Consolidated Condensed Financial Statements

September 30, 2018

This is an unofficial translation into English of the condensed consolidated financial statements as of and for the nine-month periods ended September 30, 2018 and 2017 issued in the Spanish language on October 24, 2018. This translation is provided solely for the convenience of English-speaking readers. For any and all purposes, the condensed consolidated financial statements as of and for the nine-month periods ended September 30, 2018 and 2017 issued in the Spanish language on October 24, 2018 shall be considered the only official version of the document.

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CEMEX Latam Holdings S.A. and Subsidiaries

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

	Notes		(Unaudited) For the nine-month periods ended September 30, 2018	September 30, 2017
Revenues	3	$	848,520	928,187
Cost of sales	2E		(502,189)	(518,621)
Gross profit			**346,331**	**409,566**
Administrative and selling expenses			(137,482)	(149,554)
Distribution expenses			(79,633)	(76,080)
			(217,115)	(225,634)
Operating earnings before other expenses, net			**129,216**	**183,932**
Other expenses, net	5,3		(704)	(6,047)
Operating earnings			**128,512**	**177,885**
Financial expense	3B		(42,938)	(46,592)
Financial income and other items, net	3B, 6		(1,436)	(1,509)
Foreign exchange results			12,025	427
Earnings before income tax			**96,163**	**130,211**
Income tax	17A		(33,344)	(45,155)
Net income (loss) from continuing operations			62,819	85,056
Net income (loss) from discontinued operations			(9,383)	(5,560)
CONSOLIDATED NET INCOME			**53,436**	**79,496**
Non-controlling interest net income			186	288
CONTROLLING INTEREST NET INCOME		$	**53,250**	**79,208**
Basic earnings (loss) per share	19	$	**0.10**	**0.14**
Basic earnings (loss) per share of continuing operations	19		**0.08**	**0.13**
Diluted earnings (loss) per share	19	$	**0.10**	**0.14**
Diluted earnings (loss) per share of continuing operations	19		**0.08**	**0.13**

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

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

	Notes		(Unaudited) For the nine-month periods ended September 30, 2018	(Unaudited) For the nine-month periods ended September 30, 2017
CONSOLIDATED NET INCOME		$	**53,436**	**79,496**
Items that will be reclassified subsequently to profit or loss when specific conditions are met:				
Currency translation of foreign subsidiaries			(50,700)	(3,772)
Total other items of comprehensive income for the period			(50,700)	(3,772)
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD			**2,736**	**75,724**
Non-controlling interest comprehensive income			186	288
CONTROLLING INTEREST COMPREHENSIVE INCOME FOR THE PERIOD		$	**2,550**	**75,436**
Out of which:				
COMPREHENSIVE LOSS OF DISCONTINUED OPERATIONS			(9,383)	(5,560)
COMPREHENSIVE INCOME OF CONTINUING OPERATIONS			**11,933**	**80,996**

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

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

	Notes	(Unaudited) As of September 30, 2018	As of December 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	$ 23,564	45,154
Trade accounts receivable, net	8	107,937	115,475
Accounts receivable from related parties	9	911	9,647
Other accounts receivable	10A	16,807	14,834
Prepaid taxes		38,346	33,757
Inventories, net	11	79,178	82,675
Other current assets	12	21,213	25,745
Total current assets		287,956	327,287
NON-CURRENT ASSETS			
Other investments and non-current accounts receivable	10B	4,224	10,319
Property, machinery and equipment, net	13	1,219,337	1,250,521
Goodwill, intangible assets and deferred assets, net	14	1,596,420	1,694,998
Deferred income taxes assets		10,407	10,864
Total non-current assets		2,830,388	2,966,702
TOTAL ASSETS		**$ 3,118,344**	**3,293,989**
CURRENT LIABILITIES			
Short-term debt	15	$ 10,120	17,523
Trade payables		133,620	165,969
Accounts payable to related parties	9	240,884	358,134
Taxes payable		34,796	31,341
Other accounts payable and accrued expenses	16	68,079	109,870
Total current liabilities		487,499	682,837
NON-CURRENT LIABILITIES			
Long-term accounts payable to related parties	9	629,939	584,684
Employee benefits		39,590	40,415
Deferred income taxes liabilities		398,917	427,382
Other liabilities	16	14,821	15,626
Total non-current liabilities		1,083,267	1,068,107
TOTAL LIABILITIES		**1,570,766**	**1,750,944**
STOCKHOLDERS' EQUITY			
Controlling interest			
Common stock and additional paid-in capital	18A	1,468,717	1,467,987
Other equity reserves	18B	(888,764)	(838,603)
Retained earnings	18C	908,751	862,656
Net income		53,250	46,095
Total controlling interest		1,541,954	1,538,135
Non-controlling interest	18E	5,624	4,910
TOTAL STOCKHOLDERS' EQUITY		**1,547,578**	**1,543,045**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**$ 3,118,344**	**3,293,989**

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

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

	Notes		(Unaudited) For the nine-month periods ended As of September 30, 2018	As of September 30, 2017
OPERATING ACTIVITIES				
Consolidated net income		$	62,819	85,056
Discontinued operations, net of tax			(9,383)	(5,560)
Net income (loss) from continuing operations			53,436	79,496
Non-cash items:				
Depreciation and amortization expense	4		58,523	58,157
Provisions and other non-cash expenses (revenue)			(2,015)	1,434
Financial expense, other financial income and foreign exchange results			32,349	47,503
Income taxes	17A		33,344	45,155
Loss on the sale of fixed assets			1,348	800
Translation effects from discontinued operations			4,711	–
Changes in working capital, excluding income taxes			(47,720)	7,151
Net cash flow provided by operating activities from continuing operations before interest, and income taxes			**133,976**	**239,696**
Long term assets and others, net			(30,194)	(32,087)
Income taxes paid in cash			(40,007)	(83,497)
Net cash flow provided by operating activities of continuing operations			63,775	124,112
Net cash flow provided by operating activities of discontinued operations			(1,117)	2,521
Net cash flows provided by operating activities			**62,658**	**126,633**
INVESTING ACTIVITIES				
Property, machinery and equipment, net			(16,760)	(63,025)
Financial income, net			439	(274)
Intangible assets and other deferred charges			(2,166)	3,497
Long term assets and others, net			6,094	3,476
Disposal of subsidiaries			31,064	–
Net cash flows used in investing activities of continuing operations			18,671	(56,327)
Net cash flows used in investing activities of discontinued operations			878	(3,705)
Net cash flows used in investing activities			**19,549**	**(60,031)**
FINANCING ACTIVITIES				
Related parties debt repayments			(431,444)	(435,957)
Loans with related parties			345,857	369,043
Loans (repayments), net			(7,374)	(4,972)
Non-current liabilities, net			(9,725)	(2,598)
Net cash flows used in financing activities of continuing operations			(102,686)	(74,484)
Net cash flows used in financing activities of discontinued operations			(242)	4,261
Net cash flows used in financing activities			**(102,928)**	**(70,223)**
Decrease in cash and cash equivalents			(20,240)	(6,698)
Increase in cash and cash equivalents of discontinued operations			(481)	3,077
Cash foreign currency translation effect, net			(869)	115
Cash and cash equivalents at beginning of the period			45,154	44,907
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7	$	**23,564**	**41,401**
Changes in working capital, excluding income taxes:				
Trade receivables, net		$	9,833	(26,270)
Other accounts receivable and other assets			13,875	(9,819)
Inventories			3,216	(6,007)
Trade payables			(32,350)	2,341
Short-term related parties, net			2,723	40,428
Other accounts payable and accrued expenses			(45,017)	6,478
Changes in working capital, excluding income taxes		$	**(47,720)**	**7,151**

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

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

	Notes		Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
			(Unaudited)						
Balance as of December 31, 2016		$	**718,124**	**748,694**	**(860,376)**	**862,656**	**1,469,098**	**4,813**	**1,473,911**
Net income for the period			–	–	–	79,208	79,208	288	79,496
Total other items of comprehensive income for the period			–	–	(3,855)	–	(3,855)	–	(3,855)
Changes in non-controlling interest	18E		–	–	–	–	–	45	45
Stock-based compensation	18D		–	519	488	–	1,007	–	1,007
Balance as of September 30, 2017		$	**718,124**	**749,213**	**(863,743)**	**941,864**	**1,545,458**	**5,146**	**1,550,604**
Balance as of December 31, 2017			**718,124**	**749,863**	**(838,603)**	**908,751**	**1,538,135**	**4,910**	**1,543,045**
Effect from adoption of IFRS 9 (note 2F)			–	–	(853)	–	(853)	–	(853)
Balances as of January 1, 2018			**718,124**	**749,863**	**(839,456)**	**908,751**	**1,537,282**	**4,910**	**1,542,192**
Net income for the period			–	–	–	53,250	53,250	186	53,436
Total other items of comprehensive income for the period			–	–	(50,699)	–	(50,699)	–	(50,699)
Changes in non-controlling interest	18E		–	–	–	–	–	528	528
Stock-based compensation	18D		–	730	1,391	–	2,121	–	2,121
Balance as of September 30, 2018		$	**718,124**	**750,593**	**(888,764)**	**962,001**	**1,541,954**	**5,624**	**1,547,578**

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

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.) for an undefined period of time. 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 Spanish territory 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 and El Salvador, 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 in the Colombian Stock Exchange (*Bolsa de Valores de Colombia, S.A.* or "BVC") under the symbol CLH.

The term the "Parent Company" used in these accompanying notes to the financial statements refers 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 condensed financial statements was authorized by Management and the Board of Directors of the Parent Company on October 24, 2018, considering the favorable report of the Audit Commission.

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied to these consolidated condensed financial statements as of September 30, 2018, are the same as those applied in the consolidated financial statements as of December 31, 2017, except as described in note 2F.

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 September 30, 2018, as issued by the International Accounting Standards Board ("IASB"), as well as with the International Accounting Standard 34, *Interim Financial Statements*.

The consolidated condensed Statements of Financial Position as of September 30, 2018 and as of December 31, 2017, 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 nine-month periods ended September 30, 2018 and 2017, as well as their related disclosures included in the notes to the financial statements, have not been audited.

These consolidated condensed financial statements under IFRS are presented quarterly to the securities and exchange regulator in Colombia due to the registration of the Parent Company's shares with the aforementioned authority for their trading on the BVC.

Discontinued Operations

On September 27, 2018, the Parent Company jointly with its subsidiary Corporación Cementera Latinoamericana, S.L.U. ("CCL"), after receiving several approvals from the authorities, finalized the sale of the Company's operations in Brazil through the sale of all the shares of the Brazilian entity Cimento Vencemos Do Amazonas Ltda (note 3A) as part of the binding agreements signed with Votorantim Cimentos N / NE S.A. ("Votorantim") on May 24, 2018 for an approximately amount of $31 million, proceeds that after considering withholding taxes, were applied to reduce debt with related parties. Considering the full disposal of this reportable operating segment, CEMEX Latam presents the Brazilian operating segment as discontinued operations in the income statements, statements of comprehensive income and statements of cash flows as of September 30, 2018 and 2017. As such, the comparative financial statements and notes for the prior period previously reported, in which CEMEX Latam presented its consolidated operations in Brazil line by line, were restated. Discontinued operations are presented net of income taxes. Based on IFRS, the information of the statement of financial position for the prior period was not restated.

Presentation currency and definition of terms

The presentation currency of the consolidated condensed 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 carries 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, 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 September 30, 2018. 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 September 30, 2018 and December 31, 2017, as well as for the nine-month periods ended September 30, 2018 and 2017 were determined using the closing and average exchange rates, as correspond, presented in the table of exchange rates included in note 2D.

Presentation currency and definition of terms - continued

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

Income statements

CEMEX Latam includes the line item titled "Operating earnings before other expenses, net" considering that it is a relevant measure for CEMEX Latam's management as explained in note 3B. Under IFRS, certain line items are regularly included in the income statements, such as net sales, operating costs and expenses and financial income and expense, among others. The inclusion of certain subtotals such as "Operating earnings before other expenses, net" and the display of the income statement vary significantly by industry and company according to specific needs.

The line item "Other expenses, net" in the consolidated condensed income statements 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, as well as certain severance payments during restructuring processes, among others (note 5).

Statements of cash flows

The consolidated condensed statements of cash flows present cash inflows and outflows, excluding unrealized foreign exchange effects, as well as the following transactions that did not represent sources or uses of cash:

- For the nine-month periods ended September 30, 2018 and 2017, the increase in long-term accounts payable to related parties for $24,459 and $23,761, respectively, results from the capitalization of interest on debt with CEMEX's companies.
- For the nine-month periods ended September 30, 2018 and 2017, other equity reserves increased approximately $1,391 and $488, respectively, and additional paid-in capital increased approximately $730 in 2018 and $519 in 2017, in connection with the executive stock-based compensation programs (notes 18B and 18D).

Going Concern

As of September 30, 2018, the balance of current liabilities, which includes accounts payable to CEMEX's companies of approximately $240,884 (note 9), exceeded total current assets in approximately $199,543. The Parent Company's Board of Directors approved these consolidated condensed financial statements as of September 30, 2018 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. For the year ended December 31, 2017, CEMEX Latam generated net cash from operations of $146,439, after interest expense and income taxes. In case it is deemed necessary, as it was the case during the renegotiation of February 2017 and June 2018, (note 9), the Company's management considers that it would be successful in renegotiating and extending the maturity of certain short-term payables to such CEMEX's companies.

2B) PRINCIPLES OF CONSOLIDATION

The consolidated condensed financial statements include those of CEMEX Latam Holdings, S.A. and those of the entities, including structured entities, in which the Parent Company exercises control, 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; b) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity, or c) is the primary receptor of the risks and rewards of an structured entity. Balances and operations between related parties are eliminated in consolidation. Each subsidiary is a legally responsible separate entity and maintains custody of its own financial resources.

Changes in ownership interests of the Parent Company in a subsidiary that do not result in a loss of control are accounted for as transactions between shareholders in their capacity as owners. Therefore, adjustments to non-controlling interests, which are based on a proportionate amount of the subsidiary's net assets, do not result in adjustments to goodwill and/or the recognition of gains or losses in the income statement for the period.

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.

(Thousands of U.S. dollars)

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

The most significant closing exchange rates per U.S. dollar as of September 30, 2018 and December 31, 2017 for statement of financial position and for income statements purposes, and the average exchange rates per U.S. dollar for income statements purposes for nine-month periods ended September 30, 2018 and 2017 are as follows:

	2018		2017	
Currency	**Closing**	**Average**	**Closing**	**Average**
Colombian pesos	2,972.18	2,885.20	2,984.00	2,943.68
Costa Rican colones	585.80	572.57	572.56	572.71
Nicaraguan cordobas	31.94	31.42	30.79	29.92
Guatemalan quetzales	7.70	7.47	7.34	7.35
Brazilian reales	4.00	3.63	3.31	3.18

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

Cost of sales represents the production cost of inventories at the moment of sale includes depreciation, amortization and depletion of assets involved in production and expenses related to storage in producing plants and the freight expenses of raw materials in the plants and the delivery expenses of the Company in the concrete business. 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. Cost of sales includes freight expenses of raw material in plants and delivery expenses of the Company's ready-mix concrete business, but 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 line item.

2F) IFRS ADOPTED ON JANUARY 1, 2018

IFRS 9, *Financial Instruments: classification and measurement* ("IFRS 9")

IFRS 9 sets forth the guidance relating to the classification and measurement of financial assets and liabilities, the accounting for expected credit losses of financial assets and commitments to extend credits, as well as the requirements for hedge accounting; and will replace IAS 39, *Financial instruments: recognition and measurement* ("IAS 39") completely. Among other aspects, IFRS 9 changes the classification categories for financial assets under IAS 39 of: 1) held to maturity; 2) loans and receivables; 3) fair value through the income statement; and 4) available for sale; and replaces them with categories that reflect the measurement method, the contractual cash flow characteristics and the entity's business model for managing the financial asset: 1) amortized cost, that will significantly comprise IAS39 held to maturity and loans and receivables categories; 2) fair value through other comprehensive income, similar to IAS 39 held to maturity category; and 3) fair value through the income statement with the same IAS 39 definitions. The adoption of such classification categories under IFRS 9 will not have any significant effect on CEMEX Latam operating results, financial situation.

In addition, under the new impairment model based on expected credit losses, impairment losses for the entire lifetime of financial assets, including trade accounts receivable, are recognized on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if the loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability. In this regard, CEMEX Latam developed an expected credit loss model applicable to its trade accounts receivable that considers the historical performance, as well as the credit risk and expected developments for each group of customers. The effects for adoption of IFRS 9 on January 1, 2018 related to the new expected credit loss model represented an increase in the allowance for doubtful accounts as of January 1, 2018 of approximately $853 recognized against equity.

In connection with hedge accounting under IFRS 9, among other changes, there is a relief for entities in performing: a) the retrospective effectiveness test at inception of the hedging relationship; and b) the requirement to maintain a prospective effectiveness ratio between 0.8 and 1.25 at each reporting date for purposes of sustaining the hedging designation, both requirements of IAS 39. Nonetheless, IFRS 9 maintains the same hedging accounting categories of cash flow hedge, fair value hedge and hedge of a net investment established in IAS 39, as well as the requirement of recognizing the ineffective portion of a cash flow hedge immediately in the income statement. CEMEX Latam does not maintain financial instruments for hedging purposes.

IFRS 15, *Revenues from contracts with customers* ("IFRS 15")

Under IFRS 15, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, identifying: a) the contract(s) with a customer (agreement that creates enforceable rights and obligations); b) the different performance obligations (promises) in the contract and account for those separately; c) Determine the transaction price (amount of consideration an entity expects to be entitled in exchange for transferring promised goods or services); d) Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct good or service; and e) Recognize revenue when (or as) the entity satisfies a performance obligation by transferring control of a promised good or service to the customer. A performance obligation may be satisfied at a point in time (typically for the sale of goods) or over time (typically for the sale of services and construction contracts). IFRS 15 was adopted on January 1, 2018, without representing any significant effect on the operating results and financial position of CEMEX Latam.

(Thousands of U.S. dollars)

IFRS Adopted on January 1, 2018 - continued

Among other minor effects, the main changes under IFRS 15 as they apply to CEMEX Latam refer to several reclassifications that are required to comply with IFRS 15 new accounts in the statement of financial position aimed to recognize contract assets (costs to obtain a contract) and contract liabilities (deferred revenue for promises not yet fulfilled).

2G) NEWLY ISSUED IFRS NOT YET EFFECTIVE

There are a number of IFRS issued as of the date of issuance of these financial statements but which have not yet been adopted.

IFRS 16, *Leases* ("IFRS 16")

IFRS 16 defines leases as any contract or part of a contract that conveys to the lessee the right to use an asset for a period of time in exchange for consideration and the lessee directs the use of the identified asset throughout that period. In summary, IFRS 16 introduces a single lessee accounting model, and requires a lessee to recognize, for all leases with a term of more than 12 months, unless the underlying asset is of low value, assets for the right-of-use the underlying asset against a corresponding financial liability, representing the NPV of estimated lease payments under the contract, with a single income statement model in which a lessee recognizes amortization of the right-of-use asset and interest on the lease liability. A lessee shall present either in the statement of financial position, or disclose in the notes, right-of-use assets separately from other assets, as well as, lease liabilities separately from other liabilities. IFRS 16 is effective beginning January 1, 2019 and will supersede all current standards and interpretations related to lease accounting.

As of September 30, 2018, CEMEX Latam has concluded the assessment of its main lease contracts and other contracts that may have embedded the use of an asset, in order to inventory the most relevant characteristics of such contracts, and is in the final stage quantifying the required adjustments for the correct recognition of the assets for the "right-of-use" and the corresponding financial liabilities, which are not considered to be material. Pursuant to the adoption of IFRS 16 as of January 1, 2019, most of the Company's operating leases will be recognized in the statement of financial position, increasing assets and liabilities. In the income statement, there will be amortization of the assets for the "right-of-use", as well as interest expense of the financial liability, which would replace the current rental expense, without any significant initial effect in equity.

IFRIC 23, *Uncertainty over income tax treatments* ("IFRIC 23")

IFRIC 23 clarifies the accounting for uncertainties in income taxes. Among other aspects, when an entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty. IFRIC 23 is effective beginning January 1, 2019. Considering CEMEX Latam current policy for uncertain tax positions CEMEX Latam does not expect any significant negative effect from the adoption of IFRIC 23.

3) DISCONTINUED OPERATIONS AND SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

3A) DISCONTINUED OPERATIONS

As mentioned in note 2A, on September 27, 2018, the sale of the Company's operations in Brazil was concluded through the sale of all the shares of the Brazilian company Cimento Vencemos Do Amazonas Ltda, consisting of a fluvial cement distribution terminal located in Manaus, Amazonas province, as well as the operation license. The sale price was approximately $31 million.

The following table presents condensed information of the statement of operations of CLH discontinued operations in Brazil for the nine-months period ended September 30, 2018 and the years ended December 31, 2017:

		2018	2017
Sales	$	26,832	26,134
Cost of sales and operating expenses		(28,111)	(32,838)
Other products (expenses), net		(54)	6
Financial expenses, net and others		(255)	169
Earnings before income tax		**(1,588)**	**(6,529)**
Income tax		265	969
Net loss		**(1,323)**	**(5,560)**
Disposal result, withholding taxes and reclassification of currency translation effects [1]		(8,060)	–
Net loss of discontinued operations		**(9,383)**	–

[1] As a result of the sale of the Brazilian operations, the Company recognized a loss on sale by the difference between the sale price and the net book value at the sale date of approximately $482, a withholding tax of $2,867 and the reclassification to the income statement of a foreign currency translation loss accrued in equity of $4,711.

(Thousands of U.S. dollars)

3B) SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

The financial policies applied to elaborate the condensed financial information by geographic operating segments are consistent with those used in the preparation of the consolidated condensed financial statements for the nine-month periods ended September 30, 2018 and 2017. The segment "Rest of CLH" refers to the Company's operations in Guatemala, Nicaragua, and El Salvador. In addition, the segment "Others" relates mainly to the Parent Company, including its corporate offices in Spain and its research and development offices in Switzerland, as well as adjustments and eliminations resulting from consolidation.

Selected consolidated condensed income statements' information by geographic operating segment for the nine-month periods ended September 30, 2018 and 2017 are as follow:

2018		Net Sales (including related parties)	Less: Related Parties	Net Sales	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other income (expenses), net	Financial expense	Financial income and other items, net
Colombia	$	399,249	–	399,249	72,507	(20,991)	51,516	4,777	(19,749)	(1,617)
Panama		169,412	(69)	169,343	51,183	(11,476)	39,707	955	(5,830)	457
Costa Rica		111,931	(10,486)	101,445	36,832	(3,618)	33,214	(333)	(73)	1,370
Rest of CLH		180,129	(1,646)	178,483	56,185	(4,904)	51,281	(125)	(1,282)	2,032
Others		–	–	–	(28,968)	(17,534)	(46,502)	(5,978)	(16,004)	(3,678)
Continuing operations		860,721	(12,201)	848,520	187,739	(58,523)	129,216	(704)	(42,938)	(1,436)
Discontinued operations		26,832	–	26,832	615	(1,894)	(1,279)	(54)	(23)	81
Total	$	887,553	(12,201)	875,352	188,354	(60,417)	127,937	(758)	(42,961)	(1,355)

2017		Net Sales (including related parties)	Less: Related Parties	Net Sales	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other expenses, net	Other income (expenses), net	Financial expense	Financial income and other items, net
Colombia	$	432,019	(4)	432,015	82,813	(19,307)	63,506	(5,915)	(13,529)	(1,106)
Panama		211,792	(143)	211,649	87,515	(12,922)	74,593	104	(6,584)	708
Costa Rica		113,732	(16,138)	97,594	40,058	(3,977)	36,081	226	(214)	638
Rest of CLH		189,243	(2,314)	186,929	67,782	(4,421)	63,361	198	(1,566)	1,275
Others		–	–	–	(36,079)	(17,530)	(53,609)	(660)	(24,699)	(3,024)
Continuing operations		946,786	(18,599)	928,187	242,089	(58,157)	183,932	(6,047)	(46,592)	(1,509)
Discontinued operations		26,134	–	26,134	(3,522)	(3,182)	(6,704)	6	(28)	92
Total	$	972,920	(18,599)	954,321	238,567	(61,339)	177,228	(6,041)	(46,620)	(1,417)

Net sales by product and geographic operating segment for the nine-month periods ended September 30, 2018 and 2017 are as follows:

2018		Cement	Concrete	Aggregates	Other products	Others	Net sales
Colombia	$	215,418	140,765	6,425	36,641	–	399,249
Panama		101,716	49,097	2,986	15,613	(69)	169,343
Costa Rica		78,238	11,848	11,271	10,574	(10,486)	101,445
Rest of CLH		148,729	16,662	3,630	11,108	(1,646)	178,483
Continuing operations		544,101	218,372	24,312	73,936	(12,201)	848,520
Discontinued operations		26,816	–	–	16		26,832
Total	$	570,917	218,372	24,312	73,952	(12,201)	875,352

2017		Cement	Concrete	Aggregates	Other products	Others	Net sales
Colombia	$	224,170	155,745	8,596	43,508	(4)	432,015
Panama		128,008	70,576	3,027	10,181	(143)	211,649
Costa Rica		76,158	10,904	13,569	13,101	(16,138)	97,594
Rest of CLH		157,298	15,794	3,317	12,834	(2,314)	186,929
Continuing operations		585,634	253,019	28,509	79,624	(18,599)	928,187
Discontinued operations		26,108	–	–	26	–	26,134
Total	$	611,742	253,019	28,509	79,650	(18,599)	954,321

(Thousands of U.S. dollars)

Selected financial information by geographic operating segments – continued

As of September 30, 2018, and December 31, 2017, selected consolidated condensed statement of financial position information by geographic segments is as follows:

2018		Total Assets	Total Liabilities	Net assets by Segment	Capital Expenditures
Colombia [1]	$	2,064,526	793,059	1,271,467	13,060
Panama		418,685	239,568	179,117	7,744
Costa Rica		150,712	56,657	94,055	1,013
Rest of CLH		199,298	89,359	109,939	4,986
Others and eliminations [3]		285,123	392,123	(107,000)	–
Total	$	3,118,344	1,570,766	1,547,578	26,803

2017		Total Assets	Total Liabilities	Net assets by Segment	Capital Expenditures
Colombia [1]	$	2,047,992	807,795	1,240,197	62,287
Panama		379,984	238,737	141,247	8,123
Costa Rica		139,011	38,474	100,537	2,298
Rest of CLH [2]		254,769	119,322	135,447	7,826
Others and eliminations [3]		472,233	546,616	(74,383)	–
Total	$	3,293,989	1,750,944	1,543,045	80,534

1 As of September 30, 2018 and December 31, 2017, the total assets of the "Colombia" operating segment for $2,064,526 and $2,047,992, respectively, includes its own goodwill, as well as the goodwill generated by the acquisition of Costa Rica and Nicaragua by CEMEX Colombia in 2009, for a total of $928,262 as of September 30, 2018 and $944,560 as of December 31, 2017 (note 14).

2 As of December 31, 2017, the balances of total assets and total liabilities for the operating segment "Rest of CLH" include $68,878 and $ 27,632, respectively, related to the Brazilian operating segment (see notes 2A and 3A).

3 As of September 30, 2018 and December 31, 2017, the total assets operating segment of the "Other and eliminations" for $285,123 and $472,233, respectively, includes the goodwill generated by the acquisition of Panama, Guatemala and El Salvador by CCL in 2012, for an aggregate of $595,649 as of September 30, 2018 and $607,124 as of December 31, 2017 (note 14).

As mentioned in note 2A, based on IFRS, the information on the statement of financial position for prior periods is not restated to present assets held for sale and related liabilities.

4) DEPRECIATION AND AMORTIZATION

Depreciation and amortization expense for the nine-month periods ended September 30, 2018 and 2017 is detailed as follows:

		2018	2017
Depreciation and amortization expense of assets used in the production process	$	41,843	41,244
Depreciation and amortization expense of assets used in administrative and selling activities		16,680	16,913
	$	58,523	58,157

5) OTHER EXPENSES, NET

The detail of other expenses, net for the nine-month periods ended September 30, 2018 and 2017 is as follows:

		2018	2017
Assumed taxes, fines and other penalties	$	(3,691)	(3,951)
Severance payments and other personnel costs for reorganization		(1,780)	(2,636)
Results from valuation and sale of assets, sale of scrap and other non-operating revenue and expenses, net [1]		4,767	540
	$	(704)	(6,047)

1. During the nine-month period ended September 30, 2018, includes the reversal of the provision accrued in prior periods in relation to the legal proceeding for purported damages to rice grow land adjacent to the Caracolito plant in Colombia for approximately $12.5 million (see note 21A).

(Thousands of U.S. dollars)

6) FINANCIAL INCOME AND OTHER ITEMS, NET

The detail of financial income and other items, net for the nine-month periods ended September 30, 2018 and 2017 is as follows:

		2018	2017
Interest cost on employee benefits	$	(1,875)	(1,957)
Financial income		439	448
	$	(1,436)	(1,509)

7) CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents as of September 30, 2018 and December 31, 2017 are as follows:

		2018	2017
Cash and bank accounts	$	16,584	28,105
Fixed-income securities and other cash equivalents		6,980	17,049
	$	23,564	45,154

8) TRADE ACCOUNTS RECEIVABLE

Consolidated trade accounts receivable as of September 30, 2018 and December 31, 2017 are detailed as follows:

		2018	2017
Trade accounts receivable	$	112,200	122,033
Allowances for doubtful accounts		(4,263)	(6,558)
	$	107,937	115,475

9) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances receivable from and payable to related parties as of September 30, 2018 and December 31, 2017 are detailed as follows:

Current accounts receivable		2018	2017
CEMEX, S.A.B. de C.V.	$	327	327
CEMEX Research Group, AG		176	3,188
CEMEX Denmark ApS		150	96
Lomez International B.V.		84	–
Trinidad Cement Limited.		77	–
CEMEX Central, S.A. de C.V		54	53
CEMEX Dominicana, S.A.		21	12
CEMEX España, S.A.		7	4,871
Mustang Re Limited		–	980
New Sunward Holding B.V.		–	93
Others		15	27
Total assets with related parties	$	911	9,647

Short-term accounts payable		2018	2017
CEMEX España, S.A. [1]	$	196,753	194,484
CEMEX Holdings Inc. [2]		15,349	21,660
Lomez International B.V. [3]		12,409	–
CEMEX Central, S.A. de C.V. [4]		9,362	534
CEMEX Research Group, AG [4]		5,200	1,181
CEMEX, S.A.B. de C.V.		808	–
CEMEX Internacional, S.A. de C.V.		702	531
Beijing Import & Export Co., Ltd		97	197
Pro Ambiente, S.A. de C.V.		39	63
Fujur, S.A. de C.V.		38	120
CEMEX Jamaica Limited		35	35
CEMEX Dominicana, S.A.		29	29
CEMEX Central Europe GmbH		26	12
CEMEX México, S.A. de C.V		8	171
New Sunward Holding B.V. [5]		–	139,084
Others		29	33
	$	240,884	358,134

(Thousands of U.S. dollars)

Balances and transactions with related parties – continued

Long-term accounts payable		**2018**	**2017**
Lomez International B.V. [3, 5]	$	629,939	–
New Sunward Holding B.V. [3, 5]		–	584,684
		629,939	584,684
Total liabilities with related parties	$	870,823	942,818

1. The balance of accounts payable relates to a loan negotiated by CEMEX Colombia with CEMEX España originally in October 2010, subsequently renegotiated, which is outstanding until December 28, 2018, bearing 6-month LIBOR rate plus 255 basis points. In 2017, CEMEX Colombia increased its credit with CEMEX España; proceeds used to settle obligations with other related parties.
2. The outstanding balances were generated mainly from imports of cement grey.
3. On February 2017, the Parent Company and its subsidiary CCL refinanced their respective debt that expired in 2018 with New Sunward Holding, B.V. ("NSH"), extending their maturity until 2023 and modifying the applicable interest rate, according to market conditions at the date of renegotiation, which decreased from 7% to 5.65%. As a result of such modification, incurred in renegotiation costs for $11,999. These costs are presented net of the debt balance and will be amortized to financial expense over the term of the debt. The balances as of September 30, 2018 and December 31, 2017, include: a) loan agreement and accrued interest negotiated by CCL of $330,560 in 2018 and $387,519 in 2017; b) loan agreement and accrued interest negotiated by the Parent Company of $94,166 in 2018 and $88,223 in 2017, as well as a revolving credit of $85,745 in 2018 and $115,951 in 2017; and c) loan agreement and accrued interest negotiated by Cemento Bayano, S.A. of $131,887 in 2018 and $132,075 in 2017. The last was renewed on June 29, 2018 and expires on June 29, 2020, and bears interest rate at 6-month LIBOR plus 250 basis points.
4. Royalties on technical assistance agreements, use of licenses and brands, software and administrative processes.
5. On March 1, 2018, NSH assigned to Lomez International, B.V., a Dutch company belonging to CEMEX, the loans that had been granted by NSH to the Parent Company and CCL. The conditions of these credits and lo ans were not affected by the referred assignment.

The maturities of non-current accounts payable as of September 30, 2018 are as follows:

Debtor		**2020**	**2023**	**Total**
Cemento Bayano, S.A. (6M Libor plus 250 bps)	$	130,195	–	130,195
Corporación Cementera Latinoamericana, S.L.U. (5.65% annual)		−	322,760	322,760
CEMEX Latam Holdings, S.A. (5.65% annual)		−	176,984	176,984
	$	130,195	499,744	629,939

The Company's main transactions entered into with related parties for the nine-month periods ended September 30, 2018 and 2017 are as follows:

Purchases of raw materials		**2018**	**2017**
CEMEX Holdings Inc.	$	32,290	47,537
CEMEX Internacional, S.A. de C.V.		4,599	4,744
Beijing Import & Export Co., Ltd		53	–
CEMEX de Puerto Rico, Inc		9	–
	$	36,951	52,281

Administrative and selling expenses		**2018**	**2017**
CEMEX México, S.A. de C.V	$	4	–
Neoris de México, S.A. de C.V.		–	5
CEMEX Central, S.A. de C.V.		–	1
	$	4	6

Royalties and technical assistance		**2018**	**2017**
CEMEX Research Group, AG	$	27,264	27,233
CEMEX Central, S.A. de C.V.		11,550	15,717
CEMEX, S.A.B. de C.V.		3,612	4,764
	$	42,426	47,714

Financial expenses		**2018**	**2017**
Lomez International B.V.	$	24,704	–
New Sunward Holding B.V.		7,646	36,937
CEMEX España, S.A.		6,775	4,294
	$	39,125	41,231

(Thousands of U.S. dollars)

Balances and transactions with related parties – continued

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 nine-month periods ended September 30, 2018 and 2017, the Parent Company's directors, who are members of CEMEX Latam Holdings' Board of Directors, in fulfillment of their functions, accrued compensation including remuneration and annual allowances, for a total of approximately $303 and $268, respectively. These directors have not received advances or loans and the Company has not provided guarantee or assumed retirement obligations and insurance for such directors. Any of the members of the Company's top management is the direct employee of the Parent Company.

In addition, for the nine-month periods ended September 30, 2018 and 2017, the aggregate compensation accrued by the members of the Company's top management was of approximately $6,532 and $5,128, respectively. Out of these amounts, approximately $5,895 in 2018 and $4,610 in 2017 corresponded to base compensation base plus performance bonuses including pensions and other post-employment benefits. In addition, approximately $637 in 2018 and $519 in 2017 of the aggregate amount in each period corresponded to allocations of shares to eligible executives under CEMEX's and the Parent Company's executive compensation programs.

In its cement operations in Panama, which represented approximately 12% of the consolidated sales during the nine-month period ended September 30, 2018, the Company carries out transactions with Cemento Interoceánico, S.A. (formerly Industrias Básicas, S.A.), competitor and local producer of cement, in market conditions and for not significant amounts. A subsidiary of CEMEX, S.A.B. de C.V. holds an ownership interest of 25% in the common stock of Cemento Interoceánico, S.A. During 2017, Cemento Interoceánico, S.A. and Comercial Interoceánico, S.A., then subsidiaries of Industrias Básicas, S.A. were absorbed by this last entity, changing its corporate name to Cemento Interoceánico, S.A.

10) OTHER ACCOUNTS RECEIVABLE

10A) OTHER CURRENT ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of September 30, 2018 and December 31, 2017 consisted of:

		2018	2017
Non-trade accounts receivable [1]	$	15,253	13,591
Restricted cash		1,554	1,243
	$	16,807	14,834

1 As of September 30, 2018, includes the residual interest of CEMEX Colombia in a trust aimed at the promotion of housing projects, whose only asset is land in the municipality of Zipaquirá and its only liability is a bank credit of approximately $7,205, guaranteed by CEMEX Colombia and obtained for the purchase of the land (note 15). The Company maintains this asset considering that the estimated fair value of the land in case of sale, determined by quotations of real estate brokers, covers the repayment of the debt. CEMEX Colombia actively seeks alternatives to transfer this project to a housing developer who acquires the assets of the trust and assume its obligations and/or the sale of the land with the consequent liquidation of the trust and repayment of the debt. As of September 30, 2018, proposals are evaluated in both directions.

10B) OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

Consolidated balances of other assets and non-current accounts receivable as of September 30, 2018 and December 31, 2017 are detailed as follows:

		2018	2017
Loans and notes receivable [1]	$	3,791	6,279
Guaranty deposits and VAT recoverable [2]		60	3,666
Other non-current assets		373	374
	$	4,224	10,319

1 This line items mainly include: a) fund of CEMEX Panama to secure seniority premium payments as of September 30, 2018 and December 31, 2017 of $2,975 and $2,649, respectively, b) advances to suppliers of CEMEX Colombia for $187, c) advance payments for the purchase of fixed assets of $2,555 as of December 31, 2017, and d) receivables from the structured construction system used in Costa Rica for $521 as of December 31, 2017.

2 Refers mainly to a VAT account receivable in El Salvador for $60 as of September 30, 2018 and $380 as of December 31, 2017, as well as guarantee deposits in Brazil for $3,286 as of December 31, 2017.

(Thousands of U.S. dollars)

11) INVENTORIES, NET

Consolidated balances of inventories as of September 30, 2018 and December 31, 2017 are summarized as follows:

		2018	2017
Materials	$	25,438	23,723
Finished goods		10,923	11,491
Work-in-process		17,866	19,830
Raw materials		19,973	19,150
Inventory in transit		5,445	9,197
Other inventories		529	–
Allowance for obsolescence		(996)	(716)
	$	79,178	82,675

12) OTHER CURRENT ASSETS

As of September 30, 2018, and December 31, 2017 consolidated other current assets consisted of:

		2018	2017
Advance payments [1]	$	11,547	19,539
Assets held for sale [2]		9,666	6,206
	$	21,213	25,745

1 As of September 30, 2018, and December 31, 2017, the line item of advance payments includes $10,175 and $19,463, respectively, mainly associated with insurance premiums and advances for inventory suppliers.

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

13) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of September 30, 2018, and December 31, 2017, the consolidated balances of property, machinery and equipment, net consisted of:

		2018				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress [1,2]	Total
Cost at end of the period		236,426	208,557	774,168	281,742	1,500,893
Accumulated depreciation and depletion		(42,078)	(43,939)	(195,539)	–	(281,556)
Net book value at end of the period	$	194,348	164,618	578,629	281,742	1,219,337

		2017				
		Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress [1]	Total
Cost at end of the period	$	235,870	212,375	768,621	289,747	1,506,613
Accumulated depreciation and depletion		(36,946)	(43,947)	(175,199)	–	(256,092)
Net book value at end of the period	$	198,924	168,428	593,422	289,747	1,250,521

1 In July 2014, the Company began the construction of a new cement plant in the municipality of Maceo in the Antioquia department in Colombia with an annual capacity of approximately 1.1 million tons. The first phase included the construction of a cement mill, which began operating in testing phase for some months in 2016 with the supply of clinker from the other plant, and the cement obtained was used in its entirety in the construction of the plant. Within the next phase, the construction of the kiln has been completed, meanwhile the development of the access road to the plant and the beginning of commercial operations has been suspended until the successful conclusion of several ongoing processes related to operating permits and exploitation of mineral reserves, the evolution of certain legal proceedings in progress, as well as agreements with the authorities for the use of the assets of the plant that are included in the expiration of property process (note 21A). The assets will commence to be depreciated upon the start of commercial operations. As of September 30, 2018 and December 31, 2017, the carrying amount of the project, net of adjustments, is for an amount in Colombian Pesos equivalent to approximately $334 and $333 million respectively, considering the exchange rates as of September 30, 2018 and December 31, 2017, respectively. Changes in the project's investment expressed in dollars during the nine-month period ended September 30 was mainly due to the variation in the exchange rates. From the aforementioned investment of $334 million, a portion equivalent to approximately $87.7 million is recognized in the books of the entity Zona Franca Especial Cementera del Magdalena Medio S.A.S. ("Zomam"), a subsidiary of CEMEX Colombia who is the owner of the free zone declaration and the rights to build the cement plant. Out of these $87.7 million, approximately $54 million corresponds to the equipment contributed by CEMEX Colombia as equity contribution and the other part for $33.7 million was made by Zomam with financing received from CEMEX, mainly through a loan granted by CCL amounting to approximately $37 million including capitalized interest. The rest of the investment in Maceo is directly in the books of CEMEX Colombia. All amounts considering the exchange rate of September 30, 2018. As mentioned in note 21A, Zomam's shares are within a process of expiration of property by the Colombian authorities.

(Thousands of U.S. dollars)

14) GOODWILL AND INTANGIBLE ASSETS

As of September 30, 2018, and December 31, 2017, consolidated balances are summarized as follows:

		2018			2017		
		Cost	Accumulated amortization	Net book value	Cost[1]	Accumulated amortization	Net book value
Intangible assets of indefinite useful life							
Goodwill	$	1,523,911	–	1,523,911	1,551,684	–	1,551,684
Intangible assets of definite useful life							
Customer relations		191,822	(120,553)	71,269	197,506	(106,280)	91,226
Extraction permits and licenses		–	–	–	74,215	(22,867)	51,348
Industrial property and trademarks		1,975	(1,274)	701	2,938	(2,245)	693
Mining projects		895	(356)	539	356	(356)	–
Other intangibles and deferred assets		113	(113)	–	47	–	47
	$	1,718,716	(122,296)	1,596,420	1,826,746	(131,748)	1,694,998

As of September 30, 2018, and December 31, 2017, goodwill balances allocated by operating segment are as follows:

		2018	2017
Costa Rica	$	418,603	428,283
Panama		344,703	344,703
Colombia		313,512	312,840
Guatemala		235,858	247,333
Nicaragua		196,147	203,437
El Salvador		15,088	15,088
	$	1,523,911	1,551,684

Upon existence of impairment indicators, for each intangible asset, including goodwill, CEMEX Latam determines projected revenues from such assets over their estimated useful live. In order to obtain the discounted cash flows, such revenues are adjusted for operating expenses, changes in working capital and other expenses, as applicable, and are discounted to present value using risk-adjusted discount rates. Management applies a high degree of judgment in order to determine the appropriate valuation method and to select the significant assumptions, among of which are: a) the useful life of the asset; b) the risk-adjusted discount rate; c) royalty rates; and d) long-term growth rates. The assumptions used for these cash flows are consistent with internal projections and industry practices.

During the nine-month periods ended September 30, 2018 and 2017, including the interim impairment test practiced during the third quarter of 2018 in the operating segment in Nicaragua considering impairment indicators in that country as described in the following paragraph, the Company did not determine impairment losses on its intangible assets, including goodwill. Based on its policy, in the absence of impairment indicators, the Company carries out its general goodwill impairment tests in all its operating segments during the fourth quarter of each year, which, in 2018, despite of the aforementioned interim impairment test, will also include the Nicaraguan operating segment.

During the third quarter of 2018, the Company carried out the impairment test of goodwill in its operating segment in Nicaragua, considering impairment indicators arising from the social unrest and the economic and political instability that began few months ago in such country. The results of the interim impairment test considering the available elements did not present goodwill impairment losses. In these calculations, the estimated moderate reduction in the projected future cash flows was offset by a reduction in the discount rate, in which, despite of the increase in the country risk by approximately 100 basis points as compared to December 31, 2017, this increase was offset by a reduction in the interest rate. As of September 30, 2018, notwithstanding the results obtained in the impairment test at the aforementioned interim period, the Company maintains a close supervision over its operating segment in Nicaragua as the economic assumptions relevant to the determination of the projected cash flows change continuously and could affect the long-term business plan and the discounted cash flows associated to this country.

(Thousands of U.S. dollars)

15) SHORT-TERM AND LONG-TERM DEBT

As of September 30, 2018, and December 31, 2017, consolidated debt by type of financial instruments is summarized as follows:

		2018	2017
Foreign currency-denominated promissory notes, variable rate [1]	$	2,915	8,085
Trust guarantee for the development of housing projects [2]		7,205	7,176
Leasing Bancolombia, S.A., DTF anticipated quarterly plus 390 bps [3, 5]		–	366
Promissory note due to Banco de Bogotá, annual rate 10.52% [4]		–	1,732
Others [3, 5]		–	164
Total	$	10,120	17,523
Short-term debt	$	10,120	17,523

1 As of September 30, 2018 and December 31, 2017, Refers to notes payable with a maturity of one year negotiated by CEMEX Colombia bearing DTF rate plus 4.53% and bearing DTF rate plus 4%.

2 Guarantee granted by CEMEX Colombia on the amount borrowed through a promissory note by the trust for the development of housing projects as described in note 10A. Said promissory note is being renewed at maturity by the trust every 180 days until finding the developer who buys the project, or until, by agreement of the parties, it is decided to sell the asset in order to liquidate the debt and extinguish the trust. The loan accrues interest at DTF rate plus 4.55%.

3 Refers to finance leases with commercial finance companies denominated in Colombian Pesos negotiated in 2012 with a maturity of sixty months finished in September 2018.

4 In July 2017, CEMEX Colombia signed a promissory note with Banco de Bogotá associated with housing projects in process, which was repaid in January 2018.

5 The fixed-term 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 September 30, 2018, the anticipated quarterly DTF rate was 4.48%.

16) OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of September 30, 2018 and December 31, 2017 consolidated other current accounts payable and accrued expenses were as follows:

		2018	2017
Accrued expenses	$	23,528	47,391
Others provisions and liabilities		16,334	23,057
Advances from customers		15,847	17,283
Provisions for employee benefits		7,667	6,544
Provisions for legal claims and other commitments		3,642	14,673
Others		1,061	922
	$	68,079	109,870

As described in the different items of the table above, the amounts refer mainly to employee benefits accrued at the reporting date, insurance, litigation and environmental resolutions, for the portion that is expected to be settled in the short term. These are revolving amounts and are expected to be settled and replaced for similar amounts within the next 12 months. As of December 31, 2017, the accumulated expenses payable includes the amount of the fine associated with the market investigation imposed by the Colombian Superintendence of Industry and Commerce (the "SIC") for approximately $25 million, CEMEX Colombia made the payment of the fine on January 5, 2018 and will continue its defense process as described in note 21A.

As of September 30, 2018, and December 31, 2017, consolidated other non-current liabilities were as follows:

		2018	2017
Other taxes	$	4,422	5,318
Provision for asset retirement obligations [1]		4,234	4,949
Other provisions and liabilities		3,954	3,698
Deferred income		2,211	1,661
	$	14,821	15,626

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.

(Thousands of U.S. dollars)

17) INCOME TAXES

17A) INCOME TAXES FOR THE PERIOD

The recognition of income taxes during interim periods is based on the best estimate of the expected income tax rate for the entire year, applied to earnings before income taxes. For the nine-month periods ended September 30, 2018 and 2017, income tax expense recognized in the condensed consolidated income statements was as follows:

		2018	2017
Current income taxes	$	37,647	48,565
Deferred income taxes		(4,303)	(3,410)
	$	33,344	45,155
Out of which:			
Colombia [1,2]	$	7,160	10,064
Costa Rica [3]		12,999	7,867
Panama		(488)	6,388
Rest of CLH and others [4]		13,673	20,836
	$	33,344	45,155

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 tax was valid on the years 2015, 2016 and 2017. The effect of the nine month period as of September 30, 2017 was approximately $1,464 and is included in the income taxes. By 2018 it is no longer valid.

2 As of January 1, 2017, as part of a package of tax modifications, was established only the income tax and its surtax, with consolidated tax rates estimated by these two concepts of 40% in 2017 and 37% in 2018.

3 For the nine-month period ended as of September 30, 2018, includes an income tax expense plus accrued interest, in connection with the tax litigation of the year 2008 for a total amount in colones equivalent to approximately $6 million (see note 17B).

4 Includes the Company's operations in Nicaragua, Guatemala and El Salvador as well as the effects on income taxes of the Parent Company, other sub-holding companies and other consolidation adjustments.

17B) SIGNIFICANT TAX PROCEEDINGS

CEMEX Latam is involved in several ongoing tax proceedings which have not required the recognition of accruals since the Company does not consider probable adverse considering the evidence at its disposal. Nonetheless, the Company cannot assure to obtain a favorable resolution. As of September 30, 2018, 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 April 6, 2018, CEMEX Colombia received a special proceeding from the Colombian Tax Authority (the “Tax Authority”), where certain deductions included in the 2012 income tax return were rejected. The Tax Authority assessed an increase in the income tax payable by CEMEX Colombia and imposed an inaccuracy penalty for amounts in Colombian pesos equivalent to approximately $42 million and $42 million, respectively, considering the exchange rate as of September 30, 2018. On June 22, 2018, CEMEX Colombia filed a response to the special proceeding within the legal term. If the proceeding would be adversely resolved in the final stage, CEMEX Colombia must pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the payment date. As of September 30, 2018, in this stage of the proceeding, CEMEX Latam does not consider probable an adverse resolution in this proceeding, however, it is difficult 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 the operating results, liquidity or financial position of CEMEX Latam.

- In April, 2011, the Tax Authority notified CEMEX Colombia of a special proceeding rejecting certain deductions in the 2009 tax return arguing that they are not related to direct profits registered in the same fiscal year. The Tax Authority assessed an increase in the income tax payable by CEMEX Colombia for an amount in Colombian Pesos equivalent to approximately $30 million and imposed an inaccuracy penalty in Colombian Pesos for an amount equivalent to approximately $48 million, both considering the exchange rate as of September 30, 2018. The aforementioned penalty was determined at 160%. Considering the effectiveness beginning in 2017 of law 1819 of 2016, the inaccuracy penalty is 100%. At this respect, CEMEX Colombia notified the State Council in April 2017, so that in the hypothetical case in which the arguments of the Tax Authority would be sustained, the principle of favorability would be applied to the penalty at 100%, this is, amounts in Colombian pesos equivalent to approximately $30 million. After several appeals of CEMEX Colombia to the proceeding of the Tax Authority in the respective courts in which negative resolutions were obtained over the years, in July 2014, CEMEX Colombia filed an appeal against this resolution in the Colombian State Council (Consejo de Estado). If the appeal before the State Council would be adversely resolved, CEMEX Colombia would have to pay the amounts determined in the official settlement, plus interest accrued on the amount of the income tax adjustment until the payment date. At this stage of the proceeding, as of September 30, 2018, CEMEX Latam does not consider probable an adverse resolution in this proceeding; however, it is difficult 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.

Significant tax proceedings – continued

- In September 2012, the Tax Authority notified CEMEX Colombia of an ordinary request to amend its income tax return for the year 2011 in connection with the amortization of goodwill related to the acquisition of its subsidiary Lomas del Tempisque S.R.L., which was considered tax deductible in its income tax return. On October 5, 2012, CEMEX Colombia rejected the arguments of the ordinary request and filed a motion requesting the case to be closed. On August 9, 2013, a review order was received from the DIAN, obtaining the power to review the income tax return, which was under audit from that moment until September 5, 2018, when CEMEX Colombia was notified of a special requirement by the Tax Authority by means of which certain deductions included in the aforementioned income tax return for the tax year 2011 were rejected. The Tax Authority has determined an increase in the income tax payable and imposed a penalty for amounts in Colombian pesos equivalent to approximately $28.5 million and $28.5 million, respectively. CEMEX Colombia will respond to special requirement over the next three months within the legal term. If the proceeding would be adversely resolved in its final stage, CEMEX Colombia would have to pay the amounts determined in the official settlement plus interest accrued on the amount of the income tax adjustment until the date of payment. As of September 30, 2018, considering the short notice of the special request, CEMEX Latam is still not able to evaluate the probability of an adverse resolution in this proceeding; but if adversely resolved, this proceeding could have a material adverse impact on CEMEX Latam's results of operations, liquidity or financial position.

- The municipality of San Luis (the "Municipality") 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 2013. 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 processes from 1999 to 2012 have finalized without disbursements for CEMEX Colombia. In relation to the fiscal year 2013, there is a requirement from the Municipality that has been appealed by CEMEX Colombia, for amounts in Colombian pesos equivalent to approximately $6 million of presumptive tax and $9 million in fines, considering the exchange rate as of September 30, 2018. As of the date of the financial statements, in this stage of the proceeding, CEMEX Latam does not consider probable that it will have to make payments in relation to this requirement.

Costa Rica

- In January 2011, the Costa Rican Tax Department (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. In August 2013, the Tax Department issued a provisional regularization proposal. After various resolutions and appeals to them, actions of unconstitutionality, cancellation and replenishment of the processes over the years, In July, 2017, the Tax Department confirmed by means of notification the sanctions imposed. In disagreement with such resolution, CEMEX Costa Rica filed an appeal with the Administrative Tax Court. The purported tax due and interest for these items is for an amount in Colones equivalent to approximately $6 million and the penalty determined in the resolution is for an amount in colones equivalent to approximately $1 million. On April 9, 2018, the Administrative Tax Court issued an adverse resolution to the appeal filed by CEMEX Costa Rica in all its aspects. CEMEX Costa Rica has one year from the notice to appeal the resolution before the Administrative Contentious Court. On July 6, 2018, CEMEX Costa Rica filed a precautionary measure before the Administrative Contentious Court, in which it requested the non-execution of the resolution issued by the administrative authority and proposed a letter of credit as guarantee while the proceeding is handled in the courts. The above with the purpose of preventing any seizure order. On September 18, 2018, the Tax Department notified a payment request in connection with the aforementioned proceeding for an amount in colones equivalent to approximately $3 million of income tax tax adjustment, leaving to CEMEX Costa Rica the responsibility for the settlement of accrued interest, no later than October 9, 2018. As a result, as of September 30, 2018, CEMEX Costa Rica recognized a provision for income tax payable for an amount in colones equivalent to approximately $6 million considering that the local tax regulation requires the payment once the Administrative Tax Court has issued is resolution, independently of CEMEX Costa Rica rights to appeal such resolution. Also on September 18, 2018, CEMEX Costa Rica filed an appeal before the Administrative Litigation Court jointly with the request for payment, aiming that the judge would rule immediately regarding the precautionary measure, which as of the date of the financial statements had not been resolved. As of the date of the financial statements, CEMEX Costa Rica has not received yet a resolution from the Administrative Tax Court regarding the penalty process, which amounts to 25% on the income tax adjustment, or an amount in colones equivalent to approximately $1 million. As of September 30, 2018, at this stage, CEMEX Latam considers not probable that at the end of all available instances of defense there will be an adverse resolution in relation to this requirement. See note 22 for recent developments regarding this proceeding.

(Thousands of U.S. dollars)

18) STOCKHOLDERS' EQUITY

18A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of September 30, 2018, and December 31, 2017, the line item common stock and additional paid-in capital was detailed as follows:

		2018			2017		
		Authorized	Treasury shares	Total	Authorized	Treasury shares	Total
Common stock	$	718,124	–	718,124	718,124	–	718,124
Additional paid-in capital		894,701	(144,108)	750,593	894,701	(144,838)	749,863
	$	1,612,825	(144,108)	1,468,717	1,612,825	(144,838)	1,467,987

During the nine-month periods ended September 30, 2018 and 2017 the Parent Company made physical deliveries of shares to the executives subject to the stock-based long-term incentive plan benefits (note 18D), which increased additional paid-in capital in the amount of $730 and $519, respectively, as result of the decrease in treasury shares, which were delivered to these executives.

As of September 30, 2018, and December 31, 2017, the Parent Company's subscribed and paid shares by owner were as follows:

Stocks	2018	2017
Owned by CEMEX España	407,890,342	407,890,342
Owned by third-party investors	149,038,462	148,930,376
Total subscribed and paid shares	556,928,804	556,820,718

As of September 30, 2018, and December 31, 2017, 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 21,349,538 in 2018 and 21,457,624 shares in 2017 held in the Company's treasury (treasury shares).

As of September 30, 2018, CEMEX España owned approximately 73.24%, of the Parent Company's common shares, excluding shares held in treasury.

18B) OTHER EQUITY RESERVES

As of September 30, 2018, and December 31, 2017, the balances of other equity reserves are summarized as follows:

		2018	2017
Reorganization of entities under common control and other effects [1]	$	(300,422)	(300,422)
Translation effects of foreign subsidiaries [2]		(599,397)	(547,845)
Share-based payments [3]		11,055	9,664
	$	(888,764)	(838,603)

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, 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 and which are included for each period. The effects generated during the periods ended September 30, 2018 and 2017 are included in the statements of comprehensive income.

3 As of September 30, 2018, and December 31, 2017, the line item other equity reserves includes effects associated with the stock-based long-term executive compensation programs (note 18D), and which costs are recognized in the results of each subsidiary during the vesting period of the awards 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) RETAINED EARNINGS

In accordance with the provisions of the Corporations Law in Spain, the Parent Company must allocate 10% of its profit for the year, determined individually, to a legal reserve until it reaches at least an amount equivalent to 20% of the share capital. At September 30, 2018 and December 31, 2017, the Parent Company's legal reserve amounted to $22,174 and $20,612, respectively.

18D) EXECUTIVE STOCK-BASED COMPENSATION

Based on IFRS 2, *Stock-based compensation*, awards 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 represent 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.

In January 2013, the Parent Company's Board of Directors, considering the favorable report of its Nominations and Remuneration Commission, approved, effective January 1, 2013, long-term incentives program 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 subsidiaries of CEMEX Latam in which the executives subject to the benefits of such 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 implementation of the long-term incentives program previously mentioned, some executives of the Company participated in CEMEX's stock-based long-term incentives program, by means of which, new shares of CEMEX, S.A.B. de C.V. are issued over a services period of four years under each annual program. All eligible executives at that date belonging to CEMEX Latam operations stopped receiving shares of CEMEX, S.A.B. de C.V. All eligible executives who join CEMEX Latam's operations from CEMEX start receiving shares of the Parent Company in the following grant date after their entry and cease to shares of CEMEX, S.A.B. de C.V.

During the nine-month periods ended September 30, 2018 and 2017, total compensation expense related to the stock-based long-term incentive programs described above amounted to $2,121 and $1,007, respectively, which was recognized in the operating results of each subsidiary against other equity reserves.

18E) NON-CONTROLLING INTERESTS

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated entities. As of September 30, 2018, and December 31, 2017, non-controlling interest in equity amounted to approximately $5,624 and $4,910, respectively.

19) BASIC EARNINGS PER SHARE

Basic earnings per share shall be calculated by dividing earnings attributable to shareholders of the parent entity (the numerator) by the weighted average number of shares outstanding during the period (the denominator). 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 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 anti-dilution.

The amounts considered for calculations of earnings per share ("EPS") for the nine-month periods ended September 30, 2018 and 2017 are as follows:

Denominator (thousands of shares)		**2018**	**2017**
Weighted average number of shares outstanding – Basic EPS		556,873	556,655
Effect of dilutive instruments – stock-based compensation		1,313	1,008
Weighted average number of shares outstanding – Diluted EPS		558,186	557,663
Numerator			
Consolidated net income from continuing operations	$	53,436	79,496
Less: non-controlling interest net income		(186)	(288)
Controlling interest net income (loss) from continuing operations		53,250	79,208
Controlling interest net income (loss) from continuing operations	$	(9,383)	(5,560)
Controlling Interest Basic Earnings per Share ($ per share)	$	0.10	0.14
Controlling Interest Basic Earnings (Loss) Per Share from continuing operations		0.08	0.13
Controlling Interest Basic Earnings (Loss) Per Share from discontinued operations		(0.02)	(0.01)
Controlling Interest Diluted Earnings per Share ($ per share)	$	0.10	0.14
Controlling Interest Diluted Earnings (Loss) Per Share from continuing operations		0.08	0.13
Controlling Interest Diluted Earnings (Loss) Per Share from discontinued operations		(0.02)	(0.01)

20) COMMITMENTS

20A) CONTRACTUAL OBLIGATIONS

As of September 30, 2018, and December 31, 2017, the Company had the following contractual obligations:

(Thousands of dollars)		2018					2017
Debts		Less than 1 year	1–3 years	3–5 years	More than 5 years	Total	Total
Long-term debt with related parties [1]	$	240,884	130,195	499,744	–	870,823	942,818
Interest payments on debt [2]		36,091	60,694	39,684	–	136,469	185,363
Operating leases [3]		680	6,510	4,338	4,206	15,734	19,463
Finance lease obligations		–	–	–	–	–	530
Pension plans and other benefits [4]		3,663	7,332	7,237	17,070	35,302	35,302
Raw materials, fuel and energy purchases [5]		23,702	36,508	50,673	–	110,883	315,936
Investments in property, plant and equipment [6]		12,657	–	–	–	12,657	4,264
Total contractual obligations	$	317,677	241,239	601,676	21,276	1,181,868	1,503,676

1 This line item refers entirely 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 current interest rates on the contracts as of September 30, 2018.

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. This contract can be renewed at its maturity by agreement of the parties. The Company determined payments under this contract for $515 to less than one year, $6,180 from one to three years, $4,120 from three to five years and $4,120 to more than five years. In addition, includes operating leases negotiated by the Parent Company 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 $165 to less than one year, $330 from one to three years, $218 from three to five years and $86 to more than five years.

4 Represents the estimated annual payments under defined benefit plans over the next 10 years.

5 Includes commitments of the Company for the purchase of raw material, fuel and energy mainly in Colombia and Panama.

6 Corresponds to commitments for the purchase of operating assets as part of the Company's capital investments (note 3B).

As of September 30, 2018, the summary of certain concepts related to the contracts for the purchase of raw materials, inputs and others presented in the previous table, which are negotiated in the local currency of each subsidiary, is as follows:

		(Millions of dollars)				
Counterpart	Contractor	Concept	Start date	Term		Annual approximate amount
General de Maquinaria y Excavación Colombia S.A.S.	CEMEX Colombia	Explotación cantera	July 2018	4 años	$	2.0
Turgas S.A. E.S.P.	CEMEX Colombia	Natural gas	September 2017	4 years		10.0
Exxonmobil Colombia S.A.	CEMEX Colombia	Fuels	July 2017	4 years		11.0
Excavaciones y Proyectos de Colombia S.A.S.	CEMEX Colombia	Raw materials	May 2017	5 years		7.0
Wärtsilä Colombia S.A.	CEMEX Colombia	Energy	June 2014	5 years		9.0
IBM	Various subsidiaries	Administrative services	July 2012	10 years		4.0
En el Fortuna, S.A.	Cemento Bayano, S.A.	Energy	January 2010	10 years		15.0

20B) OTHER COMMITMENTS

In addition, as of September 30, 2018, the parent company had the following relevant contracts with CEMEX entities for several concepts, the amounts of which, except for the leasing of offices, are based on fixed percentages over the life of the contracts on consolidated net sales based on market conditions, which are summarized below:

		(Millions of dollars)				
Counterpart	Contractor	Concept	Start date	Term		Annual approximate amount
CEMEX, S.A.B de C.V.	Parent Company	Trademarks use	July 2017	5 years	$	5.5
CEMEX Research Group, A.G.	Parent Company	Use, operation and enjoyment of assets	January 2014	5 years		40.0
CEMEX Central, S.A. de C.V.	Parent Company	Administrative services	July 2017	5 years		16.0

Other commitments – continued

The relationship between the Parent Company and CEMEX S.A.B. de C.V, CEMEX España and their subsidiaries, is regulated by a Framework Agreement effective since November 2012, which includes limits and restrictions for the Parent Company, entity that needs the previous authorization of CEMEX S.A.B. de C.V. and CEMEX España, in connection with: 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 of shares and equity securities; d) the declaration, decree or payment of dividends or other distribution by the Parent Company in connection with its shares; e) grant or guarantee any type of debt, and/or the creation of liens outside the ordinary business course; and f) take any action that could result on default for CEMEX S.A.B. de C.V. breach any contract or agreement. Moreover, beginning March 28, 2017, the Framework Agreement includes a principle of common interest and reciprocity between the three companies in connection with the management and responses related to legal proceedings, administrative matters and investigations by authorities or governmental regulators. In addition, the Framework Agreement will cease to have effect if the Parent Company ceases to be a subsidiary of CEMEX, S.A.B. de C.V. or if CEMEX, S.A.B. de C.V. no longer has to account for its investment in the Parent Company on a consolidated basis or under the equity method for accounting purposes (or any other method that applies similar principles).

CEMEX Colombia has been developing thirteen social interest housing projects in the departments of Cesar, Quindío, Risaralda and Norte de Santander, consisting of 5,344 units whose buyers were benefited with contributions from government entities in the form of subsidies and preferential interest rates with an aggregate selling price of approximately Col $254 billion ($87 million). As of September 30, 2018, beneficiaries, government entities and financial entities have deposited in a trust funds for approximately Col $195 billion ($65 million) which partially guarantee the payment of the homes, and that have been released to CEMEX Colombia as advance payment as the technical and financial closure of the projects has occurred considering the documentation and delivery of the homes to the customers satisfaction. As of September 30, 2018, the construction of the homes has a weighted average advance of 98% and a total of 4,991 homes have been documented in the public registry.

In December, 2007, Cemento Bayano S.A. entered into a long-term clinker supply contract in the Republic of Panama with Cemento Panama, S.A. (currently Argos Panama, S.A.). The supply contract was established for a period of 10 years since the first supply which was made in 2010 and includes annual partial deliveries of clinker in metric tons ("MT") of 1,414,783 MT for the period from 2017 to 2018 and by an approximate amount of 805,018 MT from 2019 to 2020. The contract expires in February 2020 and as of September 30, 2018, the parties are evaluating the possibility to extend the contract.

21) LEGAL PROCEEDINGS

21A) LIABILITIES RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various significant legal proceedings, other than the procedures associated with taxes detailed 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 or losses have been recorded in the financial statements, representing the best estimate of payments or impairment of assets thereof. Consequently, CEMEX Latam considers that there will not be significant payments or additional losses in excess of the amounts already recognized.
As of September 30, 2018, the detail of the most significant legal proceedings that have generated the recognition of provisions or losses is as follows:

- On December 26, 2017, in the context of a market investigation initiated in 2013 against five cement companies and 14 executives of said companies, including two former executives of CEMEX Colombia, for alleged practices against free competition, and after several procedures over the years, the SIC imposed CEMEX Colombia a fine for an amount in Colombian pesos equivalent to approximately $25 million, which was accrued against "Other expenses, net" as of December 31, 2017. CEMEX Colombia decided not to appeal the resolution of the SIC, paid the fine on January 5, 2018, and filed an annulment and reestablishment of right claim before the Administrative Court. As of September 30, 2018, CEMEX Latam is not able to assess with certainty the likelihood for the recovery of the fine imposed by the SIC or the timeframe for the defense process.

- In connection with the construction of the cement plant in the municipality of Maceo in Colombia (note 13), in August, 2012, CEMEX Colombia signed a memorandum of understanding ("MOU") with the representative of CI Calizas y Minerales S.A. ("CI Calizas"), for the acquisition of assets consisting of land, the mining concession and environmental permit, the shares of Zona Franca Especial Cementera del Magdalena Medio S.A.S. ("Zomam") (holder of the free trade zone concession) and the rights to develop the cement plant. After the signing of the MOU, a former shareholder of CI Calizas, who presumptively transferred its shares of CI Calizas two years before the signing of the MOU, was linked to a process of expiration of property initiated by Colombia's Attorney General (the "Attorney General"). Amongst other measures, the Attorney General ordered the seizure and consequent suspension of the right to dispose the assets subject to the MOU, including the shares of Zomam acquired by CEMEX Colombia before the beginning of such process. As a third party acting in good faith and free of guilt, CEMEX Colombia joined the expiration of property process and fully cooperates with the Attorney General. As of September 30, 2018, it is estimated that it may take between five and ten years for a final resolution to be issued on the aforementioned process, which is in the investigatory stage, waiting for the legal counsels of the defendants appointed by the Attorney General to assume functions, which opens the evidentiary stage.

  In July 2013, CEMEX Colombia signed with the provisional depository appointed by the Drugs National Department (*Dirección Nacional de Estupefacientes* or the "DNE") (then depository of the affected assets), which functions after its liquidation were assumed by the Administration of Special Assets (*Sociedad de Activos Especiales S.A.S.* or the "SAE"), a lease contract for a period of five years, by means of which CEMEX Colombia was duly authorized to build and operate the plant (the "Lease Contract"). Moreover, in 2014, the provisional depository granted a mandate to CEMEX Colombia for the same purposes.

Liabilities resulting from legal proceedings – continued

On July 15, 2018, the initial term of the Lease Agreement signed by CEMEX Colombia with the DNE in July 2013 was met. Nonetheless, according to Colombian law, this type of contracts have the prerogative of renewal, which is reiterated in clause twenty-fourth of such contract in which there is an specific reference to the article in which such renewal is envisaged. Furthermore, as of September 30, 2018, the mandate granted in 2014 by the provisional depositary of the DNE to CEMEX Colombia for the start-up and operation of the plant remains outstanding. This mandate has no termination date; however, after September 23, 2016, date in which the Company informed regarding the irregularities related to the Maceo Project, the SAE challenged its validity to CEMEX Colombia after having assumed the functions of the former DNE. As of September 30, 2018, CEMEX Colombia is negotiating with the SAE a new long-term agreement that would replace the two previously signed.

In addition, in 2012, CEMEX Colombia also engaged the same representative of CI Calizas to represent in the name and on behalf of CEMEX Colombia in the acquisition of land adjacent to the plant, signing a new memorandum of understanding (the "Land MOU").

During 2016, through an investigation and internal audit in accordance with the corporate governance policies and code of ethics of CEMEX and CEMEX Latam considering reports of deficiencies in the purchasing process received in CEMEX's anonymous reporting line, and after confirming the irregularities, in September, 2016, CEMEX Latam and CEMEX Colombia terminated the employment relationship with the Vice President of Planning of CEMEX Latam and CEMEX Colombia; with the Vice President of Legal Counsel of CEMEX Latam and CEMEX Colombia; and accepted the resignation of the Chief Executive Officer of CEMEX Latam and President of CEMEX Colombia. In order to strengthen the levels of leadership, management and best practices of corporate governance, in October 2016, the Parent Company's Board of Directors separated the roles of Chairman of the Board of Directors, Chief Executive Officer of CEMEX Latam and President of CEMEX Colombia, and made the corresponding appointments. Moreover, CEMEX, S.A.B. de C.V.'s Audit Committee and the Parent Company's Audit Commission performed an independent investigation of the Maceo project through experts in forensic audit. Additionally, the management of CEMEX Colombia and the Parent Company engaged legal advisors for the required collaboration with the Attorney General and other purposes.

The investigation and internal audit initiated during 2016 found that under the MDE and the Land MDE, CEMEX Colombia made deposits in the representative's bank account for advances and paid interests, settled in kind following its instructions, for amounts in Colombian pesos equivalent to approximately $13,412 and $1,252, respectively, considering the exchange rate as of December 31, 2016. These payments were made in breach of CEMEX's and CEMEX Latam's policies. As a result, both, the Parent Company and CEMEX Colombia reported these facts to the Attorney General, providing the findings on hand. In December 2016, CEMEX Colombia filed a claim in the civil courts aiming that all property rights of the land acquired under de Land MOU, some of which were assigned to the representative, would be transferred to CEMEX Colombia. As of September 30, 2018, due to the process of expiration of property of the assets under the MDE and the deficient formalization of the acquisitions under the Land MDE, CEMEX Colombia is not the rightful owner of the aforementioned assets.

As a result, considering the legal opinions available and low probability of recovering such advances, in December 2016, the Company reduced investments in process for a net amount in Colombian pesos equivalent to approximately $14,134, which included: a) a reduction of $14,257 for impairment of assets against "Other expenses, net," including approximately $2,344 of impairment losses not related with the MOU or the Land MOU; b) a reduction of $9,073 against "Other accounts payable" for the cancellation of the remaining account payable to CI Calizas under the MOU; and c) an increase in investments in process for $9,196 recognized against VAT accounts payable related with certain purchases of equipment installed outside the polygon of the free zone that were not exempted from this tax. All these amounts considering the exchange rate as of December 31, 2016. During 2017, CEMEX Colombia further determined an adjustment and payment of additional VAT in the free zone for approximately $5 million (note 13).

Moreover, there is an ongoing criminal investigation by the Attorney General which is in its second investigatory stage. The hearing for indictments was held between June 12 and 29, 2018, whereas charges were brought against two of the former executives of CEMEX Colombia and the representative of CI Calizas, and pretrial detention of the defendants was determined. CEMEX Latam cannot predict the actions that the General Attorney could implement or the possibility and degree in which any of these actions could have a material adverse effect on CEMEX Latam's results of operation, liquidity or financial position. Under the presumption that CEMEX Colombia acted in good faith, CEMEX Latam considers that it will retain ownership of the plant and that the rest of its investments are protected by Colombian law, under which, if a person builds on the property of a third party, with full knowledge of such third party, this third party may: a) take ownership of the plant paying indemnity to CEMEX Colombia, or otherwise, b) oblige CEMEX Colombia to purchase the land. Nonetheless, had this not be the case, CEMEX Colombia would take all necessary actions to safeguard the project in Maceo. At this respect, in the event that the expiration of property over the assets subject to the MOU is ordered in favor of the State, the SAE may decide not to sell the assets to CEMEX Colombia, or, the SAE may elect to maintain ownership of the assets and not extend the Lease Contract. In both cases, under Colombian law, CEMEX Colombia would be entitled to an indemnity for the amount of its incurred investments. Nonetheless, although as of September 30, 2018, CEMEX Latam cannot estimate if the expiration of property of the assets subject to the MDE would be declared in favor of the State, or as the case may be, if the SAE would determine to sell or not those assets to CEMEX Colombia or if a new Lease Contract would be negotiated or not, CEMEX Colombia does not consider probable that any of these adverse results may occur, but would any of these adverse results occur upon which an adverse resolution is received, such adverse resolution could have a material adverse effect on CEMEX Latam's results of operations, liquidity or financial condition.

Liabilities resulting from legal proceedings – continued

In addition and specifically in connection with the deficiencies occurred in the purchase process of the land and other assets related to the construction of the plant and considering the investigations and internal audit as well as the advice received from external advisors, CEMEX Latam continue with the efforts and activities oriented to remediate the internal control weakness related to unusual and significant transactions, and that CEMEX, S.A.B. de C.V. and CEMEX Latam defined as material weakness. As of September 30, 2018, among the remediation practices implemented in 2017, with the approval of the Parent Company's Audit Commission and Board of Directors, there is the approval policy on significant unusual transactions, the creation of a committee that oversees material investment projects, the strengthening of internal audit procedures and the improvement of existing monitoring controls in order to operate in a satisfactory level of precision. As of September 30, 2018, the remediation activities have been fully implemented. Nonetheless, the effectiveness of such remediation activities is still under evaluation; therefore, the material weakness in internal controls will not be considered remediated until the Company's management concludes that the remediation controls have been operating for a sufficient period in an effective way. The Parent Company considers that this weakness has not materially affected in any significant aspect the financial statements issued by CEMEX Latam in prior periods.

As of September 30, 2018, the start-up of the Maceo plant and the construction of the access road remain suspended, mainly considering certain permits required to finalize the access road, as well as ongoing requests and procedures with the relevant authorities oriented to: a) resolve any overlap of the project with an Integrated Management District ("IMD"), b) modify the land use where the project is located to harmonize it with industrial and mining use, c) modify the environmental license to increase the permitted production up to 950 thousand tons per year, d) obtain the extension of the free zone to cover the entire plant, and e) resolve the ownership of the environmental license and the mining title which transfer to a subsidiary of CEMEX Colombia was revoked by the regional environmental authority; until progress is achieved in these processes. CEMEX Colombia continues working to address these issues as soon as possible. In October 2017, CEMEX Colombia presented the initial request for the partial subtraction of the Maceo project from the IMD to test the feasibility of achieving the proposed expansion of the activity in the project and comments were received in May 2018. In this regard, on October 11, 2018, CEMEX Colombia submitted a response to the latest request for information in connection with such subtraction process. This process of partial subtraction of the Maceo project, would allow the removal of the cement operation productive area from the DMI. This request requires evidence of the viability to develop the proposed activity of the cement project in said area. Meanwhile, CEMEX Colombia will limit its activities to those on which it has the relevant authorizations.

- On July 16, 2018, the Colombian Supreme Court of Justice issued a final ruling favorable to CEMEX Colombia in relation to the proceeding initiated in 1999 by several companies belonging to the Laserna family, in which it was sought the declaration of non-contractual civil responsibility and consequently the corresponding compensation for alleged damages caused by emissions from the Caracolito plant to rice-growing land. As a result of this resolution, during the third quarter of 2018, CEMEX Colombia reversed the provision it had accrued in prior years related to this proceeding for approximately $12.5 million (see note 5).

21B) CONTINGENCIES FROM LEGAL PROCEEDINGS

As of September 30, 2018, 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. The Company considers low the likelihood of an adverse resolution; nonetheless, it cannot assure that a favorable resolution in these proceedings will be obtained. The disclosure of facts of the most significant proceedings with a quantification of the potential loss is as follows:

Contingencies from market related proceedings

- On June 12, 2018, the Consumer Protection and Defense of Competition Authority in Panama initiated an administrative investigation of officio to Cemento Bayano, S.A. ("Cemento Bayano") and another local producer for the presumed commission of practices against free competition in the market of gray concrete and ready-mix concrete. As a result of the investigation, the authority determined that there are elements that serve as a basis to consider the possible existence of absolute monopolistic practice, such as pricing and / or restriction of production in the gray cement market sold to companies producing ready-mix concrete, as well as other elements that serve as a basis for considering the possible existence of a relative monopolistic practice such as the execution of acts aimed at causing harm or removing a competitor from the relevant market of concrete, or preventing a potential competitor from entering that market. Cemento Bayano considers not have committed improper acts and will defend its position before the relevant authorities. In this stage of the procedure CEMEX Latam considers low the probability of obtaining an adverse resolution at the end of all defense instances that could impute potential damages to Cement Bayano, however, an adverse resolution in this procedure could have a material adverse effect on the CEMEX Latam's operating results, its liquidity or its financial position.

Contingencies from environmental proceedings

- In March, 2015, certain members of the surrounding communities of the cement plant in Panama filed a claim against Cemento Bayano, S.A ("Cemento Bayano") for alleged breach of environmental regulations in the operation of its quarries and requested the review of the environmental impact' studies that support the new raw material quarries of the plant. These community members are being assisted by non-governmental organizations and environmentalist groups with the purpose of achieving fines to Cemento Bayano and the cancellation of the new quarries' environmental impact studies. In April 2015, the authorities resolved that the allegations in connection with water pollution, erosion control, air quality and impact control of protected areas, sustained the investigation.

Contingencies from environmental proceedings – continued

In June 2015, the Environmental Authority conducted a physical inspection in attention to the plaintiffs, and by means of a Technical Inspection Report of July 2015, it was concluded that during the inspection there were no physical evidence of the issues related with the claim. Nonetheless, in January 2016, the process was referred to the Panama North Regional Administration of the Environment Ministry (the "Regional Administration"), which in November 2016, requested the Environmental Economic Unit to calculate the fine to be imposed to Cemento Bayano. As of September 30, 2018, Cemento Bayano is awaiting for the final resolution. Fines related to environmental matters do not have an established limit and depend on the severity of the damage, the recidivism, the investments level and the economic situation of the offender. At this stage of the proceeding, although is not able to assess with full certainty, Cemento Bayano considers low the probability of an adverse resolution or potential damages that could be imposed. An adverse resolution in this proceeding could have a material adverse effect on the Company´s results of operations, liquidity or financial position.

- In June 2010, the District Environmental Secretary of Bogota (the "District Secretary"), ordered the suspension of the mining activities of CEMEX Colombia and other two companies in the quarry El Tunjuelo, located in Bogotá, The District Secretary alleged that over the past 60 years, CEMEX Colombia and the other companies, illegally changed the course of the Tunjuelo River, used the underground waters without permission and improperly invaded the edge of the Tunjuelo river for mining activities. CEMEX Colombia considers that its mining activities at El Tunjuelo quarry were supported by the appropriate authorizations required by the applicable environmental laws, and that all the environmental impact studies submitted by CEMEX Colombia were reviewed and authorized by the Ministry of Environment and Sustainable Development. Since June 2010, the local authorities closed down the quarry and prohibited the removal of aggregates inventory. In July, 2018, the District Secretary notified CEMEX Colombia of the imposition of a penalty for an amount in Colombian pesos equivalent to approximately $427, considering the exchange rate of August 1, 2018, the date on which it was settled. The penalty was imposed based on the risk of having provoked affectation or harm in the use of the underground waters in the Tunjuelo river's middle basin, without the corresponding permit issued by the environmental authority. CEMEX Colombia was exonerated from the other initial charges of conduct against the water resource, as it was found that there was no effective use of the waters, nor was any damage caused. With the imposition of this penalty, all procedures and possible claims against CEMEX Colombia related to this matter were finalized, which could have resulted in sanctions with a significant impact on the Company's financial statements.

In addition, 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 the fault or the legality of the original activity *at* the moment of the actions which gave rise to the responsibility.

Other legal proceedings

- On September 4, 2018, CEMEX Colombia received an arbitrage claim filed by a construction company, by means of which the payment of damages is sought for an alleged breach of the contract for the supply of ready-mix concrete for the construction of civil works denominated " Túnel de Crespo" located in the city of Cartagena, for an amount in Colombian pesos equivalent to approximately $12.8 million. CEMEX Colombia considers that it has the legal and technical arguments that demonstrate compliance with the supply contract that is the subject of this proceeding and will exercise the pertinent actions at each stage of the process. As of September 30, 2018, CEMEX Latam is analyzing the basis of the proceeding and it is premature in this phase to qualify the probabilities of any losses. Nonetheless, an adverse resolution in this case could have a material adverse effect on CEMEX Latam's results of operations, liquidity or financial position. See note 22 for recent developments in connection with this claim.

- As a result of the premature damages presented in the slabs of Transmilenio's North Highway, six civil claims were filed against CEMEX Colombia. The Administrative Litigation Court decided to declare the nullity of five claims and, currently, the claim filed by a citizen is under process and is pending of judgment in the first instance. As of September 30, 2018, CEMEX Latam considers remote the probability of an adverse resolution 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 position.

In addition, as of September 30, 2018, 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.

(Thousands of U.S. dollars)

22) SUBSEQUENT EVENTS

- On October 2, 2018, CEMEX Colombia filed a response to the arbitrage claim filed by a construction company regarding the civil works denominated Túnel de Crespo (note 21B). Simultaneously, CEMEX Colombia filed a counterclaim against the aforementioned construction company for an amount in Colombian pesos equivalent to approximately $7.3 million for expenditures incurred by CEMEX Colombia during the years 2014 and 2015 in repairs to the aforementioned civil works by causes allegedly imputable to the construction company.

- On October 9, 2018, the contentious administrative judge ordered the provisional suspension of the payment request issued on September 18, 2018, related to the tax proceeding in Costa Rica corresponding to fiscal year 2008 (note 17B), while it is resolved the precautionary measure requested by CEMEX Costa Rica since July 6, 2018, for which there is no specific date for a final ruling. If the precautionary measure is resolved against CEMEX Costa Rica, the payment will be made, whereas, if it is resolved in favor, the guarantee will be presented and the provision recognized as of September 30, 2018 would be reversed.

23) MAIN SUBSIDIARIES

The Parent Company's main direct and indirect subsidiaries as of September 30, 2018 and December 31, 2017 are as follows:

Subsidiary	Country	Activity	% of interest 2018	% of interest 2017
Corporación Cementera Latinoamericana, S.L.U. [1]	Spain	Parent	100.0	100.0
CEMEX Colombia S.A.	Colombia	Operating	99.7	99.7
Zona Franca Especial Cementera del Magdalena Medio S.A.S. [2]	Colombia	Operating	100.0	100.0
CEMEX (Costa Rica), S.A.	Costa Rica	Operating	99.2	99.1
CEMEX Nicaragua, S.A.	Nicaragua	Operating	100.0	100.0
Cemento Bayano, S.A.	Panama	Operating	99.5	99.5
Cimentos Vencemos do Amazonas, Ltda. [3]	Brazil	Operating	–	100.0
CEMEX Guatemala, S.A.	Guatemala	Operating	100.0	100.0
Equipos para Uso de Guatemala, S.A. [4]	Guatemala	Operating	–	100.0
Cementos de Centroamérica, S.A. [4]	Guatemala	Operating	100.0	100.0
CEMEX Lan Trading Corporation	Barbados	Trading	100.0	100.0
CEMEX El Salvador, S.A.	El Salvador	Operating	100.0	100.0
Inversiones SECOYA, S.A.	Nicaragua	Operating	100.0	100.0
Apollo RE, Ltd.[5]	Barbados	Reinsurance	100.0	100.0
CEMEX Finance Latam, B.V.	Holland	Finance	100.0	100.0

1 CEMEX Latam Holdings, S.A., indirectly controls through Corporación Cementera Latinoamericana, S.L.U. the Parent Company's operations in Colombia, Costa Rica, Panama, Nicaragua, Guatemala and El Salvador.

2 This entity, which shares are included in the expiration of property process (note 21A), holds a significant portion of the investments in the Maceo plant project and is the holder of the free trade zone concession.

3 As mentioned in note 2A and 3A, on September 27, 2018, the Company concluded the sale of its operations in Brazil to Votorantim.

4 On July 26, 2018, the merger by absorption of Equipos para Uso de Guatemala, S.A. with Cementos de Centroamérica, S.A. was registered in the general mercantile registry of the Republic of Guatemala. As a result of this merger, Cementos de Centroamérica, S.A. retains its legal personality and assumes the assets, liabilities, rights and obligations of the absorbed entity.

5 On November 27, 2017, Apollo RE, Ltd., merged and absorbed Maverick RE, Ltd., with the extinction of the absorbed entity and the transfer to the merging entity of all its rights and obligations.