TELEFONOS DE MEXICO S A B DE C V
Form SC 13D/A
August 24, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 41)*

Teléfonos de México, S.A.B. de C.V. (the Issuer)

(Name of Issuer)

American Depositary Shares (L Share ADSs), each representing 20 Series L Shares (L Shares)

American Depositary Shares (A Share ADSs), each representing 20 Series A Shares (A Shares)

(Title of Class of Securities)

879403780 for L Share ADSs[1]

879403400 for A Share ADSs[2]

(CUSIP Number)

Rafael Robles Miaja

Galicia y Robles, S.C.

Boulevard Manuel Avila Camacho 24

Torre del Bosque

Piso 7

Colonia: Lomas de Chapultepec

México, D.F. 11000, México

(5255) 5540-9225

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 3, 2009

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box o.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on the following pages)

[1] CUSIP number is for the L Share ADSs only. No CUSIP number exists for the underlying L Shares, since such shares are not traded in the United States.

[2] CUSIP number is for the A Share ADSs only. No CUSIP number exists for the underlying A Shares, since such shares are not traded in the United States.

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Carlos Slim Helú	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* AF (See Item 3)	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION México	

NUMBER OF SHARES	7	SOLE VOTING POWER 80,000 A Shares and 30,641,700 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 80,000 A Shares and 30,641,700 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 92,690,376 A Shares and 9,541,704,302 L Shares (See Item 5)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	**x**
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 23.1% of A Shares and 66.4% of L Shares (See Item 5)	
14	TYPE OF REPORTING PERSON* IN	

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Carlos Slim Domit	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* AF (See Item 3)	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION México	

NUMBER OF SHARES	7	SOLE VOTING POWER 9,516,264 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 9,516,264 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 92,610,376 A Shares and 9,520,578,866 L Shares (See Item 5)
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES***x**
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 23.1% of A Shares and 66.3% of L Shares (See Item 5)
14	TYPE OF REPORTING PERSON* IN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Marco Antonio Slim Domit	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* AF (See Item 3)	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION México	
NUMBER OF SHARES	7	SOLE VOTING POWER 9,529,864 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 9,529,864 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 92,610,376 A Shares and 9,520,592,466 L Shares (See Item 5)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES***x**	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 23.1% of A Shares and 66.3% of L Shares (See Item 5)	
14	TYPE OF REPORTING PERSON* IN	

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Patrick Slim Domit	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* AF and PF (See Item 3)	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION México	

NUMBER OF SHARES	7	SOLE VOTING POWER 10,580,738 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 10,580,738 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 92,610,376 A Shares and 9,521,643,340 L Shares (See Item 5)
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES***x**
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 23.1% of A Shares and 66.3% of L Shares (See Item 5)
14	TYPE OF REPORTING PERSON* IN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) María Soumaya Slim Domit		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* AF (See Item 3)		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o		
6	CITIZENSHIP OR PLACE OF ORGANIZATION México		
NUMBER OF SHARES		7	SOLE VOTING POWER 12,516,268 L Shares (See Item 5)
BENEFICIALLY OWNED BY		8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
EACH REPORTING PERSON		9	SOLE DISPOSITIVE POWER 12,516,268 L Shares (See Item 5)
WITH		10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 92,610,376 A Shares and 9,523,578,870 L Shares (See Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES***x**		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 23.1% of A Shares and 66.3% of L Shares (See Item 5)		
14	TYPE OF REPORTING PERSON* IN		

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Vanessa Paola Slim Domit

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) o

(b) x

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF (See Item 3)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o

6 CITIZENSHIP OR PLACE OF ORGANIZATION

México

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 15,688,868 L Shares (See Item 5)
	8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
	9	SOLE DISPOSITIVE POWER 15,688,868 L Shares (See Item 5)
	10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

92,610,376 A Shares and 9,526,751,470 L Shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES***x**

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

23.1% of A Shares and 66.3% of L Shares (See Item 5)

14 TYPE OF REPORTING PERSON*

IN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Johanna Monique Slim Domit	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* AF and PF (See Item 3)	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION México	
NUMBER OF SHARES	7	SOLE VOTING POWER 13,879,122 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 13,879,122 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER 92,610,376 A Shares and 9,511,062,602 L Shares (See Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 92,610,376 A Shares and 9,524,941,724 L Shares (See Item 5)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES***x**	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 23.1% of A Shares and 66.3% of L Shares (See Item 5)	
14	TYPE OF REPORTING PERSON* IN	

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Carso Global Telecom, S.A.B. de C.V. (_CGT)		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) x		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* AF and WC (See Item 3)		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o		
6	CITIZENSHIP OR PLACE OF ORGANIZATION México		
NUMBER OF SHARES	7	SOLE VOTING POWER	
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 91,994,660 A Shares and 9,237,195,990 L Shares (See Item 5)	
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	
WITH	10	SHARED DISPOSITIVE POWER 91,994,660 A Shares and 9,237,195,990 L Shares (See Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 91,994,660 A Shares and 9,237,195,990 L Shares (See Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* x		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 22.9% of A Shares and 64.3% of L Shares (See Item 5)		
14	TYPE OF REPORTING PERSON* HC		

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Grupo Financiero Inbursa, S.A.B. de C.V. (GFI)		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) o		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* WC and AF (See Item 3)		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o		
6	CITIZENSHIP OR PLACE OF ORGANIZATION México		
NUMBER OF SHARES	7	SOLE VOTING POWER	
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 615,716 A Shares and 273,866,612 L Shares (See Item 5)	
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	
WITH	10	SHARED DISPOSITIVE POWER 615,716 A Shares and 273,866,612 L Shares (See Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 615,716 A Shares and 273,866,612 L Shares (See Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.2% of A Shares and 2.8% of L Shares (See Item 5)		
14	TYPE OF REPORTING PERSON* HC		

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Trust No. F/0008 (the Telmex Trust)	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) o	
3	SEC USE ONLY	
4	SOURCE OF FUNDS* WC (See Item 3)	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o	
6	CITIZENSHIP OR PLACE OF ORGANIZATION México	

NUMBER OF SHARES	7	SOLE VOTING POWER 49,600 A Shares and 247,096,000 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 49,600 A Shares and 247,096,000 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 49,600 A Shares and 247,096,000 L Shares (See Item 5)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.0% of A Shares and 2.5% of L Shares (See Item 5)	
14	TYPE OF REPORTING PERSON* EP	

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Trust No. F/0395 (the Telnor Trust)		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) o		
3	SEC USE ONLY		
4	SOURCE OF FUNDS* WC (See Item 3)		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o		
6	CITIZENSHIP OR PLACE OF ORGANIZATION México		
NUMBER OF SHARES	7	SOLE VOTING POWER 3,770,000 L Shares (See Item 5)	
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 3,770,000 L Shares (See Item 5)	
WITH	10	SHARED DISPOSITIVE POWER	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 3,770,000 L Shares (See Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.0% of L Shares (See Item 5)		
14	TYPE OF REPORTING PERSON* EP		

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Fundación Telmex, A.C. ("Fundación Telmex")

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) o

(b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC (See Item 3)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o

6 CITIZENSHIP OR PLACE OF ORGANIZATION

México

NUMBER OF SHARES	7	SOLE VOTING POWER 15,515,600 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 15,515,600 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

15,515,600 L Shares (See Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.2% of L Shares (See Item 5)

14 TYPE OF REPORTING PERSON*

PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

1	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Fundación Carlos Slim, A.C., formerly known as Fundación Carso, A.C. (Fundación Carlos Slim)
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) o (b) o
3	SEC USE ONLY
4	SOURCE OF FUNDS* WC (See Item 3)
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)o
6	CITIZENSHIP OR PLACE OF ORGANIZATION México

NUMBER OF SHARES	7	SOLE VOTING POWER 218,700 L Shares (See Item 5)
BENEFICIALLY OWNED BY	8	SHARED VOTING POWER
EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 218,700 L Shares (See Item 5)
WITH	10	SHARED DISPOSITIVE POWER

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 218,700 L Shares (See Item 5)
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* o
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.0% of L Shares (See Item 5)
14	TYPE OF REPORTING PERSON* PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

Item 1. Security and Issuer.

This Amendment No. 41 (the "Forty-First Amendment") amends the initial Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission (the "Commission"), as subsequently amended, by the Reporting Persons (as defined below), with respect to the L Shares and A Shares of Teléfonos de México, S.A.B. de C.V. (the "Issuer"). Capitalized terms used but not otherwise defined in this Forty-First Amendment have the meanings ascribed to such terms in the Schedule 13D, as amended.

Item 3. Source and Amount of Funds or Other Consideration.

The aggregate amount of funds required to purchase the 88,789,300 L Shares purchased by GFI through subsidiaries it controls was U.S.$71,755,219. The funds used to purchase these shares were obtained from the working capital of GFI.

The aggregate amount of funds required to purchase the 42,000,000 L Shares purchased by CGT was U.S.$33,944,646. The funds used to purchase these shares were obtained from the working capital of CGT.

Item 5. Interest in Securities of the Issuer.

(a) The Reporting Persons have, as of August 11, 2009, the following interests in the A Shares and L Shares:

	A Shares(1)		L Shares(2)	
	Number	% of Class	Number	% of Class
Carlos Slim Helú(3)	92,690,376	23.1%	9,541,704,302	66.4%
Carlos Slim Domit(4)	92,610,376	23.1%	9,520,578,866	66.3%
Marco Antonio Slim Domit(5)	92,610,376	23.1%	9,520,592,466	66.3%
Patrick Slim Domit(6)	92,610,376	23.1%	9,521,643,340	66.3%
María Soumaya Slim Domit(7)	92,610,376	23.1%	9,523,578,870	66.3%
Vanessa Paola Slim Domit(8)	92,610,376	23.1%	9,526,751,470	66.3%
Johanna Monique Slim Domit(9)	92,610,376	23.1%	9,524,941,724	66.3%
CGT(10)	91,994,660	22.9%	9,237,195,990	64.3%
GFI(11)	615,716	0.2%	273,866,612	2.8%
Telmex Trust(12) (13)	49,600	0.0%	247,096,000	2.5%
Telnor Trust(13)			3,770,000	0.0%
Fundación Telmex(13)			15,515,600	0.2%
Fundación Carlos Slim(13)			218,700	0.0%

(1) Based upon 400,903,017 A Shares outstanding as of August 11, 2009, as reported by the Mexican Stock Exchange. Includes A Shares held in the form of A Share ADSs.

(2) Based upon 9,831,501,361 L Shares outstanding as of August 11, 2009, as reported by the Mexican Stock Exchange. The total number of L Shares outstanding also includes L Shares held in the form of L Share ADSs. In addition, other than in the case of the Telnor Trust, Fundación Telmex and Fundación Carlos Slim, L Share totals and percentages assume that all of the A Shares held by the Reporting Persons, all of the AA Shares held by Telmex Trust and 4,445,195,990 AA Shares held by CGT, which may be deemed to be beneficially owned by the Slim Family, have been converted into L Shares. In accordance with the restrictions set forth in Item 4 of the Schedule 13D filed by the Reporting Persons on February 20, 2004, the maximum number of AA Shares that could, as of the date hereof, be converted to L Shares is 4,445,195,990.

(3) Includes 80,000 A Shares and 30,561,700 L Shares (assuming conversion of the 80,000 A Shares) owned directly by Carlos Slim Helú, as well as A Shares and L Shares beneficially owned through GFI and CGT by trusts for the benefit of the Slim Family (the Family Shares).

(4) Includes 9,516,264 L Shares owned directly by Carlos Slim Domit, as well as the Family Shares.

(5) Includes 9,529,864 L Shares owned directly by Marco Antonio Slim Domit, which includes 13,600 L Shares owned jointly by Marco Antonio Slim Domit and his children that were inadvertently excluded from prior amendments on Schedule 13D filed by the Reporting Persons, as well as the Family Shares.

(6) Includes 10,580,738 L Shares owned directly by Patrick Slim Domit, which includes 32,200 L Shares owned jointly by Patrick Slim Domit and his children that were inadvertently excluded from prior amendments on Schedule 13D filed by the Reporting Persons, as well as the Family Shares.

(7) Includes 12,516,268 L Shares owned directly by María Soumaya Slim Domit, as well as the Family Shares.

(8) Includes 15,688,868 L Shares owned directly by Vanessa Paola Slim Domit and her spouse, which includes 72,600 L Shares owned jointly by Vanessa Paola Slim Domit and her children that were inadvertently excluded from prior amendments on Schedule 13D filed by the Reporting Persons, as well as the Family Shares.

(9) Includes 13,879,122 L Shares owned directly by Johanna Monique Slim Domit and her spouse, which includes 3,600 L Shares owned jointly by Johanna Monique Slim Domit and her children that were inadvertently excluded from prior amendments on Schedule 13D filed by the Reporting Persons, as well as the Family Shares.

(10) Includes A Shares and L Shares owned directly by CGT, as well as A Shares and L Shares beneficially owned through its wholly-owned subsidiaries.

(11) Includes A Shares and L Shares owned directly by GFI, as well as A Shares and L Shares beneficially owned through wholly-owned subsidiaries it controls or other entities that may be deemed to be controlled by the Slim Family.

(12) Includes 100,000,000 AA Shares owned by the Telmex Trust that were inadvertently excluded from prior amendments on Schedule 13D filed by the Reporting Persons.

(13) Shares disclaimed by the Slim Family and CGT.

(b) Because the Slim Family may be deemed to control, directly or indirectly, each of CGT, GFI and the Issuer, the Slim Family may be deemed to share the power to vote or dispose of, or to direct the voting or disposition of, any A Shares or L Shares controlled by such persons (including those beneficially owned by the Telmex Trust, the Telnor Trust, Fundación Telmex and Fundación Carlos Slim). Except as otherwise disclosed herein, none of the Reporting Persons shares voting or disposition power with respect to any of the A Shares or L Shares owned by the Reporting Persons.

(c) All transactions in A Shares and L Shares effected by the Reporting Persons for the period beginning 60 days prior to the event which requires the filing of this statement are listed in Schedule I.

(d) All A Shares and L Shares owned by trusts for the benefit of the Slim Family may be deemed to be beneficially owned by each member of the Slim Family that is a beneficiary of such trusts. Thus, beneficial ownership of A Shares and L Shares may be deemed to be shared by each member of the Slim Family. Because the Slim Family may be deemed to control, directly or indirectly, each of CGT, GFI and the Issuer, the Slim Family may be deemed to have the right to receive or the power to direct the receipt of dividends from, or the proceeds of the sale of, any A Shares or L Shares controlled by such persons (including the Telmex Trust, the Telnor Trust, Fundación Telmex and Fundación Carlos Slim). Except as disclosed herein, no person other than the Reporting Persons has or will have any right to receive or the power to direct the receipt of dividends from, or the proceeds of the sale of, A Shares or L Shares owned by the Reporting Persons.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

CGT has entered into Forward Share Purchase Transactions pursuant to which it is obligated to buy L Shares (in the form of L Shares ADSs) from a counterparty on the terms specified below. CGT entered into each of these Forward Purchase Transactions prior to the *Escisión* (as described in the Schedule 13D filed by the Reporting Persons on June 24, 2008) and is discussing with the counterparties of these contracts the adjustments necessary to reflect the *Escisión*. For purposes of this Schedule 13D, CGT has assumed that L Shares of the Issuer are the subject of each contract listed below and has treated such L Shares as beneficially owned by CGT.

Counterparty	Expiration Date	Number of L Shares	Purchase Price per L Share	Interest Rate
JP Morgan Chase Bank, N.A.	August 11, 2010	256,986,840	$.7785	LIBOR + 0.625%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, S.A. de C.V.	May 18, 2011	97,943,200	$1.0210	LIBOR + 0.250%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, S.A. de C.V.	May 18, 2011	181,323,680	$1.1030	LIBOR + 0.250%
Santander Central Hispano Benelux S.A. de N.V.	September 13, 2011	83,091,000	$1.2035	LIBOR + 0.20%
Wachovia Bank National Association	September 14, 2011	83,091,000	$1.2035	LIBOR + 0.25%
Santander Central Hispano Benelux S.A. de N.V.	October 17, 2011	74,019,260	$1.351	LIBOR + 0.20%

Santander Central Hispano Benelux S.A. de N.V.	December 7, 2011	149,031,300	$1.342	LIBOR + 0.20%
Santander Central Hispano Benelux S.A. de N.V.	December 19, 2011	144,613,160	$1.383	LIBOR + 0.20%
BNP Paribas, S.A.	December 19, 2011	71,864,900	$1.3915	LIBOR + 0.20%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, S.A. de C.V.	February 17, 2012	193,361,280	$1.551	LIBOR + 0.250%
Santander Central Hispano Benelux S.A. de N.V.	April 18, 2012	56,069,540	$1.7835	LIBOR + 0.20%
Santander Central Hispano Benelux S.A. de N.V.	May 14, 2012	54,127,200	$1.8475	LIBOR + 0.20%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, S.A. de C.V.	May 17, 2012	114,351,060	$1.7490	LIBOR + 0.25%
BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, S.A. de C.V.	August 17, 2012	121,175,420	$1.6505	LIBOR + 0.25%

Other than as disclosed herein, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons and between such persons and any person with respect to A Shares or L Shares.

Item 7. Material to be Filed as Exhibits

The Powers of Attorney for (i) the members of the Slim Family, filed as exhibits to the Form 4 filed by the Reporting Persons with the Commission on January 2, 2009 in respect of their ownership of equity shares in Bronco Drilling Company, Inc., (ii) GFI, filed as an exhibit to Amendment No. 1 to the Schedule 13G filed by the Reporting Persons with the Commission on January 22, 2009 in respect of its ownership in equity shares of the New York Times Company, and (iii) CGT, the Telmex Trust, the Telnor Trust, Fundación Telmex and Fundación Carlos Slim, filed as exhibits to Amendment No. 19 to the Schedule 13D filed by the Reporting Persons with the Commission on March 17, 2009 in respect of their ownership in equity shares of América Móvil, S.A.B. de C.V., the Joint Filing Agreement, filed as an exhibit to Amendment No. 21 to the Schedule 13D filed by the Reporting Persons with the Commission on November 23, 2005 in respect of their ownership in equity shares of the Issuer and the Trust Agreement, including the Original Spanish Version and the English Translation, filed as exhibits to Amendment No. 7 to the Schedule 13D filed by the Reporting Persons with the Commission on May 15, 2001 in respect of their ownership in equity shares of the Issuer are all hereby incorporated herein by reference.

SIGNATURE

After reasonable inquiry, and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Carlos Slim Helú

Carlos Slim Domit

Marco Antonio Slim Domit

Patrick Slim Domit

María Soumaya Slim Domit

Vanessa Paola Slim Domit

Johanna Monique Slim Domit

CARSO GLOBAL
TELECOM, S.A.B. DE C.V.

By: Armando Ibañez Vazquez
Title: Attorney-in-Fact

GRUPO FINANCIERO
INBURSA, S.A.B. DE C.V.

By: Raul Humberto Zepeda Ruiz
Title: Attorney-in-Fact

By: /s/ Eduardo Valdés Acra
Eduardo Valdés Acra
Attorney-in-Fact
August 21, 2009

BANCO INBURSA S.A.,
INSTITUCION DE BANCA
MULTIPLE, GRUPO FINANCIERO
INBURSA, DIVISION
FIDUCIARIA, AS TRUSTEE
OF TRUST NO. F/0008

By: Raul Humberto Zepeda Ruiz
Title: Attorney-in-Fact

BANCO INBURSA S.A.,
INSTITUCION DE BANCA
MULTIPLE, GRUPO FINANCIERO
INBURSA, DIVISION
FIDUCIARIA, AS TRUSTEE
OF TRUST NO. F/0395

By: Raul Humberto Zepeda Ruiz
Title: Attorney-in-Fact

FUNDACIÓN TELMEX, A.C.

By: Adolfo Cerezo
Title: Attorney-in-Fact

FUNDACIÓN CARLOS SLIM, A.C.

By: Armando Ibañez Vazquez
Title: Attorney-in-Fact

SCHEDULE I

For the period beginning 60 days prior to the event which requires the filing of this statement, the Reporting Persons set forth below effected the following transactions in L Shares on the Mexican Stock Exchange. The prices below reflect the price paid (in US$ based upon the Exchange Rate published by the Banco de México on the trade date) by the purchasers per L Share on the relevant trade date.

REPORTING PERSON	TYPE OF TRANSACTION	TRADE DATE	NUMBER OF L SHARES	PRICE PER SHARE US DOLLARS
Telmex Trust	Sale	06/04/09	19,900	0.83
Telmex Trust	Sale	06/04/09	1,100	0.83
Telmex Trust	Sale	06/04/09	1,100	0.83
Telmex Trust	Sale	06/04/09	13,000	0.83
Telmex Trust	Sale	06/04/09	14,600	0.83
Telmex Trust	Sale	06/04/09	1,100	0.83
Telmex Trust	Sale	06/04/09	2,000	0.83
Telmex Trust	Sale	06/04/09	60,000	0.83
Telmex Trust	Sale	06/04/09	1,200	0.83
Telmex Trust	Sale	06/04/09	3,200	0.83
Telmex Trust	Sale	06/04/09	1,100	0.83
Telmex Trust	Sale	06/04/09	700	0.83
Telmex Trust	Sale	06/04/09	2,200	0.83
Telmex Trust	Sale	06/04/09	1,300	0.83
Telmex Trust	Sale	06/04/09	1,100	0.83
Telmex Trust	Sale	06/04/09	2,200	0.83
Telmex Trust	Sale	06/04/09	4,000	0.83
Telmex Trust	Sale	06/04/09	9,200	0.83
Telmex Trust	Sale	06/04/09	18,700	0.83
Telmex Trust	Sale	06/04/09	42,300	0.83
Telmex Trust	Sale	06/04/09	39,000	0.83
Telmex Trust	Sale	06/04/09	7,300	0.83
Telmex Trust	Sale	06/04/09	40,000	0.83
Telmex Trust	Sale	06/04/09	50,000	0.83
Telmex Trust	Sale	06/04/09	2,400	0.83
Telmex Trust	Sale	06/04/09	300	0.83
Telmex Trust	Sale	06/04/09	26,500	0.83
Telmex Trust	Sale	06/04/09	50,000	0.83
Telmex Trust	Sale	06/04/09	2,500	0.83
Telmex Trust	Sale	06/04/09	21,000	0.83
Telmex Trust	Sale	06/04/09	49,000	0.83
Telmex Trust	Sale	06/04/09	50,000	0.83

Telmex Trust	Sale	06/04/09	1,000	0.83		
GFI	Sale	06/05/09	43,000	0.83		
GFI	Sale	06/05/09	6,900	0.83		
GFI	Sale	06/05/09	93,100	0.83		
GFI	Sale	06/05/09	50,000	0.82		
GFI	Sale	06/05/09	50,000	0.82		
GFI	Sale	06/05/09	50,000	0.83		
GFI	Sale	06/05/09	100,000	0.82		
GFI	Sale	06/05/09	49,600	0.83		
GFI	Sale	06/05/09	400	0.83		
Telmex Trust	Sale	06/05/09	50,000	0.83		
Telmex Trust	Sale	06/05/09	20,000	0.83		
Telmex Trust	Sale	06/05/09	44,000	0.83		
Telmex Trust	Sale	06/05/09	9,000	0.83		
GFI	Purchase	06/10/09	60,000	0.81		
GFI	Purchase	06/10/09	40,000	0.81		
GFI	Purchase	06/10/09	50,000	0.81		
GFI	Purchase	06/10/09	50,000	0.81		
GFI	Purchase	06/10/09	12,000	0.80		
GFI	Purchase	06/10/09	2,000	0.80		
GFI	Purchase	06/10/09	50,000	0.80		
GFI	Purchase	06/10/09	36,000	0.80		
GFI	Purchase	06/10/09	40,000	0.80		
GFI	Purchase	06/10/09	52,800	0.80		
GFI	Purchase	06/10/09	7,200	0.80		
GFI	Purchase	06/10/09	100,000	0.80		
GFI	Purchase	06/10/09	11,800	0.80		
GFI	Purchase	06/10/09	50,000	0.80		
GFI	Purchase	06/10/09	23,700	0.80		
GFI	Purchase	06/10/09	2,000	0.80		
GFI	Purchase	06/10/09	2,000	0.80		
GFI	Purchase	06/10/09	10,500	0.80		
GFI	Purchase	06/10/09	1,000	0.80		
GFI	Purchase	06/10/09	58,500	0.80		
GFI	Purchase	06/10/09	8,000	0.80		
GFI	Purchase	06/10/09	32,500	0.80		
GFI	Purchase	06/10/09	19,500	0.80		
GFI	Purchase	06/10/09	20,000	0.80		
GFI	Purchase	06/10/09	50,000	0.80		
GFI	Purchase	06/10/09	10,500	0.80		
GFI	Purchase	06/10/09	100,000	0.80		
GFI	Purchase	06/10/09	4,500	0.80		
GFI	Purchase	06/10/09	95,500	0.80		
GFI	Purchase	06/10/09	9,900	0.80		
GFI	Purchase	06/10/09	10,600	0.80		
GFI	Purchase	06/10/09	16,300	0.81		
GFI	Purchase	06/10/09	60,000	0.81		
GFI	Purchase					
Basic before cumulative effect of change in accounting		$	1.67		$ 2.15	$ 1.34

principle				
Cumulative effect of change in accounting principle			(0.09)	
	$	1.67	$ 2.06	$ 1.34
Diluted before cumulative effect of change in accounting principle	$	1.65	$ 2.11	$ 1.31
Cumulative effect of change in accounting principle			(0.09)	
	$	1.65	$ 2.02	$ 1.31

The accompanying notes are an integral part of these consolidated financial statements.

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United States Lime & Minerals, Inc.

Consolidated Statements of Stockholders Equity
Years Ended December 31, 2007, 2006 and 2005

	Common Stock Shares Outstanding	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Treasury Stock	Total
			(Dollars in thousands)				
Balances at January 1, 2005	5,845,338	$ 584	$ 10,516	$ (363)	$ 37,486		$ 48,223
Stock options exercised, including $125 tax benefit	137,829	14	551				565
Warrants exercised	30,617	3	(3)				
Extinguishment of warrant shares repurchase obligation			1,337				1,337
Net income					7,948		7,948
Minimum pension liability adjustment, net of $54 tax benefit				(89)			(89)
Mark to market of interest rate hedge				237			237
Comprehensive income				148	7,948		8,096
Balances at December 31, 2005	6,013,784	601	12,401	(215)	45,434		58,221
Stock options exercised, including $113 tax benefit	69,200	7	238				245
Stock-based compensation			395				395
Warrants exercised	127,286	13	476				489
Net income					12,701		12,701
Minimum pension liability adjustment, net of $40 tax expense				43			43
Mark to market of interest rate hedge				399			399
Comprehensive income				442	12,701		13,143
Balances at December 31, 2006	6,210,270	621	13,510	227	58,135		72,493
	82,081	8	98				106

Stock options exercised, including $58 tax benefit							
Stock-based compensation	25,050	3	592				595
Treasury shares purchased	(1,982)					(67)	(67)
Net income					10,446		10,446
Minimum pension liability adjustment, net of $13 tax expense				22			22
Mark to market of interest rate hedge				(1,890)			(1,890)
Comprehensive (loss) income				(1,868)	10,446		8,578
Balances at December 31, 2007	6,315,419	$ 632	$ 14,200	$ (1,641)	$ 68,581	$ (67)	$ 81,705

The accompanying notes are an integral part of these consolidated financial statements

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United States Lime & Minerals, Inc.

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2007	2006	2005
	(Dollars in thousands)		
OPERATING ACTIVITIES:			
Net income	$ 10,446	$ 12,701	$ 7,948
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	12,881	10,144	8,202
Amortization of financing costs	22	23	245
Accretion of debt discount			110
Accretion of repurchase liability warrant shares			798
Deferred income taxes (benefit)	1,799	1,771	(182)
Loss on sale of property, plant and equipment	41	45	61
Stock-based compensation	595	395	
Changes in operating assets and liabilities, net of the effects of acquisition of businesses:			
Trade receivables	(208)	(1,642)	(43)
Inventories	(1,311)	(871)	(1,238)
Prepaid expenses	(242)	704	254
Other assets	(51)	192	(559)
Accounts payable and accrued expenses	865	2,274	915
Tax benefit related to exercise of stock options			125
Other liabilities	(364)	140	522
Net cash provided by operating activities	24,473	25,876	17,158
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(18,227)	(35,552)	(11,010)
Acquisitions of businesses		(1,856)	(16,932)
Proceeds from sale of property, plant and equipment	56	17	429
Net cash used in investing activities	(18,171)	(37,391)	(27,513)
FINANCING ACTIVITIES:			
(Repayments of) proceeds from revolving credit facilities, net	(605)	7,974	(7,825)
Proceeds from term loans		5,000	27,700
Repayments of term loans	(5,000)	(3,333)	(1,875)
Repayment of subordinated debt			(7,000)
Proceeds from exercise of stock options and warrants	106	734	440
Purchase of treasury shares	(67)		
Tax benefits related to exercise of stock options	58	113	
Net cash (used in) provided by financing activities	(5,508)	10,488	11,440

Net increase (decrease) in cash and cash equivalents	794	(1,027)	1,085
Cash and cash equivalents at beginning of year	285	1,312	227
Cash and cash equivalents at end of year	$ 1,079	$ 285	$ 1,312

The accompanying notes are an integral part of these consolidated financial statements.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements
(Dollars in thousands, except per share amounts)
Years Ended December 31, 2007, 2006 and 2005

(1) Summary of Significant Accounting Policies

(a) Organization

United States Lime & Minerals, Inc. (the Company) is a manufacturer of lime and limestone products, supplying primarily the construction, steel, municipal sanitation and water treatment, paper, roof shingle and agriculture industries. The Company is headquartered in Dallas, Texas and operates lime and limestone plants and distribution facilities in Arkansas, Colorado, Louisiana, Oklahoma and Texas through its wholly owned subsidiaries, Arkansas Lime Company, Colorado Lime Company, Texas Lime Company, U.S. Lime Company, U.S. Lime Company Shreveport, U.S. Lime Company St. Clair and U.S. Lime Company Transportation. In addition, the Company, through its wholly owned subsidiary, U.S. Lime Company O & G, LLC, has royalty and non-operating working interests in natural gas wells located in Johnson County, Texas, in the Barnett Shale Formation.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and judgments.

(d) Statements of Cash Flows

For purposes of reporting cash flows, the Company considers all certificates of deposit and highly-liquid debt instruments, such as U.S. Treasury bills and notes, with maturities, at the time of purchase, of three months or less to be cash equivalents. Cash equivalents are carried at cost plus accrued interest, which approximates fair market value.

Supplemental cash flow information is presented below:

	Year Ended December 31,		
	2007	2006	2005
Cash paid during the year for:			
Interest, net of capitalized amounts	$ 4,265	$ 3,048	$ 3,019
Income taxes	$ 3,893	$ 2,933	$ 852

(e) Revenue Recognition

The Company recognizes revenue for its lime and limestone operations in accordance with the terms of its purchase orders, contracts or purchase agreements, which are upon shipment, and when payment is considered probable. Revenues include external freight billed to customers with related costs in cost of revenues. The Company s returns and allowances are minimal. External freight billed to customers included in revenues was $25,411, $26,479 and $16,902 for 2007, 2006 and 2005, respectively, which approximates the amount of external freight billed to customers included in cost of revenues. Sales taxes billed to customers are not included in revenues. For its natural gas interests, the Company recognizes revenue in the month of production and delivery.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

(f) Fair Values of Financial Instruments

The carrying values of cash and cash equivalents, trade receivables, other current assets, accounts payable and accrued expenses approximate fair value due to the short maturity of these instruments. See Note 3 for discussion of debt fair values, which also approximate carrying values. The Company s interest rate hedges are carried at market value at December 31, 2007 and 2006. See Notes 1(p) and 3.

(g) Concentration of Credit Risk and Trade Receivables

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents, trade receivables and derivative financial instruments. The Company places its cash and cash equivalents with high credit quality financial institutions and its derivative financial instruments with financial institutions and other firms that management believes have high credit ratings. For a discussion of the credit risks associated with the Company s derivative financial instruments, see Derivative Instruments and Hedging Activities in Note 1(p) and Banking Facilities and Other Debt in Note 3.

The majority of the Company s trade receivables are unsecured. Payment terms for all trade receivables are based on the underlying purchase orders, contracts or purchase agreements. Credit losses relating to trade receivables consistently have been within management expectations and historical trends. Uncollected trade receivables are charged-off when identified by management to be unrecoverable. Trade receivables are presented net of the related allowance for doubtful accounts, which totaled $350 and $366 at December 31, 2007 and 2006, respectively. Additions and write-offs to the Company s allowance for doubtful accounts during the years ended December 31 are as follows:

	2007	2006
Beginning balance	$ 366	$ 312
Additions	7	83
Write-offs	(23)	(29)
Ending balance	$ 350	$ 366

(h) Inventories

Inventories are valued principally at the lower of cost, determined using the average cost method, or market. Costs for finished goods and raw materials include materials, labor and production overhead.

A summary of inventories is as follows:

	December 31,	
	2007	2006

Lime and limestone inventories:		
Raw materials	$ 3,978	$ 3,183
Finished goods	1,437	1,410
	5,415	4,593
Service parts inventories	4,472	3,983
	$ 9,887	$ 8,576

(i) Property, Plant and Equipment

For major constructed assets, the capitalized cost includes the price paid by the Company for labor and materials plus interest and internal and external project management costs that are directly related to the constructed

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

assets. Machinery and equipment at December 31, 2007 included approximately $1,793 of construction in progress for various capital projects. Total interest costs of $130, $940 and $9 were capitalized for the years ended December 31, 2007 2006 and 2005, respectively. Depreciation of property, plant and equipment is being provided for by the straight-line method over estimated useful lives as follows:

Buildings and building improvements	3 - 20 years
Machinery and equipment	3 - 20 years
Furniture and fixtures	3 - 10 years
Automotive equipment	3 - 8 years

Maintenance and repairs are charged to expense as incurred; renewals and betterments are capitalized. When units of property are retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is credited or charged to income.

The Company reviews its long-lived assets for impairment in accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS 144). SFAS 144 requires that, when events or circumstances indicate that the carrying amount of an asset may not be recoverable, the Company should determine if impairment of value exists. If the estimated undiscounted future net cash flows are less than the carrying amount of the asset, an impairment exists and an impairment loss must be calculated and recorded. If an impairment exists, the impairment loss is calculated based on the excess of the carrying amount of the asset over the asset s fair value. Any impairment loss is treated as a permanent reduction in the carrying value of the asset. Through December 31, 2007, no events or circumstances have arisen which would require the Company to record a provision for impairment of its long-lived assets.

(j) Successful-Efforts Method Used for Natural Gas Interests

The Company uses the successful-efforts method to account for oil and gas exploration and development expenditures. Under this method, drilling and completion costs for successful exploratory wells and all development well costs are capitalized and depleted using the units-of-production method. Costs to drill exploratory wells that do not find proved reserves are expensed.

(k) Asset Retirement Obligations

In accordance with the guidelines of SFAS No. 143, Accounting for Asset Retirement Obligations, the Company recognizes legal obligations for reclamation and remediation associated with the retirement of long-lived assets at their fair value at the time the obligations are incurred (AROs). Over time, the liability for AROs is recorded at its present value each period through accretion expense, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the AROs for the recorded amount or recognizes a gain or loss. As of December 31, 2007 and 2006, the Company s AROs included in other liabilities were $1,007 and $990, respectively, including $22 AROs for its Natural Gas Interests at December 31, 2007. Only $21 of assets associated with the Company s AROs are not fully depreciated. During 2007 and 2006, the Company spent $44 and $125, and recognized accretion expense of $39 and $35, respectively, on its AROs.

The AROs were estimated based on studies and the Company s process knowledge and estimates, and are discounted using an appropriate interest rate. The AROs are adjusted when further information warrants an adjustment. The Company estimates annual expenditures of approximately $100 to $200 in years 2008 through 2012 relating to its AROs.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

(l) ***Other Assets***

Other assets consist of the following:

	December 31, 2007	December 31, 2006
Intangible assets	$ 573	$ 736
Deferred financing costs	172	183
Interest rate hedges		579
	$ 745	$ 1,498

Deferred financing costs are expensed over the life of the related debt.

Intangible assets are amortized over their expected useful lives. Amortization expense for these assets totaled $203, $125 and $21 for the years ended December 31, 2007, 2006 and 2005, respectively. Accumulated amortization at December 31, 2007 and December 31, 2006 that was netted against the intangible assets was $371 and $168, respectively. The Company estimates annual amortization expense for intangibles of approximately $200 in years 2008 and 2009, and $173 in 2010.

The Company s interest rate hedges were marked to market at December 31, 2007, resulting in a liability of $1,311 that is included in other liabilities. See Note 3.

Through December 31, 2005, the Company capitalized certain stripping costs as deferred stripping costs that were included in other assets, all of which related to Arkansas Lime Company, which were attributed to reserves that had been exposed and amortized using the units-of-production method. The Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) reached a consensus that stripping costs incurred after a mine begins production are costs of production and therefore should be accounted for as a component of inventory costs (EITF Issue No. 04-6). The EITF stated the new required accounting for stripping costs would be effective for years beginning after December 15, 2005, with early adoption permitted. As a result of adopting the new standard, the Company wrote off the $740 of previously capitalized deferred stripping costs in the first quarter 2006.

(m) ***Environmental Expenditures***

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. 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 at their present value when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals will coincide with completion of a feasibility study or the Company s commitment to a formal plan of action.

In part in response to requirements of environmental regulatory agencies, the Company incurred capital expenditures related to environmental matters of approximately $1,040 in 2007 and $400 in 2006.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

(n) ***Income Per Share of Common Stock***

The following table sets forth the computation of basic and diluted income per common share:

	Year Ended December 31, 2007	2006	2005
Net income for basic and diluted income per common share	$ 10,446	$ 12,701	$ 7,948
Weighted-average shares for basic income per common share	6,259,663	6,158,543	5,926,984
Effect of dilutive securities:			
Warrants			28,358
Restricted shares of stock	14,625		
Employee stock options(1)	58,414	126,368	128,726
Adjusted weighted-average shares and assumed exercises for diluted income per common share	6,332,702	6,284,911	6,084,068
Basic net income per common share	$ 1.67	$ 2.06	$ 1.34
Diluted net income per common share	$ 1.65	2.02	$ 1.31

(1) Excludes 10,000, 8,000 and 2,500 employee stock options in 2007, 2006 and 2005, respectively, because they were antidilutive.

(o) ***Stock-Based Compensation***

On December 16, 2004, the FASB issued SFAS No. 123(R), Share-Based Payment (SFAS 123(R)), which is a revision of SFAS 123, Accounting for Stock-Based Compensation (SFAS 123). SFAS 123(R) supersedes Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25), and amends SFAS No. 95, Statement of Cash Flows. Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the Company s Consolidated Statements of Income based on their fair values. Pro forma disclosures are no longer an alternative.

The Company adopted the provisions of SFAS 123(R) on January 1, 2006 using the modified prospective method in which compensation cost is recognized beginning with the effective date based on the requirements of SFAS 123(R) for all share-based awards granted after the adoption date and based on the requirements of SFAS 123 for all awards granted to employees prior to the effective date of SFAS 123(R) that remain unvested on the adoption date.

Prior to 2006, the Company elected to follow APB 25 in accounting for its employee and director stock options. Under APB 25, generally if the exercise price of the employee s or director s stock option equals or exceeds the market price of the underlying stock on the date of grant, no compensation expense is recognized.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

The following table illustrates the effect on net income and net income per share of common stock for 2005 as if the Company had applied the fair value recognition provisions of SFAS 123 instead of APB 25 s intrinsic value method to account for stock-based employee and director compensation:

	Year Ended December 31, 2005
Net income as reported	$ 7,948
Pro forma stock-based employee and director compensation expense, net of income taxes, under the fair value method	(466)
Pro forma net income	$ 7,482
Basic net income per common share, as reported	$ 1.34
Diluted net income per common share, as reported	$ 1.31
Pro forma basic net income per common share	$ 1.26
Pro forma diluted net income per common share	$ 1.23

The fair value for these options was estimated at the date of grant using a lattice-based option valuation model, with the following weighted average assumptions for the 2005 grants: risk-free interest rates of 3.39% to 4.39%; a dividend yield of 0%; and a volatility factor of .472 to .610. In addition, the fair value of these options was estimated based on an expected life of three years.

(p) ***Derivative Instruments and Hedging Activities***

The Company follows SFAS No. 133 Accounting for Derivative Instruments and Hedging Activities, as amended (SFAS 133), which requires that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. SFAS 133 requires that changes in the derivative s fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company estimates fair value based on quotes obtained from the counterparties to the derivative contract. The fair value of derivative contracts that expire in less than one year are recognized as current assets or liabilities. Those that expire in more than one year are recognized as long-term assets or liabilities. Derivative financial instruments that are not accounted for as hedges are adjusted to fair value through income. If the derivative is designated as a cash flow hedge, changes in fair value are recognized in other comprehensive income (loss) until the hedged item is recognized in earnings. See Note 3.

(q) ***Income Taxes***

The Company utilizes the asset and liability approach in its reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount more likely than not to be realized. Income tax related interest and penalties are included in income tax expense.

In July 2006, the FASB issued FASB Interpretation 48, Accounting for Uncertainty in Income Taxes: an interpretation of FASB Statement No. 109 (FIN 48). FIN 48, which clarifies SFAS No. 109, Accounting for Income Taxes (SFAS 109), establishes the criterion that an individual tax position has to meet for some or all of the benefits of that position to be recognized in the Company s financial statements. On initial application, FIN 48 applied to all tax positions for which the statute of limitations remains open. Only tax positions that meet the more-likely-than-not recognition threshold at the adoption date will be recognized or continue to be recognized. FIN 48 is effective for fiscal years beginning after December 15, 2006, and was adopted by the Company on January 1, 2007. The adoption of FIN 48 had no effect on the Company s financial statements.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

(r) Comprehensive (Loss) Income

The Company follows SFAS No. 130, Reporting Comprehensive Income (SFAS 130), which provides standards for reporting and displaying comprehensive (loss) income. See Notes 3, 4 and 6.

(2) New Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (SFAS 157). SFAS 157 creates a single definition of fair value, along with a conceptual framework to measure fair value. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 will require the Company to apply valuation techniques that (1) place greater reliance on observable inputs and less reliance on unobservable inputs and (2) are consistent with the market approach, the income approach, and/or the cost approach. SFAS 157 will also require the Company to include enhanced disclosures of fair value measurements in its financial statements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods that fall within those fiscal years. SFAS 157 was adopted by the Company on January 1, 2008 and will have no effect on the Company s financial statements.

In September 2006, the FASB issued SFAS No. 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans: an amendment of FASB Statements No. 87, 88, 106, and 132(R) (SFAS 158). SFAS 158 requires the Company to recognize the funded status of its defined benefit postretirement plan in the Company s statement of financial position. SFAS 158 does not change the accounting for the Company s defined contribution plan. Effective for fiscal years ending after December 15, 2008, SFAS 158 also removes the existing option to use a plan measurement date that is up to 90 days prior to the date of the statement of financial position. SFAS No. 158 should not have a material effect on the Company s accounting for its defined pension plan.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115 (SFAS 159), which allows measurement at fair value of eligible financial assets and liabilities that are not otherwise measured at fair value. If the fair value option for an eligible item is elected, unrealized gains and losses for that item shall be reported in current earnings at each subsequent reporting date. SFAS 159 also establishes presentation and disclosure requirements designed to draw comparison between the different measurement attributes the Company elects for similar types of assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. Early adoption is permitted. SFAS 159 was adopted by the Company on January 1, 2008 and will have no effect on the Company s financial statements.

(3) Banking Facilities and Other Debt

On October 19, 2005, the Company entered into an amendment to its credit agreement (the 2005 Amendment) with a bank (the Lender) primarily to increase the loan commitments and extend the maturity dates. As a result of the 2005 Amendment, the Company s credit agreement now includes a ten-year $40,000 term loan (the New Term Loan), a ten-year $20,000 multiple draw term loan (the Draw Term Loan) and a five-year $30,000 revolving credit facility (the New Revolving Facility) (collectively, the New Credit Facilities). The proceeds from the New Term Loan were used primarily to repay the outstanding balances on the term loan and revolving credit facility under the credit agreement prior to the Amendment. In December 2005, the Company drew down $15,000 on the Draw Term Loan primarily to acquire U.S. Lime Company St. Clair. The Company drew down the remaining $5,000 in the second quarter 2006, which was primarily used to pay construction costs of the third kiln at the Company s Arkansas plant. The Company had $252 worth of letters of credit issued and $7,370 outstanding on the New Revolving Facility at December 31, 2007.

The New Term Loan requires quarterly principal payments of $833, which began on March 31, 2006, equating to a 12-year amortization, with a final principal payment of $7,500 due on December 31, 2015. The Draw Term

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

Loan requires quarterly principal payments of $417, based on a 12-year amortization, beginning March 31, 2007, with a final principal payment on December 31, 2015 equal to any remaining principal then-outstanding. The New Revolving Facility is scheduled to mature on October 20, 2010. The maturity of the New Term Loan, the Draw Term Loan and the New Revolving Facility can be accelerated if any event of default, as defined under the New Credit Facilities, occurs.

As of March 31, 2007, the Company entered into a further amendment of its New Credit Facilities (the 2007 Amendment), primarily to reduce the interest rate margin under the Credit Facilities and to extend the maturity date of the Revolving Facility. The Credit Facilities now bear interest, at the Company s option, at either LIBOR plus a margin of 1.125% (previously 1.25%) to 2.125% (previously 2.50%), or the Lender s Prime Rate plus a margin of minus 0.625% (previously minus 0.50%) to plus 0.375% (previously plus 0.50%). The margins are determined quarterly in accordance with a pricing grid based upon the ratio of the Company s total funded senior indebtedness to earnings before interest, taxes, depreciation, depletion and amortization (EBITDA) for the 12 months ended on the last day of the most recent calendar quarter. The pricing grid was also revised in the Company s favor by the 2007 Amendment. As of April 2, 2007, the LIBOR margin was reduced to 1.375% (previously 1.75%), and the Lender s Prime Rate margin was reduced to minus 0.375% (previously 0.0%). The 2007 Amendment also extended the maturity date of the Revolving Facility to April 2, 2012.

Through a hedge, the Company has fixed LIBOR at 4.695% on the $40,000 New Term Loan for the period December 30, 2005 through its maturity date, resulting in an interest rate of 6.07% based on the current LIBOR margin of 1.375%. Effective December 30, 2005, the Company also entered into a hedge that fixes LIBOR at 4.875% on the $15,000 then-outstanding on the Draw Term Loan through its maturity date, resulting in an interest rate of 6.25% based on the current LIBOR margin of 1.375%. Effective June 30, 2006, the Company entered into a third hedge that fixes LIBOR at 5.50% on the remaining $5,000 of the Draw Term Loan through its maturity date, resulting in an interest rate of 6.875% based on the current LIBOR margin of 1.375%. The Company designated all of the hedges as cash flow hedges, and as such, changes in their fair market value will be included in other comprehensive income (loss). The hedges have been effective. The Company will be exposed to credit losses in the event of non-performance by the counterparty to the hedges. The Company marked its interest rate hedges to market at December 31, 2007, resulting in a liability of $1.3 million due to interest rate declines, that is included in other liabilities on the Company s December 31, 2007 balance sheet. At December 31, 2006, other assets on the Company s balance sheet included $579 as a result of marking the hedges to market at that date. The Company received $290 and $314 in quarterly settlement payments pursuant to its hedges during 2007 and 2006, respectively.

On August 25, 2004, the Company entered into a credit agreement with the Lender that, prior to the 2005 Amendment, included a five-year $30,000 term loan (the Term Loan) and a three-year $30,000 revolving credit facility (the Revolving Credit Facility) (collectively, the Credit Facilities). Pursuant to a security agreement, also dated August 25, 2004 (the Security Agreement), the Credit Facilities were, and the New Credit Facilities are, secured by the Company s existing and hereafter acquired tangible assets, intangible assets and real property.

The Credit Facilities bore interest at rates determined under the same provisions as described above for the New Credit Facilities. In conjunction with the Credit Facilities, the Company entered into a hedge to fix LIBOR for the Term Loan at 3.87% on $25,000 for the period September 1, 2004 through the maturity date, and on the remaining principal balance of approximately $4,700 for the period December 31, 2004 through the maturity date, resulting in an interest rate of 5.62% for the Term Loan based on the then-existing margin of 1.75%. The hedges were designated as cash flow hedges, and as such, changes in their fair market value were included in other comprehensive income (loss).

The New Credit Facilities and Security Agreement contain, as did the Credit Facilities, covenants that restrict the incurrence of debt, guarantees and liens and place restrictions on investments and the sale of significant assets. The Company is also required to meet a minimum debt service coverage ratio and not exceed specified leverage ratios. The New Credit Facilities provide that the Company may pay annual dividends, not to exceed $1,500, so long

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

as after such payment, the Company remains solvent and the payment does not cause or result in any default or event of default as defined under the New Credit Facilities.

On August 5, 2003, the Company sold $14,000 of subordinated notes (the Sub Notes) in a private placement to three accredited investors, one of which is an affiliate of Inberdon Enterprises Ltd. (Inberdon), the Company s majority shareholder, and another of which is an affiliate of Robert S. Beall, who owns approximately 11% of the Company s outstanding shares. In August 2005, the final $7,000 principal outstanding amount of Sub Notes was repaid along with a $280 prepayment penalty.

The private placement also included six-year detachable warrants, providing the Sub Note investors the right to purchase an aggregate of 162,000 shares of the Company s common stock at 110% of the average closing price of one share of common stock for the trailing 30 trading days prior to closing or $3.84. The fair value of the warrants was recorded as a reduction of the carrying value of the Sub Notes and was accreted over the term of the Sub Notes, resulting in an effective annual interest rate of 14.44%. After August 5, 2008, or upon an earlier change in control, the investors could have required the Company to repurchase any or all shares acquired through exercise of the warrants (the Warrant Shares). The repurchase price for each Warrant Share was equal to the average closing price of one share of the Company s common stock for the 30 trading days preceding the date the Warrant Shares were put back to the Company. The investors are also entitled to certain registration rights for the resale of their Warrant Shares.

Effective August 31, 2005, the holders of the warrants agreed to waive their Warrant Share put rights. The Company s Warrant Share put liability was $1,337 as of August 31, 2005, which was eliminated by the waivers. Pursuant to accounting requirements, the Company increased stockholders equity by the $1,337, which represented non-cash charges to interest expense previously expensed by the Company, including a $798 charge to interest expense in the first eight months 2005. As a result of this waiver, the Company no longer has any liability to repurchase any Warrant Shares and will have no further charges or credits to interest expense for fluctuations in the price of the Company s common stock related to the Warrant Shares.

All of the warrants have been exercised as follows:

a) In October 2005, R.S. Beall Capital Partners L.P., the affiliate of Mr. Beall, exercised its warrant for 34,714 shares of common stock pursuant to the cashless exercise option. The average market value of a share of common stock for the most recent 30 trading days on the exercise date was $32.541, resulting in the issuance of 30,617 shares of common stock.

b) In February 2006, Credit Trust S.A.L. (Credit Trust), the affiliate of Inberdon, exercised for cash its warrant to acquire 63,643 shares of common stock. The exercise price was $3.84 per share of common stock, and Credit Trust paid the Company $244. The Company issued 63,643 shares of common stock to Credit Trust.

c) In February 2006, ABB Finance Inc. exercised for cash its warrant to acquire 63,643 shares of common stock. The exercise price was $3.84 per share of common stock, and ABB Finance Inc. paid the Company $244. The Company issued 63,643 shares of common stock to ABB Finance Inc.

A summary of outstanding debt at the dates indicated is as follows:

	December 31, 2007	December 31, 2006
Term Loan	$ 33,333	$ 36,667
Draw Term Loan	18,334	20,000
Revolving Credit Facility	7,370	7,974
Subtotal	59,037	64,641
Less current installments	5,000	5,000
Debt, excluding current installments	$ 54,037	$ 59,641

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

As the Company s debt instruments bear interest at floating rates, the Company estimates the carrying value of these debt instruments at December 31, 2007 and 2006 approximates fair value.

Principal amounts payable on the Company s long-term debt outstanding as of December 31, 2007 are as follows:

Total	2008	2009	2010	2011	2012	Thereafter
$59,037	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 12,370	$ 26,667

(4) Accumulated Other Comprehensive (Loss) Income

The ($1,641) and $227 accumulated other comprehensive (loss) income at December 31, 2007 and 2006, respectively, included ($1,311) and $579, respectively, for the mark-to-market adjustment for the Company s interest rate hedges, and ($330) and ($352), respectively, for unfunded projected benefit obligations for the Company s defined benefit pension plan. See Notes 1(p), 3 and 6.

(5) Income Taxes

Income tax expense for the years ended December 31 is as follows:

	2007	2006	2005
Current income tax expense	$ 2,087	$ 3,066	$ 1,952
Deferred income tax expense (benefit)	1,806	1,823	(128)
Income tax expense	$ 3,893	$ 4,889	$ 1,824

A reconciliation of income taxes computed at the federal statutory rate to income tax expense, for the years ended December 31 is as follows:

	2007		2006		2005	
	Amount	Percent of pretax income	Amount	Percent of pretax income	Amount	Percent of pretax income
Income taxes computed at the federal statutory rate	$ 5,019	35.0%	$ 6,090	35.0%	$ 3,322	34.0%
(Reduction) increase in taxes resulting from:						

Statutory depletion in excess of cost depletion	(1,538)	(10.7)	(1,556)	(8.9)	(1,053)	(10.8)
Income tax benefit on cumulative effect of change in accounting principle			190	1.4		
Stock-based compensation			138	0.8		
State income taxes, net of federal income tax benefit	309	2.1	117	0.7	92	1.0
Recognition of previously reserved deferred tax assets			(97)	(0.6)	(1,002)	(10.3)
Interest expense for warrant share put liability					343	3.5
Other	103	0.7	7	0.0	122	1.3
Income tax expense	$ 3,893	27.1%	$ 4,889	28.4%	$ 1,824	18.7%

Generally, the provisions of SFAS 109 require deferred tax assets to be reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. SFAS 109 requires an assessment of all available evidence, both positive and negative, to determine the amount of any required valuation allowance.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

A summary of the Company s deferred tax liabilities and assets is as follows:

	December 31, 2007	December 31, 2006
Deferred tax liabilities		
Lime and limestone property, plant & equipment	$ 9,195	$ 7,384
Natural gas interests drilling costs & equipment	2,018	969
Other	180	114
	11,393	8,467
Deferred tax assets		
Alternative minimum tax credit carryforwards	(7,356)	(6,358)
Minimum pension liability	(190)	(202)
Other	(567)	(426)
	(8,113)	(6,986)
Deferred tax liabilities, net	$ 3,280	$ 1,481

The Company had no federal net operating loss (NOL) carryforwards at December 31, 2007. The Company had state NOL carryforwards of approximately $1,877 at December 31, 2007, with the earliest expiring in 2008. At December 31, 2007, the Company had determined that, because of its recent income history and expectations of income in the future, its deferred tax assets were fully realizable.

(6) Employee Retirement Plans

The Company has a noncontributory defined benefit pension plan (the Corson Plan) that covers substantially all union employees previously employed by its wholly-owned subsidiary, Corson Lime Company. In 1997, the Company sold substantially all of the assets of Corson Lime Company, and all benefits for participants in the Corson Plan were frozen. During 1997 and 1998, the Company made contributions to the Corson Plan that were intended to fully fund the benefits earned by the participants. The Company made no contributions to the Corson Plan from 1999 through 2002. In previous years, significant declines in the financial markets had unfavorably impacted plan asset values, resulting in an unfunded projected benefit obligation of $134 and $366 at December 31, 2007 and 2006, respectively. As a result, the Company made contributions of $230 and $28 to the Corson Plan in 2007 and 2006, respectively, and recorded other comprehensive income of $22, net of $13 tax expense, and $43, net of $40 tax expense, for the years ended December 31, 2007 and 2006, respectively. The Company does not anticipate making a contribution to the Corson Plan in 2008.

In consultation with the investment advisor for the Corson Plan, the administrative committee, consisting of management employees appointed by the Company s Board of Directors, establishes the investment objective for the Corson Plan s assets. The investment advisor makes all specific investment decisions. The Company estimates that the average future long-term rate of return for the Corson Plan assets to be 7.75% based on an asset allocation policy of 50% to 70% to common equities, with the remainder allocated to fixed income securities. The Company s long-term rate of return estimate is based on past performance of equity and fixed income securities and the Corson Plan s asset allocations.

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

The following table sets forth the asset allocation for the Corson Plan at November 30 (measurement date):

	2007	**2006**
Equity securities and funds	55.4%	59.8%
Institutional bond funds	37.0	36.3
Cash and cash equivalents	7.6	3.9
	100.0%	100.0%

The following table sets forth the funded status of the Corson Plan accrued pension benefits at November 30 (measurement date):

	2007	**2006**
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 1,757	$ 1,815
Interest cost	97	101
Actuarial gain on plan assets	(10)	(3)
Benefits paid	(115)	(156)
Projected benefit obligation at end of year	$ 1,729	$ 1,757
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 1,391	$ 1,388
Employer contribution	230	28
Actual gain on plan assets	89	131
Benefits paid	(115)	(156)
Fair value of plan assets at end of year	$ 1,595	$ 1,391
Underfunded status	$ (134)	$ (366)
Accumulated benefit obligation	$ 1,729	$ 1,757

The net liability recognized in the consolidated balance sheets at December 31 consists of the following:

	2007	**2006**

Accrued benefit cost	$ 134	$ 366

The weighted average assumptions used in the measurement of the Corson Plan benefit obligation at November 30 are as follows:

	2007	**2006**
Discount rate	5.75%	5.75%
Expected long-term return on plan assets	7.75%	7.75%

The following table provides the components of the Corson Plan net periodic benefit cost:

	Year Ended December 31,		
	2007	**2006**	**2005**
Interest cost	$ 97	$ 101	$ 102
Expected return on plan assets	(114)	(104)	(114)
Amortization of net actuarial loss	50	53	44
Net periodic benefit cost	$ 33	$ 50	$ 32

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

The Company expects benefit payments of $116 in 2008, $112 in 2009, $119 in 2010, $119 in 2011, $119 in 2012 and $525 for years 2013-2016.

The Company has a contributory retirement (401(k)) savings plan for nonunion employees. Company contributions to the plan were $86 during 2007, $89 during 2006 and $70 during 2005. The Company also has contributory retirement (401(k)) savings plans for union employees of Arkansas Lime Company and Texas Lime Company. The Company contributions to these plans were $56 in 2007, $46 in 2006 and $45 in 2005.

(7) Stock-Based Compensation

On April 27, 2001, the Company implemented the 2001 Long-Term Incentive Plan (the 2001 Plan) that replaced the 1992 Stock Option Plan, as Amended and Restated (the 1992 Plan). In addition to stock options, the 2001 Plan, unlike the 1992 Plan, provides for the grant of stock appreciation rights, restricted stock, deferred stock and other stock-based awards to officers and employees. The 2001 Plan also makes directors and consultants eligible for grants of stock options and other awards. The 1992 Plan only provided for grants to key employees. As a result of the adoption of the 2001 Plan, no further grants will be made under the 1992 Plan, but the terms of the 1992 Plan will continue to govern options that remain outstanding under the 1992 Plan.

The number of shares of common stock that may be subject to outstanding awards granted under the 2001 Plan (determined immediately after the grant of any award) may not exceed 475,000. In addition, no individual may receive awards in any one calendar year relating to more than 100,000 shares of common stock. The options under both the 2001 Plan and 1992 Plan expire ten years from the date of grant and generally become exercisable, or vest, over a period of zero to three years from the grant date.

Effective January 1, 2006, the Company adopted the provisions of SFAS 123(R), and selected the modified prospective method to initially report stock-based compensation amounts in the consolidated financial statements. The financial information presented for 2005 does not reflect any restatement with respect to stock-based compensation. Under the modified prospective method, compensation cost is recognized ratably over the vesting period beginning with the effective date based on the requirements of SFAS 123(R) for all stock-based awards granted after the adoption date and for all awards granted prior to the effective date of SFAS 123(R) that were unvested on the adoption date. Upon the exercise of stock options, the Company issues common stock from its non-issued authorized shares that have been reserved for issuance pursuant to the 2001 Plan and the 1992 Plan.

During 2006, the Company began issuing shares of restricted stock in addition to stock options from its non-issued authorized shares that have been reserved for issuance pursuant to the 2001 Plan. The restricted stock will vest over periods of one-half to five years.

As of December 31, 2007, the number of shares of common stock remaining available for future grant as either stock options or restricted stock under the 2001 Plan was 82,700.

For 2007, the Company recorded $595 for stock-based compensation expense related to stock options and shares of restricted stock. This amount is recorded in cost of revenues ($88) and selling, general and administrative expense ($507). Prior to January 1, 2006, the Company accounted for stock-based payments using the intrinsic value method prescribed by APB 25 and related interpretations. As such, the Company did not recognize compensation expense associated with stock options in 2005.

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

A summary of the Company s stock option and restricted stock activity and related information for the year ended December 31, 2007 and certain other information for the years ended December 31, 2007, 2006 and 2005 is as follows:

	Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Restricted Stock	Weighted Average Grant-Date Fair Value
Outstanding at December 31, 2006	234,117	$ 14.62	$ 4,298	7,500	$ 30.15
Granted	9,500	31.53		17,550	31.03
Exercised (options); vested (restricted stock)	(104,544)	8.53	2,868	(9,600)	31.42
Forfeited	(4,500)	14.92			
Outstanding (options); non-vested (restricted stock) at December 31, 2007	134,573	$ 23.30	$ 1,373	15,450	$ 30.37
Exercisable at December 31, 2007	109,963	$ 19.86	$ 1,153	n/a	n/a

	2007	2006	2005
Weighted average fair value of Options granted during the year	$ 11.28	$ 12.65	$ 8.42
Weighted average remaining contractual life in years	7.49	7.02	7.36
Total value of stock options vested during the year	$ 194	$ 318	$ 477
Total intrinsic value of stock options exercised during the year	$ 2,868	$ 2,200	$ 1,861
Total fair value of restricted stock vested during the year	$ 302		

The total compensation cost not yet recognized for non-vested options at December 31, 2007 was approximately $88, which will be recognized over the weighted average of 1.08 years. The total compensation cost not yet recognized for restricted stock at December 31, 2007 was approximately $395, which will be recognized over the weighted average of 1.81 years.

The following table summarizes information about stock options outstanding at December 31, 2007:

	Outstanding	Exercisable

Range of Exercise Prices	Weighted Avg. Remaining Contractual Life (Yrs.) Outstanding	Exercisable	Number of Shares		Weighted Avg. Exercise Price	Number of Shares		Weighted Avg. Exercise Price
$ 3.26 - 3.85	5.18	5.18	6,000	$	3.65	6,000	$	3.65
$ 7.00 - 8.56	5.89	5.89	28,157	$	8.49	28,157	$	8.49
$13.16 - 13.31	7.13	7.15	25,166	$	13.18	18,166	$	13.19
$26.47 - 35.95	8.39	8.49	75,250	$	28.84	57,640	$	29.20
	7.49	7.42	134,573	$	23.30	109,963	$	19.86

The fair value for the options was estimated at the date of grant using a lattice-based option valuation model, with the following weighted average assumptions for the 2007, 2006 and 2005 grants: risk-free interest rates of 3.35% to 4.60% in 2007, 4.64% to 4.89% in 2006, and 3.39% to 4.39% in 2005; a dividend yield of 0%; and a volatility factor of .476 to .497 in 2007, .455 to .608 in 2006, and .472 to .610 in 2005. In addition, the fair value of these options was estimated based on an expected life of three years. The fair value of restricted stock is based on the closing per share trading price of the Company s common stock on the date of issuance.

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

(8) Commitments and Contingencies

The Company leases some of the equipment used in its operations under operating leases. Generally, the leases are for periods varying from one to five years and are renewable at the option of the Company. The Company also has a lease for corporate office space. Total lease and rent expense was $1,804 for 2007, $1,970 for 2006, and $733 for 2005. As of December 31, 2007, future minimum payments under operating leases that were either noncancelable or subject to significant penalty upon cancellation were $2,131 for 2008, $1,947 for 2009, $1,425 for 2010, $791 for 2011, $356 for 2012, and $846 thereafter.

The Company is party to lawsuits and claims arising in the normal course of business, none of which, in the opinion of management, is expected to have a material adverse effect on the Company s financial condition, results of operation, cash flows or competitive position.

The Company is not contractually committed to any planned capital expenditures until actual orders are placed for equipment or services. At December 31, 2007, the Company had approximately $2,500 for an open contract stripping order related to the quarry expansion at the Company s Arkansas facilities and approximately $588 in accounts payable and accrued expenses related to capital expenditures incurred late in the year. At December 31, 2006, the Company had approximately $2,100 for open equipment and construction orders related to the third kiln project at Arkansas and approximately $3,748 included in accounts payable and accrued expenses related to capital expenditures incurred late in the year.

(9) Business Segments

Beginning in 2006, the Company has identified two business segments based on the distinctness of their activities: lime and limestone operations and natural gas interests. Prior to 2006, the Company reported no revenues from its natural gas interests. All operations are in the United States. In evaluating the operating results of the Company s segments, management primarily reviews revenues and gross profit. The Company does not allocate corporate overhead or interest costs to its business segments.

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

Operating results and certain other financial data for the years ended December 31, 2007 and 2006 for the Company s two business segments are as follows:

	2007	2006
Revenues		
Lime and limestone operations	$ 116,569	$ 114,113
Natural gas interests	8,667	4,577
Total revenues	$ 125,236	$ 118,690
Depreciation, depletion and amortization		
Lime and limestone operations	$ 11,522	$ 9,443
Natural gas interests	942	327
Total depreciation, depletion and amortization	$ 12,464	$ 9,770
Gross profit		
Lime and limestone operations	$ 19,952	$ 24,512
Natural gas interests	6,064	3,525
Total gross profit	$ 26,016	$ 28,037
Identifiable assets, at year end		
Lime and limestone operations	$ 147,443	$ 146,912
Natural gas interests	8,087	3,990
Unallocated corporate assets and cash items	2,697	3,266
Total identifiable assets	$ 158,227	$ 154,168
Capital expenditures		
Lime and limestone operations	$ 13,809	$ 34,266
Natural gas interests	4,418	3,142
Total capital expenditures	$ 18,227	$ 37,408

(10) Acquisitions

In June 2006, the Company acquired the assets of a lime slurry operation in the Dallas-Ft. Worth Metroplex for approximately $1,644 to expand its lime slurry operations. Prior to the acquisition, the Company s only slurry facilities were located in Houston, Texas.

On December 28, 2005, the Company acquired all of the issued and outstanding capital stock of O-N Minerals (St. Clair) Company (St. Clair) from a wholly-owned subsidiary of Oglebay Norton Company for $14,000 in cash, plus transaction costs. The purchase price was subject to a working capital adjustment of $821. The Company funded the St. Clair purchase with a $15,000 advance from its ten-year $20,000 Draw Term Loan. The Company acquired St. Clair to increase its lime and limestone operations and for anticipated synergistic benefits with its Texas and Arkansas facilities to expand its market reach and better serve its customers.

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

The purchase price for St. Clair, including transaction costs, was $13,502 as follows:

Cash	$ 14,000
Working capital adjustment	(821)
Transaction costs	323
Total purchase price to be allocated	$ 13,502

Using the purchase method of accounting for business combinations, the St. Clair purchase price was allocated first to the fair values of current assets acquired and liabilities assumed, with the remainder of the purchase price allocated to long-lived assets on the basis of their relative fair values as follows:

Current assets, including accounts receivable and inventories	$ 3,259
Property, plant and equipment	11,632
Current liabilities, including accounts payable and accrued expenses	(771)
Reclamation liability (ARO)	(618)
Total purchase price allocated	$ 13,502

In September 2005, the Company acquired the assets of a new limestone grinding and bagging facility located on approximately three and one-half acres of land in Delta, Colorado for approximately $2,821 to expand its Colorado business of processing mine safety dust used in coal mining operations.

(11) Supplementary Financial Information for Oil and Gas Producing Activities

Results of Operations from Oil and Gas Producing Activities

The Company s natural gas interests consist of royalty and working interests in wells being drilled on the Company s approximately 3,800 acres of land located in Johnson County, Texas in the Barnett Shale Formation. The Company also has royalty and working interests in wells to be drilled from drillsites on the Company s property under a lease covering approximately 538 acres of land contiguous to the Company s Johnson County, Texas property. The following sets forth certain information with respect to the Company s results of operations and costs incurred from its natural gas interests for the years ended December 31, 2007 and 2006:

	2007	**2006**
Results of Operations		
Revenues	$ 8,667	$ 4,577
Production and operating costs	1,661	725

Depreciation and depletion	942	327
Results of operations before income taxes	6,064	3,525
Income tax expense	1,773	1,101
Results of operations (excluding corporate overhead and interest costs)	$ 4,291	$ 2,424
Costs Incurred		
Development costs incurred	$ 4,039	$ 3,422
Exploration costs		
Capitalized asset retirement costs	$ 21	$ 9
Property acquisition costs		

United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

	2007	2006
Capitalized Costs as of December 31,		
Natural gas properties proved	$ 7,813	$ 3,774
Less: accumulated depreciation and depletion	1,269	327
Net capitalized costs for natural gas properties	$ 6,544	$ 3,447

The independent petroleum engineering firm of DeGolyer and MacNaughton has been retained by the Company to estimate its proved natural gas reserves as of December 31, 2007. Although additional wells have been drilled or are being drilled, based on engineering studies available to date no events have occurred since December 31, 2007 that would have a material effect on the estimated proved reserves.

In accordance with SFAS No. 69, Disclosures About Oil and Gas Producing Activities, and Securities and Exchange Commission (SEC) rules and regulations, the following information is presented with regard to the gas reserves, all of which are proved and located in the United States. These rules require inclusion, as a supplement to the basic financial statements, of a standardized measure of discounted future net cash flows relating to proved gas reserves. The standardized measure, in management s opinion, should be examined with caution. The basis for these disclosures are independent petroleum engineers reserve studies, which contain imprecise estimates of quantities and rates of production of reserves. Revision of estimates can have a significant impact on the results. Also, development and production improvement costs in one year may significantly change previous estimates of proved reserves and their valuation. Values of unproved properties and anticipated future price and cost increases or decreases are not considered. Therefore, the standardized measure is not necessarily a best estimate of the fair value of gas properties or of future net cash flows.

The following summaries of changes in reserves and standardized measure of discounted future net cash flows were prepared from estimates of proved reserves developed by independent petroleum engineers. The production volumes and reserve volumes shown for properties are wellhead volumes, which may differ from sales volumes shown in Management s Discussion and Analysis of Financial Condition and Results of Operations because of fuel, shrinkage and pipeline loss. The Standardized Measure of Discounted Future Net Cash Flows reflects adjustments for such fuel, shrinkage and pipeline loss.

In calculating the future net cash flows for its royalty and working interests in the table below, the Company applied current prices of natural gas (average of $7.68 per MCF at December 31, 2007 and $6.48 per MCF at December 31, 2006) to the expected future production of such reserves, less estimated future expenditures (based on current costs) to be incurred in developing and producing them.

Unaudited Summary of Changes in Proved Reserves

	Natural Gas (BCF)	Natural Gas (BCF)

	2007	2006
Proved reserves beginning of year	7.9	
Revisions of previous estimates	0.2	
Extensions and discoveries	11.0	8.5
Production	(1.1)	(.6)
Proved reserves end of year	18.0	7.9
Proved developed reserves end of year	9.7	5.4

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

Unaudited Standardized Measure of Discounted Future Net Cash Flows

	2007	2006
Future estimated gross revenues	$ 137,848	$ 51,018
Future estimated production and development costs	(33,921)	(14,765)
Future estimated net revenues	103,927	36,253
Future estimated income tax expense	(30,320)	(10,718)
Future estimated net cash flows	73,607	25,535
10% annual discount for estimated timing of cash flows	(39,577)	(12,921)
Standardized measure of discounted future estimated net cash flows	$ 34,030	$ 12,614

Unaudited Changes in Standardized Measure of Discounted Future Net Cash Flows

	2007	2006
Standardized measure beginning of year	$ 12,614	$
Net change in sales prices and production costs	5,584	
Sales of natural gas produced, net of production costs	(5,649)	(3,852)
Extensions and discoveries, net of related costs	31,590	18,445
Future development costs	(4,373)	(1,979)
Net change due to changes in quantity estimates	600	
Previously estimated development costs incurred	3,523	
Net change in income taxes	(8,724)	
Accretion of discount	1,561	
Timing of production of reserves and other	(2,696)	
Standardized measure end of year	$ 34,030	$ 12,614

(12) <u>Summary of Quarterly Financial Data (unaudited)</u>

			2007	
	March 31,	**June 30,**	**September 30,**	**December 31,**
Revenues				
Lime and limestone operations	$ 27,607	$ 29,822	$ 31,074	$ 28,066

Natural gas interests	1,833	2,387	1,871	2,576
	$ 29,440	$ 32,209	$ 32,945	$ 30,642
Gross profit				
Lime and limestone operations	$ 4,268	$ 5,610	$ 5,950	$ 4,124
Natural gas interests	1,354	1,583	1,321	1,806
	$ 5,622	$ 7,193	$ 7,271	$ 5,930
Net income	$ 2,059	$ 3,167	$ 3,182	$ 2,038
Basic income per common share	$ 0.33	$ 0.51	$ 0.51	$ 0.32
Diluted income per common share	$ 0.33	$ 0.50	$ 0.50	$ 0.32

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United States Lime & Minerals, Inc.

Notes to Consolidated Financial Statements (Continued)

	2006			
	March 31,	**June 30,**	**September 30,**	**December 31,**
Revenues				
Lime and limestone operations	$ 27,719	$ 30,824	$ 30,483	$ 25,087
Natural gas interests	578	1,110	1,225	1,664
	$ 28,297	$ 31,934	$ 31,708	$ 26,751
Gross profit				
Lime and limestone operations	$ 5,892	$ 7,571	$ 6,990	$ 4,059
Natural gas interests	504	830	873	1,318
	$ 6,396	$ 8,401	$ 7,863	$ 5,377
Net income	$ 2,297(1)	$ 4,343	$ 3,906	$ 2,155
Basic income per common share	$ 0.38	$ 0.70	$ 0.63	$ 0.35
Diluted income per common share	$ 0.37	$ 0.69	$ 0.63	$ 0.34

(1) Net income for the quarter ended March 31, 2006 includes a $550 charge for cumulative effect of change in accounting principle, net of $190 income tax benefit.

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ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.*

None

ITEM 9A(T). *CONTROLS AND PROCEDURES.*

Evaluation of disclosure controls and procedures. The Company s management, with the participation of the Company s Chief Executive Officer (CEO) and Chief Financial Officer (CFO), evaluated the effectiveness of the Company s disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the CEO and CFO that concluded the Company s disclosure controls and procedures as of the end of the period covered by this report were effective.

MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company s internal control over financial reporting is a process designed under the supervision of the Company s CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company s financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurances with respect to financial statement preparation and presentation. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As of December 31, 2007, management assessed the effectiveness of the Company s internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Based on the assessment, management determined that the Company maintained effective internal control over financial reporting as of December 31, 2007, based on the COSCO criteria.

This annual report does not include an attestation report of the Company s independent registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to attestation by the Company s independent registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management s report in the annual report.

Changes in internal control over financial reporting. No change in the Company s internal control over financial reporting occurred during the Company s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

ITEM 9B. *OTHER INFORMATION.*

Not Applicable

PART III

ITEM 10. ***DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.***

The information appearing under Election of Directors, Nominees for Director, Executive Officers Who Are Not Also Directors, Section 16(a) Beneficial Ownership Reporting Compliance and Corporate Governance in the definitive Proxy Statement for the Company s 2008 Annual Meeting of Shareholders (the 2008 Proxy Statement) is hereby incorporated by reference in answer to this Item 10. The Company anticipates that it will file the 2008 Proxy Statement with the SEC on or before April 29, 2008.

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ITEM 11. ***EXECUTIVE COMPENSATION.***

The information appearing under Executive Compensation and Director Compensation in the 2008 Proxy Statement is hereby incorporated by reference in answer to this Item 11.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.***

The information appearing under Voting Securities and Principal Shareholders, Shareholdings of Company Directors and Executive Officers and Executive Compensation in the 2008 Proxy Statement is hereby incorporated by reference in answer to this Item 12.

ITEM 13. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.***

The information appearing under Voting Securities and Principal Shareholders, and Corporate Governance in the 2008 Proxy Statement is hereby incorporated by reference in answer to this Item 13.

ITEM 14. ***PRINCIPAL ACCOUNTANT FEES AND SERVICES.***

The information appearing under Independent Auditors in the 2008 Proxy Statement is hereby incorporated by reference in answer to this Item 14.

PART IV

ITEM 15. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.***

(a) 1. The following financial statements are included in Item 8:

Report of Independent Registered Public Accounting Firm

Consolidated Financial Statements:

Consolidated Balance Sheets as of December, 31, 2007 and 2006;

Consolidated Statements of Income for the Years Ended December 31, 2007, 2006 and 2005;

Consolidated Statements of Stockholders Equity for the Years Ended December, 31, 2007, 2006 and 2005;

Consolidated Statements of Cash Flows for the Years Ended December 31, 2007, 2006 and 2005; and

Notes to Consolidated Financial Statements.

2. All financial statement schedules are omitted because they are not applicable or are immaterial or the required information is presented in the consolidated financial statements or the related notes.

3. The following documents are filed with or incorporated by reference into this Report:

3.1 Articles of Amendment to the Articles of Incorporation of Scottish Heritable, Inc. dated as of January 25, 1994 (incorporated by reference to Exhibit 3(a) to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 1993, File Number 000-4197).

3.2 Restated Articles of Incorporation of the Company dated as of May 14, 1990 (incorporated by reference to Exhibit 3(b) to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 1993, File Number 000-4197).

3.3 Composite Copy of Bylaws of the Company dated as of December 31, 1991 (incorporated by reference to Exhibit 3(b) to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 1991, File Number 000-4197).

10.1	United States Lime & Minerals, Inc. 1992 Stock Option Plan, as Amended and Restated (incorporated by reference to Exhibit 10(c) to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 1999, File Number 000-4197).
10.2	United States Lime & Minerals, Inc. 2001 Long-Term Incentive Plan (incorporated by reference to Exhibit B to the Company s definitive Proxy Statement for its Annual Meeting of Shareholders held on April 27, 2001, File Number 000-4197).
10.2.1	Form of stock option grant agreement under the United States Lime & Minerals, Inc. 2001 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.1 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File Number 000-4197).
10.2.2	Form of restricted stock grant agreement under the United States Lime & Minerals, Inc. 2001 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2.2 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File Number 000-4197).
10.3	Employment Agreement dated as of October 11, 1989 between the Company and Bill R. Hughes (incorporated by reference to Exhibit 10(a) to the Company s Quarterly Report on Form 10-Q for the quarter ended March 31, 1999, File Number 000-4197).
10.3.1	Amendment No. 1 dated as of February 1, 2008 to Employment Agreement dated as of October 11, 1989 between the Company and Bill R. Hughes.
10.4	Employment Agreement dated as of April 17, 1997 between the Company and Johnney G. Bowers (incorporated by reference to Exhibit 10(o) to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 1997, File Number 000-4197).
10.5	Employment Agreement dated as December 8, 2000 between the Company and Timothy W. Byrne (incorporated by reference to Exhibit 10(s) to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2000, File Number 000-4197).
10.5.1	Amended and Restated Employment Agreement dated as of May 2, 2003 between the Company and Timothy W. Byrne (incorporated by reference to Exhibit 10.8.1 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2003, File Number 000-4197).
10.5.2	Amendment No. 1 dated as of December 29, 2006 to Amended and Restated Employment Agreement dated as of May 2, 2003 between the Company and Timothy W. Byrne. (Incorporated by reference to Exhibit 10.7.2 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, File Number 000-4190).
10.6	Note and Warrant Purchase Agreement dated as of August 5, 2003 by and among United States Lime & Minerals, Inc. and Credit Trust S.A.L., ABB Finance Limited and R.S. Beall Capital Partners, LP (incorporated by reference to Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, File Number 000-4197).
10.7	Form of 14% Subordinated PIK Note due 2008 (incorporated by reference to Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, File Number 000-4197).
10.8	Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 10.3 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, File Number 000-4197).
10.9	Registration Rights Agreement dated as of August 5, 2003 by and among United States Lime & Minerals, Inc. and Credit Trust S.A.L., ABB Finance Limited and R.S. Beall Capital Partners, LP (incorporated by reference to Exhibit 10.4 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, File Number 000-4197).
10.10	Oil and Gas Lease Agreement dated as of May 28, 2004 between Texas Lime Company and EOG Resources, Inc. (incorporated by reference to Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, File Number 000-4197).
10.11	Credit Agreement dated as of August 25, 2004 among United States Lime & Minerals, Inc., each Lender from time to time a party thereto, and Wells Fargo Bank, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (incorporated by reference to Exhibit 10.1 to the Company s Current Report on

Form 8-K dated August 31, 2004, File Number 000-4197).

10.12	Security Agreement dated as of August 25, 2004 among United States Lime & Minerals, Inc., Arkansas Lime Company, Colorado Lime Company, Texas Lime Company and U. S. Lime Company Houston, in favor of Wells Fargo Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K dated August 31, 2004, File Number 000-4197).
10.13	Stock Purchase Agreement dated as of December 28, 2005 by and among Oglebay Norton Company, O-N Minerals Company, O-N Minerals (Lime) Company and Unite States Lime & Minerals, Inc. (Incorporated by reference to Exhibit 10.28 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2005, File Number 000-4197).
10.14	Second Amendment to Credit Agreement dated as of October 19, 2005 among United States Lime & Minerals, Inc., each Lender from time to time a party thereto, and Wells Fargo Bank, N.A., as Administrative Agent. (incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K dated October 20, 2005, File Number 000-4197).
10.15	Termination Agreement effective October 14, 2005 entered into by and between United States Lime & Minerals, Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.2 to the Company s Current Report on Form 8-K dated October 20, 2005, File Number 000-4197).
10.16	Amended and Restated Confirmation dated October 14, 2005 entered into by and between United States Lime & Minerals, Inc. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 10.3 to the Company s Current Report on Form 8-K dated October 20, 2005, File Number 000-4197).
10.17	Third Amendment to Credit Agreement dated as of March 30, 2007 among United States Lime & Minerals, Inc., each Lender from time to time a party thereto, and Wells Fargo Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K dated March 30, 2007, File Number 000-4197).
21	Subsidiaries of the Company.
23.1	Consent of Independent Registered Public Accounting Firm.
23.2	Consent of Independent Petroleum Engineers.
31.1	Rule 13a-14(a)/15d-14(a) Certification by Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification by Chief Financial Officer.
32.1	Section 1350 Certification by Chief Executive Officer.
32.2	Section 1350 Certification by Chief Financial Officer.

Exhibits 10.1, 10.2, 10.2.1, 10.2.2 and 10.3 through 10.5.2 are management contracts or compensatory plans or arrangements required to be filed as exhibits.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED STATES LIME & MINERALS, INC.

By: /s/ Timothy W. Byrne

Timothy W. Byrne,
President and Chief Executive Officer

Date: March 13, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: March 13, 2008	By: /s/ Timothy W. Byrne Timothy W. Byrne, President, Chief Executive Officer, and Director (Principal Executive Officer)
Date: March 13, 2008	By: /s/ M. Michael Owens M. Michael Owens, Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
Date: March 13, 2008	By: /s/ Edward A. Odishaw Edward A. Odishaw, Director
Date: March 13, 2008	By: /s/ Antoine M. Doumet Antoine M. Doumet, Director and Chairman of the Board
Date: March 13, 2008	By: /s/ Wallace G. Irmscher Wallace G. Irmscher, Director
Date: March 13, 2008	By: /s/ Richard W. Cardin Richard W. Cardin, Director