24,389	23,046
Deferred income taxes	62,878	277,376
Financial instruments – Valuation	164,691	200,900
Contributions for future capital increases	87,649	68,548
Total liabilities	9,340,049	10,443,655
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Capital stock	4,826,556	4,826,556
Additional paid-in capital	299,343	299,343
Accumulated deficit	(3,578,289)	(2,951,216)
Translation effects of foreign operations or entities	563,494	637,098
Valuation of financial instruments	(28,160)	(144,648)
Controlling interest	2,082,944	2,667,133
Non-controlling interest	145,870	131,128
Total stockholders' equity	2,228,814	2,798,261
Total	$ 11,568,863	$ 13,241,916

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Statements of Operations

For the years ended December 31, 2009 and 2008
(In thousands of Mexican pesos)

	2009	2008
Revenues:		
Net sales	$ 17,744,536	$ 23,361,505
Cost of sales	15,756,576	21,545,977
Gross income	1,987,960	1,815,528
Selling and administrative expenses	1,803,939	1,950,869
Other expenses – Net	(362,656)	(222,073)
Comprehensive financing result:		
Interest expense	(598,009)	(525,264)
Interest income	80,346	101,747
Exchange loss	(41,273)	(666,657)
Monetary position gain	6,210	3,330
Other financing costs	(90,736)	(32,437)
	(643,462)	(1,119,281)
Equity in income (losses) of associated companies – Net	242	(7,339)
Loss before income taxes	(821,855)	(1,484,034)
Income taxes	(209,524)	44,670
Consolidated net loss	$ (612,331)	$ (1,528,704)
Controlling interest	$ (627,073)	$ (1,566,686)
Non-controlling interest	14,742	37,982
Consolidated net loss	$ (612,331)	$ (1,528,704)

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Statements of Changes in Stockholders' Equity

For years ended December 31, 2009 and 2008
(In thousands of Mexican pesos)

	Capital Stock	Additional Paid-in Capital	Accumulated Deficit	Insufficiency in Restated Stockholders' Equity	Cumulative Initial Effect of Deferred Income Taxes	Translation Effects of Foreign Operations or Entities	Valuation of Financial Instruments	Non-controlling Interest	Total Stockholders' Equity
Balances as of January 1, 2008	$ 4,826,556	$ 299,343	$ 1,700,068	$ (2,239,981)	$ (844,617)	$ (18,078)	$ -	$ 169,992	$ 3,893,283
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(76,846)	(76,846)
Reclassification of insufficiency in restated stockholders' equity	-	-	(2,239,981)	2,239,981	-	-	-	-	-
Reclassification of cumulative initial effect of deferred income taxes	-	-	(844,617)	-	844,617	-	-	-	-
Comprehensive loss	-	-	(1,566,686)	-	-	655,176	(144,648)	37,982	(1,018,176)
Balances as of December 31, 2008	4,826,556	299,343	(2,951,216)	-	-	637,098	(144,648)	131,128	2,798,261
Comprehensive loss	-	-	(627,073)	-	-	(73,604)	116,488	14,742	(569,447)
Balances as of December 31, 2009	$ 4,826,556	$ 299,343	$ (3,578,289)	$ -	$ -	$ 563,494	$ (28,160)	$ 145,870	$ 2,228,814

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Statements of Cash Flows

For the years ended December 31, 2009 and 2008
(In thousands of Mexican pesos)

	2009	2008
Operating activities:		
Loss before income taxes	$ (821,855)	$ (1,484,034)
Items related to operating and investing activities:		
Depreciation and amortization	796,260	493,155
Loss (gain) on sale of property, plant and equipment	1,542	(2,209)
Gain on sale of shares	(2,711)	-
Fixed assets impairment and write-off	280,308	202,305
Interest income	(80,346)	(101,747)
Equity in losses (earnings) of associated companies and unconsolidated subsidiaries	(242)	7,339
Items related to financing activities:		
Interest expense	606,410	525,264
	779,366	(359,927)
(Increase) decrease in:		
Accounts receivable – Net	189,076	357,965
Inventories – Net	(48,750)	482,724
Others assets	21,464	(21,746)
Increase (decrease) in:		
Trade accounts payable	(455,565)	552,242
Income taxes paid	(34,928)	(64,602)
Advances from customers	(6,939)	18,054
Due to related parties	(2,024)	626,330
Labor and other long-term obligations	(17,560)	9,707
Accrued expenses and taxes other than income taxes	45,222	610,316
Net cash flows (used in) provided by operating activities	469,362	2,211,063
Investing activities:		
Acquisition of property, plant and equipment	(163,145)	(1,057,373)
Proceeds from sale of property, plant and equipment	4,678	216,781
Proceeds from sale of shares	48,443	-
Interest received	96,762	40,138
Net cash flows used in investing activities	(13,262)	(800,454)
Cash to apply in financing activities	456,100	1,410,609
Financing activities:		
Repayment of debt	(1,088,731)	(1,593,274)
Proceeds from notes payable to financial institutions	950,867	61,620
Proceeds from long-term debt	20,174	653,148
Interest paid	(337,808)	(325,326)
Dividends paid to non-controlling interest	-	(76,846)
Contributions for future capital increases	-	68,548
Net cash flows used in financing activities	(455,498)	(1,212,130)
Adjustment to cash flows due to exchange rate fluctuations	6,375	(472,571)
Net increase (decrease) in cash, cash equivalents and restricted cash	6,977	(274,092)
Cash, cash equivalents and restricted cash at beginning of year	354,283	628,375
Cash, cash equivalents and restricted cash at end of the year	$ 361,260	$ 354,283

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended December 31, 2009 and 2008
(In thousands of Mexican pesos)

1. Nature of business and significant events

Industrias Unidas, S. A. de C. V. ("IUSA", and together with its subsidiaries, the "Company") is a 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V. (the "Parent"), which in turn is owned and controlled by Grupo IUSA, S. A. de C. V. ("Grupo IUSA"). Grupo IUSA directly owns the remaining 4.37% of the Company. IUSA, the Parent and Grupo IUSA are controlled, directly and indirectly, by Carlos Peralta Quintero (the "Principal Stockholder") and members of his family. IUSA is a Mexican operating and holding company whose core businesses consist, directly or through its subsidiaries, of the production and distribution of copper alloys, copper tubing, wire and cable, electrical products, watt-hour meters, valves, controls and polyethylene water plastic storage tanks.

The majority of the Company's manufacturing operations are located in Mexico. For the years ended December 31, 2009 and 2008, the Company's net sales to parties located in Mexico were $7,468,286 and $7,892,074, respectively. Included in such amounts are net sales of $2,929,511 and $1,706,685, respectively, to various agencies of the Mexican government, including the Comisión Federal de Electricidad (the "CFE") and the Compañía de Luz y Fuerza del Centro (the "LFC").

The accompanying consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern. As indicated in the accompanying consolidated financial statements, during the years ended December 31, 2009 and 2008, the Company incurred net losses of $612,331 and $1,528,704, respectively, and as of such dates has accumulated deficit of $3,578,289 and $2,951,216, respectively and at those dates, its current liabilities exceeded current assets by $3,330,309 and $1,178,146, respectively. Current liabilities as of December 31, 2009 and 2008, include revolving lines of credit of U.S. subsidiaries of the Company amounting $808,038 and $1,458,402, respectively.

As observed in Notes 10e. to 10n., as of December 31, 2009, the Company has not been able to make payments of debt and accrued interest in accordance with contractual due dates as follows:

Current	Principal	Interest	Total
U.S. Dollar	10,848,827	12,363,093	23,211,920
Euro	784,273	39,964	824,237

Due to the non-compliance of principal and interest payments shown in the chart above, as of December 31, 2009, the amount of U.S. $228,954,327 has been reclassified from long-term debt to current portion of long-term debt due to the clauses within the debt agreements indicate that a non-compliance of principal or interest payments will cause acceleration of the due dates of such debt agreements.

Additionally, as of December, 2009, the Company has also not been able to pay due payments to its principal copper supplier for approximately U.S. $146 million plus U.S. $4.4 million overdue interest.

On December 8, 2009, CLH became a debtor in a proceeding under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the state of Delaware (In Re Tubo de Pasteje S.A. de C.V., et al., Case No. 09-14353 (KJC) (Jointly Administered)). The circumstances leading up to this event was the failure by IUSA, CLH's ultimate parent company, to make timely payment on an interest coupon due to the holders of the U.S.$200 million 2016 bonds (the "Bonds"), for which Tubo had pledged the stock of CLH as security.

CLH and Tubo each filed for protection under Chapter 11 of the U.S. Bankruptcy Code. IUSA and its creditors are engaged in negotiations regarding a possible restructuring of the debt owed by IUSA, which IUSA expects will result in an agreement that will enable CLH and Tubo to emerge from Chapter 11 by the end of 2010 or beginning of 2011. However, there can be no certainty at this time as to the results of those negotiations. If the parties are unable to reach a consensual agreement on a restructuring, then the bondholders may seek to exercise remedies, including in the chapter 11 case, subject to the requirements of the United States Bankruptcy Code. Exercise, if permitted, of certain of these remedies by the bondholders could adversely affect CLH's ability to reorganize.

The Company's management considers that the aforementioned factors will not affect the normal continuity of its operations since management is in the process of formalizing the restructuring process with the creditors as well as obtaining additional working capital financing. As of the date of the issuance of these financial statements, the Company and the creditors have executed a Term Sheet that summarize the terms and conditions under which the parties have agreed a restructure if the Company's debt. A summary of principal terms of restructuring are as follows:

a) Holders of the U.S.$200 million 2016 bonds have agreed to exchange all of their bonds for 11.5% New Notes called "Series A" maturing on November 15, 2016. Initial balance of this new issuance will be the par value plus unpaid interest accrued at the contractual non-default rate, plus the restructuring fee.
b) Copper suppliers and holders of Commercial Paper referred to in Note 10 below inserts f), h) and i) have agreed to exchange all the debt owed to them for 11.5% Notes called "Series B" maturing on November 15, 2016 with similar terms of "Series A" bonds and only excluding certain benefits that are applicable to Series A.
c) The controlling shareholders have agreed that upon formalization of the restructure they will contribute U.S.$25,000,000 in cash equity to the Company to (i) pay down certain secured debt and (ii) fund working capital. The controlling shareholders will contribute an initial amount in cash equity on the closing date and will make additional scheduled cash equity contributions within the following twelve months after the closing date.

The Company's management believes that, in the event to successfully close the restructuring process mentioned before, obtaining additional working capital finance and cash flows from operations would be sufficient to continue with the normal continuity of operations. As of the date of issuance of these financial statements, Company's management is working actively these objectives.

2. Basis of presentation

a. ***Explanation for translation into English*** - The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. These consolidated financial statements are presented on the basis of Mexican Financial Reporting Standards ("MFRS", individually referred to as *Normas de Información Financiera* or "NIFs"). Certain accounting practices applied by the Company that conform with MFRS may not conform with accounting principles generally accepted in the country of use.

b. ***Monetary unit of the financial statements –*** The financial statements and notes as of December 31, 2009 and 2008 and for the years then ended include balances and transactions denominated in Mexican pesos of different purchasing power.

c. ***Consolidation of financial statements*** - The consolidated financial statements include those of IUSA and its majority-owned and controlled subsidiaries, as well as the proportional interest in the accounts of companies under joint control. IUSA's shareholding percentage in their capital stock is shown below.

The most significant subsidiaries of IUSA are:

Company	Participation	Activity
Tubo de Pastejé, S. A. de C. V.	100.00%	Holding company of Cambridge-Lee Holdings, Inc. ("CLH"), located in Reading, Pennsylvania, United States, with eight subsidiaries in the United States and Europe, engaged in manufacturing and distribution of copper, steel and aluminum products.
United Copper Industries, Inc. ("UCI") (1)	97.01%	Manufacturer and distributor of high and medium power electrical wires. Manufacturer and distributor of copper tubing through its subsidiary Cambridge-Lee Industries, L. L. C.
IUSA, S. A. de C. V.	100.00%	Manufacturer of copper water tubing and commercial tubing, high and medium power electrical wires, platforms for watt-hour meters, power transmission equipment, thermostats for ovens and water heaters, stove valves and regulators for stationary gas tanks, wiring for lighting products, brass rod, brass bar, brass and copper sheet and strips, copper bus bar, brass wire and polyethylene water plastic storage tanks.
IUSA GE, S. de R. L de C. V. (2)	50.10%	Manufacturer of poly-phase, mono-phase and digital watt-hour meters.

(1) Indirect subsidiary that consolidates directly with CLH.
(2) Proportionately consolidated since it is jointly controlled.

Significant intercompany balances and transactions have been eliminated.

Entities in which the Company has at least 50% participation in common stock, are consolidated in the accompanying consolidated financial statements due to the Company has control over them.

d. ***Translation of financial statements of foreign subsidiaries*** - To consolidate financial statements of foreign subsidiaries, the accounting policies of the foreign entity are converted to MFRS using the currency in which transactions are recorded except for the application of NIF B-10 when the foreign entity operates in an inflationary environment, since this NIF applies to financial statements that have been remeasured to the functional currency. The financial statements are subsequently translated to Mexican pesos considering the following methodologies:

Foreign operations with a functional currency different from the local currency and the reporting currency translate their financial statements from the currency in which transactions are recorded to the functional currency, using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for monetary assets and liabilities; 2) historical exchange rates for non-monetary assets and liabilities and stockholders' equity; and 3) the rate on the date of accrual of revenues, costs and expenses, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Translation effects are recorded under comprehensive financing result. Subsequently, to translate the financial statements from the functional currency to Mexican pesos, the following exchange rates are used: 1) the closing exchange rate in effect at the balance sheet date for assets and liabilities; 2) historical exchange rates for stockholders' equity, and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in stockholders' equity.

Foreign operations with a functional currency different from the local currency and the reporting currency translate their financial statements from the currency in which transactions are recorded to the functional currency, using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for monetary assets and liabilities; 2) historical exchange rates for non-monetary assets and liabilities and stockholders' equity; and 3) the rate on the date of accrual of revenues, costs and expenses, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Translation effects are recorded under comprehensive financing result. Subsequently, to translate the financial statements from the functional currency to Mexican pesos, they first restate their financial statements in currency of purchasing power as of the date of the balance sheet, using the price index of the country of origin of the functional currency, and subsequently translate those amounts to Mexican pesos using the closing exchange rate in effect at the balance sheet date for all items; translation effects are recorded in stockholders' equity.

The currency in which transactions are recorded and the functional currency of foreign operations, are as follows:

Company	Recording Currency	Functional Currency
Industrias Unidas, S. A. de C. V.	Mexican peso	U.S. dollar
IUSA, S. A. de C. V.	Mexican peso	U.S. dollar
Cambridge Lee Industries, LLC.	U.S. dollar	U.S. dollar
United Copper Industries, Inc.	U.S. dollar	U.S. dollar
Deformaciones Plásticas de Metales, C. A.	Bolivars	Bolivars

The Mexican peso is the reporting currency in all foreign operations.

As of December 31, 2009, the translation effect of foreign currencies is $73,604, which is presented within the translation effects of foreign operations or entities in equity.

e. ***Comprehensive loss*** - Represents changes in stockholders' equity during the year, for concepts other than distributions and activity in contributed common stock, and is comprised of the net loss of the year, plus other comprehensive income (loss) items of the same period, which are presented directly in stockholders' equity without affecting the statement of operations. In 2009 and 2008, other comprehensive loss items consisted of the translation effects of foreign subsidiaries and the valuation of financial instruments.

f. ***Classification of costs and expenses*** - Costs and expenses presented in the consolidated statements of operations were classified according to their function because this is the practice of the industry to which the Company belongs.

3. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in conformity with MFRS, which require that management make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures; however, actual results may differ from such estimates. The Company's management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances. The significant accounting policies of the Company are as follows:

a. ***Accounting changes***

Beginning January 1, 2009, the Company adopted the following new NIFs:

NIF B-8, Consolidated or Combined Financial Statements, establishes that special purpose entities over which the Company has control should be consolidated. It also establishes the option of presenting separate financial statements for intermediate controlling entities, provided certain requirements are met. NIF B-8 also requires consideration of potential voting rights to analyze whether control exists.

NIF C-7, Investments in Associated Companies and Other Permanent Investments, requires valuation, through the equity method, of investments in special purpose entities over which the Company has significant influence. It also requires consideration of potential voting rights to analyze whether significant influence exists. NIF C-7 establishes a specific procedure and sets a limit for the recognition of losses in associated companies, and requires that the investment in associated companies include the related goodwill.

NIF C-8, Intangible Assets, requires that the unamortized balance of preoperating costs as of December 31, 2008 be cancelled against retained earnings.

The adoption of these new NIFs did not have any effect in the accompanying consolidated financial statements.

b. ***Reclassifications*** - Certain amounts in the financial statements as of and for the year ended December 31, 2008 have been reclassified to conform to the presentation of the 2009 financial statements.

c. ***Recognition of the effects of inflation*** - Since the cumulative inflation for the three fiscal years prior to those ended December 31, 2009 and 2008, was 15.01% and 11.56%, respectively, the economic environment may be considered non-inflationary in both years. Inflation rates for the years ended 2009 and 2008 were 3.57% and 6.53%, respectively.

Beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its financial statements. However, assets, liabilities and stockholders' equity include the restatement effects recognized through December 31, 2007.

On January 1, 2008, the Company reclassified the entire balance of the insufficiency in restated stockholders' equity to accumulated deficit, and concluded that it is impractical to identify the gain (loss) from holding non-monetary assets related to assets not realized as of that date.

d. ***Cash and cash equivalents*** - Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash, which are subject to insignificant value change risks. Cash is stated at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in comprehensive financing result of the period. Cash equivalents are represented mainly by investment funds and money market funds.

e. ***Inventories and cost of sales*** - Inventories are stated at the lower of cost or realizable value, using the average cost method.

f. ***Long-lived assets available-for-sale*** - Long-lived assets available-for-sale are stated at the lower of their net realizable value or their net carrying value. Net carrying value is comprised of initial acquisition cost plus restatement for the effects of inflation of balances from acquisitions made through December 31, 2007, using factors derived from the National Consumer Price Index ("NCPI"), less accumulated depreciation.

g. ***Investments in associated companies*** - Beginning in April 2009, permanent investments in entities where significant influence exists, are initially recognized based on the net fair value of the entities' identifiable assets and liabilities as of the date of acquisition. Such value is subsequently adjusted for the portion related both to comprehensive income (loss) of the associated company and the distribution of earnings or capital reimbursements thereof. When the fair value of the consideration paid is greater than the value of the investment in the associated company, the difference represents goodwill, which is presented as part of the same investment. Otherwise, the value of the investment is adjusted to the fair value of the consideration paid. Through December 31, 2008, investment in shares of associated companies is valued according to the equity method. If impairment indicators are present, investment in shares of associated companies is subject to impairment testing.

h. ***Property, plant and equipment*** – Property, plant and equipment are recorded at acquisition cost. Balances from domestic acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the NCPI through that date. In the case of fixed assets of foreign origin, their acquisition cost was restated for the effects of inflation through December 31, 2007 based on the inflation of the country of origin and considering the exchange fluctuations of the Mexican peso against the currency of the country of origin. Assets acquired through December 31, 1996 are stated at net replacement values based on independent appraisals through 1996, as permitted by MFRS, which were subsequently restated through December 31, 2007 for inflation using factors derived from the NCPI. Depreciation is calculated using the straight-line method based on the remaining useful lives of the related assets, as follows:

	Average years	
	2009	**2008**
Industrial machinery and equipment	8	8
Buildings and building improvements	14	14
Vehicles	2	2
Casts and dies	1	1
Furniture and fixtures	4	4
Computers	1	1

Comprehensive financing cost incurred during the period of construction and installation of qualifying property, plant and equipment s capitalized and was restated for inflation through December 31, 2007 using the NCPI. As of December 31, 2009 and 2008, the Company capitalized interest expense of $21,266 and $12,992, respectively.

i. ***Impairment of long-lived assets*** - The Company reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, obsolescence, reduction in the demand for the products manufactured, competition and other legal and economic factors. As of December 31, 2009, the Company identified impairment indicators in the following cash generating units: i) plumbing tube; ii) copper alloys and iii) valves and controls. According to the discounted future cash flows related to such CGU's, the Company recognized an impairment of $18.3 million and $88.9 million in the CGU's of plumbing tube and copper alloys, respectively.

j. ***Derivative financial instruments*** - The Company's policy is not to carry out transactions with derivative financial instruments for the purpose of speculation.

The Company recognizes all assets or liabilities that arise from transactions with derivative financial instruments at fair value in the consolidated balance sheet, regardless of its intent for holding them. Fair value is determined using prices quoted on recognized markets. If such instruments are not traded, fair value is determined by applying valuation techniques recognized in the financial sector.

When derivatives are entered into to hedge risks, and such derivatives meet all hedging requirements, their designation is documented at the beginning of the hedging transaction, describing the transaction's objective, characteristics, accounting treatment and how the effectiveness of the instrument will be measured.

Changes in the fair value of derivative instruments designated as hedges are recognized as follows: (1) for fair value hedges, changes in both the derivative instrument and the hedged item are stated at fair value and recognized in current earnings; (2) for cash flow hedges, changes in the effective portion are temporarily recognized as a component of other comprehensive loss in stockholders' equity and then reclassified to current earnings when affected by the hedged item. The ineffective portion of the change in fair value is immediately recognized in current earnings; (3) for hedges of an investment in a foreign subsidiary, the effective portion is recognized as a component of other comprehensive loss as part of the cumulative translation adjustment. The ineffective portion of the gain or loss on the hedging instrument is recognized in current earnings, if it is a derivative financial instrument. If not, it is recognized as a component of other comprehensive loss until the investment is sold or transferred.

The Company discontinues hedge accounting when the derivative instrument matures, is sold, cancelled or exercised; when the derivative instrument does not reach a high percentage of effectiveness to compensate for changes in fair value or cash flows of the hedged item, or when the Company decides to cancel its designation as a hedge.

For cash flow hedges, upon discontinuing hedge accounting, the amounts recorded in stockholders' equity as a component of other comprehensive loss remain there until the time when the effects of the forecasted transaction or firm commitment affect current earnings. If it is not likely that the firm commitment or forecasted transaction will occur, the gains or losses accumulated in other comprehensive loss are immediately recognized in current earnings. When the hedge of a forecasted transaction has proven satisfactory, but subsequently the hedge fails the effectiveness test, the cumulative effects recorded within other comprehensive loss in stockholders' equity are proportionately recorded in current earnings, to the extent that the forecasted asset or liability affects current earnings.

While certain derivative financial instruments are contracted for hedging from an economic point of view, they are not designated as hedges because they do not meet all of the requirements and are instead classified as trading for accounting purposes. Changes in fair value are recognized as a component of comprehensive financing results within the "Other financing costs" line.

k. ***Direct employee benefits*** - Direct employee benefits are calculated based on the services rendered by employees, considering their most recent salaries. The liability is recognized as it accrues. These benefits include mainly statutory employee profit sharing ("PTU") payable, compensated absences, such as vacation and vacation premiums, and incentives. Such benefits are presented within taxes and accrued expenses caption, since they are deemed not significant.

l. ***Employee benefits from termination, retirement and other*** - Liabilities from seniority premiums, pension plans and severance payments are recognized as they accrue and are calculated by independent actuaries based on the projected unit credit method using nominal interest rates.

m. ***Other assets*** - It is mainly comprised of commissions for issuance of debt, which are amortized through the life of credit agreements, as well as costs incurred in the development phase of new technology and products that meet certain requirements to be capitalized as assets and are amortized based on the straight-line method over the estimated useful life.

n. ***Provisions*** - Provisions are recognized for current obligations that arise from a past event, that will probably result in the use of economic resources, and that can be reasonably estimated.

o. ***Statutory employee profit sharing*** - PTU is recorded in the results of the year in which it is incurred and presented under other income and expenses in the accompanying consolidated statements of operations. Deferred PTU is derived from temporary differences that result from comparing the accounting and tax bases of assets and liabilities and is recognized only when it can be reasonably assumed that such difference will generate a liability or benefit, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

p. ***Income taxes*** - Income tax ("ISR") and the Business Flat Tax ("IETU") are recorded in the results of the year they are incurred. To recognize deferred income taxes, based on its financial projections, the Company determines whether it expects to incur ISR or IETU and, accordingly, recognizes deferred taxes based on the tax it expects to pay. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. Deferred tax assets are recorded only when there is a high probability of recovery. According to NIF D-4, *Income Taxes*, the balance of the initial cumulative effect of deferred income taxes was reclassified to accumulated deficit as of January 1, 2008.

Tax on assets ("IMPAC") –The IMPAC paid until 2007 that is expected to be recovered is recorded as a tax credit and is presented in the balance sheet under deferred taxes.

q. ***Foreign currency balances and transactions*** - Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net comprehensive financing result in the consolidated statements of operations, except those amounts capitalized as a component of construction cost (see letter g. above).

r. ***Revenue recognition*** - Revenues are recognized in the period in which the risks and rewards of ownership of the inventories are transferred to the customers, which generally coincides when the inventories are delivered or shipped to customers and the customer assumes responsibility for them.

4. Cash and cash equivalents

	2009	2008
Cash	$ 146,914	$ 294,829
Cash equivalents	165,419	7,786
	$ 312,333	$ 302,615

5. Accounts receivable – Net

	2009	2008
Trade	$ 2,166,057	$ 2,191,512
Recoverable taxes	160,518	287,819
Other	109,781	87,874
	2,436,356	2,567,205
Allowance for doubtful accounts	(111,786)	(96,331)
	2,324,570	2,470,874
Due from related parties	208,784	253,192
	$ 2,533,354	$ 2,724,066

6. Inventories – Net

	2009	2008
Finished goods	$ 1,344,704	$ 1,583,514
Production in-process	269,714	179,353
Raw materials and other	620,719	473,189
Allowance for obsolete inventories	(37,958)	(29,361)
	2,197,179	2,206,695
Merchandise in-transit and other	128,781	112,245
	$ 2,325,960	$ 2,318,940

7. Investments in associated companies

Investment in associated companies is as follows:

Associated Company	Ownership 2009	Ownership 2008	Description of Business	Investment Balance 2009	Investment Balance 2008
GE-IUSA Metters LLC	49.9%	49.9%	Distribution of watt-hour meters	$ 3,016	$ 3,016
Alumoclad de México, S.A. de C.V. (1)	-	49.0%	Manufacturing of aluminum wire	-	63,992
USA Gas San Juan S.A. de C.V.	41.0%	-	L.P. Gas distributor	3,111	-
				6,127	67,008
Investments recorded at cost				3,290	3,310
				$ 9,417	$ 70,318

(1) In May 7, 2009, IUSA sold its participation in Alumoclad, S. A. de C. V. for a price of U.S. $5.1 million. This transaction generated a gain of $2,711.

8. Property, plant and equipment – Net

	2009	2008
Industrial machinery and equipment	$ 9,240,594	$ 9,113,367
Buildings and building improvements	4,026,625	4,380,375
Vehicles	116,154	127,821
Casts and dies	205,151	197,252
Furniture and fixtures	87,557	87,862
Computers	141,915	125,073
	13,817,996	14,031,750
Accumulated depreciation and amortization	(10,270,081)	(9,510,321)
	3,547,915	4,521,429
Land	661,215	680,281
Construction in-progress	1,172,262	1,324,405
Advances to suppliers of machinery	55,089	14,279
	$ 5,436,481	$ 6,540,394

Unamortized capitalized net comprehensive financing costs were $123,080 and $133,925 as of December 31, 2009 and 2008, respectively.

As of December 31, 2009 and 2008, the Company has idle industrial machinery and equipment, which are valued at their net realizable value of $55,544 and $141,114, respectively.

Equipment under financial leases as of December 31, 2009 and 2008 is as follows:

	2009	2008
Equipment acquired under financial leases	$ 28,755	$ 26,357
Accumulated depreciation	(20,397)	(14,376)
	$ 8,358	$ 11,981

9. Notes payable to financial institutions

Notes payable to financial institutions are unsecured U.S. dollar and Mexican peso-denominated notes, with weighted average annual interest rates of approximately 6.36% and 5.43% as of December 31, 2009 and 2008, respectively, and are summarized as follows.

	2009	2008
Grupo Xtra	$ 140,000	$ -
IXE Banco	73,271	-
HSBC	68,717	50,000
Credit Comercial	65,682	57,626
Banque Artesia	32,705	34,537
Espirito Santo Bank	-	51,388
	$ 380,375	$ 193,551

10. Long-term debt

	2009			2008
	Short term portion	Long term portion	Total	
Senior notes for U.S. $200,000,000 payable in October 2016 bearing interest at a fixed rate of 11.50% per annum (see Note 10e.).	$ 2,616,400	$ -	$ 2,614,400	$ 2,763,000
Revolving line-of-credit of U.S.$46,986,475 from General Electric Capital Inc., payable in March 2010, bearing interest based upon a combination of 3.25% over LIBOR and 2% over prime-based rates (5.62% and 4.20% as of December 31, 2009 and 2008, respectively) (see Note 10d.).	614,677	-	614,677	795,835
Revolving line-of-credit of U.S.$14,780,680 from Bank of America, payable in May 2010, bearing annual interest based upon a combination of LIBOR-based and prime-based rates (2.56% and 2.44% as of December 31, 2009 and 2008) (see Note 10c.).	193,361	-	193,361	662,567
Line-of-credit of U.S.$22,880,383, from Societé Générale, payable in June 2015 in 14 semiannual installments, each for U.S. $1,760,029, bearing interest at 2% over 6-month LIBOR (2.43 % and 3.75% as of December 31 2009 and 2008, respectively) (see Note 10g.).	299,321	-	299,321	340,407
Note payable for U.S.$15,000,000 from Bank of New York, as Trustee for the Euro commercial paper program, payable in March 2010, bearing annual interest at 10.63% as of December 31, 2009 and 2008 (see Note 10j.).	196,230	-	196,230	192,082
Note payable for $147,940 from HSBC de México, payable in April 14, 2014, bearing annual interest TIIE 28 days plus 6 base points (10.93% as of December 31, 2009).	38,926	109,014	147,940	-
Note payable for U.S.$9,500,000 from Bank of New York, as Trustee for the Euro commercial paper program, payable in installments due in December 2009 and March 2010, bearing annual interest at 2.43% and 3.75% as of December 31, 2009 and 2008, respectively (see Note 10f.).	124,279	-	124,279	276,300

	2009			2008
	Short term portion	Long term portion	Total	
Mortgage loan for U.S.$9,287,459 from Residential Funding Corporation, payable in monthly installments of U.S. $78,033, bearing annual interest at a rate of 8.34%, guaranteed by land and buildings with a net book value of U.S.$9,424,112 and U.S.$9,746,518 as of December 31, 2009 and 2008, respectively.	4,641	116,858	121,499	130,301
Bank term loan for U.S.$3,333,874 from Aka Ausfuhrkreditgesellschaft, payable in semiannual installments through May 2014, bearing interest at 3.07% as of December 31, 2009 and 2008 (see Note 10k.).	13,084	30,530	43,614	46,057
Note payable for U.S.$2,721,332 from Texas Community Bank, bearing annual fixed interest rate of 3.25%, payable in August 2013, guaranteed by land with a book value of U.S.$2,300,000 as of December 31, 2009 and 2008.	11,620	23,980	35,600	49,432
Line-of-credit of U.S.$ 2,666,657, from Espirito Santo Bank, payable in quarterly installments of U.S.$333,333 through September 2011, bearing annual interest based on three month LIBOR rate (2.25% and 3.43% as of December 31, 2009 and 2008, respectively) (see Note 10h.).	34,885	-	34,885	55,260
Bank term loan for U.S.$1,882,435 from Bank of America, payable in variable monthly installments with a final payment due in May 2010, bearing annual interest based upon a combination of LIBOR-based and prime-based rates (2.99% and 3.04% as of December 31, 2009 and 2008, respectively).	20,631	3,995	24,626	65,446
Note payable for U.S.$803,803 from Espirito Santo Bank, payable in semiannual installments of U.S.$133,967, from May 8, 2008 through November 2012, bearing an annual interest rate at 6-month LIBOR plus 0.75% (1.18% and 2.5% as of December 31, 2009 and 2008) (see Note 10l.).	10,516	-	10,516	14,806

	2009			2008
	Short term portion	Long term portion	Total	
Financial lease obligations for machinery and equipment to IXE Arrendadora, S. A., payable in monthly installments through 2011, bearing a variable interest rate as of December 31, 2009 and 2008.	3,042	4,182	7,224	11,839
Line-of-credit of EUR $403,056, from Klockner Desma, payable in Semiannual, at a fixed rate of 7.95% per annum as of April 30, 2012 (see Note 10m.).	3,781	3,781	7,562	9,181
Line-of-credit of EUR $301,473 from Sociéte Génerale, payable in semiannual installments of EUR $301,473, paid in February 2009, bearing an annual interest rate at 6-month LIBOR plus 0.625% (1.60% and 3.60% at December 31, 2009 and 2008, respectively) (see Note 10i.).	-	-	-	5,886
Bank term loan for EUR $281,420 from West LB AG payable in semiannual installments of EUR $140,710, through May 2010, bearing interest at a fixed rate of 4.40%.	5,280	-	5,280	8,242
Bank term loan for U.S.$295,464 from Aka Ausfuhrkreditgesellschaft, payable in semiannual installments of U.S.$339,272 from December 4, 2004 to June 6, 2009, bearing interest at 0.75% over 6-month LIBOR (1.18% and 2.5% as of December 31, 2009 and 2008, respectively) (see Note 10i.).	3,865	-	3,865	4,687
Bank term loan for U.S.$282,557, from Societé Générale, payable in semiannual installments of U.S.$282,557, through September 2009, bearing interest at 0.75% over 6-month LIBOR (1.18 % and 2.5% as of December 31, 2009 and 2008) (see Note 10i.).	3,696	-	3,696	7,807
Bank term loan for EUR $526,449, from Societé Générale, payable in semiannual installments of EUR $526,449, through May 2009, bearing interest at 6-month LIBOR plus 0.625% (1.60% and 3.60% as of December 31, 2009 and 2008, respectively) (see Note 10i.).	9,878	-	9,878	20,557
Others (see Note 10i.)	942	-	942	20,221
	$ 4,209,055	$ 292,340	$ 4,501,395	5,479,913
Less: current portion				(2,299,737)
				$ 3,180,176

a. As of December 31, 2009 long-term debt matures as follows:

2011	$	185,479
2012		62,301
2013		40,736
2014		3,824
	$	292,340

b. As of December 31, 2009, minimum rental commitments under financial leases are as follows:

Total minimum lease obligations	$	7,977
Unearned interest		(753)
		7,224
Current portion of obligations		(3,042)
Long-term portion of financial lease obligations	$	4,182

Financial lease obligations, which include a purchase option at the end of the lease term, mature in 2011.

c. Amounts due under the revolving line-of-credit with Bank of America for U.S.$14.7 million and the bank term loan of U.S.$1.8 million included in the current portion of long-term debt, represent indebtedness under a credit agreement of the Company's subsidiary, Cambridge-Lee Industries, Inc. ("CLI").

Under the terms of the amended credit agreement, CLI may take advances under the revolving lines-of-credit not to exceed the lower of: i) the maximum amount established by the lender, U.S.$81 million, or ii) the collateral borrowing base formula, which includes eligible receivables and inventories, as defined in the agreement. The credit agreement requires CLI to maintain certain financial ratios and non-financial conditions. Additionally, the credit agreement restricts CLI from incurring certain additional indebtedness, paying dividends, making certain investments, advances or loans, and limits capital expenditures. The credit agreement is secured with substantially all of the assets of CLI, (approximate net book values of U.S.$165 million and U.S.$185 million at December 31, 2009 and 2008, respectively).

The credit agreement also has a U.S. $11 million letter of credit facility, which provides for the issuance of letters of credit and guarantees on CLI's behalf. The amount of additional available borrowings under the revolving line-of-credit agreement was U.S. $36 million at December 31, 2009.

As of December 31, 2008, CLI was not in compliance with the covenants as provided for in the amended agreement. However, Bank of America, N.A. and CLI signed an amendment to waive such violation and to extend the term of the line of credit though May 11, 2010 and to establish the maximum amount at U.S. $81 million, based on the working capital needs of CLI.

As of December 31, 2009, CLI was in compliance with the covenants as provided for in the amended agreement.

On April 29, 2010, Bank of America provided an amended agreement to modify the financial covenants and to extend the term of the line of credit through May 11, 2013. In addition, this amendment reduced maximum amount of the line to U.S.$80 million, based on the working capital needs of CLI.

d. Amounts under the line-of-credit with GE Capital Corp. for U.S.$47 million, represent indebtedness of UCI, an indirect subsidiary of the Company. Under the terms of the line-of-credit, UCI may take advances not to exceed the lesser of (i) the maximum amount established by the lender, U.S. $90 million, or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the line-of-credit agreement. The related credit agreement requires UCI to maintain certain financial ratios and non-financial conditions. Additionally, the line-of-credit agreement contains certain restrictive covenants, which among other things, limits additional indebtedness and acquisitions of fixed assets.

Amounts outstanding under this agreement are secured by substantially all of UCI's assets, except mortgaged real estate, and a stock pledge agreement of UCI's capital stock that is owned by CLH, with a net book value of U.S.$99 million and U.S.$119 million as of December 31, 2009 and 2008, respectively. The amount of additional borrowings available under the line-of-credit agreement was U.S. $14 million as of December 31, 2009.

On March 6, 2009, GE provided an amended agreement to renew to extend the term of the line of credit through March 8, 2010 and to reduce the maximum amount of the line of credit to U.S. $90 million, based on the working capital needs of UCI. Such amendment also modified the financial covenants.

As of December 31, 2009, UCI was not incompliance with the financial and non-financial restrictions established in the revolving credit line agreement between UCI and GE; however, on April 9, 2010, the Company signed the 15th amendment to the revolving credit line agreement and obtained waiver for such non-compliance extending the credit line until December 31, 2010. Under the terms of this amendment maintained maximum amount of the line to U.S. $90 million until September 30, 2010, and will be reduced to U.S. $80 million from October 1, 2010 to December 31, 2010.

e. The senior notes for U.S.$200 million represent debt issued by the Company on November 9, 2006. Under the terms of the agreement, IUSA is required to maintain certain financial ratios and other financial conditions which among other are : 1) Not to incur additional indebtedness; 2) Not to pay dividends, 3) Not to make certain investments, down-payments or loans. The terms of the agreement also limit fixed assets purchases. These senior notes are guaranteed by 100% of the capital stock in CLH and property of Tubo de Pastejé, S. A. de C. V.

As of December 31, 2009, the Company was in compliance with the terms of the offering memorandum. According to this memorandum, non compliance with its restrictions will cause acceleration of the due date and therefore this credit is presented in the current portion of long-term debt.

f. In regards to the notes payable to the Bank of New York, as trustee of the Euro commercial paper, for U.S. $9.5 million, as of December 31, 2009, the Company has overdue principal payments of U.S. $6.3 millon. Likewise, as of December 31, 2009, the Company has overdue interest payments for U.S. $65 thousands. According to the terms of the credit line agreement the situation accelerates the maturity of the loan, therefore, the total amount is presented as current portion of long-term debt.

g. In regards to the credit line from Sociéte Générale for U.S. $22.9 million, as of December 31, 2009, the Company has due principal and interest payments for U.S. $3.5 million and U.S. $0.7 million, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan, therefore, the total amount is presented as current portion of long-term debt.

h. In regards to the credit line from Espirito Santo Bank for U.S. $2.6 million, as of December 31, 2009, the Company has due principal and interest payments for U.S. $245 thousands and U.S. $17 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan, therefore, the total amount is presented as current portion of long-term debt.

i. As of December 31, 2009, the total amount of the principal is overdue and has not been paid-off yet by the Company. Accrued unpaid interest as of that date approximates U.S. $15 thousand and EUR 15 thousand.

j. In regards to the notes payable to the Bank of New York, as trustee of the Euro commercial paper, for U.S. $15 million, on July 27, 2009 the Company received consent of ratification from the holders of the Euro commercial paper extending the maturity from August 6, 2009 to March 26, 2010. However, as of the date of issuance of these financial statements, the Company has not made any payment and has not obtained a waiver to extend the maturity date.

k. As of December 31, 2009, in regards to the notes payable for U.S. $3.3 million with Aka Ausfuhrkreditgesellschaft, the Company has due principal and interest payments for U.S. $333 thousands and U.S. $65 thousands, respectively.

l. In regards to the note payable for U.S. $804 thousand, as of December 31, 2009, the Company has due principal and interest payments for U.S. $134 thousands and U.S. $18 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan, therefore, the total amount is presented as current portion of long-term debt.

m. In regards to the credit line from Klockner Desma for EUR $403 thousand, as of December 31, 2009, the Company has due principal and interest payments for EUR $67 thousands and EUR $16 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan, therefore, the total amount is presented as current portion of long-term debt.

n. Likewise, as of December 31, 2009, the Company has due principal and interest payments in regards to the note payable to Westlb Ag Dusseldorf for EUR $141 thousands and EUR $9 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan, therefore, the total amount is presented as current portion of long-term debt.

11. Stockholders' equity

a. Common stock at par value (historical pesos) as of December 31 2009 and 2008, is as follows:

	Number of shares	Amount
Fixed capital:		
Series A	532,460	$ 4,060
Variable capital:		
Series A	1,684,146,397	4,090,540
Series B	116,790,431	731,956
Total	1,801,469,288	$ 4,826,556

b. Series A shares may be owned only by Mexican citizens; Series B shares have no ownership limitations and may represent up to 49% of total shares issued and outstanding.

c. Stockholders' equity, except for restated paid-in capital and tax retained earnings will be subject to ISR payable by the Company at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated ISR of the year in which the tax on dividends is paid and the following two fiscal years.

d. The balances of the stockholders' equity tax accounts as of December 31 are:

	2009	2008
Contributed capital account	$ 5,663,481	$ 5,468,264
Net tax income account	5,843,606	5,756,252
Net reinvested tax income account	738,025	703,235
Total	$ 12,245,112	$ 11,927,751

As illustrated in the preceding table, the total amount of the balances of the stockholders' equity tax accounts exceeds stockholders' equity, according to the accompanying consolidated balance sheets.

12. Foreign currency balances and transactions

a. Combined and condensed financial statements of subsidiaries located abroad as of December 31, 2009 and for the year then ended:

	Thousands of U.S. Dollars	Mexican Peso Equivalent	Percent of Consolidated Balances
Monetary assets	$ 274,384	$ 3,589,496	94%
Nonmonetary assets	582,554	7,620,965	95%
Total liabilities	719,713	9,415,289	99%
Stockholders' equity	$ 181,606	$ 2,375,767	100%
Net income	$ (36,701)	$ (480,120)	100%
Total revenues	$ 1,322,533	$ 17,301,380	98%

b. Mexican peso exchange rates in effect at the dates of the consolidated balance sheets and at the date of issuance of these financial statements were as follows

	December 31,		October 22,
	2009	2008	2010
U.S. dollar	13.0820	13.8150	12.4170
Euro	18.7636	19.5237	17.2672

13. Transactions and balances with related parties

a. Balances with related parties are as follows:

	2009	2008
Due from related parties-		
Grupo IUSA, S. A. de C. V. (1)	$ 248,346	$ 704,968
Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V. (2)	196,542	196,792
Bionatur Invernaderos Biológicos de México, S. A. de C. V.	66,790	50,072
Desarrolladora y Promotora Agropecuaria S.A. de C.V.	38,517	84,405
Clínica Lomas Altas, S. A. de C. V. (3)	34,918	33,857
IUSA GE, S. de R. L. de C. V.	21,448	23,142
Administración y Control de Industrias, S. A. de C. V.	17,556	17,554
Internet Directo, S. A. de C. V.	17,533	16,392
Desarrolladora de Negocios IUSA, S. A. de C. V.	8,966	8,966
Ganadería de Pastejé, S. de R. L. de C. V.	8,442	15,307
IUSA Footwear International, S. A. de C. V.	11	15,094
Alumoclad de México, S. A. de C. V.	-	5,487
Club de Base Ball Tigres, S. A. de C. V.	-	2,786
Other (5)	145,583	13,986
	804,652	1,188,808
Less current portion	(208,784)	(253,192)
Accounts receivable due from related parties- long-term	$ 595,868	$ 935,616

	2009	2008
Due to related parties-		
Inmobiliaria Reforma Lomas Altas, S. A. de C. V. (4)	$ 124,103	$ -
Commander Mexicana S. A. de C. V.	36,583	54,764
Tanjore Corporation, Inc.	7,539	28,688
Other	3,975	957
	$ 172,200	$ 84,409

(1) Within this amount there are notes receivables from Grupo IUSA, S. A. de C. V. for $220,270, bearing annual interest at 12% with no maturity date and no guaranties.

(2) Represent notes receivable from Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V., bearing annual interest at 12%, payable in June 2017, guaranteed with land.

(3) Represent unguaranteed notes receivable from Clínica Lomas Altas, S. A. de C. V., bearing annual interest at 12%, payable in June 2017.

(4) Represent unguaranteed notes payable to Inmobiliaria Reforma Lomas Altas, S. A. de C. V., bearing annual interest at TIIE 28 days plus 5.54%, payable in March 2012.

(5) As of December 31, 2009, balance includes $116,060 related to the valuation of natural gas futures maintained with Bionatur Invernaderos Biológicos de México, S. A. de C. V., and Desarrolladora y Promotora Agropecuaria, S. A. de C. V.

b. The transactions with companies controlled directly or indirectly by the principal stockholder were as follows:

	2009	2008
Purchases from related companies	$ 890,200	$ 1,140,132
Sales to related companies	118,112	1,487,394
Payment to Grupo IUSA for administrative service expenses	241,682	249,566
Payment to related companies for administrative services	151,094	163,929
Reimbursement of selling and administrative expenses from related companies	379,335	294,424
Lease income from related companies	2,555	4,748
Lease expense to related companies	30,723	47,997
Interest income from Grupo IUSA	58,988	72,613
Interest income from related companies	15,552	11,486
Interest expense to Grupo IUSA	9,452	-
Interest expense to related companies	9,651	135

The transactions described above were mainly performed with the following related parties:

Tanjore Corporation Inc.
IUSA GE, S. de R. L. de C. V.
IUSA Iztapalapa, S. A. de C. V.
VPN de México, S. A. de C. V.
Desarrolladora y Promotora Agropecuaria, S. A., de C. V.
Ganadería Pastejé, S. de R. L. de C. V.
Bionatur Invernaderos Biológicos de México, S. A. de C. V.
Grupo IUSA, S. A. de C. V.
Commander Mexicana S. A. de C. V.
Servicios Corporativos IUSA, S. A. de C. V.
Inmobiliaria Reforma Lomas Altas, S. A. de C. V.
Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V.

14. Other expenses – net

	2009	2008
Fixed assets loss of value and impairment.	$ 280,308	$ 202,305
Donations and charitable contributions	12,442	11,489
Loss (gain) on sale of fixed assets	1,542	(2,209)
Amortization of debt issuance costs	6,083	6,083
Gain on sale of shares	(2,711)	-
Expenses on debt reestructure	27,302	-
Other	37,690	4,405
	$ 362,656	$ 222,073

Loss of value on fixed assets as of December 31, 2009 is comprised of $106,350 corresponding to the Cobre de Pastejé plant; $12,815 relates to the building located in the south zone at the Pasteje Industrial Complex, and $53,872 corresponds to the floors project. In addition, as of December 31, 2009 the Company recognized an impairment of $18.3 million and $88.9 million in the CGU's of plumbing tube and copper alloys, respectively.

Loss of value on fixed assets as of December 31, 2008 is comprised of $103,658 corresponding to the Cobre de Pastejé plant; $56,342 relates to the building located in the south zone at the Pastejé Industrial Complex, and $42,305 corresponds to the floors project.

15. Income taxes

The Company is subject to ISR and IETU.

The ISR rate for 2009 and 2008 was 28%, and will be 30% for 2010 to 2012, 29% for 2013, and 28% for 2014 and thereafter. The Company pays ISR together with its subsidiaries and related parties on a consolidated basis at Grupo IUSA level.

On December 7, 2009, amendments to the ISR Law were published, to become effective beginning in 2010. These amendments state that: a) ISR relating to tax consolidation benefits obtained from 1999 through 2004 should be paid in installments beginning in 2010 through 2015, and b) ISR relating to tax benefits obtained in the 2005 tax consolidation and thereafter, should be paid during the sixth through the tenth year after that in which the benefit was obtained. Payment of ISR in connection with tax consolidation benefits obtained from 1982 (tax consolidation starting year) through 1998 may be required in those cases provided by law.

IETU - Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. The IETU rate is 17% and 16.5%, in 2009 and 2008, respectively; and 17.5% as of 2010. The Asset Tax Law was repealed upon enactment of the IETU Law; however, under certain circumstances, IMPAC paid in the ten years prior to the year in which ISR is paid, may be recovered, according to the terms of the law. In addition, as opposed to ISR, the parent and its subsidiaries will incur IETU on an individual basis.

Income tax incurred will be the higher of ISR and IETU.

Based on its financial projections, the Company identified that it will essentially pay IETU with respect to some of its subsidiaries while others will essentially pay ISR, and others will pay ISR in some fiscal years and IETU in others. Accordingly, there is no specific tax that the Company will essentially pay at the consolidated level. As a result, for those Company's subsidiaries that will pay IETU in some years and will pay ISR in some others, they calculated both deferred ISR and deferred IETU and recognized the larger of the two liabilities (or the shorter of the two assets).

a. Income taxes are as follows:

	2009	2008
ISR:		
Current	$ 40,859	$ 92,276
Deferred	190,986	(470,885)
(Excess) insufficiency in the prior year income tax provision due to change in tax strategies	(23,861)	66,950
Change in valuation allowance for recoverable tax on assets paid and/or benefit of tax loss carryforwards	(412,085)	386,473
	(204,101)	78,814
IETU:		
Current	21,402	11,020
Deferred	(30,470)	(41,164)
Excess in the prior year provision due to change in tax strategies	3,645	-
	(5,423)	(30,144)
	$ (209,524)	$ 44,670

b. The reconciliation of the statutory and effective ISR rates expressed in amounts of loss before income taxes is:

	2009			
	Entities that will pay ISR		Entities that will pay IETU	
	Amount	Rate	Amount	Rate
Loss before income taxes	$ (299,509)	-	$ (522,104)	-
Income taxes	(204,101)	(68%)	(5,423)	(1%)
Statutory rate	(83,863)	(28%)	(88,799)	(17%)
Add effects of permanent differences, mainly non-deductible expenses	187,406	63%	93,570	18%
Effects of inflation	102,862	34%	-	-
(Excess) insufficiency in provision of prior years	(23,861)	(8%)	3,645	1%
Change in valuation allowance for deferred tax asset not recoverable	(412,085)	(138%)	-	-
Tax effect due to tax rate changes	(17,005)	(6%)	-	-
Other	42,445	15%	(13,839)	(3%)
Effective rate	$ (204,101)	(68%)	$ (5,423)	$ (1%)

	2008			
	Entities that will pay ISR		Entities that will pay IETU	
	Amount	Rate	Amount	Rate
Loss before income taxes	$ (858,865)	-	$ (625,170)	-
Income taxes	74,814	9%	(30,144)	(5%)
Statutory rate	(240,482)	(28%)	(103,153)	(17%)
Add effects of permanent differences, mainly non-deductible expenses	(120,719)	(14%)	(50,214)	(8%)
Effects of inflation	61,877	7%	128,987	21%
(Excess) insufficiency in provision of prior years	66,950	8%	-	-
Change in valuation allowance for deferred tax asset not recoverable	386,473	45%	-	-
Tax effect due to tax rate changes	(31,643)	(4%)	-	-
Other	(47,642)	(5%)	(5,764)	(1%)
Effective rate	$ 74,814	9%	$ (30,144)	(5%)

c. The main items that give rise to a deferred ISR and IETU asset (liability) are:

	2009	2008
Deferred ISR asset:		
Effect of tax loss carryforwards	$ 369,673	$ 459,080
Allowance for doubtful accounts	23,020	23,920
Allowance for obsolete inventories	14,967	17,595
Advances from customers	3,712	12,820
Other, net	84,786	185,030
Deferred ISR asset	496,158	698,445
Deferred ISR liability:		
Property, plant and equipment	(287,143)	(299,833)
Other	(42,363)	(21,611)
Deferred ISR liability	(329,506)	(321,444)
Recoverable tax on assets paid	178,353	187,592
Valuation allowance for deferred ISR asset	(221,843)	(628,706)
Net deferred ISR asset (liability)	123,162	(64,113)
Deferred IETU asset:		
Inventory tax credit	$ 1,199	$ 10,231
Tax credit on the undeducted balance of investments acquired between January 2008 and August 2008	20,210	19,359
Accounts payable	22,417	14,712
Other	21,719	11,730
Deferred IETU asset	65,545	56,032

	2009	2008
Deferred IETU liability:		
Inventories	(2,128)	(2,383)
Property, plant and equipment	(193,022)	(209,525)
Accounts receibable	(34,557)	(34,370)
Other	(22,860)	(23,017)
Deferred IETU liability	(252,567)	(269,295)
Credit on IETU losses	982	-
Net deferred IETU liability	(186,040)	(213,263)
Total deferred tax liability	$ (62,878)	$ (277,376)

d. Due to an improvement in the circumstances used to assess the recovery of the benefit of tax loss carryforwards, in 2009 the valuation allowance for recoverable tax on assets and the valuation allowance for the recoverable benefit of tax loss carryforwards was partially cancelled for $324,269 and credited to current earnings.

e. The benefits of restated tax loss carryforwards and recoverable IMPAC for which the deferred ISR asset and tax credit, respectively, have been partially recognized, can be recovered subject to certain conditions. Restated amounts as of December 31, 2009 and expiration dates are:

Year of Expiration	Tax Loss Carryforwards	Recoverable IMPAC
2018	$ 694,508	$ -
2017	390,501	96,699
2016	2,274	1,643
2015	-	-
2014	-	-
2013	37,587	17,537
2012	107,373	42,627
2011	-	12,161
2010	-	7,686
	$ 1,232,243	$ 178,353

In calculating deferred ISR according to the above paragraphs, the effects of tax loss carryforwards and recoverable IMPAC paid of $43,490 and $178,353, respectively, were included; however, they have been fully reserved because there is not a high probability of recovering such amounts.

16. Hedging

The objectives of signing hedging contracts is: (i) to partially cover financial risk against natural gas and copper prices exposure, (ii) the expectation of a high financial performance originated for the activity of the agreed underlying. The decision of contracting a hedge, obeys to market conditions, to the expectation of such market in the near future and to the national and international economic context of the economic indicators that affect in the Company's operations.

a. Due to the risk of the price increase in natural gas, the Company signed in 2008 future natural gas agreements with monthly maturities within the period from August 2008 to March 2013. For the years ended December 31, 2009 and 2008, the Company recognized losses on the settlement of such agreements for $70,765 and $30,890, respectively.

Fair value as of December 31, 2009 and 2008 of natural gas hedge contracts and maturities are as follows:

Entered with hedge purposes but that did not qualify as hedge:

Instrument	Notional 2009	Notional 2008	Unit	Maturity	Fair value as of December 31, 2009	Fair value as of December 31, 2008
Natural gas KO's	475,620	475,620	MM Btu	March 2009	$ -	$ (9,282)
Natural gas KO's	753,235	753,235	MM Btu	October 2009	-	(7,681)
Natural gas KO's	475,620	792,700	MM Btu	March 2010	(8,965)	281
Natural gas KO's	538,025	538,025	MM Btu	August 2010	(10,421)	1,158
Natural gas KO's	215,210	215,210	MM Btu	October 2010	(3,953)	1,528

Entered with hedge purposes and that qualified as hedge:

Instrument	Notional 2009	Notional 2008	Unit	Maturity	Fair value as of December 31, 2009	Fair value as of December 31, 2008
Natural gas Swap	527,668	1,377,640	MM Btu	July 2011	$ (35,282)	$ (84,572)
Natural gas Swap	55,560	88,896	MM Btu	August 2011	(2,583)	(3,334)
Natural gas Swap	1,517,600	1,834,800	MM Btu	September 2011	(57,917)	(47,722)
Natural gas Swap	420,000	540,000	MM Btu	March 2013	(16,043)	(18,285)
Natural gas Swap	840,000	1,080,000	MM Btu	March 2013	(29,527)	(32,989)

The total amount included within comprehensive loss is expected that will hit operating results within the next years based on the maturity of the contracts.

b. Due to the risk of the price fluctuations in copper prices, the Company depending on the market circumstances enters into copper future purchase agreements with variable maturities. For the year ended December 31, 2009, the Company recognized losses on the settlement of such agreements for $47,035. As of December 31, 2009, the Company has 71 active positions for a volume of 25,000 lb each one and total fair value of $9,014 which has been shown along with the required margin of $3,876 in the accompanying balance sheet within the Other current assets line.

17. Commitments and contingencies

a. ***Lease commitments*** - The Company leases certain office and warehouse space and equipment under long-term operating leases. Future minimum rentals under leases with non-cancelable terms of one year or more are not material, except for the lease of land on which its principal Mexican manufacturing facilities are located. This lease is with an entity controlled by the Parent and requires future minimum lease payments of $65,898 per annum, plus periodic inflation adjustments through 2017.

Year	Amount
2010	$ 65,898
2011	65,898
2012	65,898
2013	65,898
Thereafter	263,592

b. ***Environmental matters*** - CLI (a subsidiary of the Company) has been named as a potentially responsible party for cleanup costs at a number of contaminated sites. It is management's opinion that significant defenses and insurance exist and that the ultimate resolution of these matters will not have a materially adverse effect on the consolidated financial position, results of operations or liquidity of the Company. Additionally, based on current rules and regulations, management does not expect future environmental obligations for current and past activities to materially affect the consolidated financial position, operating results or cash flows of CLI.

c. ***Litigation*** - The Company is involved in various commercial disputes and lawsuits in the normal course of the business, including a number of environmental litigation matters in which the Company has been named as a potentially responsible party for cleanup costs as mentioned above. It is management's opinion that significant defenses and insurance exist and that the ultimate resolution of these matters will not have a materially adverse effect on the consolidated financial statements.

d. ***Transfer pricing*** - Additional taxes payable could arise in transactions with domestic and nonresident related parties if the tax authority, during a review, believes that the prices and amounts used by the Company are not similar to those used with or between independent parties in comparable transactions.

18. Subsequent events

a. On September 30, 2009, certain companies filed antidumping petitions at the U.S. International Trade Commission ("USITC") and the U.S. Department of Commerce ("USDoC") that alleged dumping of certain types of copper tubing by Chinese and Mexican producers into the United States. In response to these petitions, both agencies initiated antidumping investigations of seamless refined copper pipe and tube from Mexico and China.

On November 16, 2009, the USITC determined that there was a reasonable indication that the U.S. industry was materially injured or threatened with material injury by reason of imports of copper pipe from China and Mexico. On May 6, 2010, the USDoC issued a preliminary determination that imports from China and Mexico were being sold at less than fair value in the United States, and found that the estimated dumping margins ranged from 10.26% to 60.50% on various sources from the two countries in question. The rate which applies the Company is 29.52%. These antidumping margins will result in U.S. Customs requiring that importers post a bond for the estimated duties for imports entered on or after May 12, 2010.

On October 1, 2010, the USDoC determined that compensating margin applicable to copper pipe and tube exports made by the Company is 24.89%.

As of the date of the issuance of these financial statements de USDoC has not made a final determination regarding imports from China and Mexico. However, in the event of an unfavorable final determination, Company's management will evaluate other alternatives that will allow the Company to resume exports to the U.S. back again in the future.

b. On March 1, 2010, IUSA signed an purchase-sales agreement with Grupo CPQ, S. A. de C. V. ("CPQ") in which the Company sells its social parts participation in IUSA GE, S. de R. de C. V. In accordance to the terms of such agreement, it will be effective once CPQ pays the total of the agreed price. The payment was made during April 2010. The condensed balance sheet and income statement as of December 31, 2009 of the subsidiary disposed is as follows:

Balance sheet:	
Total assets	$ 348,251
Total liabilities	(270,370)
Total stockholders' equity	77,881
Income statement:	
Revenue	$ 826,810
Costs and expenses	(753,274)
Income taxes	(21,298)
Net income	$ 52,238

19. Information by industry segment

The Company is engaged principally in six industry segments which are summarized below:

Segment	Principal products
Copper alloys	Manufactures and distributes a wide variety of copper and copper alloy products, including brass rods, brass bars, brass and copper sheets and strips, copper bus bars and brass wires.
Copper tubing	Manufactures and distributes copper and commercial tubing.
Wire and cable	Manufactures and distributes copper and aluminum wire and cable for low and medium voltage applications.
Valves and controls	Manufactures and distributes a broad range of gas thermostats and water-flow valves and pressure regulators.
Watt-hour meters	Manufactures and distributes single-phase and poly-phase watt-hour meters and computers for residential and commercial use.
Electrical products	Manufactures and distributes power transmission equipment and wiring for lighting products.
Others	Diversity of business, including distribution of propane gas, manufacturing of wood packing devices, maintenance and transportation services to other companies within the Group.

A summary of selected segment information as of and for the years ended December 31, 2009 and 2008 is as follows:

	Copper alloys	Copper Tubing	Wire and cable	Valves and controls	Watt-hour meters	Electrical products	Diversified assets	Eliminations	Consolidated
2009									
Total revenues	$ 2,057,788	$ 7,482,158	$ 6,533,914	$ 888,159	$ 2,858,188	$ 1,082,151	$ 2,022,473	$ (5,180,295)	$ 17,744,536
Intersegment revenues	(383,626)	(1,331,413)	(680,784)	(191,325)	(839,159)	(38,606)	(1,715,382)	5,180,295	-
Consolidated total revenues	1,674,162	6,150,745	5,853,130	696,834	2,019,029	1,043,545	307,091	-	17,744,536
Total assets	509,838	4,191,467	2,375,291	351,234	659,490	702,914	7,010,168	(4,231,539) (1)	11,568,863
Total liabilities	219,811	1,218,907	1,448,538	99,626	362,316	177,997	10,044,393	(4,231,539) (1)	9,340,049
Purchases of property, plant and equipment	3,529	121,350	13,181	269	7,830	14,233	2,753	-	163,145
Depreciation and amortization	73,038	302,179	208,043	68,483	17,350	74,485	52,682	-	796,260
Fixed assets impairment and write-off	88,957	18,315	-	-	-	-	173,036	-	280,308
2008									
Total revenues	$ 3,343,121	$ 11,006,416	$ 9,850,084	$ 852,275	$ 1,229,172	$ 956,763	$ 3,083,035	$ (6,959,361)	$ 23,361,505
Intersegment revenues	(874,600)	(2,590,517)	(531,981)	(210,435)	(406,969)	(100,044)	(2,244,815)	6,959,361	-
Consolidated total revenues	2,468,521	8,415,899	9,318,103	641,840	822,203	856,719	838,220	-	23,361,505
Total assets	656,216	4,401,210	2,272,678	352,714	431,820	599,325	8,423,815	(3,895,862) (1)	13,241,916
Total liabilities	239,442	1,450,492	1,207,979	108,441	201,776	174,897	10,956,490	(3,895,862) (1)	10,443,655
Purchases of property, plant and equipment	2,257	941,651	55,575	4,463	113	20,088	33,226	-	1,057,373
Depreciation and amortization	64,087	171,498	136,815	41,704	16,750	38,297	24,004	-	493,155
Fixed assets impairment and write-off	-	-	-	-	-	-	202,305	-	202,305

The Company's operations by geographic area were as follows:

	Domestic	United States	Other	Eliminations	Consolidated
2009					
Consolidated total revenues	$ 8,497,929	$ 8,655,314	$ 591,293	$ -	$ 17,744,536
Transfers between geographic areas	2,426,113	87,211	-	(2,513,324)	-
Total revenues	10,924,043	8,742,524	591,293	(2,513,324)	7,744,536
Total assets	8,280,239	3,946,133	658,704	(1,316,213)	11,568,863
Total liabilities	8,087,705	2,216,774	351,783	(1,316,213)	9,340,049
2008					
Consolidated total revenues	$ 5,771,924	$ 16,511,487	$ 1,078,094	$ -	$ 23,361,505
Transfers between geographic areas	4,012,084	135,824	3,273	(4,151,181)	-
Total revenues	9,784,008	16,647,311	1,081,367	(4,151,181)	23,361,505
Total assets	9,509,935	4,196,144	823,569	(1,287,732)	13,241,916
Total liabilities	8,264,925	2,821,006	645,456	(1,287,732)	10,443,655

20. Financial statements issuance

On October 22, 2010, the issuance of the consolidated financial statements was authorized by Lic. Juan Carlos Peralta del Rio, Vice-president of the Company. These consolidated financial statements are subject to the approval at the general ordinary stockholders' meeting, where they may be modified, based on provisions set forth in the Mexican General Corporate Law.

* * * * * *

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Financial Statements for the Years Ended December 31, 2010 and 2009, and Independent Auditors' Report Dated July 18, 2011

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Independent Auditors' Report and Consolidated Financial Statements for 2010 and 2009

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Independent Auditors' Report to the Board of Directors and Stockholders of Industrias Unidas, S. A. de C. V.

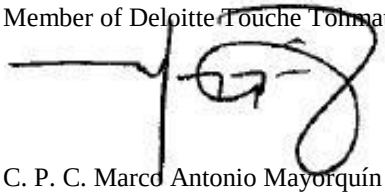
We have audited the accompanying consolidated balance sheets of Industrias Unidas, S. A. de C. V. and subsidiaries (the "Company", a 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.) as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in stockholders' equity and cash flows 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 bases 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 are prepared in accordance with Mexican Financial Reporting Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards 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, such consolidated financial statements present fairly, in all material respects, the financial position of Industrias Unidas, S. A. de C. V. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations, changes in their stockholders' equity, and their cash flows for the years then ended, in conformity with Mexican Financial Reporting Standards.

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

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited



C. P. C. Marco Antonio Mayorquín Ruiz

July 18, 2011

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Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Balance Sheets

As of December 31, 2010 and 2009
(In thousands of Mexican pesos)

Assts

	2010	2009
Current assts:		
Cash and cash equivalents	$ 362,752	$ 312,333
Restricted cash	-	48,927
Accounts receivable – Net	2,629,446	2,533,354
Inventories – Net	2,251,253	2,325,960
Other current assets	75,989	120,280
Total current assets	5,319,440	5,340,854
Accounts receivable from related parties – long-term	544,317	595,868
Investments in associated companies	8,231	9,417
Property, plant and equipment – Net	4,604,470	5,436,481
Long-lived assets available-for-sale	52,500	55,544
Other assets – Net of accumulated depreciation of $35,704 and $36,263 as of December 31, 2010 and 2009, respectively	189,289	130,699
Total	$ 10,718,247	$ 11,568,863

Liabilities and Stockholders' Equity

Current liabilities:		
Notes payable to financial institutions	$ 169,415	$ 380,375
Current portion of long-term debt	4,529,701	4,209,055
Trade accounts payable	2,813,050	2,887,031
Income taxes, accrued expenses and taxes other than income taxes	1,312,318	971,441
Advances from customers	5,336	51,061
Due to related parties	53,730	172,200
Total current liabilities	8,883,550	8,671,163
Long-term debt	84,075	292,340
Labor and other long-term obligations	-	36,939
Income tax payable	24,389	24,389
Deferred income taxes	78,506	62,878
Financial instruments – Valuation	100,165	164,691
Contributions for future capital increases	-	87,649
Total liabilities	9,170,685	9,340,049
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Capital stock	4,828,906	4,826,556
Additional paid-in capital	299,343	299,343
Contributions for future capital increases	82,845	-
Accumulated deficit	(4,282,370)	(3,578,289)
Translation effects of foreign operations or entities	474,876	563,494
Valuation of financial instruments	(14,311)	(28,160)
Controlling interest	1,389,289	2,082,944
Non-controlling interest	158,273	145,870
Total stockholders' equity	1,547,562	2,228,814
Total	$ 10,718,247	$ 11,568,863

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Statements of Operations

For the years ended December 31, 2010 and 2009
(In thousands of Mexican pesos)

	2010	2009
Revenues:		
Net sales	$ 17,643,167	$ 17,744,536
Cost of sales	15,605,793	15,756,576
Gross income	2,037,374	1,987,960
Selling and administrative expenses	1,798,428	1,803,939
Other expenses – Net	(285,667)	(362,656)
Comprehensive financing result:		
Interest expense	(716,700)	(598,009)
Interest income	49,853	80,346
Exchange loss - Net	29,680	(41,273)
Monetary position gain	-	6,210
Other financing costs	(50,867)	(90,736)
	(688,034)	(643,462)
Equity in income of associated companies – Net	1,296	242
Loss before income taxes	(733,459)	(821,855)
Income taxes (benefit)	27,122	(209,524)
Consolidated net loss	$ (760,581)	$ (612,331)
Controlling interest	$ (772,984)	$ (627,073)
Non-controlling interest	12,403	14,742
Consolidated net loss	$ (760,581)	$ (612,331)

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2010 and 2009
(In thousands of Mexican pesos)

	Capital Stock		Additional paid-in capital	Contributions for future capital increases	Accumulated deficit	Translation effects of foreign operations	Valuation of financial instruments	Non-controlling interest	Total stockholders' equity
	Par Value	Restatement							
Balances as of January 1, 2009	$ 2,290,742	$ 2,535,814	$ 299,343	$ -	$ (2,951,216)	$ 637,098	$ (144,648)	$ 131,128	$ 2,798,261
Comprehensive loss:									
Translation effect of foreign operations	-	-	-	-	-	(73,604)	-	-	(73,604)
Valuation of financial instruments	-	-	-	-	-	-	116,488	-	116,488
Net loss	-	-	-	-	(627,073)	-	-	14,742	(612,331)
Comprehensive loss	-	-	-	-	(627,073)	(73,604)	116,488	14,742	(569,447)
Balances as of December 31, 2009	2,290,742	2,535,814	299,343	-	(3,578,289)	563,494	(28,160)	145,870	2,228,814
Capital increase	2,350	-	-	-	-	-	-	-	2,350
Contributions for future capital increases	-	-	-	82,845	-	-	-	-	82,845
Comprehensive loss:									
Translation effect of foreign operations	-	-	-	-	-	(88,618)	-	-	(88,618)
Valuation of financial instruments	-	-	-	-	-	-	13,849	-	13,849
Gain on sale of subsidiaries	-	-	-	-	68,903	-	-	-	68,903
Net loss	-	-	-	-	(772,984)	-	-	12,403	(760,581)
Comprehensive loss	-	-	-	-	(704,081)	(88,618)	13,849	12,403	(766,447)
Balances as of December 31, 2010	$ 2,293,092	$ 2,535,814	$ 299,343	$ 82,845	$ (4,282,370)	$ 474,876	$ (14,311)	$ 158,273	$ 1,547,562

See accompanying notes to consolidated financial statements.

Industrias Unidas, S. A. de C. V. and Subsidiaries
(A 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Statements of Cash Flows

For the years ended December 31, 2010 and 2009
(In thousands of Mexican pesos)

	2010	2009
Operating activities:		
Loss before income taxes	$ (733,459)	$ (821,855)
Items related to operating and investing activities:		
Depreciation and amortization	614,300	796,260
(Gain) loss on sale of property, plant and equipment	(269)	1,542
Gain on sale of shares	(63,870)	(2,711)
Fixed assets impairment and write-off	21,389	280,308
Interest income	(49,853)	(80,346)
Equity in earnings of associated companies and unconsolidated subsidiaries	(1,296)	(242)
Items related to financing activities:		
Interest expense	708,298	606,410
	495,240	779,366
(Increase) decrease in:		
Accounts receivable – Net	(58,151)	189,076
Inventories – Net	(43,232)	(48,750)
Others assets	(27,474)	21,464
Increase (decrease) in:		
Trade accounts payable	(157,228)	(455,565)
Income taxes paid	(13,481)	(34,928)
Advances from customers	(45,725)	(6,939)
Due to related parties	(61,233)	(2,024)
Labor and other long-term obligations	(36,939)	(17,560)
Accrued expenses and taxes other than income taxes	(47,674)	45,222
Net cash flows provided by operating activities	4,103	469,362
Investing activities:		
Acquisition of property, plant and equipment	(109,854)	(163,145)
Proceeds from sale of property, plant and equipment	20,792	4,678
Proceeds from sale of shares	148,750	48,443
Interest received	27,123	96,762
Net cash flows provided by (used in) investing activities	86,811	(13,262)
Cash to apply in financing activities	90,914	456,100

	2010	2009
Financing activities:		
Repayment of debt	(394,704)	(1,088,731)
Proceeds from notes payable to financial institutions	56,600	950,867
Proceeds from long-term debt	427,314	20,174
Interest paid	(159,097)	(337,808)
Contributions for future capital increases	2,350	-
Net cash flows used in financing activities	(67,537)	(455,498)
Adjustment to cash flows due to exchange rate fluctuations	(21,885)	6,375
Net increase in cash, cash equivalents and restricted cash	1,492	6,977
Cash, cash equivalents and restricted cash at beginning of year	361,260	354,283
Cash, cash equivalents and restricted cash at end of the year	$ 362,752	$ 361,260

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

For the years ended December 31, 2010 and 2009
(In thousands of Mexican pesos, except otherwise noted)

1. Nature of business and significant events

Industrias Unidas, S. A. de C. V. ("IUSA", and together with its subsidiaries, the "Company") is a 95.63% owned subsidiary of Administración y Control de Industrias, S. A. de C. V. (the "Parent"), which in turn is owned and controlled by Administradora de Fondos IUSA, S. A. de C. V. ("AFISA") and being the last holding entity Organización IUSA, S. A. de C. V. ("Organización IUSA"). Organización IUSA directly owns the remaining 4.37% of the Company. IUSA, the Parent and Organización IUSA are controlled, directly and indirectly, by Carlos Peralta Quintero (the "Principal Stockholder") and members of his family. IUSA is a Mexican operating and holding company whose core businesses consist, directly or through its subsidiaries, of the production and distribution of copper alloys, copper tubing, wire and cable, electrical products, watt-hour meters, valves, controls and polyethylene water plastic storage tanks.

The majority of the Company's manufacturing operations are located in Mexico. For the years ended December 31, 2010 and 2009, the Company's net sales to parties located in Mexico were $5,402,763 and $7,468,286, respectively. Included in such amounts are net sales of $347,781 and $2,959,511, respectively, to various agencies of the Mexican government, including the Comisión Federal de Electricidad (the "CFE").

The accompanying consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern. As indicated in the accompanying consolidated financial statements, during the years ended December 31, 2010 and 2009, the Company incurred net losses of $760,581 and $612,331, respectively, and as of such dates has accumulated deficit of $4,282,370 and $3,578,289, respectively and at those dates, its current liabilities exceeded current assets by $3,564,110 and $3,330,309, respectively. Current liabilities as of December 31, 2010 and 2009, include revolving lines of credit of U.S. subsidiaries of the Company amounting $1,192,212 and $808,038, respectively.

As observed in Notes 10e. to 10n., as of December 31, 2010, the Company has not been able to make payments of debt and accrued interest in accordance with contractual due dates as follows:

Currency	Principal	Interest	Total
U.S. dollar	35,010,182	40,519,623	75,529,806
Euro	1,024,178	65,773	1,089,951

Due to the non-compliance of principal and interest payments shown in the chart above, as of December 31, 2010 and 2009, U.S.$253,380,914 and U.S.$228,954,327 have been reclassified from long-term debt to current portion of short-term debt due to the fact that clauses within the debt agreements indicate that a non-compliance of principal or interest payments will cause acceleration of the due dates of such borrowings.

Additionally, as of December 31, 2010 and 2009, the Company has also not been able to make payments to its principal copper supplier for approximately U.S.$146 million plus U.S.$19.4 and U.S.$4.4 million in overdue interest, respectively.

On December 8, 2009, Cambridge-Lee Holdings, Inc. ("CLH") and Tubo de Pasteje S. A. de C. V. ("Tubo") each became a debtor in a proceeding under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the state of Delaware (In Re Tubo de Pasteje S. A. de C. V., et al., Case No. 09-14353 (KJC) (Jointly Administered)). The circumstances leading up to this event was the failure by IUSA, CLH's ultimate parent, to make timely payment on an interest coupon due to the holders of the U.S.$200 million 2016 bonds (the "Bonds"), for which Tubo had pledged the stock of CLH as security.

CLH and Tubo each filed for protection under Chapter 11 of the U.S. Bankruptcy Code. IUSA and its creditors are engaged in negotiations regarding a possible restructuring of the debt owed by IUSA. On July 14, 2011, CLH, Tubo, and IUSA presented to the Bankructcy Court the an executed restructuring agreement between IUSA and certain of its creditors to allow, among other things, CLH and Tubo to emerge from bankruptcy. Under the term of this agreement, IUSA and its creditors have 45 days after the execution date, to conclude the process of implementing the restructuring terms.

The main terms and conditions under which the parties have agreed to restructure the Company's debt are as follows and remain subject to confirmation of the proposed plan of reorganization in the chapter 11 cases for CLH and Tubo:

a) Restructuring contemplates a par-for-par debt exchange that would convert IUSA's eligible debt into two series of secured notes.
b) Holders of the 11.5% Senior Notes due 2016 and the Espirito Santo Bank credit facility referred to in Note 10 below inserts e), h) and l) will receive new Series A 11.5% Secured Notes due 2016 (the "Series A Notes").
c) Holders of promissory notes issued pursuant to copper sale contracts and commercial paper due in March and August 2010 referred to in Note 10 below inserts j) and f) will receive Series B 11.5% Secured Notes due 2016 (the "Series B Notes").
d) Series A and Series B Notes will be on substantially similar terms except that the Series B Notes will not benefit from the pledge of capital stock of CLH or any representations, warranties, covenants or events of default relating to such pledge.
e) The controlling shareholders agreed to cash contribution of U.S.$25,000,000 to (i) pay down certain secured debt or (ii) fund working capital. This cash equity contribution consists of an initial contribution of U.S.$8,333,000 to be made by the closing of the restructuring, followed by post-closing contributions to be paid at the end of each of the three consecutive 90-day periods following the closing of the restructuring.
f) At least 50.1% of the capital stock of IUSA GE, S. de R. L. de C. V. shall be owned by IUSA or any other subsidiary guarantor by the closing date.
g) Some receivables from related parties have to be documented through the execution by the Company of a revolving credit agreement with each of such related parties providing for the subordination thereof and the granting of a third party beneficiary right in favor of the collateral agent.

As of the date of issuance of these financial statements, Company's management is working actively to succesfully finalize the restructuring process.

2. Basis of presentation

a. ***Explanation for translation into English*** - The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. These consolidated financial statements are presented on the basis of Mexican Financial Reporting Standards ("MFRS", individually referred to as *Normas de Información Financiera* or "NIFs"). Certain accounting practices applied by the Company that conform with MFRS may not conform with accounting principles generally accepted in the country of use.

b. ***Monetary unit of the financial statements*** **-** The consolidated financial statements and notes as of December 31, 2010 and 2009 and for the years then ended include balances and transactions denominated in Mexican pesos of different purchasing power.

c. ***Consolidation of financial statements*** - The consolidated financial statements include those of IUSA and its majority-owned and controlled subsidiaries, as well as the proportional interest in the accounts of companies under joint control. IUSA's shareholding percentage in their capital stock is shown below.

The most significant subsidiaries of IUSA are:

Company	Participation	Activity
Tubo de Pastejé, S. A. de C. V.	100.00%	Holding company of CLH, located in Reading, Pennsylvania, United States, with eight subsidiaries in the United States and Europe, engaged in manufacturing and distribution of copper, steel and aluminum products.
United Copper Industries, Inc. ("UCI") (1)	97.01%	Manufacturer and distributor of high and medium power electrical wires. Manufacturer and distributor of copper tubing through its subsidiary Cambridge-Lee Industries, L. L. C.
IUSA, S. A. de C. V.	100.00%	Manufacturer of copper water tubing and commercial tubing, high and medium power electrical wires, platforms for watt-hour meters, power transmission equipment, thermostats for ovens and water heaters, stove valves and regulators for stationary gas tanks, wiring for lighting products, brass rod, brass bar, brass and copper sheet and strips, copper bus bar, brass wire and polyethylene water plastic storage tanks.
IUSA GE, S. de R. L de C. V. (2)	50.10%	Manufacturer of poly-phase, mono-phase and digital watt-hour meters.

(1) Indirect subsidiary that consolidates directly with CLH.

(2) In March 2010, IUSA sold to Grupo CPQ, S. A. de C. V. (related party) its 2 social shares in IUSA GE, S. de R. L. de C. V. for a total amount of $148,750 in cash. This transaction genereted a gain of $68,903, however, since this a transaction of entities under common control, the gain is presented directly in the accompanying consolidated statement of changes in stockholder's equity decreasing accumulated deficit. In addition, up to this date, IUSA GE was consolidates proportionately.

Significant intercompany balances and transactions have been eliminated.

Entities which are controlled by IUSA are consolidated in the accompanying consolidated financial statements.

d. ***Translation of financial statements of foreign subsidiaries*** - To consolidate financial statements of foreign subsidiaries, the accounting policies of the foreign entity are converted to MFRS using the currency in which transactions are recorded except for the application of NIF B-10 when the foreign entity operates in an inflationary environment, since this NIF applies to financial statements that have been remeasured to the functional currency. The financial statements are subsequently translated to Mexican pesos considering the following methodologies:

Foreign operations with a functional currency different from the local currency and the reporting currency translate their financial statements from the currency in which transactions are recorded to the functional currency, using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for monetary assets and liabilities; 2) historical exchange rates for non-monetary assets and liabilities and stockholders' equity; and 3) the rate on the date of accrual of revenues, costs and expenses, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Translation effects are recorded under comprehensive financing result. Subsequently, to translate the financial statements from the functional currency to Mexican pesos, the following exchange rates are used: 1) the closing exchange rate in effect at the balance sheet date for assets and liabilities; 2) historical exchange rates for stockholders' equity, and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in stockholders' equity.

Foreign operations with a functional currency different from the local currency and the reporting currency translate their financial statements from the currency in which transactions are recorded to the functional currency, using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for monetary assets and liabilities; 2) historical exchange rates for non-monetary assets and liabilities and stockholders' equity; and 3) the rate on the date of accrual of revenues, costs and expenses, except those arising from non-monetary items that are translated using the historical exchange rate for the related non-monetary item. Translation effects are recorded under comprehensive financing result. Subsequently, to translate the financial statements from the functional currency to Mexican pesos, they first restate their financial statements in currency of purchasing power as of the date of the balance sheet, using the price index of the country of origin of the functional currency, and subsequently translate those amounts to Mexican pesos using the closing exchange rate in effect at the balance sheet date for all items; translation effects are recorded in stockholders' equity.

The currency in which transactions are recorded and the functional currency of foreign operations and the exchange rates used in the different translation processes are as follows:

Company	Recording Currency	Functional Currency	Exchanges rate to translate from recording currency to functional currency	Exchanges rate to translate from functional currency to Mexican pesos
Industrias Unidas, S. A. de C. V.	Mexican peso	U.S. dollar	12.3650 10.9195 12.6397	12.3650 10.9195
IUSA, S. A. de C. V.	Mexican peso	U.S. dollar	12.3650 10.9195 12.6397	12.3650 10.9195
Cambridge Lee Holdings Inc.	U.S. dollar	U.S. dollar	1.0000	12.3650 10.9195

The Mexican peso is the reporting currency in all foreign operations.

As of December 31, 2010 and 2009, the translation effects of foreign operations was $88,618 and $73,604, respectively, which are presented within the translation effects of foreign operations or entities in equity.

e. ***Comprehensive loss*** - Represents changes in stockholders' equity during the year, for concepts other than distributions and activity in contributed common stock, and is comprised of the net loss of the year, plus other comprehensive income (loss) items of the same period, which are presented directly in stockholders' equity without affecting the consolidated statement of operations. In 2010 and 2009, other comprehensive loss represents the translation of foreign operations and the valuation of finanical instruments.

f. ***Classification of costs and expenses*** - Costs and expenses presented in the consolidated statements of operations were classified according to their function because this is the practice of the industry to which the Company belongs.

3. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in conformity with MFRS, which require that management make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures; however, actual results may differ from such estimates. The Company's management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances. The significant accounting policies of the Company are as follows:

a. ***Recognition of the effects of inflation*** - Since the cumulative inflation for the three fiscal years prior to those ended December 31, 2010 and 2009, was 14.48% and 15.01%, respectively, the economic environment may be considered non-inflationary in both years. Inflation rates for the years ended 2010 and 2009 were 4.40% and 3.57%, respectively.

Beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its financial statements. However, assets, liabilities and stockholders' equity include the restatement effects recognized through December 31, 2007.

b. ***Cash and cash equivalents*** - Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash, which are subject to insignificant value change risks. Cash is stated at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in comprehensive financing result of the period. Cash equivalents are represented mainly by investment funds and money market funds.

c. ***Restricted cash*** - Up to December 31, 2009, restricted cash represented deposits in bank accounts for which withdrawal was restricted in accordance to the terms of some agreements entered into by the Company. In 2001, there was no restricted cash.

d. ***Inventories and cost of sales*** - Inventories are stated at the lower of cost or realizable value, using the average cost method.

e. ***Long-lived assets available-for-sale*** - Long-lived assets available-for-sale are stated at the lower of their net realizable value or their net carrying value. Net carrying value is comprised of initial acquisition cost plus restatement for the effects of inflation of balances from acquisitions made through December 31, 2007, using factors derived from the National Consumer Price Index ("NCPI"), less accumulated depreciation.

f. ***Investments in associated companies*** - Beginning in April 2009, permanent investments in entities where significant influence exists, are initially recognized based on the net fair value of the entities' identifiable assets and liabilities as of the date of acquisition. Such value is subsequently adjusted for the portion related both to comprehensive income (loss) of the associated company and the distribution of earnings or capital reimbursements thereof. When the fair value of the consideration paid is greater than the value of the investment in the associated company, the difference represents goodwill, which is presented as part of the same investment. Otherwise, the value of the investment is adjusted to the fair value of the consideration paid. If impairment indicators are present, investment in shares of associated companies is subject to impairment testing.

g. ***Property, plant and equipment*** - Property, plant and equipment are recorded at acquisition cost. Balances from domestic acquisitions made through December 31, 2007 were restated for the effects of inflation by applying factors derived from the NCPI through that date. In the case of fixed assets of foreign origin, their acquisition cost was restated for the effects of inflation through December 31, 2007 based on the inflation of the country of origin and considering the exchange fluctuations of the Mexican peso against the currency of the country of origin. Assets acquired through December 31, 1996 are stated at net replacement values based on independent appraisals through 1996, as permitted by MFRS, which were subsequently restated through December 31, 2007 for inflation using factors derived from the NCPI. Depreciation is calculated using the straight-line method based on the remaining useful lives of the related assets, as follows:

	Average years 2010 and 2009
Industrial machinery and equipment	8
Buildings and building improvements	14
Vehicles	2
Casts and dies	1
Furniture and fixtures	4
Computers	1

Comprehensive financing cost incurred during the period of construction and installation of qualifying property, plant and equipment s capitalized and was restated for inflation through December 31, 2007 using the NCPI. As of December 31, 2010 and 2009, the Company capitalized interest expense of $19,097 and $21,266, respectively.

h. ***Impairment of long-lived assets*** - The Company reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, obsolescence, reduction in the demand for the products manufactured, competition and other legal and economic factors.

i. ***Derivative financial instruments*** - The Company's policy is not to carry out transactions with derivative financial instruments for the purpose of speculation.

The Company recognizes all assets or liabilities that arise from transactions with derivative financial instruments at fair value in the consolidated balance sheet, regardless of its intent for holding them. Fair value is determined using prices quoted on recognized markets. If such instruments are not traded, fair value is determined by applying valuation techniques recognized in the financial sector.

When derivatives are entered into to hedge risks, and such derivatives meet all hedging requirements, their designation is documented at the beginning of the hedging transaction, describing the transaction's objective, characteristics, accounting treatment and how the effectiveness of the instrument will be measured.

Changes in the fair value of derivative instruments designated as hedges are recognized as follows: (1) for fair value hedges, changes in both the derivative instrument and the hedged item are stated at fair value and recognized in current earnings; (2) for cash flow hedges, changes in the effective portion are temporarily recognized as a component of other comprehensive loss in stockholders' equity and then reclassified to current earnings when affected by the hedged item. The ineffective portion of the change in fair value is immediately recognized in current earnings; (3) for hedges of an investment in a foreign subsidiary, the effective portion is recognized as a component of other comprehensive loss as part of the cumulative translation adjustment. The ineffective portion of the gain or loss on the hedging instrument is recognized in current earnings, if it is a derivative financial instrument. If not, it is recognized as a component of other comprehensive loss until the investment is sold or transferred.

For cash flow hedges, upon discontinuing hedge accounting, the amounts recorded in stockholders' equity as a component of other comprehensive loss remain there until the time when the effects of the forecasted transaction or firm commitment affect current earnings. If it is not likely that the firm commitment or forecasted transaction will occur, the gains or losses accumulated in other comprehensive loss are immediately recognized in current earnings. When the hedge of a forecasted transaction has proven satisfactory, but subsequently the hedge fails the effectiveness test, the cumulative effects recorded within other comprehensive loss in stockholders' equity are proportionately recorded in current earnings, to the extent that the forecasted asset or liability affects current earnings.

While certain derivative financial instruments are contracted for hedging from an economic point of view, they are not designated as hedges because they do not meet all of the requirements and are instead classified as trading for accounting purposes. Changes in fair value are recognized as a component of comprehensive financing results within the "Other financing costs" line.

j. ***Other assets*** - It is mainly comprised of commissions for issuance of debt, which are amortized through the life of credit agreements, as well as costs incurred in the development phase of new technology and products that meet certain requirements to be capitalized as assets and are amortized based on the straight-line method over the estimated useful life. Expenses incurred during the research phase are expense as they are incurred.

k. ***Direct employee benefits*** - Direct employee benefits are calculated based on the services rendered by employees, considering their most recent salaries. The liability is recognized as it accrues. These benefits include mainly statutory employee profit sharing ("PTU") payable, compensated absences, such as vacation and vacation premiums, and incentives. Such benefits are presented within taxes and accrued expenses caption, since they are deemed not significant.

l. ***Employee benefits from termination, retirement and other*** - Liabilities from seniority premiums, pension plans and severance payments are recognized as they accrue and are calculated by independent actuaries based on the projected unit credit method using nominal interest rates.

m. ***Provisions*** - Provisions are recognized for current obligations that arise from a past event, that will probably result in the use of economic resources, and that can be reasonably estimated.

n. ***Statutory employee profit sharing*** - PTU is recorded in the results of the year in which it is incurred and presented under other income and expenses in the accompanying consolidated statements of operations. Deferred PTU is derived from temporary differences that result from comparing the accounting and tax bases of assets and liabilities and is recognized only when it can be reasonably assumed that such difference will generate a liability or benefit, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

o. ***Income taxes*** - Income tax ("ISR") and the Business Flat Tax ("IETU") are recorded in the results of the year they are incurred. To recognize deferred income taxes, based on its financial projections, the Company determines whether it expects to incur ISR or IETU and, accordingly, recognizes deferred taxes based on the tax it expects to pay. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. Deferred tax assets are recorded only when there is a high probability of recovery. According to NIF D-4, *Income Taxes*, the balance of the initial cumulative effect of deferred income taxes was reclassified to accumulated deficit as of January 1, 2008.

The IMPAC paid until 2007 that is expected to be recovered is recorded as a tax credit and is presented in the balance sheet under deferred taxes.

p. ***Foreign currency balances and transactions*** - Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net comprehensive financing result in the consolidated statements of operations, except those amounts capitalized as a component of construction cost (see letter h. above).

q. ***Revenue recognition*** - Revenues are recognized in the period in which the risks and rewards of ownership of the inventories are transferred to the customers, which generally coincides when the inventories are delivered or shipped to customers and the customer assumes responsibility for them.

4. Cash and cash equivalents

	2010	2009
Cash	$ 317,219	$ 146,914
Cash equivalents	45,533	165,419
	$ 362,752	$ 312,333

5. Accounts receivable – Net

	2010	2009
Trade	$ 1,909,049	$ 2,166,057
Recoverable taxes	216,449	160,518
Other	77,372	109,781
	2,202,870	2,436,356
Allowance for doubtful accounts	(98,145)	(111,786)
	2,104,725	2,324,570
Due from related parties	524,721	208,784
	$ 2,629,446	$ 2,533,354

6. Inventories

	2010	2009
Finished goods	$ 1,376,704	$ 1,344,704
Production in-process	335,676	269,714
Raw materials and other	447,176	620,719
Allowance for obsolete inventories	(19,060)	(37,958)
	2,140,496	2,197,179
Merchandise in-transit	7,292	28,546
Advances to suppliers	103,465	100,235
	$ 2,251,253	$ 2,325,960

7. Investments in associated companies

Investment in associated companies is as follows:

Associated Company	Percentage of Participation 2010	Percentage of Participation 2009	Description of Business	Investment Balance 2010	Investment Balance 2009
GE-IUSA Metters LLC	49.9%	49.9%	Distribution of watt-hour meters	$ 3,016	$ 3,016
USA Gas San Juan S.A de C.V.	41.0%	41.0%	L.P. Gas distributor	4,407	3,111
				7,423	6,127
Investments recorded at cost				808	3,290
				$ 8,231	$ 9,417

8. Property, plant and equipment – Net

	2010	2009
Industrial machinery and equipment	$ 8,849,772	$ 9,240,594
Buildings and building improvements	3,726,139	4,026,625
Vehicles	109,442	116,154
Casts and dies	173,013	205,151
Furniture and fixtures	73,448	87,557
Computers	114,360	141,915
	13,046,174	13,817,996
Accumulated depreciation and amortization	(9,419,661)	(10,270,081)
	3,626,513	3,547,915
Land	649,876	661,215
Construction in-progress	102,510	1,172,262
Advances to suppliers of machinery	225,571	55,089
	$ 4,604,470	$ 5,436,481

As of December 31, 2009, the Company identified impairment indicators in the following cash generating units: i) plumbing tube; ii) copper alloys and iii) valves and controls. According to the discounted future cash flows related to such CGU's, the Company recognized an impairment of $18.3 million and $88.9 million in the CGU's of plumbing tube and copper alloys, respectively.

Unamortized capitalized net comprehensive financing costs were $103,384 and $123,080 as of December 31, 2010 and 2009, respectively.

As of December 31, 2009, the Company had idle industrial machinery and equipment, which are valued at their net realizable value of $55,544. As of December 31, 2010, the Company expensed to the results the remaining value of such assets.

	2010	2009
Equipment acquired under financial leases	$ 28,755	$ 28,755
Accumulated depreciation	(26,031)	(20,397)
	$ 2,724	$ 8,358

9. Notes payable to financial institutions and other third parties

Notes payable to financial institutions and other third parties are unsecured U.S. dollar and Mexican peso-denominated notes, with weighted average annual interest rates of approximately 5.27% and 6.36% as of December 31, 2010 and 2009, respectively, and are summarized as follows.

	2010	2009
Grupo Xtra Textil	$ 105,400	$ 140,000
HSBC	64,015	68,717
IXE Banco	-	73,271
Credit Comercial	-	65,682
Banque Artesia	-	32,705
	$ 169,415	$ 380,375

10. Long-term debt

	2010			2009
	Short term portion	Long term portion	Total	
Senior notes for U.S. $200,000,000 payable in October 2016 bearing interest at a fixed rate of 11.50% per annum (see Note 10e.).	$ 2,473,000	$ -	$ 2,473,000	$ 2,616,400
Revolving line-of-credit of U.S.$62,899,529 from General Electric Capital Inc., payable in July 2011 (see Note 10d.).	777,754	-	777,754	614,677
Revolving line-of-credit of U.S.$35,518,680 from Bank of America, payable in May 2013 (see Note 10c.).	414,458	-	414,458	193,361
Line-of-credit of U.S.$22,880,383, from Societé Générale, payable in June 2015 in 14 semiannual installments, each for U.S. $1,760,029, bearing interest at 2% over 6-month LIBOR (4.74 % and 3.75% as of December 31 2010 and 2009, respectively) (see Note 10g.).	282,916	-	282,916	299,321

	2010			2009
	Short term portion	Long term portion	Total	
Note payable for U.S.$15,000,000 from Bank of New York, as Trustee for the Euro commercial paper program, payable in March 2010, bearing annual interest at 10.63% as of December 31, 2010 and 2009 (see Note 10j.).	185,475	-	185,475	196,230
Note payable for U.S.$9,500,000 from Bank of New York, as Trustee for the Euro commercial paper program, payable in installments due in December 2009 and March 2010, bearing annual interest at 6.57% and 6.34% as of December 31, 2010 and 2009, respectively (see Note 10f.).	117,468	-	117,468	124,279
Mortgage loan for U.S.$ 9,038,723 from Residential Funding Corporation, payable in monthly installments of U.S. $64,000, bearing annual interest at a rate of 8.34%, guaranteed by land and buildings with a net book value of U.S.$ 9,101,706 and U.S.$ 9,424,112 as of December 31, 2010 and 2009, respectively.	111,763	-	111,763	121,499
Note payable for $109,013from HSBC de México, payable in April 14, 2014, bearing annual interest TIIE 28 days plus 6 base points (10.87% as of December 31, 2010).	38,926	70,087	109,013	147,940
Bank term loan for U.S.$3,333,874 from Aka Ausfuhrkreditgesellschaft, payable in semiannual installments through May 2014, bearing interest at 3.07% as of December 31, 2010 and 2009 (see Note 10k.).	41,223	-	41,223	43,614
Line-of-credit of U.S.$ 2,666,657, from Espirito Santo Bank, payable in quarterly installments of U.S.$333,333 through September 2011, bearing annual interest based on three month LIBOR rate (2.3% and 2.25% as of December 31, 2010 and 2009, respectively) (see Note 10h.).	32,973	-	32,973	34,885

	2010			2009
	Short term portion	Long term portion	Total	
Note payable for U.S.$1,835,804 from Texas Community Bank, bearing annual fixed interest rate of 3.13%, payable in August 2013, guaranteed by land with a book value of U.S.$2,300,000 as of December 31, 2010 and 2009.	11,334	11,366	22,700	35,600
Note payable for U.S.$803,803 from Espirito Santo Bank, payable in semiannual installments of U.S.$133,967, from May 8, 2008 through November 2012, bearing an annual interest rate at 6-month LIBOR plus 0.75% (3.49% and 1.18 % as of December 31, 2010 and 2009) (see Note 10l.).	9,939	-	9,939	10,516
Bank term loan for EUR $526,449, from Societé Générale, payable in semiannual installments of EUR $526,449, through May 2009, bearing interest at 6-month LIBOR plus 0.625% (3.37% and 1.60% as of December 31, 2010 and 2009, respectively) (see Note 10i.).	8,660	-	8,660	9,878
Line-of-credit of EUR $403,056, from Klockner Desma, payable in Semiannual, at a fixed rate of 7.95% per annum as of April 30, 2012 (see Note 10m.).	6,630	-	6,630	7,562
Capital lease obligations for machinery and equipment to IXE Arrendadora, S. A., payable in monthly installments through 2011, bearing a variable interest rate as of December 31, 2010 and 2009.	2,912	1,570	4,482	7,224
Bank term loan for EUR $281,420 from West LB AG payable in semiannual installments of EUR $140,710, through May 2010, bearing interest at a fixed rate of 4.40% (see Note 10n.).	4,629	-	4,629	5,280

	2010			2009
	Short term portion	Long term portion	Total	
Bank term loan for U.S.$309,870 from Bank of America, payable in variable monthly installments with a final payment due in May 2010, bearing annual interest based upon a combination of LIBOR-based and prime-based rates (2.99% and 3.04% as of December 31, 2010 and 2009, respectively).	2,779	1,052	3,831	24,626
Bank term loan for U.S.$282,557, from Societé Générale, payable in semiannual installments of U.S.$282,557, through September 2009, bearing interest at 0.75% over 6-month LIBOR (5.32 % and 5.09% as of December 31, 2010 and 2009) (see Note 10i.).	3,494	-	3,494	3,696
Bank term loan for U.S.$ 252,746 from Aka Ausfuhrkreditgesellschaft, payable in semiannual installments of U.S.$339,272 from December 4, 2004 to June 6, 2009, bearing interest at 0.75% over 6-month LIBOR (5.32% and 5.09% as of December 31, 2010 and 2009, respectively) (see Note 10i.).	3,125	-	3,125	3,865
Others (see Note 10i.).	243	-	243	942
	$ 4,529,701	$ 84,075	$ 4,613,776	4,501,395
Less: current portion				(4,209,055)
				$ 292,340

a. As of December 31, 2010 long-term debt matures as follows:

2012	$	52,312
2013		29,293
2014		2,470
	$	84,075

b. As of December 31, 2010, minimum rental commitments under financial leases are as follows:

Total minimum lease obligations	$	4,568
Unearned interest		(86)
		4,482
Current portion of obligations		(2,912)
Long-term portion of financial lease obligations	$	1,570

Financial lease obligations, which include a purchase option at the end of the lease term, mature in 2013.

c. Amounts due under the revolving line-of-credit for U.S.33.5 million represent indebtedness under a credit agreement beetween CLI and Bank of America ("BofA"). This agreement has been amended on various occasions, most recently on March 15, 2011.

Under this agreement, CLI may take advances under the revolving line of credit not to exceed the lesser of (i) the maximum amount established by the lender, U.S.$80 million, or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the agreement. Interest is calculated at CLI's option at the LIBOR option, which ranges from 3.25% to 4.25% over LIBOR, or at the bank's base rate option, which ranges from 1.00% to 2.75% over the base rate. The amount of available borrowings under this agreement was U.S.$24.2 million at December 31, 2010.

Under the terms of the agreement, as amended, CLI has a U.S.$11 million letter of credit facility, which provides for the issuance of letters of credit and guarantees on CLI's behalf. The amount of unused credit available under this agreement was U.S.$4.3 and U.S.$2.0 million at December 31, 2010 and 2009, respectively.

In addition, under the terms of the agreement, CLI had a bank term loan which was paid out on April 29, 2010 with a final a payment of U.S.$647 thousand.

Under the terms of the agreement, CLI is required to maintain certain financial and nonfinancial conditions. The agreement, as amended, among other items, restricts certain additional indebtedness, the payment of dividends, certain investments, advances, or loans, and limits capital expenditures. Amounts outstanding under the agreement are collateralized by substantially all of CLI's assets (approximate net book values of U.S.$178 million and U.S.$165 million at December 31, 2010 and 2009, respectively).

As of December 31, 2010, CLI was not in compliance with the covenants as provided for in the agreement. However, on March 15, 2011 CLI entered into an amendment that waived the events of default that existed at December 31, 2010. CLI was in compliance with its debt covenants at December 31, 2009.

d. Amounts due under the revolving line-of-credit for U.S.62.9 million represent indebtedness under a credit agreement beetween UCI and GE Capital Corp. ("GE"). This agreement has been amended on various occasions, most recently on February 4, 2011.

Under this agreement, UCI may take advances under the revolving line of credit not to exceed the lesser of (i) the maximum amount established by the lender, U.S.$90 million, or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the agreement. Interest is calculated at UCI's option at the LIBOR option, which ranges from 6% to7% over LIBOR, or at the bank's base rate option, which ranges from 4.75% to 5.75% over the base rate. The amount of available borrowings under this agreement was U.S.$15.8 million at December 31, 2010.

Under the terms of the agreement, UCI is required to maintain certain financial and nonfinancial conditions. The agreement, as amended, among other items, restricts certain additional indebtedness, the payment of dividends, certain investments, advances, or loans, and limits capital expenditures. Except for mortgaged real estate and a stock pledge agreement of UCI's capital stock that is owned by CLH, amounts outstanding under the agreement are collateralized by substantially all of UCI's assets (approximate net book values of U.S.$133 million and U.S.$99 million at December 31, 2010 and 2009, respectively).

As of December 31, 2010, UCI was not in compliance with the covenants as provided for in the agreement. However, on February 4, 2011, UCI entered into the 16th amendment to the loan agreement which provides new financial covenents and extends the maturity until July 31, 2011. Under the terms of this amendment, the maximum borrowing amount is increase up to U.S.$90 million.

As of December 31, 2009, UCI was not incompliance with the financial and non-financial restrictions established in the revolving credit line agreement between UCI and GE; however, on April 9, 2010, the Company entered into the 15th amendment to the revolving credit line agreement and obtained waiver for such non-compliance extending the credit line until December 31, 2010. Under the terms of this amendment maintained maximum amount of the line to U.S. $90 million until September 30, 2010, and will be reduced to U.S. $80 million from October 1, 2010 to December 31, 2010.

e. The senior notes for U.S.$200 million represent debt issued by the Company on November 9, 2006. Under the terms of the agreement, IUSA is required to maintain certain financial ratios and other financial conditions which among other are : 1) Not to incur additional indebtedness; 2) Not to pay dividends, 3) Not to make certain investments, down-payments or loans. The terms of the agreement also limit fixed assets purchases. These senior notes are guaranteed by 100% of the capital stock in CLH and property of Tubo de Pastejé, S. A. de C. V.

As of December 31, 20010 and 2009, the Company was not in compliance with the terms of the offering memorandum. According to this memorandum, non-compliance with its restrictions will cause acceleration of the due date and therefore this credit is presented in the current portion of long-term debt.

f. In regards to the notes payable to the Bank of New York, as trustee of the Euro commercial paper, for U.S.$9.5 million, as of December 31, 2010 and 2009, the Company has overdue principal payments of U.S.$9.5 and U.S.$6.3 million, respectively. Likewise, as of December 31, 2010 and 2009, the Company has overdue interest payments for U.S.$1.7 and U.S.$0.65 million, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan; therefore, the total amount is presented as current portion of long-term debt.

g. In regards to the credit line from Sociéte Générale for U.S.$22.9 million, as of December 31, 2010 and 2009, the Company has due principal for U.S.$7.0 and $3.5 million, respectively. Likewise, as of December 31, 2010 and 2009, the Company has overdue interest payments for U.S.$1.7 and U.S.$0.7 million, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan; therefore, the total amount is presented as current portion of long-term debt

h. With regards to the credit line from Espirito Santo Bank for U.S.$2.6 million, as of December 31, 2009, the Company has due principal for U.S.$1.7 and U.S.$0.245 million, respectively. Likewise, as of December 31, 2010 and 2009, the Company has overdue interest payments for U.S.$19 and U.S.$17 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan; therefore, the total amount is presented as current portion of long-term debt.

i. As of December 31, 2009, the total amount of the principal is overdue and has not been paid-off yet by the Company. Accrued unpaid interest such dates approximates U.S.$21 thousand and EUR 15 thousands.

j. With regards to the notes payable to the Bank of New York, as trustee of the Euro commercial paper, for U.S. $15 million, on July 27, 2009 the Company received consent of ratification from the holders of the Euro commercial paper extending the maturity from August 6, 2009 to March 26, 2010. However, as of the date of issuance of these financial statements, the Company has not made any payment and has not obtained a waiver to extend the maturity date.

k. As of December 31, 2010 and 2009, in regards to the notes payable for U.S.$3.3 million with Aka Ausfuhrkreditgesellschaft, the Company has due principal for U.S.$1.0 and U.S.$0.33 million, respectively. Accrued unpaid interest at a such dates was U.S.$61 and U.S.$56 thousands, respectively.

l. With regards to the note payable for U.S. $804 thousand, as of December 31, 2010 and 2009, the Company has due principal for U.S.$268 and U.S.$134 thousands, respectively. Accrued unpaid interest at such dates was U.S.$10 and U.S.$18 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan; therefore, the total amount is presented as current portion of long-term debt.

m. With regards to the credit line from Klockner Desma for EUR 403 thousand, as of December 31, 2010 and 2009, the Company has due principal for EUR 202 and EUR 67 thousands, respectively. Accrued unpaid interest at such dates was EUR 24 and EUR 16 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan; therefore, the total amount is presented as current portion of long-term debt.

n. Likewise, as of December 31, 2010 and 2009, the Company has due principal to Westlb Ag Dusseldorf for EUR 281 and EUR141 thousands, respectively. Accrued unpaid interest at such dates was EUT 21 and EUR 9 thousands, respectively. According to the terms of the credit line agreement the situation accelerates the maturity of the loan; therefore, the total amount is presented as current portion of long-term debt.

11. Stockholders' equity

a. Common stock as of December 31, is as follows:

	2010		2009	
	Number of Shares	Amount	Number of Shares	Amount
Fixed capital:				
Serie A	532,460	$ 4,060	532,460	$ 4,060
Variable capital:				
Serie A	1,686,496,397	4,092,890	1,684,146,397	4,090,540
Serie B	116,790,431	731,956	116,790,431	731,956
Total	1,803,819,288	$ 4,828,906	1,801,469,288	$ 4,826,556

b. Series A shares may be owned only by Mexican citizens; Series B shares have no ownership limitations and may represent up to 49% of total shares issued and outstanding.

c. On December 31, 2010, according to the resolutions of the Extraordinary Stockholders Board Meeting variable capital was increased for $2,350 through capitalization of liabilities due by IUSA.

d. Stockholders' equity, except for restated paid-in capital and tax retained earnings will be subject to ISR payable by the Company at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated ISR of the year in which the tax on dividends is paid and the following two fiscal years.

e. The balances of the stockholders' equity tax accounts as of December 31, are:

	2010	2009
Contributed capital account	$ 5,912,674	$ 5,663,481
Net tax income account	4,203,446	4,323,171
Net reinvested tax income account	464,222	704,977
Total	$ 10,580,342	$ 10,691,629

As illustrated in the preceding table, the total amount of the balances of the stockholders' equity tax accounts exceeds stockholders' equity, according to the accompanying consolidated balance sheets.

12. Foreign currency balances and transactions

a. Combined and condensed financial statements of subsidiaries located abroad as of December 31, 2009 and for the year then ended:

	Thousands of U.S. Dollars	Mexican Peso Equivalent	Percentage of Consolidated Balances
Monetary assets	$ 300,625	$ 3,717,233	97%
Nonmonetary assets	554,707	6,858,956	99%
Total liabilities	718,348	8,882,367	97%
Stockholders' equity	$ 125,157	$ 1,547,562	100%
Net income	$ (62,514)	$ (772,985)	100%
Total revenues	$ 1,386,605	$ 17,145,371	97%

b. b.Mexican peso exchange rates in effect at the dates of the consolidated balance sheets and at the date of issuance of these consolidated fnancial statements were as follows:

	December 31,		July 18,
	2010	2009	2011
U.S. dollar	12.3650	13.0820	11.7010
Euro	16.4493	18.7636	16.5940

13. Balances and transactions with related parties

a. Balances with related parties are as follows:

	2010	2009
Due from:		
Grupo IUSA, S. A. de C. V. (1)	$ 266,223	$ 248,346
Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V. (2)	195,416	196,542
IUSA Medición S.A. de C.V.	147,123	17,533
IUSA GE, S. de R. L. de C. V.	147,822	21,448
Desarrolladora y Promotora Agropecuaria S.A. de C.V.	94,465	38,517
Bionatur Invernaderos Biológicos de México, S. A de C. V.	61,432	66,790
Usa Gas San Juan S.A. de C.V.	17,928	
Administración y Control de Industrias, S. A. de C. V.	17,554	17,556
Ganadería Pastejé, S. de R. L. de C. V.	13,855	8,442
Desarrolladora de Negocios IUSA, S. A. de C. V.	8,966	8,966
Tanjore Corporation Ind.	5,303	-
VPN de Mexico S.A. de C.V.	3,732	-
Clinica Lomas Altas S.A. de C.V. (3)	2,957	34,918
Varias (5)	86,262	145,594
	1,069,038	804,652
Less current portion	(524,721)	(208,784)
Accounts receivable due from related parties- long-term	$ 544,317	$ 595,868

	2010	2009
Due to:		
Inmobiliaria Reforma Lomas Altas, S. A. de C. V. (4)	$ 46,497	$ 124,103
Commander Mexicana S. A. de C. V.	3,003	36,583
Tanjore Corporation, Inc.	-	7,539
Varias	4,230	3,975
	$ 53,730	$ 172,200

(1) Within this amount there are notes receivables from Grupo IUSA, S. A. de C. V. for $220,270, bearing annual interest at 12% with no maturity date and no guaranties.

(2) Represent notes receivable from Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V., bearing annual interest at 12%, payable in June 2017, guaranteed with land.

(3) Represent unguaranteed notes receivable from Clínica Lomas Altas, S. A. de C. V., bearing annual interest at 12%, payable in June 2017.

(4) Represent unguaranteed notes payable to Inmobiliaria Reforma Lomas Altas, S. A. de C. V., bearing annual interest at TIIE 28 days plus 5.54%, payable in March 2012.

(5) As of December 31, 2010 and 2009, balance includes $79,721 and $116,060, respectively, related to the valuation of natural gas futures maintained with Bionatur Invernaderos Biológicos de México, S. A. de C. V., and Desarrolladora y Promotora Agropecuaria, S. A. de C. V.

b. The transactions with companies controlled directly or indirectly by the principal stockholder were as follows:

	2010	2009
Purchases from related companies	$ 102,651	$ 890,200
Sales to related companies	802,822	118,112
Payment to Grupo IUSA for administrative service expenses	172,819	241,682
Payment to related companies for administrative services	140,543	151,094
Reimbursement of selling and administrative expenses from related companies	512,343	379,335
Lease income from administrative services from related companies	446,257	-
Lease income from related companies	11,750	2,555
Lease expense to related companies	22,072	30,723
Interest income from Grupo IUSA	26,800	58,988
Interest income from related companies	16,807	15,552
Interest expense to Grupo IUSA	-	9,452
Interest expense to related companies	8,111	9,651

The transactions described above were mainly performed with the following related parties:

Tanjore Corporation Inc.
IUSA GE, S. de R. L. de C. V.
IUSA Iztapalapa, S. A. de C. V.
VPN de México, S. A. de C. V.
Desarrolladora y Promotora Agropecuaria, S. A., de C.V.
Ganadería Pastejé, S. de R. L. de C. V.
Bionatur Invernaderos, S. A. de C.V.
Grupo IUSA, S. A. de C. V.
Commander Mexicana S. A. de C. V.
Servicios Corporativos IUSA, S. A. de C. v.
Inmobiliaria Reforma Lomas Altas, S. A. de C. V.
Desarrollo Inmobiliario Nicolás Romero, S. A. de C. V.
IUSA Medición S.A. de C.V.

14. Other expenses – Net

	2010	2009
Fixed assets loss of value and impairment.	$ 21,389	$ 280,308
Related party balances write-off	74,967	-
Deposits and advances to suppliers write-off	49,402	-
Fines	50,609	-
Debt restructuring costs	15,712	27,302
Donations and charitable contributions	13,049	12,442
Amortization of debt issuance costs	6,083	6,083
Loss (gain) on sale of shares	5,033	(2,711)
(Gain) loss on sale of fixed assets	(269)	1,542
Other	49,692	37,690
	$ 285,667	$ 362,656

Loss of value on fixed assets as of December 31, 2010 for $21.4 million is comprised of assets related to the CGU's of plumbing and wire and cable.

Loss of value on fixed assets as of December 31, 2009 is comprised of $106.4 corresponding to the Cobre de Pastejé plant; $12.8 million relates to the building located in the south zone at the Pasteje Industrial Complex, and $53.9 million corresponds to the floors project. In addition, as of December 31, 2009, the Company recognized an impairment of $18.3 million and $88.9 million in the CGU's of plumbing tube and copper alloys, respectively.

15. Income taxes

The Company is subject to ISR and IETU.

The ISR rate is 30% and 28% for 2010 and 2009, respectively and will be 30% in 2011 and 2012, 29% in 2013 and 28% in 2014 and thereafter.

IETU - Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. Beginning in 2010, the IETU rate is 17.5%, and it was 17% in 2009. The Asset Tax ("IMPAC") Law was repealed upon enactment of the IETU Law; however, under certain circumstances, IMPAC paid in the ten years prior to the year in which ISR is paid for the first time, may be recovered, according to the terms of the law).

Income tax incurred will be the higher of ISR and IETU.

Based on its financial projections, the Company identified that it will essentially pay IETU with respect to some of its subsidiaries while others will essentially pay ISR, and others will pay ISR in some fiscal years and IETU in others. Accordingly, there is no specific tax that the Company will essentially pay at the consolidated level. As a result, for those Company's subsidiaries that will pay IETU in some years and will pay ISR in some others, they calculated both deferred ISR and deferred IETU and recognized the larger of the two liabilities (or the shorter of the two assets).

a. Income taxes expense (benefit) are as follows:

	2010	2009
ISR:		
Current	$ 7,056	$ 40,859
Deferred	(1,085)	190,986
Excess in prior year income tax provision due to change in tax strategies	5,842	(23,861)
Change in valuation allowance for recoverable tax on assets paid and/or benefit of tax loss carryforwards	-	(412,085)
	11,813	(204,101)
IETU:		
Current	1,219	21,402
Deferred	14,726	(30,470)
Insufficiency in the prior year provision due to change in tax strategies	(636)	3,645
	15,309	(5,423)
Total	$ 27,122	$ (209,524)

b. The reconciliation of the statutory and effective ISR and IETU rates expressed in amounts of loss before income taxes is:

	2010			
	Entities that will pay ISR		Entities that will pay IETU	
	Amount	Rate	Amount	Rate
Loss before income taxes	$ (109,731)		$ (623,728)	
Income taxes	11,813	11%	15,309	2.5%
Statutory rate	(32,919)	(30)%	(109,152)	(17.5%)
Add effects of permanent differences, mainly non-deductible expenses	58,532	53%	105,540	17%
Effects of inflation	65,636	60%	-	-
Insufficiency (excess) in provision of prior years	5,842	5%	(636)	-
Change in valuation allowance for deferred tax asset not recoverable	(30,950)	(28%)	-	-
Other	(54,328)	(49%)	19,557	2.5%
Efective rate	$ 11,813	11%	$ 15,309	2.5%

	2009			
	Entities that will pay ISR		Entities that will pay IETU	
	Amount	Rate	Amount	Rate
Loss before income taxes	$ (299,509)		$ (522,104)	
Income taxes	(204,101)	(68%)	(5,423)	(1%)
Statutory rate	(83,863)	(28%)	(88,799)	(17%)
Add effects of permanent differences, mainly non-deductible expenses	187,406	63%	93,570	18%
Effects of inflation	102,862	34%	-	-
Excess in provision of prior years	(23,861)	(8%)	3,645	1%
Change in valuation allowance for deferred tax asset not recoverable	(412,085)	(138%)	-	-
Tax effect due to tax rate changes	(17,005)	(6%)	-	-
Other	42,445	15%	(13,839)	(3%)
Effective rate	$ (204,101)	(68%)	$ (5,423)	$ (1%)

c. The main items that give rise to a deferred ISR and IETU asset (liability) are:

	2010	2009
Deferred ISR asset:		
Effect of tax loss carryforwards	$ 220,238	$ 369,673
Allowance for doubtful accounts	25,318	23,020
Allowance for obsolete inventories	10,047	14,967
Advances from customers	2,005	3,712
Other, net	75,480	84,786
Deferred ISR asset	333,088	496,158
Deferred ISR liability:		
Property, plant and equipment	(163,264)	(287,143)
Other	(47,564)	(42,363)
Deferred ISR liability	(210,828)	(329,506)
Recoverable tax on assets paid	176,965	178,353
Valuation allowance for deferred ISR asset	(176,965)	(221,843)
Net deferred ISR asset	122,260	123,162
Deferred IETU asset:		
Inventory tax credit	1,079	1,199
Tax credit on the undeducted balance of investments acquired between January 2008 and August 2008	17,695	20,210
Accounts payable	28,736	22,417
Other	-	21,719
Deferred IETU asset	47,510	65,545
Deferred IETU liability:		
Inventories	(2,694)	(2,128)
Property, plant and equipment	(180,561)	(193,022)
Accounts receibable	(43,656)	(34,557)
Other	(28,220)	(22,860)
Deferred IETU liability	(255,131)	(252,567)
Credit on IETU losses	6,855	982
Net deferred IETU liability	(200,766)	(186,040)
Total deferred tax liability	$ (78,506)	$ (62,878)

d. Due to an improvement in the circumstances used to assess the recovery of the benefit of tax loss carryforwards, in 2009 the valuation allowance for recoverable tax on assets and the valuation allowance for the recoverable benefit of tax loss carryforwards was partially cancelled for $324,269 and credited to current earnings.

e. The benefits of restated tax loss carryforwards and recoverable IMPAC for which the deferred ISR asset and tax credit, respectively, have been partially recognized, can be recovered subject to certain conditions. Restated amounts as of December 31, 2010 and expiration dates are:

Year of Expiration	Tax Loss Carryforwards	Recoverable IMPAC
2018	$ 694,119	$ -
2017	-	100,268
2016	2,358	1,704
2013	37,649	18,184
2012	-	44,200
2011	-	12,609
	$ 734,126	$ 176,965

In calculating deferred ISR according to the above paragraphs, the effect of recoverable IMPAC paid of $176,965, was included; however, it has been fully reserved because there is not a high probability of recovering such amount.

16. Financial instruments

The objectives of signing hedging contracts is: (i) to partially cover financial risk against natural gas and copper prices exposure, (ii) the expectation of a high financial performance originated for the activity of the agreed underlying. The decision of contracting a hedge, obeys to market conditions, to the expectation of such market in the near future and to the national and international economic context of the economic indicators that affect in the Company's operations.

Due to the risk of the price increase in natural gas, the Company signed in 2008 future natural gas agreements with monthly maturities within the period from August 2008 to March 2013. For the years ended December 31, 2010 and 2009, the Company recognized losses on the settlement of such agreements for $50,367 and $70,765, respectively

Fair value as of December 31, 2010 and 2009 of natural gas hedge contracts and maturities are as follows:

Entered with hedge purposes but that did not qualify as hedge:

	Notional				Fair value as of December 31,	
Instrument	2010	2009	Unit	Maturity	2010	2009
Natural gas KO's	-	475,620	MM Btu	March 2010	$ -	$ (8,965)
Natural gas KO's	-	538,025	MM Btu	August 2010	-	(10,421)
Natural gas KO's	-	215,210	MM Btu	October 2010	-	(3,953)

Con fines de cobertura:

	Notional				Fair value as of December 31,	
Instrument	2010	2009	Unit	Maturity	2010	2009
Natural gas Swap	77,728	527,668	MM Btu	July 2011	$ (6,317)	$ (35,282)
Natural gas Swap	22,224	55,560	MM Btu	August 2011	(1,404)	(2,583)
Natural gas Swap	800,400	1,517,600	MM Btu	September 2011	(44,629)	(57,917)
Natural gas Swap	300,000	420,000	MM Btu	March 2013	(16,526)	(16,043)
Natural gas Swap	600,000	840,000	MM Btu	March 2013	(31,289)	(29,527)

The total amount included within comprehensive loss is expected that will hit operating results within the next years based on the maturity of the contracts.

17. Commitments and contingencies

a. ***Lease commitments*** - The Company leases certain office and warehouse space and equipment under long-term operating leases. Future minimum rentals under leases with non-cancelable terms of one year or more are not material, except for the lease of land on which its principal Mexican manufacturing facilities are located. This lease is with an entity controlled by the Parent and requires future minimum lease payments of $65,898 per annum, plus periodic inflation adjustments through 2017.

Year	Amount
2011	65,898
2012	65,898
2013	65,898
2014	65,898
Thereafter	197,694

b. ***Environmental matters*** - CLI has been named as a potentially responsible party for cleanup costs at a number of contaminated sites. It is management's opinion that significant defenses and insurance exist and that the ultimate resolution of these matters will not have a materially adverse effect on the consolidated financial position, results of operations or liquidity of the Company. Additionally, based on current rules and regulations, management does not expect future environmental obligations for current and past activities to materially affect the consolidated financial position, operating results or cash flows of CLI.

c. ***Litigation*** - The Company is involved in various commercial disputes and lawsuits in the normal course of the business, including a number of environmental litigation matters in which the Company has been named as a potentially responsible party for cleanup costs as mentioned above. Also, the Company is involved in lawsuits related to the non-compliance of debt payments (principal and accued interest) mentioned in Note 1 above and for which the Company has entered into a restructuring agreement with its creditors. It is management's opinion that significant defenses and insurance exist and that the ultimate resolution of these matters will not have a materially adverse effect on the consolidated financial statements.

d. ***Transfer pricing*** - Additional taxes payable could arise in transactions with domestic and nonresident related parties if the tax authority, during a review, believes that the prices and amounts used by the Company are not similar to those used with or between independent parties in comparable transactions.

18. Information by industry segment

The Company is engaged principally in six industry segments which are summarized below:

Segment	Principal products
Copper alloys	Manufactures and distributes a wide variety of copper and copper alloy products, including brass rods, brass bars, brass and copper sheets and strips, copper bus bars and brass wires.
Copper tubing	Manufactures and distributes copper and commercial tubing.
Wire and cable	Manufactures and distributes copper and aluminum wire and cable for low and medium voltage applications.
Valves and controls	Manufactures and distributes a broad range of gas thermostats and water-flow valves and pressure regulators.
Watt-hour meters	Manufactures and distributes single-phase and poly-phase watt-hour meters and computers for residential and commercial use.
Electrical products	Manufactures and distributes power transmission equipment and wiring for lighting products.
Others	Diversity of business, including distribution of propane gas, manufacturing of wood packing devices, maintenance and transportation services to other companies within the Group.

A summary of selected segment information as of and for the years ended December 31, 2010 and 2009 is as follows:

2010	Copper Alloys	Copper Tubing	Wire and Cable	Valves and Controls	Watt-Hour Meters	Electrical Products	Diversified Assets	Eliminations	Consolidated
Total revenues	$ 2,285,128	$ 6,664,855	$ 6,825,473	$ 846,191	$ 706,472	$ 1,129,518	$ 1,082,327	$ (1,896,797)	$ 17,643,167
Intersegment revenues	(546,413)	(308,246)	(281,109)	(138,701)	(1,064)	(163)	(621,101)	1,896,797	-
Consolidated total revenues	1,738,715	6,356,609	6,544,364	707,490	705,408	1,129,355	461,226	-	17,643,167
Total assets	278,394	4,054,189	2,539,481	273,241	332,139	534,125	6,660,642	(3,953,964)	10,718,247
Total liabilities	44,271	1,405,961	1,643,920	98,658	98,270	177,109	9,656,460	(3,953,964)	9,170,685
Purchases of property, plant and equipment	1,338	57,927	7,044	5,404	15,200	7,582	15,359	-	109,854
Depreciation and amortization	41,993	257,768	170,838	36,348	11,530	52,415	43,408	-	614,300
Fixed assets write-off	-	11,090	10,299	-	-	-	-	-	21,389
2009									
Total revenues	$ 2,057,788	$ 7,482,158	$ 6,533,914	$ 888,159	$ 2,858,188	$ 1,082,151	$ 2,022,473	$ (5,180,295)	$ 17,744,536
Intersegment revenues	(383,626)	(1,331,413)	(680,784)	(191,325)	(839,159)	(38,606)	(1,715,382)	5,180,295	-
Consolidated total revenues	1,674,162	6,150,745	5,853,130	696,834	2,019,029	1,043,545	307,091	-	17,744,536
Total assets	509,838	4,191,467	2,375,291	351,234	659,490	702,914	7,010,168	(4,231,539) (1)	11,568,863
Total liabilities	219,811	1,218,907	1,448,538	99,626	362,316	177,997	10,044,393	(4,231,539) (1)	9,340,049
Purchases of property, plant and equipment	3,529	121,350	13,181	269	7,830	14,233	2,753	-	163,145
Depreciation and amortization	73,038	302,179	208,043	68,483	17,350	74,485	52,682	-	796,260
Fixed assets impairment and write-off	88,957	18,315	-	-	-	-	173,036	-	280,308

The Company's operations by geographic area were as follows:

2010	Domestic	United States	Other	Eliminations	Consolidated
Consolidated total revenues	$ 6,797,196	$ 10,327,064	$ 518,907	$ -	$ 17,643,167
Transfers between geographic areas	1,134,151	1,780	-	(1,135,931)	-
Total revenues	7,931,348	10,328,844	518,906	(1,135,931)	17,643,167
Total assets	7,184,796	4,428,687	144,994	(1,040,230)	10,718,247
Total liabilities	7,337,438	2,765,770	107,707	(1,040,230)	9,170,685
2009					
Consolidated total revenues	$ 8,497,929	$ 8,655,314	$ 591,293	$ -	$ 17,744,536
Transfers between geographic areas	2,426,113	87,211		(2,513,324)	-
Total revenues	10,924,043	8,742,524	591,293	(2,513,324)	17,744,536
Total assets	8,280,239	3,946,133	658,704	(1,316,213)	11,568,863
Total liabilities	8,087,705	2,216,774	351,783	(1,316,213)	9,340,049

19. Financial statements issuance

On July 18, 2011, the issuance of the consolidated financial statements was authorized by Lic. Juan Carlos Peralta del Rio, Vice-president of the Company. These consolidated financial statements are subject to the approval at the general ordinary stockholders' meeting, where they may be modified, based on provisions set forth in the Mexican General Corporate Law.

* * * * * *

Industrias Unidas, S. A. de C. V.and Subsidiaries

(A 95.63% Owned Subsidiary of Administración y Control de Industrias, S. A. de C. V.)

Consolidated Financial Statements as of March 31, 2011 and 2010 and for the Quarters Ended March 31, 2011 and 2010

INDUSTRIAS UNIDAS AND SUBSIDIARIES

Consolidated Income Statement (Mexican pesos in thousands)	**For Q1 ended March 31, 2010**	**2011**
Revenues		
Net sales	4,069,771	4,045,914
Other	118,404	186,307
Total	4,188,176	4,232,220
Cost of sales	3,803,726	3,748,945
Gross income	384,450	483,275
Selling and Administrative Expenses	412,981	380,339
Income from Operations	(28,531)	102,936
Total Net Comprehensive Financial Cost:		
Interest Expense	161,626	166,481
Interest Income	(11,011)	(12,692)
Net Interest Expense	150,615	153,789
Exchange Loss (Gain) - Net	(11,585)	(38,272)
Monetary Position (Gain)	0	0
Other Financing Costs	18,716	11,643
Total Net Comprehensive Financial Cost	157,747	127,160
Other Expense, Net	86,330	26,729
Income Tax and Statutory Profit Sharing	73,502	14,784
Equity in Income (Loss) of Associated Companies	473	0
Net Income (Loss)	(345,637)	(65,737)
Net Income (Loss) of Minority Stockholders	(3,238)	(3,435)
Net Income (Loss) of Majority Stockholders	(342,399)	(62,302)

INDUSTRIAS UNIDAS AND SUBSIDIARIES

Balance Sheet (Mexican pesos in thousands)	As of March 31, 2010	2011
Current assets:		
Cash and cash equivalents	299,587	153,068
Restricted cash	0	0
Accounts receivable - Net	2,586,919	2,820,622
Inventories - Net	2,586,559	2,411,788
Other current assets	104,352	103,494
Total current assets	5,577,417	5,488,972
Accounts receivable from related parties - long term	613,682	529,731
Ínvestment in associated companies	9,887	8,231
Property, plant and equipment - Net	5,036,849	4,297,068
Long-lived assets available for sale	52,466	50,484
Other assets - Net	141,748	194,926
TOTAL ASSETS	11,432,049	10,569,413
Current liabilities		
Notes payable to financial institutions	508,145	108,815
Current portion of long term debt	4,495,331	4,743,798
Trade accounts payable	2,905,779	2,658,401
Accrued expenses and taxes other than income taxes	793,310	1,130,015
Advances from customers	32,984	1,274
Due to related parties	148,990	137,625
Total current liabilities	8,884,539	8,779,928
Long term debt	130,592	72,126
Labor and other long-term obligations	225,585	170,094
Income tax payable	24,389	24,389
Deferred income taxes	112,083	20,516
Financial instruments - Valuation	177,110	69,843
Contributions for future capital increases	82,792	82,846
TOTAL LIABILITIES	9,637,090	9,219,742
	0	0
Stockholders equity		
Capital stock	4,826,565	4,828,640

Additional paid-in capital	299,346	299,346
Accumulated deficit	(3,864,180)	(4,392,871)
Insufficiency in restated stockholders´equity	220,960	136,876
Cumulative initial effect of deferred income taxes	(25)	(25)
Translation effects of foreign operations or entities	191,631	330,069
Valuation of financial instruments	(31,180)	(9,111)
Controlling interest	1,643,117	1,192,925
Non-controlling interest	151,842	156,746
TOTAL Stockholders equity	1,794,959	1,349,671
TOTAL Liabilities and Stockholders Equity	11,432,049	10,569,413

Consolidated statements of cash flows

For the three months period ended March 31, 2011
(In thousands of Mexican Pesos)

	2011
Operating activities:	
Loss before income taxes	$ (50,952)
Items related to operating and investing activities:	
Depreciation and amortization	146,577
(Gain) loss on sale of property, plant and equipment	(77)
Interest income	(12,691)
Items related to financing activities:	
Interest expense	166,481
	249,338
(Increase) decrease in:	
Accounts receivable – Net	(188,579)
Inventories – Net	(171,558)
Others assets	(20,564)
Increase (decrease) in:	
Trade accounts payable	(154,649)
Income taxes paid	(111,499)
Advances from customers	(4,062)
Due to related parties	70,555
Labor and other long-term obligations	(4,489)
Accrued expenses and taxes other than income taxes	(173,450)
Net cash flows provided by operating activities	(508,957)

Investing activities:	
Acquisition of property, plant and equipment	(14,090)
Interest received	1,790
Net cash flows (provided by) used in investing activities	(12,300)
Excess cash to apply in financing activities	(521,257)

	2011
Financing activities:	
Repayment of debt	(94,029)
Proceeds from notes payable to financial institutions	28,634
Proceeds from long-term debt	391,765
Interest paid	(13,236)
Contributions for future capital increases	0
Net cash flows used in financing activities	313,134
Adjustment to cash flows due to exchange rate fluctuations	(1,561)
Net increase in cash, cash equivalents and restricted cash	209,684
Cash, cash equivalents and restricted cash at beginning of year	362,752
Cash, cash equivalents and restricted cash at end of the year	$ 153,068

Cambridge-Lee Holdings, Inc. and Subsidiaries

(A Wholly Owned Subsidiary of
Tubo de Pasteje S.A. de C.V.)

Consolidated Financial Statements as of and for
the Years Ended December 31, 2009 and 2008,
and Independent Auditors' Report

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Cambridge-Lee Holdings, Inc. and Subsidiaries
Reading, Pennsylvania

We have audited the accompanying consolidated balance sheets of Cambridge-Lee Holdings, Inc. (a wholly owned subsidiary of Tubo de Pasteje S.A. de C.V.) and subsidiaries (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of operations, changes in shareholder's equity, and cash flows 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 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements for the year ended December 31, 2009 have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company filed for bankruptcy protection in December 2009. As discussed in Note 13 to the consolidated financial statements, maturing of one of the Company's subsidiary's outstanding debt raises substantial doubt about that subsidiary's ability to continue as a going concern. As discussed in Note 14 to the consolidated financial statements, subsequent to December 31, 2009 the Company is not in compliance with certain financial covenants included within its loan agreements. Management's plans concerning these matters are also described in Notes 1, 13 and14, respectively. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for and disclosure of noncontrolling owner's interests in 2009 and 2008.

Deloitte & Touche LLP

August 31, 2010

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2009 AND 2008

ASSETS	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	$ 3,292,000	$ 19,424,000
Receivables		
Trade — less allowance for doubtful accounts and discounts of $2,441,000 and $2,474,000 for 2009 and 2008, respectively	91,739,000	88,388,000
Affiliates	3,760,000	7,396,000
Other	2,066,000	1,871,000
Total receivables	97,565,000	97,655,000
Note receivable — affiliate		8,990,000
Inventories — net	85,648,000	90,358,000
Prepaid expenses, deposits, and other current assets	5,179,000	5,968,000
Deferred income taxes	1,428,000	9,658,000
Total current assets	193,112,000	232,053,000
NOTE RECEIVABLE - Affiliate	11,578,000	
PROPERTY, PLANT, AND EQUIPMENT — Net	86,899,000	96,722,000
DEFERRED FINANCING FEES — Net	84,000	293,000
OTHER LONG-TERM ASSETS	3,299,000	275,000
TOTAL	$294,972,000	$329,343,000

LIABILITIES AND SHAREHOLDER'S EQUITY	2009	2008
CURRENT LIABILITIES		
Short-term borrowings	$ 7,521,000	$ 16,103,000
Current portion of long-term debt	2,820,000	4,877,000
Revolving credit facilities	61,767,000	105,567,000
Accounts payable		
Trade	16,075,000	25,241,000
Affiliates	1,733,000	1,284,000
Accrued expenses		
Payroll	4,339,000	3,285,000
Rebates	9,465,000	12,196,000
Taxes — other than income	1,018,000	413,000
Interest	395,000	1,730,000
Other	8,952,000	8,530,000
Income taxes payable	615,000	2,965,000
Total current liabilities	114,700,000	182,191,000
LONG-TERM DEBT	11,070,000	3,438,000
LONG-TERM OBLIGATIONS — Other	16,205,000	825,000
DEFERRED INCOME TAXES	13,522,000	15,398,000
Total liabilities	155,497,000	201,852,000
SHAREHOLDER'S EQUITY		
Common stock, no par — authorized, 1,500 shares; issued and outstanding, 1,000 shares	1,000	1,000
Additional paid-in capital	84,205,000	84,205,000
Excess of liabilities assumed over book value of assets transferred	(17,514,000)	(17,514,000)
Retained earnings	70,622,000	62,131,000
Accumulated other comprehensive income (loss)	(2,078,000)	(5,368,000)
Noncontrolling owner's interest	4,239,000	4,036,000
Total shareholder's equity	139,475,000	127,491,000
TOTAL	$294,972,000	$329,343,000

See notes to consolidated financial statements.

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES

(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
NET SALES	$ 697,626,000	$ 1,260,351,000
COST OF SALES	607,060,000	1,192,595,000
GROSS PROFIT	90,566,000	67,756,000
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	61,298,000	80,411,000
OPERATING INCOME (LOSS)	29,268,000	(12,655,000)
OTHER EXPENSE:		
Interest — net	(8,118,000)	(15,636,000)
Other — net	(2,232,000)	(2,799,000)
Total other expense	(10,350,000)	(18,435,000)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES AND NONCONTROLLING INTEREST	18,918,000	(31,090,000)
PROVISION FOR INCOME TAXES	9,945,000	(7,636,000)
NET INCOME (LOSS)	8,973,000	(23,454,000)
NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	271,000	(697,000)
NET INCOME (LOSS) ATTRIBUTABLE TO CAMBRIDGE-LEE HOLDINGS, INC.	$ 8,702,000	$ (22,757,000)

See notes to consolidated financial statements.

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	Common Stock		Additional Paid-In Capital	Excess of Liabilities Assumed Over Book Value of Assets Transferred	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Owner's Interest	Total Shareholder's Equity
	Shares	Value						
BALANCE — January 1, 2008	1,000	$ 1,000	$ 84,205,000	$ (17,514,000)	$ 84,888,000	$ 595,000	$ 4,733,000	$ 156,908,000
Comprehensive Income (Loss):								
Net loss					(22,757,000)		(697,000)	(23,454,000)
Foreign currency translation adjustment						(3,443,000)		(3,443,000)
Pension unrecognized loss adjustments						(2,520,000)		(2,520,000)
Total Comprehensive Income (Loss)								(29,417,000)
BALANCE — December 31, 2008	1,000	1,000	84,205,000	(17,514,000)	62,131,000	(5,368,000)	4,036,000	127,491,000
ASC 740-10 adoption					(211,000)		(7,000)	(218,000)
Comprehensive Income (Loss):								
Net income					8,702,000		271,000	8,973,000
Foreign currency translation adjustment						732,000	22,000	754,000
Pension unrecognized gain (loss) adjustments						2,558,000	(83,000)	2,475,000
Total Comprehensive Income (Loss)								12,202,000
BALANCE — December 31, 2009	1,000	$ 1,000	$ 84,205,000	$ (17,514,000)	$ 70,622,000	$ (2,078,000)	$ 4,239,000	$ 139,475,000

See notes to consolidated financial statements.

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
OPERATING ACTIVITIES:		
Net income (loss)	$ 8,973,000	$ (23,454,000)
Less net income (loss) attributable to noncontrolling interests	(271,000)	697,000
Net income (loss) attributable to Cambridge-Lee Holdings, Inc.	8,702,000	(22,757,000)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Noncontrolling interest	271,000	(697,000)
Depreciation and amortization	11,485,000	8,268,000
Allowance for doubtful accounts receivable	728,000	475,000
Periodic pension cost (benefit)	(419,000)	
Loss on sale of property, plant, and equipment	716,000	4,000
Deferred income taxes	7,090,000	(7,574,000)
Income taxes payable	(2,959,000)	(1,925,000)
Changes in assets and liabilities which provided (used) cash:		
Receivables and amounts due from affiliates	(640,000)	73,462,000
Inventories	4,916,000	84,999,000
Long-term obligations other	16,160,000	
Prepaid expenses and other assets	(827,000)	(2,147,000)
Accounts payable, accrued expenses, and amounts due to affiliates	(10,723,000)	(28,586,000)
Net cash provided by operating activities	34,500,000	103,522,000
INVESTING ACTIVITIES:		
Cash paid for purchase of property, plant, and equipment	(838,000)	(3,446,000)
Proceeds from sale of property, plant, and equipment	7,000	1,495,000
Cash received from (loaned to) affiliate	(1,637,000)	710,000
Net cash used in investing activities	(2,468,000)	(1,241,000)
FINANCING ACTIVITIES:		
Net decrease in revolving credit facility	(43,800,000)	(98,597,000)
Net increase in short-term borrowings	718,000	899,000
Proceeds on long-term debt		881,000
Payment on long-term debt	(3,316,000)	(3,740,000)
Payments under capital lease obligations	(565,000)	(555,000)
Payment of debt issuance costs	(1,436,000)	(400,000)
Net cash used in financing activities	(48,399,000)	(101,512,000)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	235,000	(1,041,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(16,132,000)	(272,000)
CASH AND CASH EQUIVALENTS — Beginning of year	19,424,000	19,696,000
CASH AND CASH EQUIVALENTS — End of year	$ 3,292,000	$ 19,424,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION —		
Cash paid during the year for:		
Interest	$ 9,436,000	$ 16,259,000
Income taxes, net of refunds	$ (10,225,000)	$ 2,625,000
NONCASH INVESTING ACTIVITY:		
Assets acquired through capital leases	$ 26,000	$ 636,000

See notes to consolidated financial statements.

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business — Cambridge-Lee Holdings, Inc. (CLH) is a wholly owned subsidiary of Tubo de Pasteje S.A. de C.V. (Tubo), a company incorporated in Mexico. The parent company of Tubo de Pasteje S.A. de C.V. is Industrias Unidas, S.A. de C.V. (IUSA). CLH is a manufacturer of copper tube and building wire and distributor of copper, copper alloy, steel, and aluminum products with operations in the United States and Europe.

On December 8, 2009, CLH became a debtor in a proceeding under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the state of Delaware (In Re Tubo de Pasteje S.A. de C.V., et al., Case No. 09-14353 (KJC)(Jointly Administered)). The circumstances leading up to this event was the failure by IUSA, CLH's ultimate parent company, to make timely payment on an interest coupon due to the holders of the $200 million 2016 bonds (the "Bonds"), for which Tubo had pledged the stock of CLH as security.

To prevent the bondholders from taking action on the pledged stock of CLH, CLH and Tubo each filed for protection under Chapter 11 of the U.S. Bankruptcy Code. IUSA and its creditors are engaged in negotiations regarding a possible restructuring of the debt owed by IUSA, which IUSA expects will result in an agreement that will enable CLH and Tubo to emerge from Chapter 11 during 2010. However, there can be no certainty at this time as to the results of those negotiations. If the parties are unable to reach an agreement on a restructuring, then the bondholders may seek to exercise remedies, including in the chapter 11 case, subject to the requirements of the United States Bankruptcy Code. Exercise, if permitted, of certain of these remedies by the bondholders could adversely affect CLH's ability to reorganize.

At this time no plan of reorganization or disclosure statement has been filed in the chapter 11 case for CLH. CLH's exclusive period to file a plan has been extended by order of the Bankruptcy Court to October 7, 2010, which date may be further extended.

This event does not constitute a Default or an Event of Default under the loan agreements in place between United Copper Industries, Inc. (UCI) and Cambridge-Lee Industries, LLC (CLI), and their respective lenders. CLH, UCI, CLI, and their subsidiaries are not guarantors of the debt of IUSA. UCI and CLI were not included as debtors within the chapter 11 case for CLH.

Principles of Consolidation — The accompanying consolidated financial statements include the results of operations, financial position, and cash flows of Cambridge-Lee Holdings, Inc. and its subsidiaries (collectively, the "Company") as follows:

Cambridge-Lee Industries, LLC (CLI)
Cambridge-Lee U.K., Ltd. (CL UK)
Cambridge-Lee Europe, Inc. (CLE)
Cambridge-Lee Holland B.V. (CL Holland)
Cambridge-Lee France S.A. (CL France)
Perpetual Aircraft Holdings, LLC

Cambridge-Lee Tennessee, LLC
United Copper Industries, Inc. (UCI)
UCI Land Development, Inc. (UCILD)
Eagle Tube Industries, LLC (ETI)
Eagle Personnel Services, LLC

All significant intercompany balances and transactions have been eliminated.

Perpetual Aircraft Holdings, LLC and Cambridge-Lee Tennessee, LLC were dissolved on January 26, 2009. The dissolutions did not have a material effect on the Company.

Cash and Cash Equivalents — Cash and cash equivalents include short-term, highly liquid instruments purchased with original maturities of three months or less. Outstanding checks of $1,909,000 and $2,953,000 have been included under accounts payable in the consolidated balance sheets as of December 31, 2009 and 2008, respectively.

Inventory — Inventory is stated at the lower of cost or market. This value is determined by the first-in, first-out method and by the average-cost method in UCI and CLI, respectively. Copper, a commodity product, is the principal component of the Company's inventory. The price of copper fluctuates depending on general economic conditions and in relation to global supply and demand and other factors. The Company cannot predict copper prices in the future or the effect of fluctuations in the cost of copper on the Company's future operating results. Future reductions in the price of copper could require the Company to record lower of cost or market adjustments against the related inventory balances.

Property, Plant, and Equipment — Property, plant, and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs are charged to expense as incurred. When property or equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gains or losses are reflected in income. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	15–39
Machinery and equipment	5–15
Automotive equipment	5–7
Office equipment	5–10

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease terms.

Other Long-Term Assets — Other long-term assets consist of prepaid pension costs and deposits relating to long-term lease agreements.

Income Taxes — The Company is included in the federal consolidated income tax return of CLH. The consolidated income tax liability of CLH is allocated among the parent and its subsidiaries on the basis of their separate contributions to the consolidated income tax liability, with full benefit of tax losses and credits made available through consolidation being allocated to the individual companies generating such losses and credits when utilized.

Deferred income taxes are recognized for differences between the financial statement basis and tax basis of assets and liabilities using the tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. The resulting deferred tax assets

and liabilities are adjusted to reflect changes in tax laws or rates at the time such changes occur. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will likely be realized.

Foreign Currency — Assets and liabilities denominated in foreign currency are translated using year-end exchange rates, and consolidated statements of operations items are translated at average exchange rates for the year. Translation adjustments are accumulated in a separate component of shareholders' equity until a foreign business is sold or substantially liquidated. Transaction gains and losses are included in income as they occur.

Derivatives — From time to time, the Company enters into futures contracts in connection with certain metal purchases or sales in order to minimize the risk of price fluctuations. The derivatives are specifically matched in volume and maturity with the various purchase and sales commitments and generally expire within a year. The Company utilizes the futures contracts to economically hedge its variable-priced purchase contracts and its fixed sales commitments. The Company also enters into interest rate swap transactions in order to minimize the risk of interest rate fluctuations. The fair value of the Company's interest rate swap was recorded as of December 31, 2008. As of December 31, 2009, the Company's interest rate swap had expired.

The Company also enters into forward contracts for future purchases and sales of foreign currency, thereby locking in a future exchange rate related to purchases and sales of goods in local currency through its foreign subsidiaries. The Company utilizes these forward foreign currency contracts as instruments to economically hedge the foreign currency exposure of transactions conducted in the local currency of foreign operations.

For derivative instruments designated and effective as fair value hedges, changes in the fair value of the derivative instrument will be substantially offset in the consolidated statements of operations by changes in the fair value of the hedged item. For derivative instruments designated as cash flow hedges, the effective portion of any hedge is reported in other comprehensive income until it is recognized in earnings during the same period in which the hedged item affects earnings. The ineffective portion of all hedges is recognized in current earnings each period. Changes in the fair value of derivative instruments that are not designated as a hedge will be recorded each period in current earnings.

For all derivatives designated as a hedge, the Company formally documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for the use of the hedging instrument. This documentation includes linking the derivatives that are designated as fair value or cash flow hedges to specific assets or liabilities in the consolidated balance sheets, commitments, or to forecasted transactions. At inception, and on an ongoing basis, the Company assesses whether each derivative is expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged items. When a derivative is no longer expected to be highly effective, hedge accounting is discontinued. Hedge ineffectiveness, if any, is included in current-period earnings.

As of December 31, 2009 and 2008, none of the derivative contracts noted above qualified for hedge accounting, and any realized and unrealized gains or losses are recognized within the statements of operations. See Note 12 for additional disclosures related to the fair value of derivative financial instruments recorded on a recurring basis within the consolidated balance sheet.

Fair Market Value of Financial Instruments — Carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short-term nature of those instruments. The Company believes that the fair value of its outstanding debt under the revolving credit, mortgage loans, and term

loan agreements approximate their carrying amounts as the interest rates are consistent with current market rates.

Long-Lived Assets — The Company evaluates the carrying value of its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Such evaluation relies on a number of factors, including operating results, future anticipated cash flows, business plans, and certain economic projections. In addition, the Company's evaluation considers nonfinancial data, such as changes in operating environment, competitive information, market trends, and business relationships. If the sum of the undiscounted cash flows is less than the carrying value of the asset, an impairment loss is recognized. Any impairment loss, if indicated, is measured as the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Long-Term Obligations — Other — Long-term obligations primarily consist of unfunded pension liabilities and uncertain tax positions in accordance with Accounting Standards Codification (ASC or the "Codification"), ASC-740-10.

Deferred Financing Fees — The costs related to the issuance of debt are capitalized and amortized to interest expense over the lives of the related debt.

Concentrations of Credit Risk — The Company sells products to distributors and other customers and provides credit based on an evaluation of the customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses.

Revenue Recognition — Revenue from sales, net of discounts and estimated returns, allowances, and rebates, is recognized when product title passes to the customer, which is primarily at the time of delivery.

Shipping and Handling Costs — Costs associated with shipping and handling of $26,055,000 and $37,003,000 are included as a component of selling expenses for the years ended December 31, 2009 and 2008, respectively. The Company generally does not separately charge customers for shipping and handling costs.

Environmental Remediation — Environmental expenditures that relate to current operations are expensed. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated.

Accounting Estimates — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Sales Taxes — Sales taxes collected by the Company from their customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

New Accounting Pronouncements — In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* (codified within ASC 740, *Income Taxes*). This interpretation

clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. ASC 740 prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB Staff Position (FSP) Nos. FIN 48-2 and FIN 48-3, both titled, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises* ("FSP FIN 48-2" and "FSP FIN 48-3"), deferred the effective date of the provisions of ASC 740 that relate to uncertainty in income taxes for nonpublic enterprises that elected to defer implementation, which was originally required to be adopted in the fiscal year beginning after December 31, 2006. For its fiscal year beginning on January 1, 2008, the Company elected to continue its deferral, and adopted the provisions of ASC 740 that relate to uncertainty in income taxes in its consolidated financial statements for the year beginning on January 1, 2009. The adoption of the provisions of ASC 740 that relate to uncertainty in income taxes had an immaterial impact on retained earnings.

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements* (ASC 820-10), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Where applicable, ASC 820-10 simplifies and codifies related guidance within accounting principles generally accepted in the United States of America. The provisions of ASC 820-10 related to financial assets and liabilities were adopted on January 1, 2008 and the provisions related to nonfinancial assets and liabilities were adopted on January 1, 2009. The adoption of the provisions of ASC 820-10 related to financial and nonfinancial assets and liabilities had an immaterial impact on the Company's results of operations or financial condition.

In February 2007, the FASB issued FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115 (ASC 825-10).* ASC 825-10 permits entities to choose to measure many financial instruments and certain other items at fair value, and pertains to all entities, including not-for-profit organizations. The provisions of ASC 825-10 were adopted on January 1, 2008. Management has elected not to apply the fair value measurement option to any financial assets or liabilities as of the adoption date. The adoption of ASC 825-10 had an immaterial impact on the Company's results of operations or financial condition.

In March 2008, the FASB issued FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133 (ASC 815).* ASC 815 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. ASC 815 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company incorporated the disclosure requirements included within ASC 815 in the notes to the consolidated financial statements.

In December 2008, the FASB issued FSP FAS 132(R)-1, *Employers' Disclosures About Postretirement Benefit Plan Assets* (ASC 715-20-65). ASC 715-20-65, *Employers' Disclosures About Pensions and Other Postretirement Benefits — an amendment of FASB Statements No. 87, 88, and 106*, to provide guidance on an employer's disclosures about plan assets of a defined benefit pension, and includes a technical amendment to FASB Statement No. 132(R) (ASC 715-20-55) that requires a nonpublic entity to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The disclosures about plan assets required by this FSP shall be provided for fiscal years ending after December 15, 2009. The technical amendment to ASC 715-20-55 is effective upon issuance as of December 30, 2008. The Company incorporated the disclosure requirements included within ASC 715 in the notes to the consolidated financial statements.

In December 2007, the FASB issued FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51 (ASC 810).* ASC 810 establishes accounting and reporting standards that require that the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity; the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income; and changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently. ASC 810 also sets forth the disclosure requirements to identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. The presentation and disclosure requirements are applied retrospectively for all periods presented. The Company incorporated the disclosure requirements included within ASC 810 in the consolidated financial statements.

In May 2009, the FASB issued FASB Statement No. 165, *Subsequent Events (ASC 855-10).* ASC 855-10 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Entities are required to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. ASC 855-10 is effective for annual periods ending after June 15, 2009. The Company incorporated the disclosure requirements included within ASC 855-10 in Note 14 to the consolidated financial statements.

In June 2009, the FASB issued FASB Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162 (ASC 105).* The FASB notes that the Codification will become the source of authoritative accounting principles generally accepted in the United States of America recognized by the FASB to be applied by nongovernmental entities. Once the Codification is in effect, all of its content will carry the same level of authority, effectively superseding Statement 162. The Company has prepared the consolidated financial statements in conformity with the applicable standards included within the Codification.

2. INVENTORIES

Inventories, recorded at the lower of cost or market, at December 31, 2009 and 2008, consist of the following:

	2009	2008
Raw materials	$ 10,457,000	$ 10,457,000
Work in process	34,315,000	34,183,000
Finished goods	136,527,000	137,003,000
Total	$ 181,299,000	$ 181,643,000

The Company recognized losses of $0 and $9,104,000 within the cost of goods sold line of the consolidated statements of operations to write down inventory to market value as of December 31, 2009 and 2008, respectively.

3. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of December 31, 2009 and 2008, consisted of the following:

	2009	2008
Land and improvements	$ 10,457,000	$ 10,457,000
Buildings	34,315,000	34,183,000
Machinery and equipment	136,527,000	137,003,000
Office equipment	5,825,000	5,586,000
Automobiles	277,000	275,000
Leasehold improvements	3,721,000	3,946,000
Total property, plant, and equipment	191,122,000	191,450,000
Less accumulated depreciation and amortization	104,223,000	94,728,000
Property, plant, and equipment — net	$ 86,899,000	$ 96,722,000

The gross book value of assets recorded under capital leases was $3,020,000 and $3,575,000 at December 31, 2009 and 2008, respectively. The net book value of assets recorded under capital leases was $845,000 and $1,387,000 at December 31, 2009 and 2008, respectively. The related depreciation expense was $535,000 and $514,000 for the years ended December 31, 2009 and 2008, respectively.

4. SHORT-TERM BORROWINGS

A subsidiary of CLI has a letter of credit facility of $2,500,000, which has been guaranteed by CLI. Interest is payable on a monthly basis at an annual rate of 0.40% above London InterBank Offered Rate (LIBOR) (2.66% and 3.69% at December 31, 2009 and 2008, respectively). Outstanding balances under the letter of credit amounted to $2,500,000 at December 31, 2009 and 2008, respectively.

In addition, certain subsidiaries of the Company have short-term borrowing arrangements with financial institutions. Outstanding borrowings under these arrangements amounted to $5,021,000 and $4,171,000 at December 31, 2009 and 2008, respectively. The interest rate on these borrowings was 4.53% during 2009. The interest rates on these borrowings ranged between 4.6% and 4.8% at December 31, 2008. These borrowings are collateralized by certain assets of the subsidiaries.

5. REVOLVING CREDIT FACILITY

Revolving Line of Credit — UCI — UCI has a line of credit with a financial institution. The original loan agreement was replaced with the Second Amended and Restated Loan and Security Agreement on March 8, 2006, when the revolving line of credit maximum was increased to $130,000,000 and the term loan increased to $8,000,000. Effective February 22, 2007, the revolving line of credit maximum was amended to $170,000,000 and on May 10, 2007, was increased again to $188,000,000. On March 6, 2009, the revolving line was decreased to $90,000,000 at UCI's request and extended through March 8, 2010 (UCI Loan Agreement). Under the UCI Loan Agreement, UCI may take advances under the revolving line of credit, not to exceed the lesser of (i) the maximum amount established by the lender or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the UCI Loan Agreement. At December 31, 2009 and 2008, UCI had outstanding borrowings of $46,987,000 and $57,607,000, respectively. The amount of additional available borrowings under the UCI Loan Agreement was approximately $13,775,000 at December 31, 2009, and $4,550,000 at

December 31, 2008. Outstanding borrowings bear interest at a defined index rate of 3.25% at December 31, 2009, plus 3.75%. UCI incurs commitment fees of 1% on the unused portion of the line of credit and 1.75% on any outstanding letters of credit. As disclosed within Note 14, the UCI Loan Agreement was amended on March 3, 2010.

Revolving Line of Credit — CLI — On May 15, 2006, CLI amended and restated its loan agreement (the "CLI Loan Agreement"). This agreement has been amended on various occasions, most recently on April 29, 2009. The CLI Loan Agreement, as amended, expires on May 11, 2010. Under this agreement, CLI may take advances under the revolving line of credit not to exceed the lesser of (i) the maximum amount established by the lender, $78,788,000 through May 11, 2010, or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the CLI Loan Agreement. Interest is calculated at CLI's option at the LIBOR option, which ranges from 1.50% to 4.25% over LIBOR or at the bank's prime rate option, which ranges from 0.25% to 1% over the prime rate determined by CLI's interest coverage ratio calculated each fiscal quarter on a rolling 12-month basis. The agreement also includes an unused line of credit fee of 0.375% per annum. The rates in effect at December 31, 2009 and 2008, were LIBOR, plus 4.25% and prime rate, plus 1%. At December 31, 2009, CLI had outstanding borrowings of $12,000,000 at the LIBOR option of 5.75% and $2,780,000 at the bank's prime rate of 6.25%. At December 31, 2008, CLI had outstanding borrowings of $0 at the LIBOR option and $47,960,000 at the bank's prime rate of 4.25%. The amount of available borrowings under this agreement was $35,905,000 and $4,507,000 at December 31, 2009 and 2008, respectively. As disclosed within Note 14, the CLI Loan Agreement was amended on April 29, 2010.

Letters of Credit — UCI — Under the UCI Loan Agreement, UCI has a $5,000,000 letter of credit facility, which provides for the issuance of letters of credit and guarantees on UCI's behalf. Outstanding letters of credit reduce available borrowings under the revolving line of credit. The amount of unused credit available under this agreement was $5,000,000 at December 31, 2009 and 2008.

Letters of Credit — CLI — Under the 2006 Loan Agreement, CLI has a $6,000,000 letter of credit facility, which provides for the issuance of letters of credit and guarantees on CLI's behalf. Outstanding letters of credit reduce available borrowings under the revolving line of credit. The amount of unused credit available under this agreement was $1,971,000 and $1,333,000 at December 31, 2009 and 2008, respectively. On March 4, 2008, CLI entered into an amendment that increased the maximum letter of credit facility available balance to $11,000,000.

Covenants and Collateral — UCI — Under the terms of the UCI Loan Agreement, UCI is required to maintain certain financial and nonfinancial conditions. The UCI Loan Agreement, among other items, does not allow UCI to incur certain additional indebtedness; pay dividends; make certain investments, advances, or loans; and limits capital expenditures. UCI was not in compliance with its covenants as of September 30, 2009 or December 31, 2009, which were waived as part of Amendment 15 described in Note 14. Amounts outstanding under the UCI Loan Agreement are collateralized by substantially all of UCI's assets, except mortgaged real estate, and a stock pledge agreement of UCI's capital stock owned by CLH. Further, under the UCI Loan Agreement, cash remittances are required to be deposited in a lockbox account, and accordingly, the revolving credit facility has been classified as current.

In addition, Grupo IUSA, the Company's ultimate parent, has guaranteed payment of obligations arising from the UCI Loan Agreement.

Covenants and Collateral — CLI — Under the terms of the CLI Loan Agreement, which also includes the term loan described in Note 6, CLI is required to maintain certain financial and nonfinancial conditions. The CLI Loan Agreement, as amended, among other items, restricts certain additional indebtedness; the payment of dividends; certain investments, advances, or loans; and limits capital expenditures. Amounts outstanding under the CLI Loan Agreement are collateralized by substantially all of CLI's assets. Furthermore, under the CLI Loan Agreement, cash remittances are required to be

deposited in a lockbox account, and accordingly, the revolving credit facility has been classified as current. CLI was in compliance with its debt covenants at December 31, 2009, but was not in compliance as of December 31, 2008. On April 29, 2009, CLI entered into an amendment that waived the events of default that existed at December 31, 2008.

6. LONG-TERM DEBT

At December 31, 2009 and 2008, long-term debt consists of the following:

	2009	2008
Real estate mortgage note payable — UCILD	$ 9,287,000	$ 9,432,000
Real estate mortgage note payable — ETI	2,721,000	3,578,000
Bank term loan	1,172,000	3,487,000
Capital lease obligations	710,000	1,250,000
	13,890,000	17,747,000
Less current portion	2,820,000	14,309,000
	$11,070,000	$ 3,438,000

Bank Term Loan — Under the CLI Loan Agreement, as amended, CLI has a bank term loan payable in monthly principal installments of $131,000 with a $515,000 balloon payment due at maturity, plus accrued interest. The term loan expires in May 2010 and is collateralized by substantially all of CLI's assets. At December 31, 2009, CLI had outstanding borrowings of $1,000,000 at the LIBOR option plus 4.75% and $172,000 at the prime rate option plus 3.5%. At December 31, 2008, CLI had outstanding borrowings of $3,300,000 at the LIBOR option plus 2.75% and $187,000 at the prime rate option plus 1.5%. As described in Note 14, CLI entered into an amendment to the CLI Loan Agreement which extended its maturity date.

Scheduled future maturities of the long-term debt and future payments on capital lease obligations are as follows:

Years Ending December 31	Capital Lease Payments	Long Term Loans	Total
2010	$455,000	$ 2,414,000	$ 2,869,000
2011	233,000	9,850,000	10,083,000
2012	71,000	917,000	988,000
2013	1,000		
	760,000	13,181,000	13,940,000
Less discounted interest	(50,000)		(50,000)
Total	$710,000	$ 13,181,000	$ 13,890,000

Real Estate Mortgage — UCILD — UCILD has a real estate mortgage note payable for approximately $9,287,000 and $9,432,000 as of December 31, 2009 and 2008, respectively, which became due in December 2009. The loan allows for an automatic extension for two years from the initial due date of

December 1, 2009, through December 1, 2011. Principal and interest payments of approximately $93,000 are due monthly. The mortgage note payable bears an annual fixed interest rate as of December 31, 2009 and 2008 of 10.34% and 8.34%, respectively.

Real Estate Mortgage — ETI — ETI has a real estate mortgage note payable for approximately $2,721,000 and $3,578,000 as of December 31, 2009 and 2008 respectively. Principal and interest payments of approximately $80,000 are due monthly with the remaining unpaid balance, if any, due August 2013. The mortgage note payable bears an annual variable interest rate set by the lender. The interest rate as of December 31, 2009 and 2008 was 3.25%.

7. EMPLOYEE BENEFIT PLANS

United Copper Industries, Inc. 401(k) Plan — UCI has a contributory 401(k) plan for eligible employees with one or more years of service. Under the provisions of this plan, employees may contribute between 1% and 20% of their base salary, up to the Internal Revenue Service (IRS) limit on salary reduction contributions. UCI contributed approximately $182,000 and $231,000 to the 401(k) plan during the years ended December 31, 2009 and 2008, respectively.

Domestic Defined Benefit Pension Plan — CLI has a domestic noncontributory defined benefit pension plan (the "Plan") covering eligible employees, the benefits of which were frozen as of March 31, 1994. Substantially all full-time employees of CLI were eligible employees as defined in the Plan's provisions at the date that the Plan was frozen. The benefits are based on years of service and an employee's highest five-year average annual compensation. CLI's funding policy is to fund the actuarially determined costs of the Plan to the extent deductible as permitted by the IRS and the minimum funding standards of the Employee Retirement Income Security Act of 1974.

The following table sets forth the funded status of the Plan and the amounts recognized in the Company's consolidated balance sheets. Such amounts are based on actuarial valuations as of December 31, 2009 and 2008, and are as follows:

	2009	2008
Benefit obligations and funded status — change in projected benefit obligation:		
Projected benefit obligation — beginning of year	$ 8,689,000	$ 8,728,000
Interest cost	469,000	474,000
Actuarial gain (loss)	(635,000)	120,000
Benefits paid	(592,000)	(633,000)
Projected benefit obligation — end of year	$ 7,931,000	$ 8,689,000
Change in Plan assets:		
Fair value of plan assets — beginning of year	$ 7,943,000	$ 10,427,000
Actual return on Plan assets	1,573,000	(1,835,000)
Benefits paid	(592,000)	(633,000)
Administrative expenses	(18,000)	(16,000)
Fair value of Plan assets — end of year	$ 8,906,000	$ 7,943,000
Funded status:		
Prepaid pension cost	$ 3,430,000	$ 3,722,000
Unrecognized net loss in accumulated other comprehensive income	(2,455,000)	(4,468,000)
Funded status on balance sheet within other long-term assets or long-term obligations — other	$ 975,000	$ (746,000)
Weighted-average assumptions at the end of the year for balance sheet purposes — discount rate	6.00 %	5.54 %
Total net periodic pension (benefit) cost:		
Interest cost	$ 469,000	$ 474,000
Expected return on Plan assets	(460,000)	(608,000)
Recognized net actuarial loss	283,000	59,000
Total net periodic pension cost (benefit)	$ 292,000	$ (75,000)
Weighted-average assumptions — for income statement:		
Discount rate	5.54 %	5.72 %
Expected return on plan assets	6.60	6.00

	2009	2008
Plan assets allocation:		
Money market funds	4 %	5 %
Debt securities	35	43
Equities	61	52
Total	100 %	100 %

As of December 31, 2009 and 2008, the amount in accumulated other comprehensive income that has not yet been recognized as a component of net periodic benefit cost is a net actuarial loss of $2,455,000 and $4,468,000, respectively. The amount of this loss that is expected to be recognized as a component of net periodic benefit cost in 2010 is $125,000.

Investment Policy and Strategy and Determination of Expected Long-Term Rate of Return — The expected long-term rate of return on Plan assets used in determining the net pension cost or benefit was 6.6% in 2009 and 6% in 2008. During 2007, the Company revised the investment policy statement for the Plan. This statement describes an appropriate risk posture for the investment of the assets, specifies the target asset allocation policy, establishes investment guidelines regarding permissible securities and diversification of investments, and defines the various responsibilities of the retirement committee and other parties involved in the management of the Plan's assets. To achieve the expected long-term rate of return of at least 6.6% noted above, the investment policy statement provides for a mix of assets consisting of a target average of 50% in equity securities, 40% in fixed income, and 10% in cash and cash equivalents. The assets of the Plan are currently invested in a mixture of government and corporate fixed-income securities, short-term commercial paper instruments, equity securities, and cash and money funds, yielding returns ranging from 1% to 31% and (51%) to 5% in 2009 and 2008, respectively.

Cash Flows — Estimated future benefit payments as of December 31, 2009, are as follows:

Years Ending December 31	
2010	$ 629,000
2011	618,000
2012	616,000
2013	627,000
2014	636,000
2015–2019	3,114,000

Foreign Contributory Retirement Plan —A subsidiary of CLI also has a foreign defined benefit retirement plan for eligible employees in the United Kingdom, the benefits of which were frozen as of June 1, 2009. The Company's policy is to fund the actuarially determined costs of this plan to the extent deductible under applicable tax laws. As of December 31, 2009 and 2008, the market value of the plan assets was approximately $6,640,000 and $4,521,000, respectively, and the actuarial value of the liabilities was $4,832,000 and $4,336,000, respectively.

Pension benefit under the foreign retirement plan amounted to approximately $(419,000), which consists of a $(464,000) gain related to the curtailment of the plan's benefits, offset by $45,000 related to net periodic benefit cost for the year ended December 31, 2009, and pension expense of $547,000 for the year ended December 31, 2008. Contribution under this plan amounted to $1,705,000 and $512,000 for

2009 and 2008, respectively. As of December 31, 2009, the amount in accumulated other comprehensive income that has not yet been recognized as a component of net periodic benefit cost is a net actuarial loss of $1,231,000 and $776,000 as of December 31, 2009 and 2008, respectively.

Due to the curtailment in the current year, the Company has proposed that the plan benefits be settled with an insurance company. As of December 31, 2009, a deposit of $5,842,000 has been made with an insurance company related to the settlement. The deposit has been recognized as a component of the plan assets as of December 31, 2009.

Cambridge-Lee Industries, LLC 401(k) Plan — In April 1994, CLI instituted a contributory 401(k) plan for eligible nonunion employees who are at least 21 years of age. Under the provisions of the plan, employees may contribute up to 15% of their base salary up to the IRS limit on salary reduction contributions. CLI also contributes to the plan. An employee is eligible for the company contribution upon completion of one year of service. CLI's contribution determined in accordance with the plan is 6% of base salary.

Cambridge-Lee Industries Union Retirement Plan (Formerly Local 3885 Employees 401(k) Plan) — In January 1997, CLI instituted a contributory 401(k) plan for eligible union employees of the Company. Under the provisions of the plan, employees may contribute up to 15% of their base salary up to the IRS limit on salary reduction contributions. CLI also contributes to the plan. An employee is eligible for the company contribution upon completion of one year of service during which the employee was credited with at least 1,000 hours of service. CLI's contribution determined in accordance with the plan was ninety-five cents ($0.95) through May 15, 2009, and one dollar ($1) for the remainder of the year for each hour worked up to 40 hours per week.

The Company's contributions and expense under the defined contribution plans totaled approximately $922,000 and $908,000 for 2009 and 2008, respectively.

8. COMMITMENTS AND CONTINGENCIES

Lease Commitments — The Company leases office space, warehouse space, and equipment under leases that expire at various dates through 2014. Future minimum rentals for all significant operating leases with a noncancelable term of one year or more as of December 31, 2009, are approximately as follows:

Years Ending December 31	
2010	$1,650,000
2011	1,094,000
2012	891,000
2013	513,000
Thereafter	497,000
Total	$4,645,000

In addition to the future minimum rentals, the leases generally provide that taxes, insurance, and normal maintenance are the responsibility of the lessee. Certain of the leases contain renewal options. The total rent expense under all operating leases for 2009 and 2008 was approximately $2,885,000 and $2,932,000, respectively, and is recorded within cost of sales and selling, general, and administrative expenses in the consolidated statements of operations.

Environmental — The Company, as well as other companies, is subject to rigorous environmental standards imposed by federal, state, and local environmental laws and regulations. Based on current rules and regulations, management does not expect future environmental obligations for current and past activities to materially affect the financial position, operating results, or cash flows of the Company.

Purchase Commitments — On November 12, 2001, UCI entered into a purchase and distribution agreement with an affiliate, IUSA. The agreement was amended on January 1, 2004, and again on January 1, 2007. The agreement was effective through December 2008 and required UCI to purchase a minimum quantity of product from the affiliate in exchange for the exclusive distribution rights of those products in the United States and Canada. This agreement is currently being renegotiated. UCI is obligated under the terms of the agreement to purchase a minimum of two million one hundred and fifty thousand pounds of wire and cable per month. The price of copper wire and cable is calculated based upon the concept of the Berry Ratio. This formula determines that the gross margin on products bought from IUSA for resale will be a function of the selling, general, and administrative costs and is calculated by dividing gross profit by operating expenses. Purchases under this agreement in 2008 for wire and cable were approximately $47,661,000.

For the year ended December 31, 2009, the terms of an extension to the UCI purchase and distribution agreement with IUSA, which expired during December 2008, were being renegotiated. During 2009 UCI operated under similar terms to the purchase and distribution agreement in effect during 2008 with no required minimum purchase obligation. Purchases under similar terms to the UCI purchase and distribution agreement during 2009 for wire and cable were approximately $49,509,000.

At December 31, 2009, UCI has certain outstanding copper cathode purchase commitments for delivery in 2010. The copper is priced at amounts based on COMEX prices in force at the time of delivery, which approximates market value, plus a premium. The estimated value of these purchases is $ 73,216,000 as of December 31, 2009.

On November 12, 2001, CLI entered into a purchase and distribution agreement with an affiliate (its ultimate parent). The agreement was amended on March 1, 2004, and again on October 1, 2006. The agreement was effective through December 2008 and required CLI to purchase a minimum quantity of product from the affiliate in exchange for the exclusive distribution rights of those products in the United States and Canada. CLI was obligated under the terms of the agreement to purchase a minimum of three million pounds of copper water tubing per month. The agreement called for brass rod purchases and prices to be determined based upon the current market demand and prices. The price of copper water tube is calculated based upon the actual net selling price for the current month less discounts ranging from 9% to 12%. As the financial results of each month are completed, another calculation will be performed, based upon the concept of the Berry Ratio. This formula determines that the gross margin on products bought from IUSA, a related party, for resale will be a function of the selling, general, and administrative costs and is calculated by dividing gross profit by operating expenses. Purchases under this agreement in 2008 approximated $209,571,000 and $80,395,000 for copper water tubing and brass rods, respectively.

For the year ended December 31, 2009, the terms of an extension to the CLI purchase and distribution agreement with an affiliate, which expired during December 2008, were being renegotiated. During 2009 CLI operated under similar terms to the purchase and distribution agreement in effect during 2008, with no required minimum purchase obligation. Purchases made under similar terms to the CLI purchase and distribution agreement during 2009 approximated $86,957,000 and $27,094,000 for copper water tubing and brass rods, respectively.

At December 31, 2009 and 2008, CLI had outstanding 15,229,000 and 8,802,000 pounds of copper scrap purchase commitments, respectively. The copper is priced at an amount over or under COMEX based on the purity of the product being purchased and the scheduled month of delivery, which approximates market value. The estimated value of these purchases is $44,889,000 and $14,004,000 at December 31, 2009 and 2008, respectively.

Litigation — The Company is involved in various commercial disputes and lawsuits in the normal course of business. In addition, the Company has a number of environmental matters in which the Company has been named as a potentially responsible party for cleanup costs (none of such matters has developed into actual litigation). It is the management's opinion that significant defenses exist with respect to such various commercial disputes, lawsuits, and environmental matters relating to the Company and that the ultimate resolution of these matters will not have a materially adverse effect on the consolidated financial position, results of operations, or liquidity of the Company.

In 2004, the Company was named as a third-party defendant by certain defendants in a product liability suit brought by a Minnesota municipality and various private parties. The suit stemmed from an explosion in a gas heater located in the municipality's fire department building, which caused damages between $3,000,000 and $4,000,000 to the building and surrounding properties. No personal injuries or fatalities were reported as a result of the explosion. The Company's insurance carrier is defending the case on behalf of the Company, and to date, certain plaintiff actions have been settled through payments of $81,000 by the insurer on behalf of the Company. As a result of such settlements, there were two remaining parties with possible claims against the Company. Both such claims were dismissed by the trial court through various motions and hearings during 2008, which ultimately determined that the motions were time-barred based on the applicable statutes of limitations. As a result of the foregoing, the Company's counsel believes there is only a remote possibility that any of these claims could arise again, and consequently, the Company has recognized no liability for this litigation as of December 31, 2009 or 2008.

European Operations — The general worldwide deterioration of economic conditions and tightening of credit markets beginning in 2008 are contributing to slowdowns in many industries, including industries in which consolidated CLE and CL UK and their customers operate. This deterioration and tightening affects these subsidiaries in a number of ways, making it difficult to accurately forecast and plan future business activities. There can be no assurance as to when economic conditions will improve. A further or unexpectedly sustained downturn in the markets served by consolidated CLE and CL UK could have a material adverse effect on their results of operations or financial condition. In this current environment, the Company expects considerable challenges to maintain historical levels of sales volume and profit margins within markets served by these subsidiaries.

While the Company has instituted measures to preserve cash within these subsidiaries, the overall economic environment creates material uncertainties over future trading results and cash flows. The Company's ability to pay interest on, or to refinance, its indebtedness and to satisfy other debt obligations will depend upon future operating performance. In addition, the Company cannot assure that future borrowings will be available for the payment or refinancing of indebtedness within consolidated CLE and CL UK. If these subsidiaries are unable to service this indebtedness, whether in the ordinary course of business or upon an acceleration of such indebtedness, one or more alternative strategies, such as restructuring or refinancing its indebtedness, selling assets, reducing or delaying capital expenditures, revising implementation of or delaying strategic plans or seeking additional equity capital may be pursued. Any of these actions could have a material adverse effect on the business, financial condition, and results of operations. In addition, the Company cannot assure that it would be able to take any of these actions, that these actions would enable the Company to continue to satisfy capital requirements,

or that these actions would be permitted under the terms of various debt agreements. Failure of one or more of the Company's lenders could reduce availability of credit, which could harm liquidity.

Management has concluded that the combination of these circumstances represent a material uncertainty about the ability of the Company's consolidated CLE and CL UK subsidiaries to continue as going concerns. Nevertheless, after considering the uncertainties described above, management reasonably expects that the Company has adequate resources as of December 31, 2009, namely cash of approximately $1,053,000 held by CL UK; cash of approximately $525,000 held by CL Holland; and access to approximately $9,318,000 of a credit facility at CL France in which $4,507,000 was unused as of December 31, 2009. Subsequent to December 31, 2009, Industrias Unidas, S.A. de C.V., the Company's ultimate parent, issued a letter guaranteeing payment of approximately $1,045,000 owed by CLE to CL France. Management believes these resources will allow the subsidiaries to remain operational for the foreseeable future, even after consideration of loans totaling $1,637,000 made to the Company by CL UK and CL Holland in February and March 2009. For this reason, the Company continues to adopt the going-concern basis of accounting in preparing the annual financial statements of consolidated CLE and CL UK for inclusion within the Company's consolidated financial statements.

9. RELATED-PARTY TRANSACTIONS

The Company purchases certain goods from related parties. Such purchases totaled $173,483,000 and $409,326,000 in 2009 and 2008, respectively, including the amounts disclosed under Purchase Commitments (see Note 8).

The Company also pays related parties for certain computer services and management fees. Fees totaled $8,566,000 and $14,694,000 in 2009 and 2008, respectively, and are recorded within selling, general, and administrative expenses in the consolidated statements of operations.

The Company also pays executive consulting fees to related parties. Fees totaled $3,036,000 and $3,289,000 in 2009 and 2008, respectively, and are recorded within selling, general, and administrative expenses in the consolidated statements of operations.

The Company is provided warehousing services by related parties. Such warehousing fees totaled $350,000 and $467,000 in 2009 and 2008, respectively, and are recorded within selling, general, and administrative expenses in the consolidated statements of operations.

In December 2007, the Company, under a promissory note, made a loan for $9,700,000 to a related party, IUSA. At December 31, 2009 and 2008, the balance remaining was $8,990,000. This note matures in April 2010 and bears interest at LIBOR, plus 2.3%. Interest income related to this related-party loan totaled $318,000 and $764,000 in 2009 and 2008, respectively, and is recorded within interest — net in the consolidated statements of operations.

In February and March 2009, CL UK, under a promissory note, made a loan totaling $1,080,000 to a related party, IUSA. At December 31, 2009, the balance remaining was $1,080,000. This note bears interest at 5.15%. Interest income related to this related-party loan totaled $30,000 in 2009 and is recorded within interest — net in the consolidated statements of operations.

In March 2009, CL Holland, under a promissory note, made a loan for approximately $586,000 to a related party, IUSA. At December 31, 2009, the balance remaining was $586,000. This note bears interest at 4%. Interest income related to this related-party loan totaled $19,000 in 2009 and is recorded within interest — net in the consolidated statements of operations.

In February 2008, the Company sold equipment to a related party, IUSA, at the equipment's carrying value at the time of sale of $1,464,000. The remaining balance under this note receivable as of December 31, 2009 and 2008 is $1,346,000.

The Company sold scrap and finished product to related parties. Such sales totaled $15,832,000 in 2008 and are recorded within net sales in the consolidated statements of operations.

UCI purchases copper rod and cathode under an agreement between CLH and a vendor. Accounts payable — trade includes $0 and $4,484,000 due under this agreement at December 31, 2009 and 2008, respectively. Purchases may be financed for 180 days from shipping date, up to limits which may be negotiated with the supplier from time to time or paid under net cash terms. Invoices with 180-day terms bear interest at the six-month LIBOR rate, plus 6.5%. The agreement provides for fixed monthly purchase commitments through December 2008, and a guarantee by IUSA of amounts outstanding. UCI had no outstanding contract with this vendor at December 31, 2008.

10. FOREIGN OPERATIONS

The financial data relating to the European operations of the Company, before elimination of intercompany accounts and transactions, by balance sheet and income statement amounts at December 31, 2009 and 2008, is as follows:

	2009	2008
Total assets	$23,029,000	$25,841,000
Total liabilities	11,230,000	12,898,000
Sales	36,907,000	65,259,000
Net loss	(1,435,000)	(1,227,000)

The aggregate net foreign currency transaction gains and losses included in comprehensive income were immaterial.

11. INCOME TAXES

CLH participates in a tax-sharing agreement with other members of the Company, whereby consolidated income tax expense or benefit is allocated to the subsidiaries based on the proportion of the subsidiaries' taxable income or loss to the consolidated total. CLH is obligated to make payment to the subsidiaries with respect to any tax benefit derived by CLH from the inclusion of the subsidiaries in the consolidated federal income tax return.

The components of the provision for income taxes for the years ended December 31, 2009 and 2008, consist of the following:

	2009		2008	
	Current	Deferred	Current	Deferred
U.S. federal	$ 835,000	$ 8,104,000	$339,000	$(6,250,000)
State and local	177,000	690,000	284,000	(1,392,000)
Foreign	15,000	124,000	(42,000)	(575,000)
Total	$ 1,027,000	$ 8,918,000	$581,000	$(8,217,000)

Significant components of the Company's deferred tax assets (liabilities) as of December 31, 2009 and 2008, consist of the following:

	2009		2008	
	Current	Noncurrent	Current	Noncurrent
Domestic:				
Deferred tax assets:				
Allowance for doubtful accounts and discounts	$ 191,000	$ -	$ 308,000	$ -
Inventories	641,000		4,001,000	
State net operating loss carryforwards		498,000		414,000
Pension and other compensation	585,000	26,000	641,000	52,000
Other	289,000	3,091,000	4,708,000	605,000
Gross deferred tax assets — domestic	1,706,000	3,615,000	9,658,000	1,071,000
Deferred tax liabilities:				
Inventories	(21,000)			
Pension and other compensation		(1,281,000)		(658,000)
Depreciation and amortization		(15,695,000)		(14,975,000)
APB 23 unremitted earnings				(568,000)
Other	(257,000)	(161,000)		
Gross deferred tax liabilities — domestic	(278,000)	(17,137,000)	-	(16,201,000)
Net deferred tax amount — domestic	1,428,000	(13,522,000)	9,658,000	(15,130,000)
Foreign — deferred tax liabilities:				
Foreign NOL Carryforward		599,000		
Depreciation and amortization		116,000		(276,000)
Other		7,000		8,000
Valuation allowance for deferred tax assets		(722,000)		
Net deferred tax amount — foreign	-	-	-	(268,000)
Net deferred tax amount — total	$1,428,000	$(13,522,000)	$9,658,000	$(15,398,000)

The effective income tax rate varied from the statutory rate of 35% primarily due to foreign and state taxes, nondeductible expenses, and increases in contingent reserves related to uncertain tax positions.

As of December 31, 2009, the Company has state net operating loss carryforwards of $8,980,000, with a corresponding state tax benefit of $766,000, that expire at various times through 2028.

As of December 31, 2009, the Company has foreign net operating loss carryforwards of $1,739,000, with a corresponding foreign tax benefit of $599,000.

As of December 31, 2009, management has determined that the benefit of the foreign deferred tax asset will not be more likely than not realizable. A valuation allowance of $722,000 has been recorded to offset the deferred tax asset. There was no valuation allowance as of December 31, 2008.

At December 31, 2009, unremitted earnings of subsidiaries outside the United States deemed to be permanently reinvested totaled $10,298,000. In 2009, the Company adopted a plan to repatriate $1,637,000 of foreign earnings upon which income taxes had been provided under FASB ASC 740-30 (formerly Accounting Principles Board (APB) 23) in 2008. The taxes were provided as a deferred tax liability in 2008 and became current in 2009 when the earnings were repatriated. The remaining

unremitted earnings will continue to be deemed permanently reinvested in the respective foreign jurisdictions.

On January 1, 2009, the Company adopted the provisions of ASC 740-10. As a result of that adoption, the Company recognized a $218,000 increase to the liability for unrecognized tax benefits, which was accounted for as a reduction to the opening balance of retained earnings. As a result of adoption, as of January 1, 2009, the Company had recorded balances of uncertain tax positions and interest of $13,213,000 and $905,000, respectively, primarily related to federal transfer pricing and state nonfiling positions. Penalties of $102,000 have been accrued as of January 1, 2009.

As of December 31, 2009, the Company has recorded a balance of federal and state uncertain tax positions of $14,564,000. The Company recognizes interest and penalties related to uncertain tax positions within the income tax expense line in the accompanying consolidated statements of operations. The Company has recognized interest expense of $589,000 in 2009 related to uncertain tax positions, and no additional penalties have been accrued. Accrued total interest and penalties related to uncertain tax positions of $1,494,000 and $102,000, respectively, are included within long-term obligations — other in the consolidated balance sheet of December 31, 2009.

The Company and its subsidiaries are subject to income tax examinations by federal, foreign, and state taxing authorities. The taxable years that remain subject to federal and state examination are 2006 through 2009. As a result of the outcome of ongoing or future examinations, or due to the expiration of statutes of limitation for certain jurisdictions, it is reasonably possible that the related unrecognized tax benefits for tax positions taken could materially change from those recorded as liabilities at December 31, 2009. As the Company is not under examination or audit as of December 31, 2009, the Company believes it is reasonably possible that approximately $4,395,000 of its transfer pricing uncertain tax positions may be recognized by the end of 2010 as a result of a lapse of statute of limitations.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of assets and liabilities measured on a recurring basis at December 31, 2009 and 2008, are shown below:

	Fair Value Measurements at Reporting Date Using					
	December 31, 2009			December 31, 2008		
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Copper future contracts	$689,000	$ -	$ -	$ (10,872,000)	$ -	$ -
Total assets	$689,000	$ -	$ -	$ (10,872,000)	$ -	$ -
Interest rate swap contract	$ -	$ -	$ -	$ -	$1,118,000	$ -
Total liabilities	$ -	$ -	$ -	$ -	$1,118,000	$ -

At December 31, 2009 and 2008, unrealized gains related to outstanding futures contracts are recognized within cost of sales in the consolidated statements of operations. The fair value of copper future contracts is recorded within prepaid expense, deposits, and other current assets in the consolidated balance sheet, net of cash margin requirements. The fair value of these financial instruments is measured based on readily available market prices in active markets. As part of future contracts, the Company is required to maintain a cash margin balance. Cash margin balance related to these contracts of $296,000

and $13,558,000 has been included within prepaid expense, deposits, and other current assets in the consolidated balance sheets as of December 31, 2009 and 2008, respectively.

At December 31, 2009, the Company no longer had an interest rate swap outstanding. At December 31, 2008, unrealized losses related to the interest rate swap contract are recognized within interest expense in the consolidated statements of operations. The fair value of the interest rate swap contract is recorded within accrued interest in the consolidated balance sheet. The fair value of this financial instrument is calculated based on a model that uses assumptions and inputs that are readily observable within the market. The methodology used to determine the fair value of this contract has been consistently applied.

Pension Plan Assets — The fair values of pension plan assets measured on a recurring basis at December 31, 2009, are shown below:

	Fair Value Measurements at December 31, 2009			
Asset Category Class	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash	$ 393,000	$ 393,000	$ -	$ -
U.S. Treasury notes	758,000	758,000		
Asset-backed securities	1,662,000		1,662,000	
Corporate bonds	462,000	462,000		
Equity securities	5,631,000	5,631,000		
Total	$ 8,906,000	$ 7,244,000	$ 1,662,000	$ -

13. DEBT MATURITY AND REFINANCING RISK

As described in Note 5, UCI's Loan Agreement has a final maturity date of December 31, 2010. Management does not anticipate that projected cash flows from operations available for debt repayment will be sufficient to repay this debt in full. In the event that repayment is not made on the final maturity date, the lenders would have various remedies under the terms of the Loan Agreement, under which substantially all of the assets of UCI are pledged as collateral. The terms of the loan agreement and certain of these remedies available to the lenders would entail legal processes that raise substantial doubt about UCI's ability to continue as a going concern. Management intends to seek a refinancing of the existing Loan Agreement, which may be accomplished through a restructuring and extension of the existing debt with the current lenders, or may involve new debt facilities from other lending institutions. Management believes that operating cash flow of the business and the value of the assets that will be pledged as collateral under any lending arrangement will allow it to secure sufficient financing to continue operation as a going concern; however, management cannot make any assurances that sufficient financing will be established. The consolidated financial statements presented do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that may be necessary, should UCI be unable to continue as a going concern.

14. SUBSEQUENT EVENTS

The Company has evaluated all events and transactions that occurred after December 31, 2009 through August 31, 2010. During this period, the Company has identified the following material nonrecognizable subsequent events. The Company did not identify any material recognized subsequent events.

UCI Loan Agreement — During March 2010, UCI entered into the 13th and 14th Amendments to the 2006 Second Amended and Restated Loan and Security Agreement, which extended the facility temporarily through April 9, 2010. The 15th Amendment to the 2006 Second Amended and Restated Loan and Security Agreement was executed on April 9, 2010, which waived all existing financial and nonfinancial events of noncompliance with the debt covenants, established new financial debt covenants for the 2010 fiscal year, and continued certain restrictions on the ability to make certain payments of corporate overhead allocated expenses dependent on meeting required tests associated with availability under their revolving credit line and other measures. The facility maximum was kept at $90,000,000 through September 30, 2010, at which time it will be reduced to $80,000,000 through December 31, 2010.

The 15th Amendment calls for a cash infusion in the minimum amount of $7,500,000 be made to UCI prior to the end of April 2010. CLI made a cash distribution of $8,000,000 to UCI on April 30, 2010. The amendment extends the facility through December 31, 2010. Management believes that based on their current operating projections, these amendments and waivers will allow them to be in compliance with their revised financial covenants for the foreseeable future.

UCI was unable to achieve the required minimum EBITDA amount for the six month period ended June 30, 2010 due to the deterioration in operating results subsequent to the execution of the 15th Amendment caused by continued recessionary pressures on the construction industry and unfavorable fluctuations in the market value of copper. Due to this event of default, UCI's lenders have the right to demand repayment of the outstanding loan balance and to impose other restrictions on lending activities under the current agreement. On August 18, 2010 management received a reservation of rights notice from the lenders affirming their rights under the terms of the loan agreement even though they continue to provide financing subsequent to being notified of the event of default indicated above. Management intends to negotiate with its lenders to amend the financial covenants included within the 15th Amendment to waive this event of default and to adjust the financial covenants going forward based on expected future results.

CLI Loan Agreement — On April 29, 2010, CLI executed the Tenth Amendment to the Third Amended and Restated Loan and Security Agreement. This amendment waives the event of default that occurred when CLI did not deliver the audited financial statements for the fiscal year ended December 31, 2009, by March 31, 2010, and extended such deadline to May 15, 2010. The amendment also extends the terms of the facility until May 11, 2013, reduces the maximum amount of the total facility to $80,000,000 by increasing the revolver maximum and having the term loan paid down to $0, reduces the applicable interest rates, permits certain distributions to affiliated companies, and establishes new financial debt covenants for the period of this amendment.

The Tenth Amendment permits a one-time distribution to UCI of a maximum amount of $10,000,000, based on certain minimum availability requirements. A distribution in the amount of $8,000,000 was made to UCI on April 30, 2010. Management believes that based on their current operating projections, these amendments and waivers will allow them to be in compliance with their revised financial covenants for the foreseeable future.

CLI was unable to achieve the required minimum EBITDA amount for the twelve month period ended June 30, 2010 due to the deterioration in operating results subsequent to the execution of the Tenth Amendment caused by continued recessionary pressures on the construction industry and unfavorable fluctuations in the market value of copper. Due to this event of default, CLI's lenders have the right to demand repayment of the outstanding loan balance, to raise the effective interest rate on the outstanding borrowings, and to impose other restrictions on lending activities under the current agreement. On August 26, 2010 management received a reservation of rights notice from the lenders affirming their rights under the terms of the loan agreement even though they continue to provide financing subsequent to being notified of the event of default indicated above. Management intends to negotiate with its lenders to obtain an amendment to the financial covenants included within the Tenth Amendment to waive this event of default and to adjust the financial covenants going forward based on expected future results.

Affiliate Notes Receivable — CLI — CLI has notes receivable recorded from IUSA of $8,990,000, as disclosed above, as well as another receivable balance arising from the sale of certain machinery to IUSA in February 2008 of $1,346,000 as of December 31, 2009. CL UK, a subsidiary of CLI, has notes receivable recorded from IUSA of $1,080,000, as disclosed above, as of December 31, 2009. CL Holland, a subsidiary of CLE, has notes receivable recorded from IUSA of $586,000, as disclosed above, as of December 31, 2009. Due to the restructuring activities being undertaken by IUSA as referenced within Note 1, and the Tenth Amendment to the CLI 2006 Loan Agreement, it is the intent of the Company to convert the total balance of these notes and other receivables from IUSA of $12,002,000 as of December 31, 2009, to permanent distributions during 2010.

Regulation — On September 30, 2009, certain companies filed antidumping petitions at the U.S. International Trade Commission and the U.S. Department of Commerce that alleged dumping of certain types of copper tubing by Chinese and Mexican producers into the United States. In response to these petitions, both agencies initiated antidumping investigations of seamless refined copper pipe and tube from Mexico and China.

On November 16, 2009, the U.S. International Trade Commission determined that there was a reasonable indication that the U.S. industry was materially injured or threatened with material injury by reason of imports of copper pipe from China and Mexico. On May 6, 2010, the U.S. Department of Commerce issued a preliminary determination that imports from China and Mexico were being sold at less than fair value in the United States, and found that the estimated dumping margins ranged from 10.26% to 60.50% on various sources from the two countries in question. The rate which applies to our related-party supplier, IUSA, is 29.52%. These antidumping margins will result in U.S. Customs requiring that importers post a bond for the estimated duties for imports entered on or after May 12, 2010.

The U.S. Department of Commerce will hear arguments and make a final determination by September 30, 2010, at which time it may affirm these preliminary duty rates, or modify them, based on the arguments it hears from the domestic and foreign manufacturers. The U.S. International Trade Commission has also launched its final investigation regarding whether imports from Mexico materially injure or threaten the U.S. copper pipe industry. The U.S. International Trade Commission will make its final determination by November 2, 2010. If both agencies issue final affirmative findings, cash deposits on copper pipe imports will be required for estimated antidumping duties at the rate determined in Commerce's final determination. If either agency issues a negative determination, no antidumping duties will be imposed. Until the final antidumping determination is made, the Company intends to suspend importation of copper tube products into the United States from IUSA plants in Mexico. The situation will be reviewed further when final determinations are announced.

The Company does not expect there to be a significant impact on operations from this increase in duties. Less than 3% of the Company's plumbing tube products are purchased from IUSA, and plumbing tube products represent the largest product family of copper tube sold by the Company. In relation to those products affected by the new duties, CLI is investigating the feasibility of producing such products at its plant in Reading, Pennsylvania, in order to increase domestic production capacity to meet demand.

* * * * * *

Cambridge-Lee Holdings, Inc. and Subsidiaries

(A Wholly Owned Subsidiary of
Tubo de Pasteje S.A. de C.V.)

Consolidated Financial Statements as of and for the
Years Ended December 31, 2010 and 2009, and
Independent Auditors' Report

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Cambridge-Lee Holdings, Inc. and Subsidiaries
Reading, Pennsylvania

We have audited the accompanying consolidated balance sheets of Cambridge-Lee Holdings, Inc. (a wholly owned subsidiary of Tubo de Pasteje S.A. de C.V.), and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements for the year ended December 31, 2010, have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company filed for bankruptcy protection in December 2009. As discussed in Note 14 to the consolidated financial statements, refinancing of one of the Company's subsidiary's outstanding debt raises substantial doubt about that subsidiary's ability to continue as a going concern. As discussed in Note 15 to the consolidated financial statements, subsequent to December 31, 2010, the Company is not in compliance with certain financial covenants included within its loan agreements. Management's plans concerning these matters are also described in Notes 1, 14, and 15, respectively. These consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

July 8, 2011

Member of
Deloitte Touche Tohmatsu Limited

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009

ASSETS	2010	2009
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,818,000	$ 3,292,000
Receivables:		
Trade — less allowance for doubtful accounts and discounts of $3,104,000 and $2,441,000 for 2010 and 2009, respectively	110,054,000	91,739,000
Affiliates	6,329,000	3,760,000
Other	437,000	2,066,000
Total receivables	116,820,000	97,565,000
Inventories — net	107,540,000	85,648,000
Prepaid expenses, deposits, and other current assets	4,778,000	5,179,000
Deferred income taxes	1,750,000	1,428,000
Total current assets	235,706,000	193,112,000
NOTE RECEIVABLE — Affiliate	10,336,000	11,578,000
PROPERTY, PLANT, AND EQUIPMENT — Net	78,787,000	86,899,000
DEFERRED FINANCING FEES — Net	544,000	84,000
OTHER LONG-TERM ASSETS	3,081,000	3,299,000
TOTAL	$328,454,000	$294,972,000

LIABILITIES AND SHAREHOLDERS' EQUITY	2010	2009
CURRENT LIABILITIES:		
Short-term borrowings	$ -	$ 7,521,000
Current portion of long-term debt	10,181,000	2,820,000
Revolving credit facility	96,418,000	61,767,000
Accounts payable:		
Trade	21,922,000	16,075,000
Affiliates	5,112,000	1,733,000
Accrued expenses:		
Payroll	2,054,000	4,339,000
Rebates	10,894,000	9,465,000
Taxes other than income taxes	1,027,000	1,018,000
Interest	476,000	395,000
Other	9,019,000	8,952,000
Income taxes payable	1,769,000	615,000
Total current liabilities	158,872,000	114,700,000
LONG-TERM DEBT	1,004,000	11,070,000
LONG-TERM OBLIGATIONS — Other	13,102,000	16,205,000
DEFERRED INCOME TAXES	15,685,000	13,522,000
Total liabilities	188,663,000	155,497,000
SHAREHOLDERS' EQUITY:		
Common stock, no par — authorized, 1,500 shares; issued and outstanding, 1,000 shares	1,000	1,000
Additional paid-in capital	84,205,000	84,205,000
Excess of liabilities assumed over book value of assets transferred	(17,514,000)	(17,514,000)
Retained earnings	72,222,000	70,622,000
Accumulated other comprehensive income (loss)	(3,379,000)	(2,078,000)
Noncontrolling owner's interest	4,256,000	4,239,000
Total shareholders' equity	139,791,000	139,475,000
TOTAL	$328,454,000	$294,972,000

See notes to consolidated financial statements.

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
NET SALES	$835,583,000	$660,759,000
COST OF SALES	762,036,000	574,829,000
GROSS PROFIT	73,547,000	85,930,000
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES	56,337,000	55,604,000
OPERATING INCOME	17,210,000	30,326,000
OTHER EXPENSE:		
Interest — net	(8,813,000)	(7,784,000)
Other — net	(1,190,000)	(2,125,000)
Total other expense	(10,003,000)	(9,909,000)
INCOME FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	7,207,000	20,417,000
PROVISION FOR INCOME TAXES	635,000	9,865,000
NET INCOME FROM CONTINUING OPERATIONS	6,572,000	10,552,000
DISCONTINUED OPERATIONS (Note 10)		
LOSS FROM DISCONTINUED OPERATIONS (Including loss on disposal of $398,000 in 2010)	(4,829,000)	(1,499,000)
PROVISION FOR INCOME TAX	86,000	80,000
NET LOSS FROM DISCONTINUED OPERATIONS	(4,915,000)	(1,579,000)
NET INCOME	$ 1,657,000	$ 8,973,000
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	$ 57,000	$ 271,000
NET INCOME ATTRIBUTABLE TO CAMBRIDGE-LEE HOLDINGS, INC.	$ 1,600,000	$ 8,702,000

See notes to consolidated financial statements.

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	Common Stock		Additional Paid-In Capital	Excess of Liabilities Assumed Over Book Value of Assets Transferred	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Owner's Interest	Total Shareholders' Equity
	Shares	Value						
BALANCE — January 1, 2009	1,000	$1,000	$84,205,000	$(17,514,000)	$62,131,000	$(5,368,000)	$4,036,000	$127,491,000
ASC 740-10 adoption					(211,000)		(7,000)	(218,000)
Comprehensive income (loss):								
Net income					8,702,000		271,000	8,973,000
Foreign currency translation adjustment						732,000	22,000	754,000
Pension unrecognized gain (loss) adjustments						2,558,000	(83,000)	2,475,000
Total comprehensive income (loss)								12,202,000
BALANCE — December 31, 2009	1,000	1,000	84,205,000	(17,514,000)	70,622,000	(2,078,000)	4,239,000	139,475,000
Comprehensive income (loss):								
Net income					1,600,000		57,000	1,657,000
Foreign currency translation adjustment						(1,301,000)	(40,000)	(1,341,000)
Total comprehensive income (loss)								316,000
BALANCE — December 31, 2010	1,000	$1,000	$84,205,000	$(17,514,000)	$72,222,000	$(3,379,000)	$4,256,000	$139,791,000

See notes to consolidated financial statements.

CAMBRIDGE-LEE HOLDINGS, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Tubo de Pasteje S.A. de C.V.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
OPERATING ACTIVITIES:		
Net income (loss) from continuing operations	$ 6,572,000	$ 10,552,000
Net income (loss) from discontinued operations	(4,915,000)	(1,579,000)
Less net (loss) attributable to noncontrolling interests	(57,000)	(271,000)
Net income attributable to Cambridge-Lee Holdings, Inc.	1,600,000	8,702,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Noncontrolling Interest	57,000	271,000
Depreciation and amortization	10,685,000	11,485,000
Fixed asset impairment	128,000	
Allowance for doubtful accounts receivable	284,000	728,000
Periodic pension cost (benefit)		(419,000)
Loss on sale of property, plant, and equipment	556,000	716,000
Provision for deferred income taxes	1,841,000	7,090,000
Loss on sale of discontinued operation	398,000	
Changes in operating assets and liabilities:		
(Increase) decrease in accts & notes rec.	(35,993,000)	(640,000)
(Increase) decrease in inventories	(23,946,000)	4,916,000
(Increase) decrease in prepaid expenses, deposits and other current assets	300,000	(827,000)
Increase (decrease) in other long term obligation	(3,103,000)	16,160,000
Increase (decrease) in accounts payable, accrued expenses, and amounts due to affiliates	20,780,000	(10,723,000)
Increase (decrease) in income taxes payable	2,384,000	(2,959,000)
Total adjustments	(25,629,000)	25,798,000
Net cash provided by (used in) operating activities	(24,029,000)	34,500,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(3,352,000)	(838,000)
Proceeds from sale of property, plant and equipment	20,000	7,000
Proceeds from dispositions — net of cash sold	(1,549,000)	
Cash loaned to affiliate		(1,637,000)
Net cash used in investing activities	(4,881,000)	(2,468,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in revolving line of credit	34,651,000	(43,800,000)
Increase (decrease) in short-term borrowings	(692,000)	718,000
Principal payments on long term debt	(2,305,000)	(3,316,000)
Payment under capital lease obligations	(418,000)	(565,000)
Payment of debt issuance costs	(700,000)	(1,436,000)
Net cash provided by (used in) financing activities	30,536,000	(48,399,000)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(100,000)	235,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,526,000	(16,132,000)
CASH AND CASH EQUIVALENTS — Beginning of year	3,292,000	19,424,000
CASH AND CASH EQUIVALENTS — End of year	$ 4,818,000	$ 3,292,000
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION — Cash paid during the year for:		
Interest	$ 8,905,000	$ 9,436,000
Income taxes — net of refunds	$ (456,000)	$ (10,225,000)
NONCASH INVESTING ACTIVITIES — Assets acquired through capital leases	$ 18,000	$ 26,000

See notes to consolidated financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business — Cambridge-Lee Holdings, Inc. (CLH or the "Company") is a wholly owned subsidiary of Tubo de Pasteje S.A. de C.V. ("Tubo"), a company incorporated in Mexico. The parent company of Tubo de Pasteje S.A. de C.V. is Industrias Unidas, S.A. de C.V. (IUSA). CLH is a manufacturer of copper tube and building wire and distributor of copper, copper alloy, steel, and aluminum products with operations mainly in the United States.

On December 8, 2009, CLH became a debtor in a proceeding under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the state of Delaware (In Re Tubo de Pasteje S.A. de C.V., et al., Case No. 09-14353 (KJC) (jointly administered)). The circumstances leading up to this event was the failure by IUSA, CLH's ultimate parent company, to make timely payment on an interest coupon due to the holders of the $200 million 2016 bonds (the "Bonds"), for which Tubo had pledged the stock of CLH as security.

To prevent the bondholders from taking action on the pledged stock of CLH, CLH and Tubo each filed for protection under Chapter 11 of the U.S. Bankruptcy Code. IUSA and its creditors are engaged in negotiations regarding a possible restructuring of the debt owed by IUSA, which IUSA expects will result in an agreement that will enable CLH and Tubo to emerge from Chapter 11 during 2011. There is, however, no certainty as to the results of those negotiations. If the parties are unable to reach a consensual agreement on a restructuring, then the bondholders may seek to exercise remedies, including in the Chapter 11 case, subject to the requirements of the United States Bankruptcy Code. Exercise, if permitted, of certain of these remedies by the bondholders could adversely affect CLH's ability to reorganize.

On June 7, 2011, IUSA filed a plan of reorganization (as may be amended, supplemented, and/or modified from time to time) and a disclosure statement with respect to that plan (as may be amended, supplemented, and/or modified from time to time), in the Chapter 11 cases for Tubo and CLH. Tubo and CLH's exclusive period to solicit acceptances of this plan has been extended to August 8, 2011.

This event does not constitute a default or an event of default under the loan agreements in place between CLH's subsidiaries, United Copper Industries, Inc. (UCI) and Cambridge-Lee Industries, LLC (CLI), and their respective lenders. CLH, UCI, CLI, and their subsidiaries are not guarantors of the debt of IUSA. UCI and CLI were not included as debtors within the Chapter 11 case for CLH.

Principles of Consolidation — The accompanying consolidated financial statements include the results of operations, financial position, and cash flows of the Company as follows:

Cambridge-Lee Industries, LLC (CLI)
Cambridge-Lee U.K., Ltd. (CL UK)
Cambridge-Lee Europe, Inc. (CLE)
Cambridge-Lee Holland B.V. (CL Holland)
Cambridge-Lee France S.A. (CL France)
Perpetual Aircraft Holdings, LLC

Cambridge-Lee Tennessee, LLC
United Copper Industries, Inc. (UCI)
UCI Land Development, Inc. (UCILD)
Eagle Tube Industries, LLC (ETI)
Eagle Personnel Services, LLC

All significant intercompany balances and transactions have been eliminated.

Perpetual Aircraft Holdings, LLC, Eagle Personnel Services, LLC and Cambridge-Lee Tennessee, LLC were dissolved on January 26, 2009. The dissolutions did not have a material effect on the Company. CL France was sold in December 2010 (see Note 10).

Cash and Cash Equivalents — Cash and cash equivalents include short-term, highly liquid investments purchased with original maturities of three months or less. Outstanding checks of $1,929,000 and $1,909,000 have been included under accounts payable in the consolidated balance sheets as of December 31, 2010 and 2009, respectively.

Inventory — Inventory is stated at the lower of cost or market. This value is determined by the first-in, first-out method and by the average-cost method for UCI and CLI, respectively. Copper, a commodity product, is the principal component of the Company's inventory. The price of copper fluctuates depending on general economic conditions and in relation to supply and demand and other factors. The Company cannot predict copper prices in the future or the effect of fluctuations in the cost of copper on the Company's future operating results. Future reductions in the price of copper could require the Company to record lower of cost or market adjustments against the related inventory balances.

Property, Plant, and Equipment — Property, plant, and equipment are stated at cost, less accumulated depreciation. Maintenance and repairs are charged to expense as incurred. When property or equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gains or losses are reflected in income. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	15–39
Machinery and equipment	5–15
Automotive equipment	5–7
Office equipment	5–10

Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease terms.

Other Long-Term Assets — Other long-term assets consist of prepaid pension costs and deposits relating to long-term lease agreements.

Income Taxes — The consolidated income tax liability of CLH is allocated among the parent and its subsidiaries on the basis of their separate contributions to the consolidated income tax liability, with full benefit of tax losses and credits made available through consolidation being allocated to the individual companies generating such losses and credits when utilized.

Deferred income taxes are recognized for differences between the financial statement basis and tax basis of assets and liabilities using the tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. The resulting deferred tax assets and liabilities are adjusted to reflect changes in tax laws or rates at the time such changes occur. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will likely be realized.

Foreign Currency — Assets and liabilities denominated in foreign currency are translated using year-end exchange rates, and consolidated statements of operations items are translated at average exchange rates for the year. Translation adjustments are accumulated in a separate component of shareholders' equity until a foreign business is sold or substantially liquidated. Transaction gains and losses are included in income as they occur.

Derivatives — From time to time, the Company enters into futures contracts in connection with certain metal purchases or sales in order to minimize the risk of price fluctuations. The derivatives are specifically matched in volume and maturity with the various purchase and sales commitments and generally expire within a year. The Company utilizes the futures contracts to economically hedge its variable-priced purchase contracts and its fixed sales commitments. The Company also enters into interest rate swap transactions in order to minimize the risk of interest rate fluctuations. As of December 31, 2010 and 2009, the Company had no interest rate swap agreements in place.

The Company also enters into forward contracts for future purchases and sales of foreign currency, thereby locking in a future exchange rate related to purchases and sales of goods in local currency through its foreign subsidiaries. The Company utilizes these forward foreign currency contracts as instruments to economically hedge the foreign currency exposure of transactions conducted in the local currency of foreign operations. As of December 31, 2010 and 2009, the Company had no forward foreign currency contracts in place.

For derivative instruments designated and effective as fair value hedges, changes in the fair value of the derivative instrument will be substantially offset in the consolidated statements of operations and comprehensive income (loss) by changes in the fair value of the hedged item. For derivative instruments designated as cash flow hedges, the effective portion of any hedge is reported in other comprehensive income (loss) until it is recognized in earnings during the same period in which the hedged item affects earnings. The ineffective portion of all hedges is recognized in current earnings each period. Changes in the fair value of derivative instruments that are not designated as a hedge will be recorded each period in current earnings.

For all derivatives designated as a hedge, the Company formally documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and strategy for the use of the hedging instrument. This documentation includes linking the derivatives that are designated as fair value or cash flow hedges to specific assets or liabilities in the consolidated balance sheets, commitments, or to forecasted transactions. At inception, and on an ongoing basis, the Company assesses whether each derivative is expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged items. When a derivative is no longer expected to be highly effective, hedge accounting is discontinued. Hedge ineffectiveness, if any, is included in current-period earnings.

As of December 31, 2010 and 2009, none of the derivative contracts noted above qualified for hedge accounting, and any realized and unrealized gains or losses are recognized within the consolidated statements of operations. See Note 12 for additional disclosures related to the fair value of derivative financial instruments recorded on a recurring basis within the consolidated balance sheets.

Fair Market Value of Financial Instruments — Carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short-term nature of those instruments. The Company believes that the fair value of its outstanding debt under the revolving credit, mortgage loans, and term loan agreements approximate their carrying amounts as the interest rates are consistent with current market rates.

Long-Lived Assets — The Company evaluates the carrying value of its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Such evaluation relies on a number of factors, including operating results, future anticipated cash flows, business plans, and certain economic projections. In addition, the Company's evaluation considers nonfinancial data, such as changes in operating environment, competitive information, market trends, and business relationships. If the sum of the undiscounted cash flows is less than the carrying value of the asset, an impairment loss is recognized. Any impairment loss, if indicated, is measured as the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset.

Long-Term Obligations — Other — Long-term obligations primarily consist of unfunded pension liabilities and uncertain tax positions in accordance with ASC-740-10.

Deferred Financing Fees — The costs related to the issuance of debt are capitalized and amortized to interest expense over the lives of the related debt.

Concentrations of Credit Risk — The Company sells products to distributors and other customers and provides credit based on an evaluation of the customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses.

Revenue Recognition — Revenue from sales, net of discounts and estimated returns, allowances, and rebates, is recognized when product title passes to the customer, which is primarily at the time of delivery.

Shipping and Handling Costs — Costs associated with shipping and handling of $21,081,000 and $26,055,000 are included as a component of selling expenses for the years ended December 31, 2010 and 2009, respectively. The Company generally does not separately charge customers for shipping and handling costs.

Environmental Remediation — Environmental expenditures that relate to current operations are expensed. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated.

Accounting Estimates — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Sales Taxes — Sales taxes collected by the Company from their customers and remitted to governmental authorities are accounted for on a net (excluded from revenues) basis.

New Accounting Pronouncements — In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* (codified within ASC 740, *Income Taxes*). This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. ASC 740 prescribes a recognition threshold and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB Staff Position (FSP) Nos. FIN 48-2 and FIN 48-3, both titled, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises* ("FSP FIN 48-2" and "FSP FIN 48-3"), deferred the effective date of the provisions of ASC 740 that relate to uncertainty in income taxes for nonpublic enterprises that elected to defer implementation, which was originally required to be adopted in the fiscal year beginning after December 31, 2006. For its fiscal year beginning on January 1, 2008, the Company elected to continue its deferral, and adopted the provisions of ASC 740 that relate to uncertainty in income taxes in its consolidated financial statements for the year beginning on January 1, 2009. The adoption of the provisions of ASC 740 that relate to uncertainty in income taxes had an immaterial impact on retained earnings.

In September 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements* (ASC 820-10), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Where applicable, ASC 820-10 simplifies and codifies related guidance within accounting principles generally accepted in the United States of America. The provisions of ASC 820-10 related to financial assets and liabilities were adopted on January 1, 2008 and the provisions related to nonfinancial assets and liabilities were adopted on January 1, 2009. The adoption of the provisions of ASC 820-10 related to financial and nonfinancial assets and liabilities had an immaterial impact on the Company's results of operations or financial condition.

In March 2008, the FASB issued FASB Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133* (ASC 815). ASC 815 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. ASC 815 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company incorporated the disclosure requirements included within ASC 815 in Note 12 to the consolidated financial statements.

In December 2008, the FASB issued FSP FAS 132(R)-1, *Employers' Disclosures About Postretirement Benefit Plan Assets* (ASC 715-20-65). ASC 715-20-65, *Employers' Disclosures About Pensions and Other Postretirement Benefits — an amendment of FASB Statements No. 87, 88, and 106*, to provide guidance on an employer's disclosures about plan assets of a defined benefit pension, and includes a technical amendment to FASB Statement No. 132(R) (ASC 715-20-55) that requires a nonpublic entity to disclose net periodic benefit cost for each annual period for which a statement of income is presented. The disclosures about plan assets required by this FSP shall be provided for fiscal years ending after December 15, 2009. The technical amendment to ASC 715-20-55 is effective upon issuance as of December 30, 2008. The Company incorporated the disclosure requirements included within ASC 715 in the notes to the consolidated financial statements.

In May 2009, the FASB issued FASB Statement No. 165, *Subsequent Events* (ASC 855-10). ASC 855-10 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Entities are required to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. ASC 855-10 is effective for annual periods ending after June 15, 2009. The Company incorporated the disclosure requirements included within ASC 855-10 in Note 15 to the consolidated financial statements.

In June 2009, the FASB issued FASB Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162* (ASC 105). The FASB notes that the Codification will become the source of authoritative accounting principles generally accepted in the United States of America recognized by the FASB to be applied by nongovernmental entities. Once the Codification is in effect, all of its content will carry the same level of authority, effectively superseding Statement 162. The Company has prepared the consolidated financial statements in conformity with the applicable standards included within the Codification.

2. INVENTORIES

Inventories, recorded at the lower of cost or market, at December 31, 2010 and 2009, consist of the following:

	2010	2009
Raw materials	$ 10,734,000	$ 8,509,000
Work in process	13,319,000	8,121,000
Finished goods	83,487,000	69,018,000
Total	$107,540,000	$85,648,000

3. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of December 31, 2010 and 2009, consisted of the following:

	2010	2009
Land and improvements	$ 10,260,000	$ 10,457,000
Buildings	32,651,000	34,315,000
Machinery and equipment	137,687,000	136,527,000
Office equipment	4,067,000	5,825,000
Automobiles	150,000	277,000
Leasehold improvements	3,411,000	3,721,000
Total property, plant, and equipment	188,226,000	191,122,000
Less accumulated depreciation and amortization	109,439,000	104,223,000
Property, plant, and equipment — net	$ 78,787,000	$ 86,899,000

The gross book value of assets recorded under capital leases was $3,037,000 and $3,020,000 at December 31, 2010 and 2009, respectively. The net book value of assets recorded under capital leases was $478,000 and $845,000 at December 31, 2010 and 2009, respectively. The related depreciation expense was $385,000 and $535,000 for the years ended December 31, 2010 and 2009, respectively.

4. SHORT-TERM BORROWINGS

CLE had a letter of credit facility of $2,500,000 outstanding in 2010 and 2009, which had been guaranteed by CLI. Interest is payable on a monthly basis at the annual rate of 0.40% above London InterBank Offered Rate (LIBOR) (0.00% and 2.66% at December 31, 2010 and 2009, respectively). Outstanding balances under the letter of credit amounted to $0 and $2,500,000 at December 31, 2010 and 2009, respectively. The outstanding balance was repaid and the letter of credit facility was canceled in September 2010.

In addition, CL France had short-term borrowing arrangements with financial institutions. Outstanding borrowings under these arrangements amounted to $0 and $5,021,000 at December 31, 2010 and 2009, respectively. The interest rate on these borrowings was 4.53% and 4.53% during 2010 and 2009, respectively. These borrowings were collateralized by certain assets of CL France. CL France was sold in December 2010 to the local management team. See Note 10 for further information.

5. REVOLVING CREDIT FACILITY

Revolving Line of Credit — UCI — UCI has a line of credit with a financial institution (the "Loan Agreement"). The Loan Agreement was replaced with the Second Amended and Restated Loan and Security Agreement on March 8, 2006, when the revolving line of credit maximum was increased to $130,000,000 and the term loan increased to $8,000,000. This Loan Agreement expired on March 8, 2009. Effective February 22, 2007, the revolving line of credit maximum was amended to $170,000,000 and on May 10, 2007, was increased again to $188,000,000. On March 6, 2009, the revolving line was decreased to $90,000,000 at UCI's request and extended through March 8, 2010. During March 2010 the facility was extended through April 9, 2010, on which date the fifteenth Amendment to the 2006 Second Amended and Restated Loan and Security Agreement was executed, which waived all existing financial and nonfinancial events of noncompliance with the debt covenants, established new financial debt covenants for the 2010 fiscal year, and continued certain restrictions on the ability to make certain payments of corporate overhead allocated expenses dependent on meeting required tests associated with availability under their revolving credit line and other measures. The facility maximum was kept at $90,000,000 through September 30, 2010, with a planned reduction to $80,000,000 through December 31, 2010. On December 30, 2010, a Reservation of Rights and Limited Forbearance to the Second Amended and Restated Loan and Security Agreement was executed, in which lender does not waive the failure to comply with certain financial covenants during June and July 2010, nor the failure to pay the loan in full by December 31, 2010, the expiry date, and agreed to continue lending under the facility through February 28, 2011.

On February 4, 2011, the Sixteenth Amendment, Reservation of Rights and Limited Forbearance to the Second Amended Loan and Security Agreement was executed, and in which lender agreed to extend the facility through July 31, 2011, increase the facility maximum to $90,000,000, increase the amortizing availability component by $1,750,000, establish new financial debt covenants for the period through July 31, 2011, and continues the restriction on payments of allocated corporate overhead expenses.

Under the Loan Agreement, UCI may take advances under the revolving line of credit, not to exceed the lesser of (i) the maximum amount established by the lender or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the Loan Agreement. At December 31, 2010 and 2009, UCI had outstanding borrowings of $62,900,000 and $46,986,000, respectively. The amount of additional available borrowings under this agreement was approximately $15,822,000 and $13,775,000 at December 31, 2010 and 2009, respectively. The rates in effect at December 31, 2010 and 2009, were a defined index rate of 3.35%, plus 4.75% and 5.75%, or, at the Company's option, LIBOR plus 6.00% and 7.00%, and a defined index rate of 3.35% plus 3.75%, respectively. At December 31, 2010, UCI had outstanding borrowings of $6,295,000 and $1,300,000 at the defined index rate option of 8.00% and 9.00%, respectively, and $5,500,000 and $50,000,000 at the LIBOR option of 7.26% and 6.26%, respectively. At December 31, 2009, UCI had outstanding borrowings of $46,986,000 at the defined index rate option of 7.00%. UCI incurs commitment fees of 1% on the unused portion of the line of credit and 1.75% on any outstanding letters of credit.

Revolving Line of Credit — CLI — On May 15, 2006, the CLI amended and restated its loan agreement (the "2006 Loan Agreement"). This agreement has been amended on various occasions, most recently on March 15, 2011. The 2006 Loan Agreement, as amended, expires on May 11, 2013. Under this agreement, CLI may take advances under the revolving line of credit not to exceed the lesser of (i) the maximum amount established by the lender, $80,000,000 through May 11, 2013, or (ii) the collateral borrowing base formula, which includes eligible receivables and inventory, as defined in the 2006 Loan Agreement. Interest is calculated at CLI's option at the LIBOR option, which ranges from 3.25% to 4.25% over LIBOR, or at the bank's base rate option, which ranges from 1.00% to 2.75% over the base rate determined by CLI's interest coverage ratio calculated each fiscal quarter on a rolling 12-month basis. The agreement also includes an unused line of credit fee of 0.375% per annum. The rates in effect at December 31, 2010 and 2009, were LIBOR plus 4.00% and 4.25%, respectively, and base rate plus 2.75% and 1.00%, respectively. At December 31, 2010, CLI had outstanding borrowings of $25,000,000 at the LIBOR option of 4.375% and $8,518,000 at the bank's base rate of 6.00%. At December 31, 2009, CLI had outstanding borrowings of $12,000,000 at the LIBOR option of 5.75% and $2,780,000 at the bank's base rate of 6.25%. The amount of available borrowings under this agreement was $24,210,000 at December 31, 2010.

Letters of Credit — UCI — Under the Loan Agreement, UCI has a $5,000,000 letter of credit facility, which provides for the issuance of letters of credit and guarantees on UCI's behalf. Outstanding letters of credit reduce available borrowings under the revolving line of credit. The amount of unused credit available under this agreement was $5,000,000 at December 31, 2010 and 2009, respectively.

Letters of Credit — CLI — Under the 2006 Loan Agreement, CLI has a $11,000,000 letter of credit facility, which provides for the issuance of letters of credit and guarantees on CLI's behalf. Outstanding letters of credit reduce available borrowings under the revolving line of credit. The amount of unused credit available under this agreement was $4,338,000 and $1,971,000 at December 31, 2010 and 2009, respectively.

Covenants and Collateral — UCI — Under the terms of the Loan Agreement, UCI is required to maintain certain financial and nonfinancial conditions. The Loan Agreement, among other items, does not allow UCI to incur certain additional indebtedness; pay dividends; make certain investments, advances, or loans; and limits capital expenditures. UCI was not in compliance with its covenants as of June 30, 2010, or July 31, 2010, which have not been waived by lender. Amounts outstanding under the Loan Agreement are collateralized by substantially all of UCI's assets, except mortgaged real estate, and a stock pledge agreement of UCI's capital stock owned by CLH. Further, under the Loan Agreement, cash remittances are required to be deposited in a lockbox account, and accordingly, the revolving credit facility has been classified as current.

In addition, Grupo IUSA, the Company's ultimate parent, has guaranteed payment of obligations arising from the UCI Loan Agreement.

Covenants and Collateral — CLI — Under the terms of the 2006 Loan Agreement, which also included the term loan described in Note 6, CLI is required to maintain certain financial and nonfinancial conditions. The 2006 Loan Agreement, as amended, among other items, restricts certain additional indebtedness, the payment of dividends, certain investments, advances, or loans, and limits capital expenditures. Amounts outstanding under the 2006 Loan Agreement are collateralized by substantially all of CLI's assets. Furthermore, under the 2006 Loan Agreement, cash remittances are required to be deposited in a lockbox account, and accordingly, the revolving credit facility has been classified as current. CLI was in compliance with its debt covenants at December 31, 2009, and was not in compliance as of December 31, 2010. On March 15, 2011, CLI entered into an amendment that waived the events of default that existed at December 31, 2010. See Note 15 for further information.

6. LONG-TERM DEBT

At December 31, 2010 and 2009, long-term debt consists of the following:

	2010	2009
Real estate mortgage note payable — UCILD	$ 9,039,000	$ 9,287,000
Real estate mortgage note payable — ETI	1,836,000	2,721,000
Bank term loan		1,172,000
Capital lease obligations	310,000	710,000
	11,185,000	13,890,000
Less current portion	10,181,000	2,820,000
	$ 1,004,000	$ 11,070,000

Bank Term Loan — Under the 2006 Loan Agreement, as amended, CLI had a bank term loan payable in monthly principal installments of $131,000 with a $515,000 balloon payment due at maturity, plus accrued interest. The term loan was collateralized by substantially all of CLI's assets. On April 29, 2010, CLI made a payment of $647,000 to pay off the remaining outstanding borrowing under the term loan. At December 31, 2009, CLI had outstanding borrowings of $1,000,000 at the LIBOR option of 6.25% and $172,000 at the prime rate of 6.75%.

Scheduled future maturities of the long-term debt and future payments on capital lease obligations as of December 31, 2010, are as follows:

Years Ending December 31	Capital Lease Payments	Long-Term Loans	Total
2011	$ 239,000	$ 9,956,000	$ 10,195,000
2012	78,000	919,000	997,000
2013	7,000		7,000
2014	4,000		4,000
	328,000	10,875,000	11,203,000
Less discounted interest	(18,000)		(18,000)
Total	$ 310,000	$ 10,875,000	$ 11,185,000

Real Estate Mortgage — UCILD — UCILD has a real estate mortgage note payable for approximately $9,039,000, which became due in December 2009. Principal and interest payments of approximately $93,000 are due monthly. The mortgage note payable bears an annual fixed interest rate of 8.34% plus an additional 2% since the original termination date has passed. The loan allows for and was automatically extended for two years from the initial due date of December 1, 2009, through December 1, 2011.

Real Estate Mortgage — ETI — ETI has a real estate mortgage note payable for approximately $1,836,000 and $2,721,000 as of December 31, 2010 and 2009, respectively. Principal and interest payments of approximately $80,000 are due monthly with the remaining unpaid balance, if any, due August 2013. The mortgage note payable bears an annual variable interest rate set by the lender. The interest rate as of December 31, 2010 and 2009, was 3.25%.

7. EMPLOYEE BENEFIT PLANS

Domestic Defined Benefit Pension Plan — The Company has a domestic noncontributory defined benefit pension plan (the "Plan") covering eligible employees, the benefits of which were frozen as of March 31, 1994. Substantially all full-time employees of CLI were eligible employees as defined in the Plan's provisions at the date that the Plan was frozen. The benefits are based on years of service and an employee's highest five-year average annual compensation. The Company's funding policy is to fund the actuarially determined costs of the Plan to the extent deductible as permitted by the Internal Revenue Service (IRS) and the minimum funding standards of the Employee Retirement Income Security Act of 1974. The following table sets forth the funded status of the Plan and the amounts recognized in the Company's consolidated balance sheets. Such amounts are based on actuarial valuations as of December 31, 2010 and 2009, as follows:

	2010	2009
Benefit obligations and funded status — change in projected benefit obligation:		
Projected benefit obligation — beginning of year	$ 7,931,000	$ 8,689,000
Interest cost	445,000	469,000
Actuarial gain (loss)	222,000	(635,000)
Benefits paid	(654,000)	(592,000)
Projected benefit obligation — end of year	$ 7,944,000	$ 7,931,000
Change in Plan assets:		
Fair value of plan assets — beginning of year	$ 8,906,000	$ 7,943,000
Actual return on Plan assets	991,000	1,573,000
Benefits paid	(654,000)	(592,000)
Administrative expenses	(16,000)	(18,000)
Fair value of Plan assets — end of year	$ 9,227,000	$ 8,906,000
Funded status:		
Prepaid pension cost	$ 3,440,000	$ 3,430,000
Unrecognized net loss in accumulated other comprehensive income	(2,157,000)	(2,455,000)
Funded status on balance sheet within other long-term assets or long-term obligations — other	$ 1,283,000	$ 975,000
Weighted-average assumptions at the end of the year for balance sheet purposes — discount rate	5.50 %	6.00 %
Total net periodic pension (benefit) cost:		
Interest cost	$ 445,000	$ 469,000
Expected return on Plan assets	(566,000)	(460,000)
Recognized net actuarial loss	111,000	283,000
Total net periodic pension cost (benefit)	$ (10,000)	$ 292,000
Weighted-average assumptions — for income statement:		
Discount rate	6.00 %	5.54 %
Expected return on plan assets	6.80	6.60

	2010	2009
Plan assets allocation:		
Money market funds	3.00 %	4.00 %
Debt securities	34.00	35.00
Equities	63.00	61.00
Total	100.00 %	100.00 %

As of December 31, 2010 and 2009, the amount in accumulated other comprehensive income (loss) that has not yet been recognized as a component of net periodic benefit cost is a net actuarial loss of $2,455,000. The amount of this loss that is expected to be recognized as a component of net periodic benefit cost in 2011 is $108,000.

Investment Policy and Strategy and Determination of Expected Long-Term Rate of Return — The expected long-term rate of return on Plan assets used in determining the net pension cost or benefit was 6.8% in 2010 and 6.6% in 2009. During 2007, the Company revised the investment policy statement for the Plan. This statement describes an appropriate risk posture for the investment of the assets, specifies the target asset allocation policy, establishes investment guidelines regarding permissible securities and diversification of investments, and defines the various responsibilities of the retirement committee and other parties involved in the management of the Plan's assets. To achieve the expected long-term rate of return of at least 6.8% noted above, the investment policy statement provides for a mix of assets consisting of a target average of 50% in equity securities, 40% in fixed income, and 10% in cash and cash equivalents. The assets of the Plan are currently invested in a mixture of government and corporate fixed-income securities, short-term commercial paper instruments, equity securities, and cash and money funds, yielding returns ranging from 0% to 14% and 1% to 31% in 2010 and 2009, respectively.

Estimated future benefit payments as of December 31, 2010, are as follows:

Years Ending December 31	
2011	$ 600,000
2012	595,000
2013	602,000
2014	613,000
2015	616,000
2016–2020	3,003,000

Foreign Contributory Retirement Plan — CLI UK has a foreign defined benefit retirement plan for eligible employees in the United Kingdom, the benefits of which were frozen as of June 1, 2009. The Company's policy is to fund the actuarially determined costs of this plan to the extent deductible under applicable tax laws. As of December 31, 2010 and 2009, the market value of the plan assets was approximately $6,640,000, and the actuarial value of the liabilities was $4,832,000. Plan assets represent Level 1 type assets in the fair value hierarchy.

Pension expense (benefit) under the foreign retirement plan amounted to approximately $0 and $(419,000), which consists of a $(464,000) gain related to the curtailment of the plan offset by $45,000 related to net periodic benefit cost, for the years ended December 31, 2010 and 2009, respectively. The Company's contribution under this plan amounted to $0 and $1,705,000 for 2010 and 2009, respectively. The amount in accumulated other comprehensive income (loss) that has not yet been recognized as a component of net periodic benefit cost was a net actuarial loss of $1,231,000 as of December 31, 2010 and 2009.

During 2009, the Company has proposed that the plan benefits be settled with an insurance company. As of December 31, 2010 and 2009, a deposit of $5,842,000, has been made with an insurance company related to such settlement. Settlement is expected to occur in 2011 resulting in de-recognition of the assets and related obligations of the plan with an excess of assets required to settle the obligation, or excess of the obligation over plan assets at the time of settlement, recognized during 2011 in the consolidated statement of operations.

United Copper Industries, Inc. 401(k) Plan — The Company has a contributory 401(k) plan for eligible employees of UCI with one or more years of service. Under the provisions of this plan, employees may contribute between 1% and 20% of their base salary, up to the Internal Revenue Service (IRS) limit on salary reduction contributions. UCI contributed approximately $182,000 to the 401(k) plan during the years ended December 31, 2010 and 2009, respectively.

Cambridge-Lee Industries, LLC 401(k) Plan — In April 1994, the Company instituted a contributory 401(k) plan for eligible nonunion employees of CLI who are at least 21 years of age. Under the provisions of the plan, employees may contribute up to 15% of their base salary up to the IRS limit on salary reduction contributions. The Company also contributes to the plan. An employee is eligible for the Company contribution upon completion of one year of service. The Company's contribution determined in accordance with the plan was 6% of base salary.

Cambridge-Lee Industries Union Retirement Plan (Formerly Local 3885 Employees 401(k) Plan) — In January 1997, the Company instituted a contributory 401(k) plan for eligible union employees of CLI. Under the provisions of the plan, employees may contribute up to 15% of their base salary up to the IRS limit on salary reduction contributions. The Company also contributes to the plan. An employee is eligible for the Company contribution upon completion of one year of service during which the employee was credited with at least 1,000 hours of service. The Company's contribution determined in accordance with the plan was ninety-five cents ($0.95) through May 15, 2009, and one dollar for the remainder of 2009 and 2010 for each hour worked up to 40 hours per week.

The Company's contributions and expense under the defined contribution plans totaled approximately $1,094,000 and $1,104,000 for 2010 and 2009, respectively.

8. COMMITMENTS AND CONTINGENCIES

Lease Commitments — The Company leases office space, warehouse space, and equipment under leases that expire at various dates through 2015. Future minimum rentals for all significant operating leases with a noncancelable term of one year or more as of December 31, 2010, are approximately as follows:

Years Ending December 31	
2011	$1,055,000
2012	939,000
2013	522,000
2014	490,000
Thereafter	319,000
Total	$3,325,000

In addition to the future minimum rentals, the leases generally provide that taxes, insurance, and normal maintenance are the responsibility of the lessee. Certain of the leases contain renewal options. The total rent expense under all operating leases for 2010 and 2009 was approximately $2,007,000 and $2,539,000, respectively, and is recorded within cost of sales and selling, general, and administrative expenses in the consolidated statements of operations.

Environmental — The Company, as well as other companies, is subject to rigorous environmental standards imposed by federal, state, and local environmental laws and regulations. Based on current rules and regulations, management does not expect future environmental obligations for current and past activities to materially affect the financial position, operating results, or cash flows of the Company.

Purchase Commitments — On November 12, 2001, UCI entered into a purchase and distribution agreement with an affiliate, IUSA. The agreement was amended on January 1, 2004, and again on January 1, 2007. The agreement provides UCI exclusive distribution rights of copper wire and cable products in the United States and Canada. The price of copper wire and cable is calculated based upon the concept of the Berry Ratio. This formula determines that the gross margin on products bought from IUSA for resale will be a function of the selling, general, and administrative costs and is calculated by dividing gross profit by operating expenses.

Purchases under this agreement in 2010 and 2009 for wire and cable were approximately $10,122,000 and $49,509,000, respectively.

At December 31, 2010, UCI has certain outstanding copper cathode purchase commitments for delivery in 2011. The copper is priced at amounts based on COMEX prices in force at the time of delivery, which approximates market value, plus a premium. The estimated value of these purchases is $82,049,000 as of December 31, 2010.

On November 12, 2001, CLI entered into a purchase and distribution agreement with an affiliate, IUSA. The agreement was amended on March 1, 2004, and again on October 1, 2006. The agreement requires CLI to purchase a minimum quantity of product from the affiliate in exchange for the exclusive distribution rights of those products in the United States and Canada. CLI is obligated under the terms of the agreement to purchase a minimum of three million pounds of copper water tubing per month. The agreement calls for brass rod purchases and prices to be determined based upon current market demand

and prices. The price of copper water tube is calculated based upon the actual month COMEX average. Purchases under this agreement in 2010 approximated $24,598,000 and $60,278,000 for copper water tubing and brass rods, respectively. Purchases under this agreement in 2009 approximated $86,957,000 and $27,094,000 for copper water tubing and brass rods, respectively.

The decrease in copper water tube purchases in 2010 over 2009 was due to CLI transferring tube production from Mexico to the U.S. facilities. On September 24, 2010, the U.S. Department of Commerce concluded that the imports of seamless copper pipe and tube from Mexico was being or was likely to be sold in the United States at less than fair value, and a 24.89% dumping margin on seamless copper pipe and tube from Mexico was put in place. As a result, CLI began transitioning production of copper pipe and tube for the U.S. market that had been previously manufactured in Mexico to the Reading, Pennsylvania facility in the second half of 2010. Brass rods are not subject to the tariff, and sourcing through Mexico was not affected. The increase in value of brass rod purchases was due to the increase in copper market prices.

At December 31, 2010 and 2009, CLI had outstanding 13,070,000 and 15,229,000 pounds of copper scrap purchase commitments, respectively. The copper is priced at an amount over or under COMEX based on the purity of the product being purchased and the scheduled month of delivery, which approximates market value. In the second half of 2010 the Company began pricing the scrap purchase commitments based on the amount over or under COMEX based on the purity of the product being purchased and the month after delivery, which approximates market value. The estimated value of these purchases is $54,966,000 and $44,889,000 at December 31, 2010 and 2009, respectively.

Litigation — The Company is involved in various commercial disputes and lawsuits in the normal course of business. In addition, the Company has a number of environmental matters in which the Company has been named as a potentially responsible party for cleanup costs (none of such matters has developed into actual litigation). It is management's opinion that significant defenses exist with respect to such various commercial disputes, lawsuits, and environmental matters relating to the Company and that the ultimate resolution of these matters will not have a materially adverse effect on the consolidated financial position, results of operations, or liquidity of the Company.

9. RELATED-PARTY TRANSACTIONS

The Company purchases certain goods from related parties. Such purchases totaled $95,377,000 and $173,483,000 in 2010 and 2009, respectively, including the amounts disclosed under Purchase Commitments (see Note 8).

The Company also pays related parties for certain computer services and management fees. Fees totaled $8,284,000 and $8,566,000 in 2010 and 2009, respectively, and are recorded within selling, general, and administrative expenses in the consolidated statements of operations.

The Company also pays executive consulting fees to related parties. Fees totaled $1,667,000 and $3,036,000 in 2010 and 2009, respectively, and are recorded within selling, general, and administrative expenses in the consolidated statements of operations.

The Company is provided warehousing services by related parties. Such warehousing fees totaled $0 and $350,000 in 2010 and 2009, respectively, and are recorded within selling, general, and administrative expenses in the consolidated statements of operations.

In December 2007, the Company, under a promissory note, made a loan for $9,700,000 to a related party, IUSA. At December 31, 2010 and 2009, the balance remaining is $8,990,000. This note bears interest at LIBOR, plus 2.3%. Interest income related to this related-party loan totaled $278,000 and $318,000 in 2010 and 2009, respectively, and is recorded within interest — net in the consolidated statements of operations.

In February and March 2009, CL UK, under a promissory note, made a loan totaling $1,080,000 to a related party, IUSA. At December 31, 2010 and 2009, the balance remaining was $1,080,000. This note bears interest at 5.15%. Interest income related to this related-party loan totaled $0 and $30,000 in 2010 and 2009, respectively, and is recorded within interest net in the consolidated statements of operations.

In March 2009, CL Holland, under a promissory note, made a loan for approximately $586,000 to a related party, IUSA. At December 31, 2010 and 2009, the balance remaining was $586,000. This note bears interest at 4%. Interest income related to this related-party loan totaled $0 and $19,000 in 2010 and 2009, respectively, and is recorded within interest net in the consolidated statements of operations.

In 2010, the CL UK loan of $1,080,000 and the CL Holland loan of $586,000 were converted to interest-free advances and were included in current receivables at December 31, 2010. In March 2011, these loans were settled by offsetting with amounts due to IUSA.

The Company sold scrap and finished product to related parties. Such sales totaled $16,331,000 and $5,948,000 in 2010 and 2009, respectively, and are recorded within net sales in the consolidated statements of operations.

In February 2008 the Company sold equipment to a related party, IUSA. $1,346,000 related to this transaction is included in notes receivable as of December 31, 2010.

10. DISCONTINUED OPERATIONS

The financial data relating to the European operations of the Company and Cambridge Lee Europe, Inc., a domestic corporation, which have been discontinued in the current year, before elimination of intercompany accounts and transactions, by balance sheet and income statement amounts at December 31, 2010 and 2009, is as follows:

	2010	2009
Total assets	$ 9,633,000	$29,153,000
Total liabilities	4,663,000	11,234,740
Sales	40,984,000	36,907,000
Net loss	(4,915,000)	(1,579,000)

The aggregate net foreign currency transaction gains and losses included in comprehensive income (loss) in the accompanying consolidated statements of operations were immaterial.

The general worldwide deterioration of economic conditions and tightening of credit markets beginning in 2008 have contributed to slowdowns in many industries, including industries in which consolidated CLE and CL UK operate. This deterioration and tightening affected these subsidiaries in a number of ways, making it difficult to accurately forecast and plan future business activities. The Company expected considerable challenges to maintain historical levels of sales volume and profit margins within those markets served by these subsidiaries, and decided in 2010 to discontinue the operations of the CLE

and CL UK subsidiaries. On December 15, 2010 CL France was sold as a stock sale. All assets and liabilities of CL France were assumed by the purchaser. All operations of CL UK, CL Holland, and CL Europe have ceased as of December 31, 2010.

The Company does not expect any material continuing cash flows in future periods related to these discontinued operations

11. INCOME TAXES

CLH participates in a tax-sharing agreement with other members of the Company, whereby consolidated income tax expense or benefit is allocated to the subsidiaries based on the proportion of the subsidiaries' taxable income or loss to the consolidated total. CLH is obligated to make payment to the subsidiaries with respect to any tax benefit derived by CLH from the inclusion of the subsidiaries in the consolidated federal income tax return.

The components of the provision for income taxes for the years ended December 31, 2010 and 2009, consist of the following:

	2010		2009	
	Current	**Deferred**	**Current**	**Deferred**
Continuing operations:				
U.S. federal	$(1,087,000)	$1,207,000	$1,648,000	$7,323,000
State and local	136,000	379,000	70,000	824,000
	(951,000)	1,586,000	1,718,000	8,147,000
Discontinued operations:				
U.S. federal	(198,000)	255,000	129,000	(189,000)
Foreign	29,000		16,000	124,000
	(169,000)	255,000	145,000	(65,000)
Total	$(1,120,000)	$1,841,000	$1,863,000	$8,082,000

Significant components of the Company's deferred tax assets (liabilities) as of December 31, 2010 and 2009, consist of the following:

	2010		2009	
	Current	Noncurrent	Current	Noncurrent
Domestic:				
Deferred tax assets:				
Allowance for doubtful accounts and discounts	$ 306,000	$ -	$ 191,000	$ -
Inventories	435,000		620,000	
State net operating loss carryforwards	390,000			498,000
Pension and other compensation	367,000	917,000	585,000	26,000
Other	1,494,000	984,000	289,000	3,091,000
Gross deferred tax assets — domestic	2,992,000	1,901,000	1,685,000	3,615,000
Deferred tax liabilities:				
Pension and other compensation		(1,400,000)		(1,281,000)
Depreciation and amortization		(16,186,000)		(15,695,000)
APB 23 unremitted earnings	(975,000)			
Other	(267,000)		(257,000)	(161,000)
Gross deferred tax liabilities — domestic	(1,242,000)	(17,586,000)	(257,000)	(17,137,000)
Net deferred tax amount — domestic	1,750,000	(15,685,000)	1,428,000	(13,522,000)
Foreign — deferred tax liabilities:				
Foreign NOL carryforward	882,000			599,000
Depreciation and amortization				116,000
Other	7,000			7,000
Valuation allowance	(889,000)			(722,000)
Net deferred tax amount — foreign	-	-	-	-
Net deferred tax amount — total	$ 1,750,000	$ (15,685,000)	$ 1,428,000	$ (13,522,000)

The effective income tax rate varied from the statutory rate of 35% primarily due to foreign and state taxes, nondeductible expenses, ASC 740-30 unremitted earnings, and changes in contingent reserves related to uncertain tax positions.

As of December 31, 2010, the Company has state net operating loss carryforwards of $6,934,000, with a corresponding state tax benefit of $600,000 that expire at various times through 2029.

As of December 31, 2010, the Company has foreign net operating loss carryforwards of $3,191,000, with a corresponding foreign tax benefit of $882,000.

As of December 31, 2010 and 2009, management has determined that the benefit of the foreign deferred tax asset will not be more likely than not realizable. A valuation allowance of $889,000 and $722,000 has been recorded to offset the deferred tax asset as of December 31, 2010 and 2009, respectively.

At December 31, 2010, all unremitted earnings of subsidiaries outside the United States, which have been deemed to no longer be permanently reinvested, totaled $2,784,000 for which a deferred tax liability of $975,000 has been recognized in the Company's consolidated balance sheet. At December 31, 2009, unremitted earnings of subsidiaries outside the U.S. deemed to be permanently reinvested totaled $10,298,000. In 2009 the Company adopted a plan to repatriate $1,637,000 of foreign earnings upon which income taxes were paid.

On January 1, 2009, the Company adopted the provisions of ASC 740-10. As a result of that adoption, the Company recognized a $218,000 increase to the liability for unrecognized tax benefits, which was accounted for as a reduction to the opening balance of retained earnings. As a result of adoption, as of January 1, 2009, the Company had recorded balances of uncertain tax positions and interest of $13,213,000 and $905,000, respectively, primarily related to federal transfer pricing and state nonfiling positions. Penalties of $102,000 have been accrued as of January 1, 2009.

As of December 31, 2010, the Company has recorded a balance of federal and state uncertain tax positions of $11,586,000. The Company recognizes interest and penalties related to uncertain tax positions within the income tax expense line in the accompanying consolidated statements of operations. The Company has recognized interest expense (benefit) of $(363,000) in 2010 and $589,000 in 2009 related to uncertain tax positions, and additional penalties of $13,000 in 2010 have been accrued. Accrued total interest and penalties related to uncertain tax positions of $1,246,000 and $1,596,000, respectively, are included within long-term obligations — other in the consolidated balance sheet of December 31, 2010.

The Company and its subsidiaries are subject to income tax examinations by federal, foreign, and state taxing authorities. The taxable years that remain subject to federal and state examination are 2006 through 2010. As a result of the outcome of ongoing or future examinations, or due to the expiration of statutes of limitation for certain jurisdictions, it is reasonably possible that the related unrecognized tax benefits for tax positions taken could materially change from those recorded as liabilities at December 31, 2010. As the Company is not under examination or audit as of December 31, 2010, the Company believes it is reasonably possible that approximately $5,268,000 of its transfer pricing uncertain tax positions may be recognized by the end of 2011 as a result of a lapse of statute of limitations.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of assets and liabilities measured on a recurring basis at December 31, 2010 and 2009, are shown below:

	Fair Value Measurements at Reporting Date Using					
	December 31, 2010			December 31, 2009		
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Copper future contracts	$243,000	$ -	$ -	$689,000	$ -	$ -
Total assets	$243,000	$ -	$ -	$689,000	$ -	$ -

At December 31, 2010 and 2009, unrealized gains related to outstanding futures contracts are recognized within cost of sales in the consolidated statements of operations. The fair value of copper future contracts is recorded within prepaid expense, deposits, and other current assets in the consolidated balance sheet, net of cash margin requirements. The fair value of these financial instruments is measured based on readily available market prices in active markets. As part of future contracts, the Company is required to maintain a cash margin balance. Cash margin balance related to these contracts of $38,000 and $296,000 has been included within prepaid expense, deposits, and other current assets in the consolidated balance sheets as of December 31, 2010 and 2009, respectively.

Pension Plan Assets — The fair values of pension plan assets measured on a recurring basis at December 31, 2010 and 2009, are shown below:

	Fair Value Measurements at December 31, 2010			
Asset Category Class	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash	$ 298,000	$ 298,000	$ -	$ -
U.S. Treasury notes	1,804,000	1,804,000		
Asset-backed securities	698,000		698,000	
Corporate bonds	665,000	665,000		
Equity securities	5,762,000	5,762,000		
Total	$ 9,227,000	$ 8,529,000	$ 698,000	$ -

	Fair Value Measurements at December 31, 2009			
Asset Category Class	**Total**	**Quoted Prices in Active Markets (Level 1)**	**Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Cash	$ 393,000	$ 393,000	$ -	$ -
U.S. Treasury notes	758,000	758,000		
Asset-backed securities	1,662,000		1,662,000	
Corporate bonds	462,000	462,000		
Equity securities	5,631,000	5,631,000		
Total	$ 8,906,000	$ 7,244,000	$ 1,662,000	$ -

13. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) as of December 31, 2010 and 2009, including amounts allocated to the noncontrolling owner's interest, consisted of the following:

	Foreign Currency Translation	Pension Unrecognized Loss Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance — January 1, 2009	$ (7,000)	$ (5,244,000)	$ (5,251,000)
Foreign currency translation adjustment	754,000		754,000
Pension unrecognized loss adjustment — net of tax benefit of $917,000		2,475,000	2,475,000
Balance — December 31, 2009	747,000	(2,769,000)	(2,022,000)
Foreign currency translation adjustment	(1,341,000)		(1,341,000)
Balance — December 31, 2010	$ (594,000)	$ (2,769,000)	$ (3,363,000)

14. DEBT MATURITY AND REFINANCING RISK

As described in Note 5, UCI's Loan Agreement has a final maturity date of December 31, 2010. Management does not anticipate that projected cash flows from operations available for debt repayment will be sufficient to repay this debt in full. As repayment was not made on the final maturity date, the lenders have various remedies under the terms of the Loan Agreement, under which substantially all of the assets of UCI are pledged as collateral. The terms of the Loan Agreement and certain of these remedies available to the lenders entail legal processes that raise substantial doubt about UCI's ability to continue as a going concern. Management intends to seek a refinancing of the existing Loan Agreement, which may be accomplished through a restructuring and extension of the existing debt with the current lenders, or may involve new debt facilities from other lending institutions. Management believes that operating cash flow of the business and the value of the assets that will be pledged as collateral under any lending arrangement will allow it to secure sufficient financing to continue operation as a going concern; however, management cannot make any assurances that sufficient financing will be established. The consolidated financial statements presented do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or the amounts and classification of liabilities that may be necessary, should UCI be unable to continue as a going concern.

15. SUBSEQUENT EVENTS

The Company has evaluated all events and transactions that occurred after December 31, 2010 through July 8, 2011, the date that these financial statements were available to be issued. During this period, the Company has identified the following material nonrecognized subsequent events. The Company did not identify any material recognized subsequent events.

Loan Agreement — UCI — On February 4, 2011, UCI entered into the Sixteenth Amendment to the 2006 Second Amended and Restated Loan and Security Agreement, which extended the facility through July 31, 2011. The sixteenth Amendment to the 2006 Second Amended and Restated Loan and Security Agreement established new financial debt covenants for the remainder of the term in 2011, and continued certain restrictions on the ability to make certain payments of corporate overhead allocated expenses. The facility maximum was increased to $90,000,000 through July 31, 2011, at which time it will be payable in full.

2006 Loan Agreement — On March 15, 2011, CLI executed the Eleventh Amendment to the Third Amended and Restated Loan and Security Agreement. This amendment waives the events of default that occurred when CLI did not meet the minimum EBITDA covenant and the covenant requiring CLI to provide audited financial statements for the fiscal year ended December 31, 2010, by March 31, 2011, and the payment of executive consulting fees during 2010. The amendment also included revised financial covenants and extended the deadline to provide audited financial statements to the lenders to May 31, 2011.

Management believes that based on their current operating projections, these amendments and waivers will allow them to be in compliance with their revised financial covenants for the foreseeable future.

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Cambridge-Lee Holdings, Inc. and Subsidiaries

Consolidated Financial Statements as of
March 31, 2011 and 2010 and for the Quarters
Ended March 31, 2011 and 2010

CAMBRIDGE-LEE HOLDINGS, INC
BALANCE SHEET

	March 31, 2011	March 31, 2010
Cash and Cash Equivalents	3,697,335	3,189,723
A/R-Trade less Doubtful Accounts & Discounts	121,480,380	108,485,238
A/R-Affiliates	3,150,157	19,148,746
A/R-Refundable Income Tax	-	-
A/R-Other	763,354	685,646
Inventories - Net	128,998,404	101,577,111
Prepaid Exp, Deposits, and Other Current Assets	7,228,780	6,184,734
Deferred Income Taxes - Short Term	2,005,355	2,680,442
Total Current Assets	**267,323,765**	**241,951,640**
Investments in Majority Owned Subs - At Equity	-	-
Note receivable - Affiliate	10,335,894	-
Property and Equipment - Net	76,691,606	84,227,406
Goodwill	-	-
Other Long Term Assets	3,566,955	3,165,652
Deferred Income Taxes-Long Term	1,502,401	1,502,401
Total Assets	**359,420,620**	**330,847,098**
Short Term borrowings	10,078,876	19,618,553
Revolving Credit Facility	129,202,334	95,256,772
A/P Trade	16,587,484	23,816,270
A/P Affiliates	1,594,429	2,270,237
Notes Payable-Affiliate	-	-
Accrued Expenses	-	-
Payroll	1,966,363	3,421,543
Rebates	6,407,019	6,320,013
Taxes Other Than Income	587,730	1,414,377
Interest	518,451	484,658
Other	8,357,468	7,374,171
Income Taxes Payable	5,972,509	(1,063,007)
Total Current Liabilities	**181,272,663**	**158,913,588**
Long Term Debt	784,913	1,842,874
Long Term Obligations-Other	13,101,918	16,204,993
Long Term Note Payable-Affiliate	-	-
Deferred Income Taxes	17,442,638	16,277,184
Total Liabilities	**212,602,132**	**193,238,639**
Common Stock	1,000	1,000
Contributed Capital	84,205,000	84,205,000
Exc of Lia Assumed Over Book Value of Assets Transferred	(17,514,000)	(17,514,000)
Prior Year Retained Earnings	72,225,451	70,505,473
Current Year Retained Earnings	6,552,871	(1,036,520)
Currency Translation Adjustment	(428,769)	(50,139)
Accumulated Other Comprehensive Loss	(2,686,570)	(2,686,570)
Minority Interest	4,463,505	4,184,214
Excess or Insufficiency Elim of Investment Subs	-	-
Total Equity	**146,818,489**	**137,608,459**
Total Liabilities and Equity	**359,420,620**	**330,847,098**

CAMBRIDGE-LEE HOLDINGS, INC
INCOME STATEMENT

	March 31, 2011	March 31, 2010
Net Sales	238,724,390	205,610,689
Cost of Sales	210,086,096	189,182,604
Gross Profit	**28,638,294**	**16,428,085**
Selling, General and Administrative Expenses	14,399,427	14,891,108
Operating Income (Loss)	**14,238,867**	**1,536,977**
Interest Income (Expense)	(2,245,512)	(1,817,845)
Other Income(Expense)	116,132	(588,665)
Minority Interest	(202,431)	31,258
Income(Loss) before Taxes and Earnings of Subs	**11,907,056**	**(838,275)**
Provision (Benefit) Income Taxes	5,354,185	198,244
Income (Loss) before Earnings of Subs	**6,552,871**	**(1,036,519)**
Equity in Earnings of Subsidiaries	-	-
Net Income (Loss)	**6,552,871**	**(1,036,519)**

CAMBRIDGE-LEE HOLDINGS, INC
STATEMENT OF CASH FLOW

	March 31, 2011	March 31, 2010
OPERATING ACTIVITIES:		
Net income (loss)	6,755,302	(1,067,778)
Net income (loss) attributed to noncontrolling interest	(202,431)	31,258
Net income (loss)	6,552,871	(1,036,519)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Noncontrolling interest	202,431	(31,258)
Depreciation and amortization	2,415,945	2,389,315
Allowance for doubtful accounts receivable	140,132	104,043
(Gain) loss on sale of property, plant and equipment	-	-
Increase (decrease) in deferred income taxes	(344)	557
Changes in assets and liabilities which provided (used) cash:		
(Increase) decrease in accounts and notes receivable	(8,387,666)	(20,662,937)
(Increase) decrease in inventories	(21,458,286)	(15,929,667)
(Increase) decrease in prepaid expenses, deposits and other assets	(2,851,130)	410,253
Increase (decrease) in other long term obligations	134,755	294,134
Increase (decrease) in accounts payable, accrued expenses and amounts due to affiliates	(14,485,759)	2,971,564
Increase (decrease) in income taxes payable	4,278,202	(1,678,366)
Total adjustments	(40,011,719)	(32,132,362)
Net cash provided by (used in) operating activities	(33,458,848)	(33,168,882)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(320,464)	(62,971)
Proceeds from sale of property, plant and equipment	-	-
Reduction of CIP down payment	-	345,000
Cash received from (loaned to) affiliate	-	-
Net cash provided by (used in) investing activities	(320,464)	282,029
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in revolving credit facility	32,784,125	33,489,618
Increase (decrease) in short-term borrowings	(226,178)	600,683
Proceeds from long term debt	59,269	-
Principal payments on long-term debt	(77,511)	(434,624)
Payment under capital lease obligations	(76,188)	(116,628)
Payment of debt issuance costs	(76,422)	(76,422)
Net cash provided by (used in) financing activities	32,387,095	33,462,627
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**271,908**	**(678,577)**
Net increase in cash and cash equivalents	(1,120,309)	(102,803)
Cash and cash equivalents at beginning of period	4,817,644	3,292,526
Cash and cash equivalents at end of period	**3,697,335**	**3,189,723**

In order to exchange Commercial Paper in the Exchange Offer, a Holder should send or deliver a properly completed and signed Letter of Transmittal, certificates for Commercial Paper and any other required documents to the Information and Exchange Agent at its address set forth below or arrange for its Commercial Paper to be tendered via Electronic Exchange Instruction to the Clearing System.

The Information and Exchange Agent for the Exchange Offer is:

Epiq Systems, Inc.

By Mail/Overnight Courier/Hand:
757 Third Avenue, 3rd Floor
New York, New York 10017

Telephone +1(646) 282-2400
or toll-free in the U.S. (866) 734-9393

E-mail address to request materials: tabulation@epiqsystems.com

Any questions or requests for assistance or for additional copies of this Information Memorandum, the Letter of Transmittal or related documents may be directed to the Information and Exchange Agent at one of its telephone numbers or its e-mail address set forth above.