

INDEX

CEMEX Latam Holdings S.A. and Subsidiaries

Consolidated Condensed Income Statements (unaudited) for the three-month periods ended March 31, 2015 and 2014.....	1
Consolidated Condensed Statements of Comprehensive Income (unaudited) for the three-month periods ended March 31, 2015 and 2014	2
Consolidated Condensed Balance Sheets (unaudited) as of March 31, 2015 and as of December 31, 2014	3
Consolidated Condensed Statements of Cash Flows (unaudited) for the three-month periods ended March 31, 2015 and 2014.....	4
Consolidated Condensed Statements of Changes in Stockholders' Equity (unaudited) for the three-month periods ended March 31, 2015 and 2014	5
Notes to the Consolidated Condensed Financial Statements (unaudited)	6

CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Income Statements
(Thousands of U.S. dollars)

	Notes	(Unaudited)	
		For the three-month periods ended	
		March 31, 2015	March 31, 2014
Net sales	3	\$ 353,838	422,753
Cost of sales.....	2D	(183,606)	(214,748)
Gross profit.....		170,232	208,005
Administrative and selling expenses.....		(52,378)	(57,206)
Distribution expenses		(27,667)	(32,732)
		(80,045)	(89,938)
Operating earnings before other expenses, net.....		90,187	118,067
Other expenses, net	5	(1,980)	(224)
Operating earnings		88,207	117,843
Financial expense		(20,589)	(24,403)
Other financial expenses, net	6	(198)	(619)
Foreign exchange results		4,901	1,473
Earnings before income tax.....		72,321	94,294
Income tax	17A	(28,357)	(39,474)
CONSOLIDATED NET INCOME		43,964	54,820
Non-controlling interest net income.....		(173)	(200)
CONTROLLING INTEREST NET INCOME.....		\$ 43,791	54,620
BASIC EARNINGS PER SHARE.....	19	\$ 0.08	0.10
DILUTED EARNINGS PER SHARE	19	\$ 0.08	0.10

The accompanying notes are part of these consolidated condensed financial statements.

Camilo González Téllez
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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Comprehensive Income
(Thousands of U.S. dollars)

	Note	(Unaudited)	
		For the three-month periods ended	
		March 31, 2015	March 31, 2014
CONSOLIDATED NET INCOME		\$ 43,964	54,820
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Currency translation of foreign subsidiaries	18B	(62,757)	(44,991)
Total other items of other comprehensive income for the period.....		(62,757)	(44,991)
CONSOLIDATED COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(18,793)	9,829
Non-controlling interest comprehensive income		(173)	(200)
CONTROLLING INTEREST COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		\$ (18,966)	9,629

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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Balance Sheets
(Thousands of U.S. dollars)

		(Unaudited)	
		As of March 31, 2015	As of December 31, 2014
		Notes	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	\$ 62,562	51,772
Trade receivables less allowance for doubtful accounts	8	134,445	122,003
Accounts receivable from related parties	9	309	270
Other accounts receivable	10A	17,158	19,523
Taxes receivable		13,849	13,959
Inventories, net	11	105,726	102,821
Other current assets	12	26,980	18,347
Total current assets		<u>361,029</u>	<u>328,695</u>
NON-CURRENT ASSETS			
Other investments and non-current accounts receivable	10B	21,491	24,215
Property, machinery and equipment, net	13	1,109,691	1,114,921
Goodwill, intangible assets and deferred assets , net	14	1,943,096	2,005,474
Deferred income taxes		23,344	10,635
Total non-current assets		<u>3,097,622</u>	<u>3,155,245</u>
TOTAL ASSETS		\$ 3,458,651	3,483,940
CURRENT LIABILITIES			
Short-term debt	15A	\$ 4,337	5,259
Trade payables		99,672	103,095
Accounts payable to related parties	9	177,262	165,246
Taxes payable		69,024	71,303
Other accounts payable and accrued expenses	16	85,371	62,010
Total current liabilities		<u>435,666</u>	<u>406,913</u>
NON-CURRENT LIABILITIES			
Long-term debt	15A	9,350	10,510
Long-term accounts payable to related parties	9	1,036,446	1,037,923
Employee benefits		42,793	50,769
Deferred income taxes		541,333	565,517
Other non-current liabilities	16	10,865	11,375
Total non-current liabilities		<u>1,640,787</u>	<u>1,676,094</u>
TOTAL LIABILITIES		2,076,453	2,083,007
STOCKHOLDERS' EQUITY			
Controlling interest			
Common stock and additional paid-in capital	18A	1,463,516	1,463,349
Other equity reserves	18B	(758,105)	(695,574)
Retained earnings		627,396	353,998
Net income		43,791	273,398
Total controlling interest		<u>1,376,598</u>	<u>1,395,171</u>
Non-controlling interest		5,600	5,762
TOTAL STOCKHOLDERS' EQUITY		1,382,198	1,400,933
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		\$ 3,458,651	3,483,940

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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Cash Flows
(Thousands of U.S. dollars)

		(Unaudited)	
		For the three-month periods ended	
		As of March 31, 2015	As of March 31, 2014
	Notes		
OPERATING ACTIVITIES			
Consolidated net income.....		\$ 43,964	264,727
Non-cash items:			
Depreciation and amortization of assets.....	4	22,239	22,933
Provisions and others expenses.....		3,403	2,190
Financial expense, other financial income and foreign exchange results.....		15,886	23,549
Income taxes.....	17A	28,357	39,474
Loss on the sale of fixed assets.....		623	70
Changes in working capital, excluding income taxes.....		(5,259)	(8,991)
Net cash flow provided by operating activities before interest and income taxes.....		109,213	134,045
Financial expense paid in cash.....		(8,524)	(29,577)
Income taxes paid in cash.....		(14,243)	(20,936)
Net cash flows provided by operating activities.....		86,446	83,532
INVESTING ACTIVITIES			
Property, machinery and equipment, net.....		(51,753)	(13,080)
Financial income.....		566	649
Intangible assets and other deferred charges.....		(2,766)	9,960
Long term assets and others, net.....	10B	2,725	308
Net cash flows used in investing activities.....		(51,228)	(2,163)
FINANCING ACTIVITIES			
Related parties debt payments.....		(171,577)	(268,059)
Related parties debt.....		160,170	177,096
Non-current liabilities, net.....		(9,291)	(6,216)
Net cash flows used in financing activities.....		(20,698)	(97,179)
Increase (decrease) in cash and cash equivalents.....		14,520	(15,810)
Cash conversion effect, net.....		(3,730)	(2,975)
Cash and cash equivalents at beginning of the period.....		51,772	76,691
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD.....	7	\$ 62,562	57,906
Changes in working capital, excluding income taxes:			
Trade receivables, net.....		\$ (13,475)	(9,789)
Other accounts receivable and other assets.....		(7,657)	(6,027)
Inventories.....		(5,274)	(10,702)
Trade payables.....		(3,421)	(208)
Short-term related parties, net.....		10,239	(3,870)
Other accounts payable and accrued expenses.....		14,329	21,605
Changes in working capital, excluding income taxes.....		\$ (5,259)	(8,991)

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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Changes in Stockholders' Equity
(Thousands of U.S. dollars)

(Unaudited)							
Notes	Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balance as of December 31, 2013	\$ 718,124	744,689	(473,821)	353,998	1,342,990	14,989	1,357,979
Net income for the period	–	–	–	54,620	54,620	200	54,820
Total other items of comprehensive income for the period	–	–	(44,991)	–	(44,991)	–	(44,991)
Changes in non-controlling interest	18C	–	–	–	–	(9,529)	(9,529)
Stock-based compensation	18D	–	41	449	490	–	490
Balance as of March 31, 2014	\$ 718,124	744,730	(518,363)	408,618	1,353,109	5,660	1,358,769
 Balance as of December 31, 2014	 \$ 718,124	 745,225	 (695,574)	 627,396	 1,395,171	 5,762	 1,400,933
Net income for the period	–	–	–	43,791	43,791	173	43,964
Total other items of comprehensive income for the period	–	–	(62,757)	–	(62,757)	–	(62,757)
Changes in non-controlling interest	18C	–	–	–	–	(335)	(335)
Stock-based compensation	18D	–	167	226	393	–	393
Balance as of March 31, 2015	\$ 718,124	745,392	(758,105)	671,187	1,376,598	5,600	1,382,198

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CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

1) DESCRIPTION OF BUSINESS

CEMEX Latam Holdings, S.A., was constituted under the laws of Spain on April 17, 2012 as capital stock corporation (S.A.) and for an undefined period organized. The entity is a subsidiary of CEMEX España, S.A. (“CEMEX España”), also organized under the laws of Spain, as well as an indirect subsidiary of CEMEX, S.A.B. de C.V., a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of Mexico. The statutory purpose and main activities of CEMEX Latam Holdings, S.A. consist of the subscription, acquisition, tenure, enjoyment, management or sale of securities and share holdings, as well as the management and administration of securities representing the stockholders’ equity (own funds) of non-resident entities in Spain and through the corresponding organization of material and human resources. Based on its statutory purpose, CEMEX Latam Holdings, S.A. is the indirect holding company (parent) of entities whose main activities located in Colombia, Panama, Costa Rica, Nicaragua, Guatemala, El Salvador and Brazil, are all oriented to the construction industry through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials. The common shares of CEMEX Latam Holdings, S.A. are listed on the Colombian Stock Exchange under the symbol CLH.

The terms the “Parent Company” used in these accompanying notes to the financial statements refer to CEMEX Latam Holdings, S.A. without its subsidiaries. The terms the “Company” or “CEMEX Latam” refer to CEMEX Latam Holdings, S.A. together with its consolidated subsidiaries. When the term “CEMEX” is used, refers to CEMEX, S.A.B. de C.V. and/or some of its subsidiaries, which are not direct or indirect subsidiaries of the Parent Company. The issuance of these consolidated financial statements was authorized by the management and the Board of Director of the Parent Company on May 7, 2015.

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied to these consolidated condensed financial statements as of March 31, 2015, are the same as those applied in the consolidated financial statements as of December 31, 2014.

2A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated condensed financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards (“IFRS”) effective as of March 31, 2015, as issued by the International Accounting Standards Board (“IASB”), as well as with the International Accounting Standard 34, *Interim Financial Statements*.

The consolidated condensed balance sheets as of March 31, 2015 and as of December 31, 2014, as well as the consolidated condensed income statements, the consolidated condensed statements of comprehensive income, the consolidated condensed cash flows statements and the consolidated condensed statements of changes in stockholders’ equity for the three-month periods ended March 31, 2015 and 2014, as well as their related disclosures included in the notes to the financial statements, have not been audited.

Presentation currency and definition of terms

The presentation currency of the consolidated financial statements is the dollar of the United States of America (“United States”), which is also the functional currency of the Parent Company considering that, is the main currency in which the Parent Company realizes its operations and settles its obligations. The amounts in the financial statements and the accompanying notes are presented in thousands of dollars of the United States, except when specific references are made to other currency, according with the following paragraph, or different measuring unit like millions, earnings per share, prices per share and/or exchange rates. For convenience of the reader, all amounts disclosed in these notes to the financial statements, mainly in connection with tax or legal proceedings (notes 17B and 21), which are originated in jurisdictions which currencies are different to the dollar, are presented in dollar equivalents as of March 31, 2015. Consequently, despite any change in the original currency, such dollar amounts will fluctuate over time due to changes in exchange rates. These dollar translations should not be construed as representations that the dollar amounts were, could have been, or could be converted at the indicated exchange rates. Foreign currency translations as of March 31, 2015 and December 31, 2014 2014, as well as for the three-month periods ended March 31, 2015 and 2014 were determined using the closing and average exchange rates, as correspond, presented in the table of exchange rates included in note 2D.

When reference is made to “\$” or dollar, it means the dollar of the United States, when reference is made to “€” or euros, it means the currency in circulation in a significant number of European Union (“EU”) countries. When reference is made to “¢” or colones, it means colones of the República de Costa Rica (“Costa Rica”). When reference is made to “R\$” or reales, it means reales of the República Federativa de Brazil (“Brazil”). When reference is made to “Col\$” or pesos, it means pesos of the República de Colombia (“Colombia”). When reference is made to “C\$” or cordobas, it means cordobas of the República de Nicaragua (“Nicaragua”). When reference is made to “Q\$” or quetzales, it means quetzals of the República de Guatemala (“Guatemala”).

Income statements

The line item “Other expenses, net” in the consolidated condensed income statement consists primarily of revenues and expenses not directly related to the Company’s main activities, or which are of an unusual and/or non-recurring nature, such as results on disposal of assets, recoveries from insurance companies and certain severance payments during restructuring processes, among others (note 5).

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Statements of cash flows

For the three-month periods ended March 31, 2015 and 2014, the consolidated condensed statements of cash flows present cash inflows and outflows, excluding unrealized foreign exchange effects, as well as the following transaction that did not represent sources or uses of cash:

- In 2015 and 2014 the net increase in other equity reserves of \$226 and \$449, respectively, and the increase in additional paid-in capital of \$167 in 2015 and \$41 in 2014, in connection with executive stock-based compensation (note 18D).

Going Concern

As of March 31, 2015, current liabilities, which include accounts payable to CEMEX' companies of approximately \$177,262, exceed current assets in \$74,637 (note 9).

The Parent Company's management has approved these consolidated condensed financial statements as of March 31, 2015 under the principle of going concern, considering that the Company will generate sufficient cash flows to enable it to meet any liquidity risk in the short term. If it is deemed necessary, the Board of Directors of the Parent Company considers that management would succeed in renegotiating the maturity of some short-term payables to such CEMEX' companies. For the three-month period ended March, 31, 2015, CEMEX Latam generated net cash flows from operations, after interest expense and income taxes, of \$86,446.

2B) PRINCIPLES OF CONSOLIDATION

The consolidated condensed financial statements included those of CEMEX Latam Holdings, S.A. and those of the entities in which the Parent Company exercises control (note 23), by means of which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Among other factors, control is evidenced when the Parent Company: a) holds directly or through subsidiaries, more than 50% of an entity's common stock; or b) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity.

Balances and operations between the Parent Company and its subsidiaries (related parties) are eliminated in consolidation. Each subsidiary is a legally responsible separate entity and maintains custody of its own financial resources.

2C) USE OF ESTIMATES AND MANAGEMENT JUDGMENT

The preparation of consolidated condensed financial statement in accordance with IFRS requires management to make estimates and assumptions that affect amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of reporting, as well as the revenues and expenses of the period. These assumptions are continuously reviewed using available information. Actual results could differ from these estimates.

The main items subject to estimates and assumptions include, among others, impairment tests of long-lived assets, allowances for doubtful accounts and inventories, recognition of deferred income tax assets, as well as the measurement of financial instruments and the assets and liabilities related to employee benefits. Significant judgment by management is required to appropriately assess the amounts of these assets and liabilities.

2D) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN ENTITIES' FINANCIAL STATEMENTS

The most significant closing exchange rates per U.S. dollar as of March 31, 2015 and December 31, 2014 for balance sheet purposes, and the average exchange rates per U.S. dollar for income statements purposes for the three-month periods ended March 31, 2015 and 2014, are as follows:

Currency	2015		2014	
	Closing	Average	Closing	Average
Colombian pesos	2,576.05	2,504.71	2,392.46	2,009.48
Costa Rican colones.....	539,08	540.91	545.53	542.27
Nicaraguan cordobas	26.92	26.81	26.60	25.54
Guatemalan quetzales	7.64	7.64	7.60	7.76
Brazilian reals	3.21	2.92	2.66	2.34

2E) COST OF SALES, ADMINISTRATIVE AND SELLING EXPENSES AND DISTRIBUTION EXPENSES

Cost of sales represents the cost production of inventories at its selling time including depreciation, amortization and depletion of assets involved in production and expenses related to storage in producing plants. Cost of sales excludes expenses related to personnel, equipment and services involved in sale activities and storage of product at points of sales, as well as costs related to warehousing of products at the selling points, which are included as part of administrative and selling expenses.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Cost of sales, administrative and selling expenses and distribution expenses – continued

Cost of sales includes freight expenses of raw material in plants and delivery expenses of the Company's ready-mix concrete business, nevertheless excludes freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities, which are included as part of the distribution expenses. For the three-month periods ended March 31, 2015 and 2014, selling expenses included as part of the administrative and selling expenses line item amounted to \$9,533 and \$8,277, respectively.

3) SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENTS

The financial policies applied to elaborate the condensed financial information by geographic operative segments are consistent with those that are described in the consolidated condensed financial statements for the three-month periods ended March 31, 2015 and 2014. The segment "Rest of CLH" refers to the Company's operations in Guatemala, Nicaragua, El Salvador and Brazil. In addition, the segment "Others" relates mainly to the Parent Company, including its corporate offices in Spain and research and development offices in Switzerland, as well as adjustments and eliminations resulting from consolidation.

Income statements

Selected consolidated condensed income statements' information by geographic operating segments for the three-month periods ended March 31, 2015 and 2014 are as follow:

2015	Net Sales (including related parties)	Less: Related parties	Net Sales	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expenses	Other financial expenses, net
Colombia	\$ 176,297	(51)	176,246	50,503	(6,684)	43,819	747	(3,715)	(479)
Panamá	71,915	–	71,915	25,178	(8,494)	16,684	408	(1,565)	25
Costa Rica.....	46,171	(3,128)	43,043	17,683	(1,670)	16,013	(48)	(44)	6
Rest of CLH.....	66,510	(371)	66,139	16,565	(5,392)	11,173	(130)	(758)	249
Others	(3,505)	–	(3,505)	2,497	–	2,498	(2,957)	(14,507)	1
Total.....	\$ 357,388	(3,550)	353,838	112,426	22,380	90,187	(1,980)	(20,589)	(198)

2014	Net Sales (including related parties)	Less: Related parties	Net Sales	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expenses	Other financial expenses, net
Colombia	\$ 242,394	–	242,394	92,686	(8,136)	84,550	130	(6,046)	(1,007)
Panamá	76,115	–	76,115	32,590	(7,555)	25,035	94	(1,669)	22
Costa Rica.....	36,109	(642)	35,467	14,785	(1,759)	13,026	(9)	(60)	1
Rest of CLH.....	70,240	(410)	69,830	18,898	(5,483)	13,415	9	(48)	365
Others	(1,053)	–	(1,053)	(17,959)	–	(17,959)	(448)	(16,580)	–
Total.....	\$ 423,805	1,052	422,753	141,000	(22,933)	118,067	(224)	(24,403)	(619)

Net sales by product and geographic operating segments for the three-month periods ended March 31, 2015 and 2014 are as follows:

2015	Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Colombia	\$ 91,258	73,069	4,354	7,565	–	176,246
Panama	44,712	22,685	866	3,652	–	71,915
Costa Rica.....	29,756	4,741	4,038	4,508	–	43,043
Rest of CLH.....	51,706	5,496	1,858	7,079	–	66,139
Others	–	–	–	–	(3,505)	(3,505)
Total.....	\$ 217,432	105,991	11,116	22,804	(3,505)	353,838

2014	Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Colombia	\$ 143,072	82,544	4,247	12,531	–	242,394
Panama	46,116	23,860	672	5,467	–	76,115
Costa Rica.....	27,017	3,658	913	3,879	–	35,467
Rest of CLH.....	59,333	5,930	715	3,852	–	69,830
Others	–	–	–	–	(1,053)	(1,053)
Total.....	\$ 275,538	115,992	6,547	25,729	(1,053)	422,753

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Selected financial information by geographic operating segments – continued

Balance sheets

As of March 31, 2015 and December 31, 2014, selected consolidated condensed balance sheets' information by geographic segments is as follows:

2015	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia	\$ 2,139,305	697,692	1,441,613	30,321
Panama	545,629	199,300	346,329	15,846
Costa Rica.....	102,605	33,313	69,292	3,053
Rest of CLH.....	244,739	147,853	96,886	3,481
Others	426,373	998,295	(571,922)	–
Total.....	\$ 3,458,651	2,076,453	1,382,198	52,701

2014	Total Assets	Total Liabilities	Net assets by segment	Capital expenditures
Colombia	\$ 2,161,327	739,046	1,422,281	103,615
Panama	521,661	193,934	327,727	10,345
Costa Rica.....	83,653	28,509	55,144	6,022
Rest of CLH.....	239,679	134,809	104,870	22,739
Others	477,620	986,709	(509,089)	16,005
Total.....	\$ 3,483,940	2,083,007	1,400,933	158,726

4) DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the three-month periods ended March 31, 2015 and 2014 is detailed as follows:

	2015	2014
Depreciation and amortization expense of assets used in the production process.....	\$ 15,834	16,156
Depreciation and amortization expense of assets used in administrative and selling activities.....	6,405	6,777
	\$ 22,239	22,933

5) OTHER EXPENSES, NET

Other expenses detail, net for the three-month periods ended March 31, 2015 and 2014 is as follows:

	2015	2014
Damages recoveries	\$ 426	–
Sale of scrap and other non-operational products	50	28
Severance payments for reorganization and other personnel costs	(831)	(182)
Assumed taxes, fines, and other penalties.....	(616)	–
Impairment losses	(386)	–
Results from the sale of assets and others, net	(623)	(70)
	\$ (1,980)	(224)

6) OTHER FINANCIAL EXPENSES, NET

Other financial expenses detail, net for the three-month periods ended as of March 31, 2015 and 2014 is as follows:

	2015	2014
Interest cost on employee benefits.....	\$ (765)	(1,268)
Financial income	567	649
	\$ (198)	(619)

7) CASH AND EQUIVALENTS

Consolidated cash and cash equivalents as of March 31, 2015 and December 31, 2014 are as follows:

	2015	2014
Cash and bank accounts.....	\$ 46,595	38,223
Fixed-income securities and other cash equivalents	15,967	13,549
	\$ 62,562	51,772

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

8) TRADE ACCOUNTS RECEIVABLE

Consolidated trade accounts receivable as of March 31, 2015 and December 31, 2014 are detailed as follows:

	2015	2014
Trade accounts receivable.....	\$ 137,375	123,900
Allowances for doubtful accounts	(2,930)	(1,897)
	<u>\$ 134,445</u>	<u>122,003</u>

9) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances receivable to and payable from related parties as of March 31, 2015 and December 31, 2014 are detailed as follows:

Short-term accounts receivable		2015	2014
Puerto Rican Cement Company, Inc.	\$	71	71
New Sunward Holding B.V.		70	-
Construction Funding Corporation		65	67
CEMEX Denmark ApS		43	17
CEMEX Dominicana, S.A.		37	33
Business Material Funding SL.....		15	15
CEMEX Central, S.A. de C.V.		8	67
Total assets with related parties.....	\$	309	270

Short-term accounts payable		2015	2014
New Sunward Holding B.V. ¹	\$	145,768	-
CEMEX Research Group, AG ²		13,483	5,876
CEMEX Central, S.A. de C.V. ³		7,212	2,294
CEMEX Trading, LLC ⁴		5,909	9,539
CEMEX España, S.A. ⁵		2,310	1,522
CEMEX, S.A.B. de C.V. ⁶		2,234	1,039
CEMEX México, S.A. de C.V.....		166	-
Fujur, S.A. de C.V.		132	164
Pro Ambiente, S.A. de C.V.		38	38
CEMEX Hungary K.F.T. ¹		-	79,075
Construction Funding Corporation		-	65,699
Others		10	-
	\$	177,262	165,246

Long-term accounts payable		2015	2014
New Sunward Holding B.V. ¹	\$	924,436	-
Construction Funding Corporation		-	554,280
CEMEX Hungary K.F.T. ¹		-	371,633
CEMEX España, S.A. ⁵		112,010	112,010
	\$	1,036,446	1,037,923
Total liabilities with related parties.....	\$	1,213,708	1,203,169

1. On January 1, 2015, as a result of changes in CEMEX's treasury structure, Construction Funding Corporation ("CFC") and CEMEX Hungary K.F.T. ("CEMEX Hungary") transferred to New Sunward Holding, B.V., Dutch company, also belonging to CEMEX, the outstanding credits and loans that had been granted by CFC and CEMEX Hungary to the Company. The terms and conditions of such credits and loans were not affected by the transfer. The balances as of March 31, 2015 and December 31, 2014 include: a) loan agreement and accrued interest negotiated by Corporación Cementera Latinoamericana S.L.U. of \$356,207 in 2015 and \$350,063 in 2014; b) loan agreement and accrued interest negotiated by CEMEX Latam Holdings, S.A. of \$97,157 in 2015 and \$112,725 in 2014, as well as a revolving credit of \$52,226 in 2015 and \$32,792 in 2014; c) loan agreement and accrued interest negotiated by Cemento Bayano, S.A. of \$126,041 in 2015 and \$124,399 in 2014; and d), loan agreement and accrued interest negotiated by CEMEX Bogotá Investments B.V. of \$438,573 in 2015 and \$450,708 in 2014. As of March 31, 2015 and December 31, 2014, LIBOR rates were 0.2707% and 0.2556%, respectively. Each one hundred basis points equal 1%.

2. Royalties on technical assistance agreements, use of licenses and brands, software and administrative processes.

3. These balances are generated from administrative services received by the Company.

4. The outstanding balances were generated mainly by imports of cement from CEMEX LAN Trading Corporation.

5. Includes a remaining balance of \$112,010 plus accrued interest of \$2,115 of a loan originally negotiated by CEMEX Colombia with CEMEX España in October 2010. At its maturity in December 2014, this loan was renegotiated on market conditions at LIBOR rate plus 275 basis points, and its new maturity is on December 28, 2016.

6. These balances are generated from technical assistance received by the Company.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

The maturities of non-current accounts payable as of March 31, 2015 are as follows:

Debtor	2016	2017	2018	Total
CEMEX Bogotá Investments B.V. (7% anual)..... \$	79,065	79,065	196,696	354,826
Corporación Cementera Latinoamericana, S.L.U. (7% anual).....	15,518	31,036	277,709	324,263
Cemento Bayano, S.A. (3M LIBOR + 415 bps) ¹	–	–	124,361	124,361
CEMEX Latam Holdings, S.A. (7% anual).....	13,737	27,473	79,776	120,986
CEMEX Colombia S.A (3M LIBOR + 275 bps) ¹	112,010	–	–	112,010
\$	220,330	137,574	678,542	1,036,446

¹ The *London Inter-Bank Offered Rate*, or LIBOR, is the variable rate used in international markets for debt denominated in dollars. The fixed deposit rate (*Tasa de Depósito a Término Fijo* or DTF) is the average interest rate paid by financial institutions in Colombia on fixed-term certificates. On March 31, 2015, 3-month LIBOR was 0.27075%. The contraction "bps" means basis points. One hundred bps equals 1%.

The Company's main transactions entered into with related parties for the three-month periods ended March 31, 2015 and 2014 are shown below:

Purchases of raw materials	2015	2014
CEMEX Trading, LLC..... \$	12,176	30,050
CEMEX Denmark ApS.....	–	550
Sunbulk Shipping N.V.....	–	(48)
\$	12,176	30,552

Selling, general and administrative expenses	2015	2014
CEMEX Research Group, AG..... \$	–	96
Fujur, S.A. de C.V.....	3	–
\$	3	96

Royalties and technical assistance	2015	2014
CEMEX Research Group, AG..... \$	8,525	13,301
CEMEX Central, S.A. de C.V.....	6,871	5,323
CEMEX, S.A.B. de C.V.....	2,294	2,512
\$	17,690	21,136

Financial expenses	2015	2014
New Sunward Holding B.V..... \$	17,866	–
CEMEX España, S.A.....	870	1,565
Construction Funding Corporation.....	95	10,270
CEMEX Hungary K.F.T.....	88	10,283
\$	18,919	22,118

Pursuant to the services and the rights of use, operation and enjoyment of CEMEX brands, names and intellectual property assets, under the agreement of non-exclusive use, enjoyment and exploitation of license asset, management services agreement and business support and licensing agreement, CEMEX Latam Holdings has agreed to pay CEMEX (which includes CEMEX, S.A.B. de C.V., CEMEX Research Group, A.G. as well as CEMEX Central, S.A. de C.V.), consistent with the market practices and principles of unrelated parties, a fee equivalent to 5% of consolidated revenues. The aforementioned fee cannot be increased without the consent of the independent directors of CEMEX Latam Holdings expressed during a meeting of the board of directors.

During the three-month periods ended March 31, 2015 and 2014, the members of the Parent Company's Board of Directors, in consideration for services rendered, accrued compensation of approximately \$84 and \$58, respectively. There are no advances or loans granted by the Company to such directors and the Company has not provided guarantee on any directors' obligations. Moreover, the Company has not assumed obligations for pensions or insurance for such directors.

In addition, for the three-month periods ended March 31, 2015 and 2014, the aggregate compensation amounts accrued by members of the Company's top management were approximately \$978 and \$1,133, respectively, which were paid as base compensation plus performance bonuses, including pensions and other postretirement benefits. In addition, during these periods there were no assignments of shares under the executive stock-based compensation in shares of either CEMEX or the Parent Company.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

10) OTHER ACCOUNTS RECEIVABLE

10A) OTHER CURRENT ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of March 31, 2015 and December 31, 2014 consisted of:

	2015	2014
Non-trade accounts receivable.....	\$ 11,192	13,757
Restricted cash ¹	4,816	4,924
Loans to employees and others.....	1,150	842
	<u>\$ 17,158</u>	<u>19,523</u>

¹ Restricted cash refers to guaranty deposits made by CEMEX Colombia to Liberty Seguros, S.A. and by CEMEX Panama to Citibank, N.A. to secure the letter of credit acquired in the execution of the contract of the Panama Canal.

10B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

Consolidated balances of other assets and non-current accounts receivable as of March 31, 2015 and December 31, 2014 are detailed as follows:

	2015	2014
Loans and notes receivable ¹	\$ 18,960	20,562
Guaranty deposits ¹	2,122	3,224
Fixed rate investments and others.....	409	429
	<u>\$ 21,491</u>	<u>24,215</u>

¹ The combined balances of these lines items mainly include: a) a fund of CEMEX Panamá to secure seniority premium payments as of March 31, 2015 and December 31, 2014 of \$2,221 and \$2,205, respectively; b) accounts receivable of CEMEX Colombia related with: i) payments in kind without sale plan of \$2,809 as of March 31, 2015 and \$3,025 as of December 31, 2014; ii) Certified Emission Reductions (“CERs”) granted by the United Nations to qualified projects in Colombia for the reduction of CO2 emissions of \$1,569 as of March 31, 2015 and \$1,689 as of December 31, 2014; iii) advance payments for the purchase of fixed assets of \$5,462 as of March 31, 2015 and \$4,347 as of December 31, 2014; and iv) accounts receivable from the sale of land of \$4,220 as of March 31, 2015; c) CERs in Costa Rica of \$1,057 in both periods; d) VAT account receivable in Salvador of \$1,343 as of March 31, 2015 and \$1,589 as of December 31, 2014; and e) legal deposits in Brazil of \$779 as of March 31, 2015 and \$943 as of December 31, 2014.

11) INVENTORIES

Consolidated balances of inventories as of March 31, 2015 and December 31, 2014 are summarized as follows:

	2015	2014
Materials.....	\$ 32,009	32,204
Finished goods.....	13,979	16,072
Work-in-process	29,157	20,612
Raw materials	19,338	18,763
Inventory in transit	14,518	16,075
Other inventories	343	343
Allowance for obsolescence	(3,618)	(1,248)
	<u>\$ 105,726</u>	<u>102,821</u>

12) OTHER CURRENT ASSETS

As of March 31, 2015 and December 31, 2014 consolidated other current assets consisted of:

	2015	2014
Advance payments ¹	\$ 23,122	14,397
Assets held for sale ²	3,858	3,950
	<u>\$ 26,980</u>	<u>18,347</u>

¹ As of March 31, 2015 and December 31, 2014, the line item of advance payments includes \$22,787 and \$14,056, respectively, associated with advances to suppliers of inventory and insurance premiums.

² Assets held for sale are stated at their estimated realizable value and include mainly properties received in payment of trade receivables by CEMEX Colombia and CEMEX Guatemala.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

13) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of March 31, 2015 and December 31, 2014 the consolidated balances of property, machinery and equipment, net consisted of:

	2015				
	Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress ^{1,2}	Total
Cost at the end of period.....	\$ 231,807	166,354	693,421	164,993	1,256,575
Accumulated depreciation and depletion.....	(16,930)	(26,102)	(103,852)	–	(146,884)
Net book value at end of period.....	\$ 214,877	140,252	589,569	164,993	1,109,691

	2014				
	Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress ^{1,2}	Total
Cost at the end of period.....	\$ 241,215	165,881	694,896	149,258	1,251,250
Accumulated depreciation and depletion.....	(16,432)	(24,148)	(95,749)	–	(136,329)
Net book value at end of period.....	\$ 224,783	141,733	599,147	149,258	1,114,921

1 In July 2014, the Company began the construction of a new cement plant in the municipality of Maceo in the department of Antioquia in Colombia with an approximate capacity of 1.1 million tons. The first phase includes the construction of a mill and is expected to start production of cement in the second quarter of 2015 and the next phase is expected to be completed in the second half of 2016. CEMEX Latam estimates an investment of approximately \$340 million, of which approximately \$78million have been invested as of March 31, 2015.

2 In addition, during 2014, the Company began the construction of a cement mill in Nicaragua with a grinding capacity of 440 thousand tons per year, with an estimated total investment of \$55 million, of which approximately \$19 million have been invested as of March 31, 2015. It is expected to start operations in a first stage during the second quarter of 2015.

14) GOODWILL AND INTANGIBLE ASSETS

14A) BALANCES

As of March 31, 2015 and December 31, 2014, consolidated goodwill, intangible assets and deferred assets is summarized as follows:

	2015			2014		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Intangible assets of indefinite useful life						
Goodwill.....	\$ 1,679,313	–	1,679,313	1,704,635	–	1,704,635
Intangible assets of definite useful life						
Customer relations.....	188,084	(53,007)	135,077	193,545	(48,224)	145,321
Extraction permits and licenses.....	137,582	(13,396)	124,186	166,029	(12,426)	153,603
Industrial property and trademarks.....	1,818	(1,208)	610	1,959	(1,150)	809
Mining projects.....	520	(22)	498	444	(20)	424
Other intangibles and deferred assets.....	3,578	(166)	3,412	782	(100)	682
	\$ 2,010,895	(67,798)	1,943,096	2,067,394	(61,920)	2,005,474

14B) ANALYSIS OF GOODWILL IMPAIRMENT

As of March 31, 2015 and December 31, 2014, goodwill balances allocated by operating segment are as follows:

	2015	2014
Costa Rica.....	\$ 454,882	449,504
Colombia.....	339,576	354,581
Panama.....	344,703	344,703
Guatemala.....	232,688	239,128
Nicaragua.....	237,623	235,504
Brazil.....	54,753	66,127
El Salvador.....	15,088	15,088
	\$ 1,679,313	1,704,635

The Company assesses impairment of goodwill balances at least once a year during the last quarter of the year, or sooner if there is evidence, at the level of the groups of Cash Generating Units (“CGUs”) to which goodwill has been allocated and which are commonly comprised by the operating segments, corresponding to the Company’s operations in each country. During the three-month periods ended March 31, 2015 and 2014, the Company considers that there were no impairment indicators in its CGUs leading to the need for an impairment analysis of goodwill before the annual test in the last quarter.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

15) FINANCIAL INSTRUMENTS

15A) SHORT-TERM AND LONG-TERM DEBT

As of March 31, 2015 and December 31, 2014, consolidated debt by type of financial instruments is summarized as follows:

	2015	2014
Leasing Bolívar, S.A., anticipated quarterly plus 662 bps ^{1,2}	\$ 3,805	4,384
Leasing de Occidente, S.A., DTF anticipated quarterly plus 450 bps ^{1,2}	2,571	2,962
Leasing Bancolombia, S.A., DTF anticipated quarterly plus 430 bps ^{1,2}	3,462	3,989
Helm Leasing, S.A., anticipated quarterly plus 485 bps ^{1,2}	2,148	2,475
Leasing Bogotá, S.A., DTF anticipated quarterly plus 465 bps ^{1,2}	1,701	1,960
Total	\$ 13,687	15,770
Long-term debt	9,350	10,510
Short-term debt	\$ 4,337	5,259

1 The fixed deposit rate (*Tasa de Depósito a Término Fijo* or DTF) is the average interest rate paid by financial institutions in Colombia on fixed-term certificates. As of March 31, 2015 the quarterly DTF rate was 4.2449%.

2 Refers to capital leases with commercial finance companies denominated in Colombian pesos, which were negotiated in 2012 with a maturity of sixty months. For the first three months of 2015 and 2014, CEMEX Colombia incurred interest on these financial obligations for \$336 and \$536, respectively. The assets acquired through these capital leases have been placed as guarantee for such financial obligations.

The maturities of CEMEX Latam's consolidated long-term debt as of March 31, 2015, were as follows:

	Maturities
2016	\$ 3,480
2017	4,640
2018	1,230
	\$ 9,350

16) OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of March 31, 2015 and December 31, 2014 consolidated other current accounts payable and accrued expenses were as follows:

	2015	2014
Advances from customers	\$ 21,666	19,407
Provisions for legal claims and other commitments	19,692	17,612
Others provisions and liabilities	16,499	9,378
Provision for employee' benefits	14,998	9,980
Accrued expenses	11,591	4,780
Others	925	853
	\$ 85,371	62,010

Current provisions primarily consist of employee benefits accrued at the balance sheet date, insurance and accruals related to legal and environmental assessments, expected to be settled in the short-term. These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.

As of March 31, 2015 and December 31, 2014 consolidated other non-current liabilities were as follows:

	2015	2014
Provision for asset retirement obligations ¹	\$ 5,198	5,569
Others provisions and liabilities	3,699	3,720
Deferred revenue	1,968	2,086
	\$ 10,865	11,375

1 Asset retirement obligations include future estimated costs for demolition, dismantling and cleaning of production sites at the end of their operation, which are initially recognized against the related assets and are depreciated over their estimated useful life.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

17) INCOME TAXES

17A) INCOME TAXES FOR THE PERIOD

The recognition of income taxes for interim periods is based on the best estimate of the income tax rate expected for the full year, which is applied to the income before income taxes. For the three-month periods ended March 31, 2015 and 2014, income tax expense recognized in the consolidated condensed income statements was as follows:

	2015	2014
Current income taxes	\$ 30,296	24,603
Deferred income taxes	(1,939)	14,871
	<u>\$ 28,357</u>	<u>39,474</u>
Out of which:		
Colombia ^{1,2}	\$ 15,143	28,414
Costa Rica	3,653	2,624
Panama	1,861	2,472
Rest of CLH and others	7,700	5,964
	<u>\$ 28,357</u>	<u>39,474</u>

1 Beginning January 1, 2015, a tax on wealth became effective in Colombia, which is calculated considering the net equity for tax purposes outstanding as of January 1, 2015. The aforementioned tax will be effective in 2015, 2016 and 2017. The effect of the three-month period ended March 31, 2015 was approximately \$1,680 and is included within income taxes.

2 In addition, as part of tax modifications effective January 1, 2015, a surcharge on the income tax rate (*Impuesto sobre la Renta para la Equidad* or "CREE") was implemented, which will be effective from 2015 to 2018 and will generate an increase in the income tax rate in Colombia to the following tax rates: 39% in 2015, 40% in 2016, 42% in 2017 and 43% in 2018. As of December 31, 2014, the aggregate income tax rate in Colombia was 34%.

The Parent Company does not recognize a liability for deferred income taxes on undistributed earnings of its subsidiaries, recognized by the equity method, as the Parent Company currently does not expect the taxable reversal of those undistributed earnings in the near future. In addition, the Parent Company does not recognize a liability for deferred income taxes related to its investments in subsidiaries considering that it is in control of the reversal of temporary differences arising from these investments.

17B) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

CEMEX Latam is involved in several ongoing tax proceedings which have not required the recognition of accruals considering the evidence at its disposal. Nonetheless, the Company cannot assure the obtention of a favorable resolution. As of March 31, 2015, a summary of relevant facts of the most significant proceedings in progress, or which were resolved during the reported periods, were as follows:

Colombia

- On September 13, 2012, the Tax Authority notified CEMEX Colombia an ordinary request for the review of its income tax return for the fiscal year 2011, in connection with the amortization of goodwill of Lomas del Tempisque S.R.L., which was considered tax deductible in such tax return. On October 5, 2012, CEMEX Colombia rejected the Tax Authority's arguments and requested that the case be dismissed. On August 9, 2013, CEMEX Colombia received a verification notice from the Tax Authority; obtaining the faculty to review the aforementioned income tax return, which is currently being audited. Additionally, on June 28, 2013, CEMEX Colombia requested an amendment project increasing the amount of tax receivable, which was accepted on September 6, 2013.
- On April 1, 2011, the Tax Authority notified CEMEX Colombia of a special proceeding rejecting certain deductions taken by CEMEX Colombia in its 2009 tax return. The Tax Authority assessed an increase in the income tax payable by CEMEX Colombia for an amount in Colombian pesos equivalent to approximately \$35 million and imposed a penalty in Colombian pesos for an amount equivalent to approximately \$56 million, both as of March 31, 2015. The Tax Authority argues that certain expenses are not deductible for fiscal purposes because they are not linked to direct revenues recorded in the same fiscal year, without considering that future revenue will be taxed under the income tax law in Colombia. CEMEX Colombia responded to the special proceeding on June 25, 2011. On December 15, 2011, the Tax Authority issued its final resolution, which confirmed the information in the special proceeding. CEMEX Colombia appealed such resolution on February 15, 2012. On January 17, 2013, the Tax Authority confirmed CEMEX Colombia its final resolution. On May 10, 2013, CEMEX Colombia appealed the final resolution before the Administrative Tribunal of Cundinamarca, which was admitted on June 21, 2013. On July 14, 2014, CEMEX Colombia was notified about an adverse resolution to its appeal, which confirms the official liquidation notified by the Tax Authority. On July 22, 2014, CEMEX Colombia filed an appeal against this resolution before the Colombian State Council (*Consejo de Estado*). At this stage of the proceeding, as of March 31, 2015, CEMEX Latam is not able to assess with certainty the likelihood of an adverse result in the proceeding, but if adversely resolved, this proceeding could have a material adverse impact on CEMEX Latam's results of operations, liquidity or financial position.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Significant tax proceedings – continued

- The municipality of San Luis has issued requirements to CEMEX Colombia related with the payment of the industry and commerce tax (*impuesto de industria y comercio*) in such municipality for the fiscal years from 1999 to 2011. The municipality argues that the tax is generated as a result of CEMEX Colombia's industrial activities in such jurisdiction. CEMEX Colombia considers that its activity in this municipality is strictly mining and therefore pays royalties for mineral extraction in this jurisdiction, based on the applicable law, which bans municipalities from collecting the industry and commerce tax, when the amount payable of royalties is equal or exceeds to the amount of such tax. CEMEX Colombia has duly submitted legal resources appealing these requirements. The combined amount of the proceedings in Colombian pesos is equivalent to approximately \$15 million as of March 31, 2015, of which, approximately \$6 million represent purported tax and \$9 million corresponds to penalties for inaccuracy. On July 18, 2013, the Colombian State Council issued a final resolution in favor of CEMEX Colombia in the process for the fiscal year 1999. Moreover, on December 3, 2013, first instance resolutions in favor of CEMEX Colombia were notified for the fiscal years 2009 and 2010, which the municipality appealed on December 13, 2013. In addition, on May 15, 2014, first instance resolutions against CEMEX Colombia were notified by the Court of Tolima for the fiscal years 2006 and 2007. The amount of purported taxes for such years in Colombian pesos is equivalent to approximately \$1 million plus a penalty for inaccuracy in Colombian pesos equivalent to approximately \$1 million, both as of March 31, 2015. On May 28, 2014, CEMEX Colombia appealed this resolution before the Colombian State Council.

On December 10, 2014, the municipality issued an official settlement request with respect to the fiscal year 2011 following CEMEX Colombia's response of May 5, 2014, for amounts in Colombian pesos equivalent for this year to approximately \$1 million of purported tax and approximately \$1 million of penalties, both as of March 31, 2015. On January 6, 2015, CEMEX Colombia filed an appeal to the official settlement request issued by the municipality for the fiscal year 2011. At this stage, CEMEX Colombia considers that cash outflows in relation to this litigation are not probable.

Costa Rica

- In January 2011, the Costa Rican Tax Department (*Dirección General de Tributación*) (the "Tax Department") informed the beginning of audits for the 2008 fiscal year in CEMEX (Costa Rica), S.A. ("CEMEX Costa Rica"), which include income tax, payroll withholding tax and sales tax. On August 9, 2013, the Tax Department issued a provisional regularization proposal for an amount in Costa Rican colones equivalent to approximately \$8 million, as of March 31, 2015, which includes tax, interest and penalties. On August 23, 2013, CEMEX Costa Rica filed a legal resource against the provisional regularization proposal, arguing that the action has been time barred and rejecting the proposed adjustments considering that CEMEX Costa Rica has acted in accordance with the applicable tax regulations. On September 30, 2013, CEMEX Costa Rica was notified of a settlement procedure by means of which the Tax Department dismissed the arguments presented by CEMEX Costa Rica and ratified the resolution of the provisional regularization proposal. On November 7, 2013, CEMEX Costa Rica filed a legal resource to revoke the settlement procedure, which should have been resolved by the Tax Department within a 3 month period, which the Tax Department could extend without consequence, except for the suspension of the calculation of interest. On September 24, 2014, the Tax Department notified CEMEX Costa Rica of the annulment of the settlement procedure and the resolutions previously issued considering a constitutional challenge accepted by the Constitutional Court of Costa Rica (the "Constitutional Court") against the article of the tax regulation which served as the basis for issuing the settlement procedure. Nonetheless, simultaneously, the Tax Department notified CEMEX Costa Rica a new settlement procedure and sanctioning resolutions in accordance with the new legal requirements of the new code of rules and tax procedures. Following the notification of the new settlement procedure, the Constitutional Court clarified that the Tax Department should not issue new settlement procedures until the Constitutional Court would issue a rule on the constitutionality of the article of the tax regulation. On October 10, 2014, the Tax Department notified CEMEX Costa Rica the cancellation of the new (and last) settlement procedure and the corresponding sanctioning resolutions, arguing that the Constitutional Court admitted an unconstitutionality action brought by a third party against the payment obligation or guaranty in a tax proceeding, prior to its defense, which is provided for in the new tax regulation; suspending its application until the Constitutional Court rules on the merits of this action. In view of the above, the Tax Department cannot issue new settlement procedures or sanctioning resolutions until the Constitutional Court resolves the aforementioned unconstitutionality action. Therefore, the tax proceeding initiated against CEMEX Costa Rica was annulled and the issuance of the settlement procedure against CEMEX Costa Rica was suspended. As of March 31 2015, there are no settlement procedures regarding the audit for the 2008 fiscal year against CEMEX Costa Rica.

18) STOCKHOLDERS' EQUITY

18A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of March 31, 2015 and December 31, 2014, the line item common stock and additional paid-in capital was detailed as follows:

	2015			2014		
	Authorized	Treasury shares	Total	Authorized	Treasury shares	Total
Common stock	\$ 718,124	–	718,124	718,124	–	718,124
Additional paid-in capital	894,701	(149,309)	745,392	894,701	(149,476)	745,225
	\$ 1,612,825	(149,309)	1,463,516	1,612,825	(149,476)	1,463,349

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Common stock and additional paid in capital – continued

During the three-month periods ended March 31, 2015 and 2014 the Parent Company performed physical deliveries of shares to the executives subject to the benefits of the stock-based long-term incentive plan (note 18D), which increased additional paid-in capital in the amount of \$167 and \$41, respectively, as result of the decrease in treasury shares, which were delivered to these executives.

As of March 31, 2015 and December 31, 2014, the Parent Company's subscribed and paid shares by owner were as follows:

Shares	2015	2014
Owned by CEMEX España	407,890,342	407,890,342
Owned by third-party investors	148,267,989	148,243,316
Total subscribed and paid shares	<u>556,158,331</u>	<u>556,133,658</u>

As of March 31, 2015 and December 31, 2014, the Parent Company's common stock was represented by 578,278,342 ordinary shares with a nominal value of 1 euro per share. The number of subscribed and paid shares of CEMEX Latam Holdings presented in the table above excludes 22,120,011 and 22,144,684 shares held in the Company's treasury (treasury shares), respectively.

As of March 31, 2015, CEMEX España owns approximately 73.34% of the ordinary shares of the Parent Company, excluding shares held in treasury.

18B) OTHER EQUITY RESERVES

As of March 31, 2015 and December 31, 2014, the balances of other equity reserves are summarized as follows:

	2015	2014
Reorganization of entities under common control and other effects ¹	\$ (300,422)	(300,422)
Translation effects of foreign subsidiaries ²	(463,625)	(400,868)
Share-based payments ³	5,942	5,716
	<u>\$ (758,105)</u>	<u>(695,574)</u>

¹ Effects resulting mainly from the difference between the amount of compensation determined in the reorganization of entities effective as of July 1, 2012, by means of which the Parent Company acquired its consolidated subsidiaries (note 23), and the value of the net assets acquired of such subsidiaries, net of other purchase adjustments.

² Represents the balance of the cumulative effects for the translation of foreign subsidiaries generated in the period and which are included in the statements of comprehensive income in each period.

³ As of March 31, 2015 and December 31, 2014, the line item other equity reserves includes effects associated with the executive compensation programs based on CEMEX's and the Parent Company's shares (note 18D), and which costs are recognized in the results of each subsidiary during the vesting period against other equity reserves. Upon physical delivery of the Parent Company's shares, the amounts accrued in other equity reserves are reclassified to additional paid-in capital.

18C) NON-CONTROLLING INTERESTS

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated entities. As of March 31, 2015 and December 31, 2014, non-controlling interest in equity amounted to approximately \$5,600 and \$5,762, respectively.

18D) EXECUTIVE STOCK-BASED COMPENSATION

Based on IFRS 2, *stock-based compensation*, the instruments granted to executives of CEMEX Latam are defined as equity instruments, considering that the services received from employees are settled by delivering shares. The cost of these equity instruments represents their estimated fair value at the grant date of each plan and is recognized in the income statement during the periods in which the executives render services and vest the exercise rights.

On January 16, 2013, the Parent Company's Board of Directors, considering the favorable report of its Nominations and Remuneration Committee, approved, effective January 1, 2013, a long-term incentives plan for certain executives of CEMEX Latam, consisting of an annual compensation plan based on the delivery of shares of the Parent Company. The cost associated with this long-term incentives plan is recognized in the operating results of the companies of CEMEX Latam in which the executives subject to the benefits of the plan render their services. The underlying shares in the aforementioned long-term incentives plan, which are held in the Company's treasury, are delivered fully vested during a 4-year period under each annual program.

In addition, during the years preceding the incentives plan previously mentioned, some executives of the Company participated in CEMEX's stock-based long-term incentives program, by means of which, new Ordinary Participation Certificates ("CPOs") of CEMEX are issued, which are delivered during a services period of four years under each annual programs. Effective January 1, 2013, all eligible executives from CEMEX Latam operations stopped receiving CEMEX CPOs.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Executive stock-based compensation – continued

For the three-month periods ended March 31, 2015 and 2014, compensation expense related to the long-term incentive plans based on shares of CEMEX and the Parent Company described above, which was recognized in the results of operations, amounted to \$393 and \$490, respectively.

18E) RETAINED EARNINGS

In accordance with the provisions of the Corporations Law in Spain, the Parent Company must allocate 10% of its annual profit, determined on a stand-alone basis, to a legal reserve until such reserve reaches at least an amount equivalent to 20% of the Parent Company's common stock. As of March 31, 2015, the legal reserve of the Parent Company amounted to \$3,738.

Additionally, a proposal for the distribution of the Parent Company's net income for the year ended December 31, 2014, submitted by the Board of Directors in its meeting held on March 26, 2015, included, among others issues, an allocation to the legal reserve for €3,706 thousand euros (\$4,888). Such proposal must be approved by the Parent Company's General Shareholders Meeting to be held in June 2015.

19) BASIC EARNINGS PER SHARE

Based on IAS 33, *Earnings per share* ("IAS 33"), basic earnings (loss) per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of shares outstanding (the denominator) during the period. Shares that would be issued depending only on the passage of time should be included in the determination of the basic weighted average number of shares outstanding. Diluted earnings (loss) per share should reflect in both, the numerator and denominator, the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions, to the extent that such assumption would lead to a reduction in basic earnings per share or an increase in basic loss per share, otherwise, the effects of potential shares are not considered because they generate antidilution.

The amounts considered for calculations of earnings per share ("EPS") for the three-month periods ended March 31, 2015 and 2014 are as follows:

Denominator (thousands of shares)	2015	2014
Weighted average number of shares outstanding – Basic EPS	556,150	556,060
Effect of dilutive instruments – stock-based compensation	295	248
Weighted average number of shares outstanding – Diluted EPS	556,445	556,308
Numerator		
Consolidated net income	\$ 43,964	54,820
Less: non-controlling interest net income	(173)	(200)
Controlling interest net income	\$ 43,791	54,620
Controlling Interest Basic Earnings per Share (\$ per share)	\$ 0.08	0.10
Controlling Interest Diluted Earnings per Share (\$ per share)	\$ 0.08	0.10

20) COMMITMENTS

20A) CONTRACTUAL OBLIGATIONS

As of March 31, 2015 and December 31, 2014, the Company had the following contractual obligations:

(Thousands of dollars)	March 31, 2015					2014
	Less than 1 year	1–3 years	3–5 years	More than 5 years	Total	Total
Debts						
Long-term debt with related parties ¹	177,262	1,036,446	–	–	1,213,708	1,203,169
Interest payments on debt ²	69,696	126,437	–	–	196,133	196,608
Operating leases ³	1,885	5,375	3,400	8,500	19,160	19,205
Capital lease obligations ⁴	4,337	9,350	–	–	13,687	15,770
Pension plans and other benefits ⁵	4,132	12,382	4,050	19,749	40,313	43,409
Total contractual obligations	\$ 257,312	1,189,990	7,450	28,249	1,483,001	1,478,161

¹ This line item refers to the Company's liabilities with related parties described in note 9.

² Includes future interest payments under debt owed to third-party creditors, capital leases and debt owed to related parties using the interest rates outstanding on the contracts as of March 31, 2015.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Contractual obligations – continued

- 3 The amounts of payments under operating leases have been determined on the basis of nominal cash flows. This line item mainly refers to the lease contract initiated in January 2001 with the Government of the Republic of Nicaragua for a term of 25 years, which includes the operative and administrative assets, trademark rights, quarry extraction rights and other assets of Compañía Nacional Productora de Cemento, S.A, for \$1,700 to less than one year, \$5,100 from one to three years, \$3,400 from three to five years and \$8,500 to more than five years. In addition, includes operating leases negotiated by the Parent Company in 2012 with CEMEX España and CEMEX Research Group A.G. with terms of 5 years for its corporate offices in Spain and the research and development offices in Switzerland for \$185 to less than one year and \$321 from one to three years, which are renewable at maturity by agreement of the parties.
- 4 Refers to caoital leases of machinery and equipment negotiated by CEMEX Colombia in 2012 with an original maturity of 60 months and an outstanding balance of \$13,687 as of March 31, 2015.
- 5 Represents the estimated annual payments under defined benefit plans over the next 10 years.

In addition to the contractual obligations described in the preceding table, as of March 31, 2015, the Company has other significant contractual obligations for the purchase of raw materials, fuels, electricity and equipments. The descriptions of some of the most significant contracts are as follows:

- On December 22, 2014, CEMEX Colombia signed an agreement with FLSmith, Inc., a global provider of equipment for the mining and cement industries, for the engineering of equipment, acquisition and supply of equipment for the new cement plant under construction in the municipality of Maceo (note 13), maturing in June 2016, for an amount of approximately \$42 million.
- On June 25, 2014, CEMEX Colombia and Wärtsilä Colombia S.A. signed a services agreement for the operation and maintenance of the natural gas electrical energy generating plant that provides energy under the modality of self-generation for the Caracolito plant, for a term of five years from the signing of the contract, for an amount of approximately \$10 million.
- On March 28, 2014, CEMEX Colombia, signed an agreement with ExxonMobil Colombia S.A. for the supply of a variety of fuels, for a term of three years from the signing of the contract, for an amount of approximately \$30 million.
- On November 1, 2013, CEMEX Colombia accepted the offer of Arenas y Gravas La Fontana Limitada, of the same date, by means of which Arenas y Gravas La Fontana Limitada will supply sand and/or gravel to CEMEX Colombia for a term of five years. Although the final calculation of the contract value will be determined considering the unitary prices and the goods actually supplied, the approximate amount is for \$4 million annually.
- On July 12, 2013, CEMEX Colombia entered into an agreement with B&F Constructores, S.A.S. by means of which B&F Constructores, S.A.S. will supply of sand and/or gravel to CEMEX Colombia. The agreement has a term of five years. Although the final calculation of the contract's value will be determined considering the unitary prices and the raw materials effectively supplied to the Company, the annual estimated amount is of approximately \$3 million.
- On May 23, 2013, CEMEX Colombia accepted the offer of Mincivil, S.A., dated on May 22, 2013, by means of which Mincivil, S.A. will provide services for the development and mining exploitation of the Suspiro quarry owned by CEMEX Colombia, located in the municipality of los Patios (North of Santander - Colombia), under the supervision and immediate technical direction and approval of CEMEX Colombia. The contract has a term of five years without automatic extension. Although the final calculation of the contract value will be determined considering the unitary prices and the services effectively received, the annual estimated amount is of approximately \$2 million.

20B) OTHER COMMITMENTS

In addition to the contracts described above, as of March 31, 2015, the Company had the followings significant commitments:

- In 2012, CEMEX Latam Holdings S.A. through its branch in Switzerland entered in to the following agreements:
 - i) Agreement with CEMEX, S.A.B de C.V. for the use of CEMEX's trademarks. This contract has a term of five years and is automatically renewable for equal periods, unless it is terminated by either party to the contract providing notice one month before the applicable termination date. The Company must pay annually the use of trademarks calculated based on annual net sales of goods and services and transfer prices. For the periods ended March 31, 2015 and 2014, the total expense for trademarks use recognized in the operating expenses amounted to \$2,294 and \$2,512, respectively.
 - ii) Agreement with CEMEX Research Group, A.G. for the use, operation and enjoyment of assets. This contract has a term of five years and is automatically renewable for equal periods, unless it is terminated by either party providing notice one month before the applicable termination date. The Company must pay royalties calculated annually based on annual net sales of goods and services. For the periods ended March 31, 2015 and 2014, the total royalty expense recognized in the operating expenses amounted to \$8,525 and \$13,301, respectively.
 - iii) Agreement for the rendering of administrative services with CEMEX Central, S.A. de C.V., for the technical, financial, marketing, legal, human resources and information technology areas. This contract has a term of five years, automatically renewable for equal periods, unless it is terminated by either party providing notice one month before the applicable termination date. The Company must pay annually the use of these administrative services based on annual net sales of goods and services. For the period ended March 31, 2015 and 2014, the total services expense recognized in the operating expenses amounted to \$6,871 and \$5,323, respectively.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Other commitments— continued

- In order to avoid potential conflicts of interest between the Parent Company and CEMEX, CEMEX España and the subsidiaries of both, on October 5, 2012, the Parent Company entered into a Framework Agreement which became effective upon closing of the initial offering, and which may be modified or terminated by written agreement between the Parent Company, CEMEX and CEMEX España, for which the Parent Company will require approval of its independent directors. In addition, the Framework Agreement shall cease to apply if the Company ceases to be subsidiary of CEMEX or if CEMEX is no longer required to account for its investment in the Parent Company either on a consolidated basis or under the equity method (or any other method that applies similar principles).
- Pursuant to the Framework Agreement entered with CEMEX and CEMEX España, and in order to assist CEMEX to accomplish its debt agreements, the Parent Company will require the prior consent of CEMEX and CEMEX España for:
 - a) Any consolidation, merger or partnership with a third party.
 - b) Any sale, lease, exchange or other disposition, acquisition to any person other than CEMEX.
 - c) The issuance or sale of any shares or derivative equity securities or the adoption of any stock-based incentive plan, except for: (i) the issuance of shares by the Company to CEMEX, and (ii) the issuance of shares under the long-term incentives plan that does not exceed \$1.75 million.
 - d) The declaration, decree or payment of dividends or other distribution by the Parent Company in connection with its shares other than (i) through the issuance of common stocks of the Parent Company or the issuance of the right to subscribe ordinary shares of the Parent Company to the shareholders of the Company proportionally, to the extent that is not paid or transferred to another person who is not part of CEMEX (other than the Parent Company), cash or other assets of CEMEX (or any interest in such cash or assets) in connection with such distribution or interest, and/or (ii) in proportion to the equity interest of each minority shareholder of the Parent Company, to the extent that each shareholder receives at the same time its proportional share in any dividend, distribution or interest payment.
 - e) The creation, negotiation, grant or guarantee by the Parent Company of any type of debt, and/or the creation of liens on any of its assets, for a total amount over \$25 million at any time for both concepts.
 - f) Provide loans or become creditor in connection with any type of debt, except: (i) with respect to commercial loans granted to customers on normal commercial terms and in the ordinary course of business, and (ii) as deferred compensation in respect of any sale, lease, exchange or other disposition that the Parent Company or any of its subsidiaries are authorized to execute without the consent of CEMEX and CEMEX España.
 - g) Take any action that could result on default for CEMEX under any contract or agreement, under its financing agreements and any refinancing, relocation or modifications thereto, to the extent that all CEMEX's notification obligations included in the Framework Agreement are fulfilled for contracts or agreements other than: (i) the Credit Agreement and any refinancing, replacement or modification thereto, and (ii) the issuance of minutes of CEMEX and any replacement or modification thereof.
- In addition, as mentioned in note 20A, there are other commitments derived from the Parent Company's leases of its corporate offices in Madrid and of the research and development offices in Switzerland. In addition, the Company is subject to compliance with CEMEX's debt agreements, negotiated, among others, with CEMEX, S.A.B. de C.V. itself, each of which became effective upon the completion of the initial offering.
- On November 25, 2014, CEMEX Colombia and Consorcio PCP, formed by Constructora OAS and CI Grodco S.C.A., signed a contract for the supply and installation of hydraulic ready-mix pavements for the infrastructure project "*Proyecto Mejoramiento, Gestión Social, Predial y Ambiental del Proyecto Corredor Transversal del Libertador Fase II, para el Programa Corredores Prioritarios para la Prosperidad*", with a term of 27 months from the beginning of the works, and which estimated amount is of approximately \$13 million.
- On July 30, 2012, CEMEX signed a 10-year strategic agreement with IBM, which includes CEMEX Latam and its subsidiaries, pursuant to which IBM will provide business processes services and information technology ("IT"). Moreover, IBM will provide business consulting to detect and promote sustainable improvements in CEMEX's profitability. The 10-year contract assigned to IBM is expected to generate cost reductions to CEMEX, measured in respect to costs previously incurred in such activities, to the extent that processes efficiencies would be achieved during such 10-year period. The services from IBM include: data processing services (back office) in finance, accounting and human resources; as well as IT infrastructure services, support and maintenance of IT applications in the different countries in which CEMEX operates, including CEMEX Latam and its subsidiaries. The cost to be incurred by the Company with IBM under this agreement is of approximately \$4 million per year.
- On December 20, 2007, Cementos Bayano S.A. entered into a long-term clinker supply contract in the Republic of Panama with Cemento Panamá, S.A. (currently Argos Panamá, S.A.). The supply contract was established for a period of 10 years and includes annual partial deliveries of clinker in metric tons ("MT") of 1,254,000 MT for the period from 2013 to 2014 and 2,735,498 MT for the period from 2015 to 2018.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

21) CONTINGENCIES

21A) CONTINGENT LIABILITIES RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various significant legal processes, other than the tax-related procedures which are described in note 17B, the resolutions of which are deemed probable and imply cash outflows or the delivery of other resources owned by CEMEX Latam. Therefore, certain provisions have been recorded in the financial statements, representing the best estimate of payments thereof. As a result, CEMEX Latam considers that there will not be significant payments in excess of the amounts already recognized.

As of March 31, 2015, the only significant case considered individually is as follows:

- In 1999, several companies belonging to the Laserna family filed an extra-contractual civil liability claim against CEMEX Colombia, by means of which the plaintiffs demanded compensation for alleged damages caused to their land with effects on costs and lower production of their rice crops as a result of solid pollutants expelled by the chimneys of the "Buenos Aires" and "Caracolito" cement production plants in the department of Tolima. In January 2004, the Fourth Circuit Civil Court of Ibagué issued a resolution ordering CEMEX Colombia a payment in favor of the plaintiffs equivalent to approximately \$10 million. CEMEX Colombia appealed this resolution. On September 10, 2010, the Superior Court of Ibagué fully revoked the resolution accepting the defense arguments of CEMEX Colombia. As of March 31, 2015, the process is in the Supreme Court of Justice, where the appeal resource filed by the plaintiffs is being processed.

21B) OTHERS CONTINGENCIES RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various legal proceedings, in addition to those related to tax matters (note 17B), which have not required the recognition of accruals based on the evidence at its disposal. Nonetheless, the Company cannot assure the obtention of a favorable resolution in these proceedings.

As of March 31, 2015, the disclosure of facts of the most significant proceedings with a quantification of the potential loss is as follows:

Market related proceedings

- On September 5, 2013, the Colombian Superintendency of Industry and Commerce (the "SIC") issued a resolution pursuant to which the SIC opened an investigation against five cement companies and 14 directors of those companies, including CEMEX Colombia, its former legal representative and the current President of CEMEX Colombia, for allegedly breaching rules which prohibit: a) to limit free competition and/or determining or maintaining unfair prices; b) direct or indirect price fixing agreements; and c) any market sharing agreements between producers or distributors. In connection with the 14 executives under investigation, the SIC may sanction any individual who collaborated, facilitated, authorized, executed or tolerated behavior that violates free competition rules. On October 7, 2013, CEMEX Colombia responded the resolution and submitted evidence in its relief. If the alleged infringements are substantiated, aside from any measures that could be ordered to remediate the alleged practices, penalties may be imposed by the SIC against each company being declared in breach of the competition rules for an equivalent amount in Colombian pesos as of March 31, 2015 of up to \$25 million for each violation, and an equivalent of up to \$1 million against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. It is expected that in early 2015, the Superintendent Delegate for Competition Protection will issue a non-binding report of the investigation, which could provide a recommendation to impose sanctions or to close the investigation, and a decision by the SIC on this matter would be expected during the second or third quarter of 2015. As of March 31, 2015, CEMEX Latam is not able to assess with certainty the likelihood of the SIC imposing any measures and/or penalties against CEMEX Colombia, but if imposed, they could have a material adverse effect on the Company's results of operations, liquidity or financial condition.

Environmental proceedings

- On June 5, 2010, the District of Bogotá's Environmental Secretary (*Secretaría Distrital de Ambiente de Bogotá* or the "Environmental Secretary"), ordered the suspension of CEMEX Colombia's mining activities at El Tunjuelo quarry, located in Bogotá, as well as those of other aggregates producers in the same area. The Environmental Secretary alleged that during the past 60 years CEMEX Colombia and the other companies have illegally changed the course of the Tunjuelo River, have used the percolating waters without permission and have improperly used the edge of the river for mining activities. In connection with the injunction, on June 5, 2010, CEMEX Colombia received a notification from the Environmental Secretary informing the initiation of proceedings to impose fines against CEMEX Colombia based on the above mentioned alleged environmental violations. CEMEX Colombia responded to the injunction by requesting that it be revoked based on the fact that the mining activities at El Tunjuelo quarry are supported by the authorizations required by the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and permanently authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*). On June 11, 2010, the local authorities in Bogotá, in compliance with the Environmental Secretary's decision, sealed off the mine to machinery and prohibited the removal of CEMEX's aggregates inventory. Although there is not an official quantification of the possible fine, the Environmental Secretary has publicly declared that the fine could be up to the equivalent amount in Colombian pesos as of March 31, 2015 of approximately \$116 million.

The temporary injunction has not compromise the production and supply of ready-mix concrete to the Company's clients in Colombia. At this stage, CEMEX Latam is not able to assess with certainty the likelihood of an adverse result or potential damages which could be borne by CEMEX Colombia. An adverse resolution in this case could have a material adverse impact on CEMEX Latam's results of operations, liquidity or financial condition.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Others contingencies resulting from legal proceedings – continued

In the ordinary course of business, the Company is subject to extensive laws and regulations on environmental issues in each of the jurisdictions in which it operates. These laws and regulations impose increasingly stringent environmental protection standards regarding air pollutant emissions, wastewater discharges, the use and handling of hazardous materials or waste disposal practices and the remediation of pollution or environmental damage. Among other things, these laws and regulations expose the Company to a risk of substantial environmental costs and responsibilities, including responsibilities associated with divested assets and past activities and, in some cases, to the acts and omissions of prior owners or operators of a property or plant. Also, in some jurisdictions, certain environmental laws and regulations impose obligations without regard to the fault or the legality of the original activity at the moment of the actions which gave rise to the responsibility.

- In August 2005, a lawsuit was filed against CEMEX Colombia and other members of the Colombian Ready-mix Producers Association (*Asociación Colombiana de Productores de Concreto* or “ASOCRETO”). The lawsuit claimed that CEMEX Colombia and other ASOCRETO members were liable for the premature distress of the concrete slabs of the *Autopista Norte* trunk line of the Transmilenio bus rapid transit system in Bogotá in which ready-mix concrete and flowable fill supplied by CEMEX Colombia and other ASOCRETO members was used. The plaintiffs alleged that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs seek compensation for damages for an amount in Colombian pesos equivalent as of March 31, 2015 to approximately \$39 million. In 2008, as security for a possible future money judgment to be rendered against CEMEX Colombia in these proceedings, the Superior Court of Bogotá allowed CEMEX to present an insurance policy for an amount in Colombian pesos equivalent as of March 31, 2015 to approximately \$8 million pursuant to which the attachment over certain assets was lifted.

On October 10, 2012, a court resolution convicted the former director of the Urban Development Institute (“UDI”), the legal representatives of the builder and the auditor to a prison term of 85 months and a fine equivalent to approximately \$12, and ordered a restart of the proceeding against the ASOCRETO officers.

On August 30, 2013, after an appeal by the UDI, the Superior Court of Bogotá issued a resolution that, among other matters, reduced the prison term imposed to the former UDI officers to 60 months, imposed the UDI officers to severally pay an amount in Colombian pesos equivalent as of March 31, 2014 to \$42 million, overturned the sentence imposed to the builder’s legal representatives and auditor because the criminal action against them was time barred, revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to render a judgment regarding the ASOCRETO officers’ liability or lack thereof.

On January 21, 2015, the Criminal Court of the Bogotá Circuit declared the prescription of the criminal action initiated against the ASOCRETO officers. The judge accepted the arguments presented by CEMEX Colombia in respect that the accused officers were not public servants; therefore, declared the prescription of the criminal action since 2012. As a result of the criminal action against the ASOCRETO officers being prescribed, also ceased the action against CEMEX Colombia in its condition of supposedly civil responsible third party. The decision is subject to appeal, which must be presented before the Criminal Chamber of the Superior Court of Bogotá.

In addition, six actions related to the premature distress of the concrete slabs were brought against CEMEX Colombia, of which, the Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five and only one remains outstanding. In addition, the UDI filed another action alleging that CEMEX Colombia made deceiving advertisements on the characteristics of the flowable fill used in the construction of the line. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, fulfilling all the required technical specifications. CEMEX Colombia did not participate in nor had any responsibility on the design, sourcing of materials or their corresponding technical specifications of the construction. At this stage of the proceedings, as of March 31, 2015, CEMEX Latam is not able to assess with certainty the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on CEMEX Latam’s results of operations, liquidity or financial condition.

- In connection with the construction of the new cement plant in the municipality of Maceo (Antioquia) in Colombia (note 13), in August 28, 2012, CEMEX Colombia signed a memorandum of understanding (“MDE”) with CALIZAS CI S.A. for the transfer to CEMEX Colombia of the land, the mining title and the free zone for the construction of the new cement plant. After the execution of the MDE, one of CI CALIZAS S.A.’s partners was linked to a legal process for expiration of property and, as a result, the Attorney General’s Office, among other measures, suspended CI CALIZAS S.A.’s rights to dispose of the assets offered to CEMEX Colombia. In order to protect its interests, CEMEX Colombia presented to the competent authorities the information of the cement project under development and explained how this measure affected the transfer of full ownership rights of the related assets under negotiation. Considering CEMEX Colombia’s efforts, and as a temporary solution while the request for the revocation of the measures against CI CALIZAS is resolved, CEMEX Colombia entered into a lease contract with the National Department of Anti-narcotics (*Dirección Nacional de Estupefacientes*) (depository of the affected assets) pursuant to which CEMEX Colombia is authorized to continue with the necessary works for the construction of the cement plant and consequently to protect all the infrastructure works and investments already made by CEMEX Colombia. Additionally, CEMEX Colombia became part in the legal proceeding to enforce its rights resulting from the MDE and to conclude the negotiation once the proceeding is resolved which is expected to occur in a lapse of three to six months. As of March 31, 2015, CEMEX Colombia has made investments of approximately \$78 million in the new plant in Maceo. As of March 31, 2015, CEMEX Colombia considers that its investments in the development of the plant are protected by virtue of the lease contract. Nonetheless, if there is a final adverse resolution of the authority with respect to CI CALIZAS S.A.’s rights to dispose of the land, the mining title and the free zone, and if CEMEX Colombia exhausts all legal resources available against the adverse resolution, in such event that the lease could not be extended, the resolution could have a material adverse effect on the Company’s results of operations, liquidity or financial condition.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

Others contingencies resulting from legal proceedings – continued

- Panamanian Height Restriction Litigation. On July 30, 2008, the Panamanian Authority of Civil Aeronautics (*Autoridad de Aeronáutica Civil de Panama*), or AAC initially refused the application of Cemento Bayano, S.A. ("Cemento Bayano"), subsidiary of the Company in Panama, to erect structures above the permitted height restriction applicable to certain areas surrounding the Calzada Larga Airport which affected the construction of the cement plant's second line. On October 14, 2008, as per Cemento Bayano's request for reconsideration, the AAC granted permission for the construction of the tallest building of the second line, under the following conditions: that (a) Cemento Bayano assumes any liability arising from any incident or accident caused by the construction of such building, and (b) there would be no further permissions for additional structures. Regarding the construction of the remaining 12 buildings of the second line of the plant, on March 13, 2009, the AAC issued an explanatory note stating that: (a) should an accident occur in the Calzada Larga Airport's perimeter, an investigation shall be conducted in order to determine the cause and further responsibility; and (b) there will be no further permissions for additional structures of the same height as the tallest structure already authorized: Therefore, additional permits may be obtained as long as the structures are lower than the tallest building, on a case by case analysis to be conducted by the authority. Cemento Bayano filed an authorization request for the construction of the project's 12 remaining structures. On September 11, 2009, the AAC issued a resolution authorizing 3 of the 12 remaining structures and denying permits to 9 additional structures above the permitted height restriction applicable to certain areas surrounding Calzada Larga Airport. On September 16, 2009, Cemento Bayano requested the AAC to reconsider its denial. On May 20, 2010, the AAC issued a report stating that all vertical structures erected by Cemento Bayano complied with the applicable signaling and lighting requirements in order to receive the respective authorization; nonetheless, as of March 31, 2015, the AAC had not yet issued a ruling regarding the request to review the remaining 9 structures. On December 10, 2014, a meeting was held with the new Director of the AAC, in order to further the proceedings pending of approval.

To this date, the risk has decreased substantially since the buildings have been built and are running, the likelihood of their being stopped by the authorities is very low, but would be mitigated completely when Cemento Bayano obtains the approval of the authority, which is expected to be accomplished during this new Government administration. However, if adversely resolved, and after exhausting all available recourses, the Company cannot predict the resolutions that may be issued or whether such resolutions would have an adverse impact on its results of operations, liquidity or financial condition. Moreover, the Company is unable to assess with certainty the likelihood of any incident or accident occurring as a result of the aforementioned constructions, and the responsibility, if any, that would be allocated to Cemento Bayano, but if any major incident or accident were to occur and if Cemento Bayano were to be held liable, any responsibility that would be formally allocated to Cemento Bayano could have a material adverse impact on the results of operations, liquidity and financial condition of the Company.

In addition, as of March 31, 2015, the Company is involved in various legal proceedings of minor impact that have arisen in the ordinary course of business. These proceedings involve: 1) product warranty claims; 2) claims for environmental damages; 3) indemnification claims relating to acquisitions; 4) other similar claims brought against us that have arisen in the ordinary course of business.

22) SUBSEQUENT EVENTS

In connection to the tax procedure with the municipality of San Luis described in note 17B, on April 1, 2015, CEMEX Colombia received from the San Luis municipality a special requirement dated March 25, 2015 related to fiscal year 2012, resulting from the same arguments mentioned in the proceedings of previous years with such municipality. The alleged tax in Colombian pesos for this year is equivalent to \$2 million and a penalty in Colombian pesos equivalent to approximately \$3 million, both as of March 31, 2015. The deadline for the Company to respond to this special request is June 25, 2015.

On April 22, 2015, CEMEX Costa Rica, indirect subsidiary of the parent company, was notified by the Competition Authority (*Dirección de Apoyo a la Competencia*) of a request for information issued by the Ministry of Economy, Industry and Trade of Costa Rica in connection with an study in the cement market that would allow the evaluation of price changes as well as to identify possible distortions and market barriers among other issues in such country. The aforementioned information request relates to volumes, prices and production costs from 2010 to date, which must be submitted according to the request DACP-OF-050-15 in ten working days from the notification of the request, which is due on May 7, 2015. The Company will cooperate as necessary with the aforementioned study and considers that will have no problem in complying with this information request on the appointed date.

23) MAIN SUBSIDIARIES

Pursuant to a reorganization of entities under CEMEX's common control effective on July 1, 2012, and mainly through Corporación Cementera Latinoamericana, S.L.U., direct subsidiary of the Parent Company constituted on June 27, 2012 under the laws of Spain, CEMEX Latam Holdings acquired its main consolidated subsidiaries.

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the three-month periods ended March 31, 2015 and 2014
(Thousands of U.S. dollars)

The Parent Company's main direct and indirect subsidiaries as of March 31, 2015 and 2014 are as follows:

Subsidiary	Country	Activity	% of interest
Corporación Cementera Latinoamericana, S.L.U. ¹	Spain	Parent	100.0
CEMEX Bogotá Investments, B.V. ¹	The Netherlands	Parent	100.0
CEMEX Colombia S.A.	Colombia	Operative	99.7
CEMEX (Costa Rica), S.A.	Costa Rica	Operative	99.1
CEMEX Nicaragua, S.A.	Nicaragua	Operative	100.0
CEMEX Caribe II Investments, B.V.	The Netherlands	Parent	100.0
Cemento Bayano, S.A.	Panama	Operative	99.5
Cimentos Vencemos do Amazonas, Ltda.	Brazil	Operative	100.0
CEMEX Guatemala, S.A. ²	Guatemala	Operative	100.0
Equipos para uso en Guatemala, S.A.	Guatemala	Operative	100.0
CEMEX El Salvador, S.A.	El Salvador	Operative	100.0
Inversiones SECOYA, S.A.	Nicaragua	Operative	100.0

¹ CEMEX Latam Holdings, S.A., indirectly controls through Corporación Cementera Latinoamericana, S.L.U. and CEMEX Bogotá Investments, B.V., the operations of the Parent Company in Colombia, Costa Rica, Nicaragua, Panama, Brazil, Guatemala and El Salvador.

² The subsidiary Global Cement, S.A. located in Guatemala changed its legal name to CEMEX Guatemala, S.A. effective on May 27, 2013.