2018

THIRD QUARTER RESULTS

- **Stock Listing Information**
  Colombian Stock Exchange S.A.
  Ticker: CLH

- **Investor Relations**
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	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Consolidated cement volume	4,969	5,455	(9%)	1,638	1,812	(10%)
Consolidated domestic gray cement volume	4,366	4,757	(8%)	1,462	1,571	(7%)
Consolidated ready-mix volume	1,945	2,197	(11%)	658	721	(9%)
Consolidated aggregates volume	4,794	5,234	(8%)	1,559	1,695	(8%)
Net sales	849	928	(9%)	277	302	(8%)
Gross profit	346	410	(15%)	114	129	(12%)
as % of net sales	40.8%	44.1%	(3.3pp)	41.1%	42.7%	(1.6pp)
Operating earnings before other expenses, net	129	184	(30%)	41	55	(26%)
as % of net sales	15.2%	19.8%	(4.6pp)	14.8%	18.3%	(3.5pp)
Controlling interest net income (loss)	53	79	(33%)	20	28	(30%)
Operating EBITDA	188	242	(22%)	60	72	(17%)
as % of net sales	22.1%	26.1%	(4.0pp)	21.7%	23.9%	(2.2pp)
Free cash flow after maintenance capital expenditures	35	77	(55%)	16	19	(13%)
Free cash flow	34	46	(26%)	17	17	3%
Net debt	811	881	(8%)	811	881	(8%)
Total debt	834	922	(10%)	834	922	(10%)
Earnings of continuing operations per share	0.10	0.13	(21%)	0.05	0.05	(6%)
Shares outstanding at end of period	557	557	0%	557	557	0%
Employees	4,156	4,351	(4%)	4,156	4,351	(4%)

Cement and aggregates volumes in thousands of metric tons. Ready-mix volumes in thousands of cubic meters.
In millions of US dollars, except volumes, percentages, employees, and per-share amounts.
Shares outstanding are presented in millions.

Consolidated net sales during the third quarter of 2018 declined by 8% compared to those in the third quarter of 2017. The decline is mainly due to lower volumes partially offset by higher cement prices.

Cost of sales as a percentage of net sales during the third quarter increased by 1.6pp from 57.3% to 58.9%, on a year-over-year basis.

Operating expenses as a percentage of net sales during the quarter increased by 1.8pp from 24.5% to 26.3%, compared to those of the same period of 2017.

Operating EBITDA during the third quarter of 2018 declined by 17% compared to that of the third quarter of 2017. The decline is mainly explained by lower results in Panama and Nicaragua, partially offset by improvements in Colombia.

Operating EBITDA margin during the third quarter of 2018 declined by 2.2pp, compared to that of the third quarter of 2017.

Controlling interest net income during the third quarter of 2018 reached US$20 million, compared to US$28 million in the same quarter of 2017. The decline was primarily driven by lower gross profit and a negative effect in discontinued operations, partially offset by a positive effect in other expenses, net, as well as lower financial expenses and taxes.

Total debt decreased by US$61 million during the quarter, reaching US$834 million.

Colombia

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Net sales	399	432	(8%)	134	142	(5%)
Operating EBITDA	73	83	(12%)	26	22	16%
Operating EBITDA margin	18.2%	19.2%	(1.0pp)	19.4%	15.9%	3.5pp

In millions of US dollars, except percentages.

	Domestic gray cement		Ready-Mix		Aggregates	
	January - September	Third Quarter	January - September	Third Quarter	January - September	Third Quarter
Volume	(10%)	(8%)	(13%)	(11%)	(13%)	(12%)
Price (USD)	3%	6%	2%	(0%)	0%	0%
Price (local currency)	2%	6%	0%	(0%)	(2%)	0%

Year-over-year percentage variation.

In Colombia, during the third quarter our domestic gray cement, ready-mix and aggregates volumes declined by 8%, 11%, and 12%, respectively, compared to those of the third quarter of 2017. For the first nine months of the year, our domestic gray cement, ready-mix and aggregates volumes decreased by 10%, 13%, and 13%, respectively, compared to those of the same period of 2017.

Cement volumes increased by 7% sequentially during the third quarter reflecting the acceleration of industry demand after the elections, as well as a slight improvement in our estimated market position on a sequential basis.

Our cement prices in local currency during the quarter were 6% higher on a year-over-year basis.

Panama

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Net sales	169	212	(20%)	58	71	(18%)
Operating EBITDA	51	88	(42%)	16	30	(44%)
Operating EBITDA margin	30.2%	41.3%	(11.1pp)	28.5%	42.1%	(13.6pp)

In millions of US dollars, except percentages.

	Domestic gray cement		Ready-Mix		Aggregates	
	January - September	Third Quarter	January - September	Third Quarter	January - September	Third Quarter
Volume	(20%)	(16%)	(18%)	(9%)	(7%)	(13%)
Price (USD)	(1%)	(1%)	(8%)	(9%)	(0%)	9%
Price (local currency)	(1%)	(1%)	(8%)	(9%)	(0%)	9%

Year-over-year percentage variation.

In Panama during the third quarter our domestic gray cement, ready-mix and aggregates volumes decreased by 16%, 9%, and 13%, respectively, compared to those in the third quarter of 2017. For the first nine months of 2018, our domestic gray cement, ready-mix and aggregates volumes declined by 20%, 18%, and 7%, respectively, compared to those in the same period of 2017.

Our cement volumes improved by 10% during the third quarter on a sequential basis, mostly due to a low comparison base with the previous quarter which was affected by the construction-workers strike.

Our quarterly cement volumes declined on a year-over-year basis mainly due to a subdued market demand. Weakness in the residential sector was partially offset by improvements in infrastructure activity. Please note that we observed no significant imports during the quarter.

Costa Rica

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Net sales	112	114	(2%)	33	37	(11%)
Operating EBITDA	37	40	(8%)	11	13	(12%)
Operating EBITDA margin	32.9%	35.2%	(2.3pp)	34.8%	35.1%	(0.3pp)

In millions of US dollars, except percentages.

	Domestic gray cement		Ready-Mix		Aggregates	
	January - September	Third Quarter	January - September	Third Quarter	January - September	Third Quarter
Volume	6%	(4%)	10%	(6%)	9%	18%
Price (USD)	2%	3%	2%	7%	(13%)	(21%)
Price (local currency)	2%	3%	2%	8%	(13%)	(21%)

Year-over-year percentage variation.

In Costa Rica, during the third quarter our domestic gray cement and ready-mix volumes declined by 4% and 6%, respectively, while our aggregates volumes increased by 18%, compared to those in the third quarter of 2017. For the first nine months of the year our domestic gray cement, ready-mix and aggregates volumes increased by 6%, 10% and 9%, respectively, compared to those of the same period of 2017.

Our national cement consumption estimates indicate that demand declined by around 9% during the third quarter. About 2 percentage points of this decline was due to a state-workers strike that lowered activity for 21 days in September. Our cement volumes outperformed the industry during the quarter due to an improvement in our estimated market position on a year-over-year basis. However, on a sequential basis, our estimated position declined during the quarter due to a new competitor that commissioned its grinding mill in July. Our volumes during the quarter were supported by ongoing projects like the wholesale market in the North-Pacific region and the new building for the Parliament. Additionally, two relevant projects started consumption during the quarter: the new Central-Bank building and the new Coca-Cola plant.

Rest of CLH

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Net sales	180	189	(5%)	56	57	(2%)
Operating EBITDA	56	68	(17%)	16	20	(21%)
Operating EBITDA margin	31.2%	35.8%	(4.6pp)	27.7%	34.2%	(6.5pp)

In millions of US dollars, except percentages.

	Domestic gray cement		Ready-Mix		Aggregates	
	January - September	Third Quarter	January - September	Third Quarter	January - September	Third Quarter
Volume	(3%)	2%	5%	12%	6%	(17%)
Price (USD)	(2%)	(4%)	(4%)	(11%)	(11%)	(25%)
Price (local currency)	1%	(0%)	(1%)	(7%)	(6%)	(21%)

Year-over-year percentage variation.

In the Rest of CLH, region which includes our operations in Nicaragua, Guatemala and El Salvador, during the third quarter our domestic gray cement and ready-mix volumes increased by 2% and 12%, respectively, while our aggregates volumes declined by 17%, compared to those in the third quarter of 2017. During the first nine months of 2018, our domestic gray cement decreased by 3%, while our ready-mix and aggregates volumes increased by 5% and 6%, respectively, compared to those in the same period of 2017.

In Nicaragua, although violence in the country receded, consumer and business confidence has been severely damaged by the socio-political crisis, affecting particularly the tourism and construction sectors. During the quarter, our cement volumes were mainly supported by the continued activity in ongoing road projects from the government. With regards to Guatemala, the residential and industrial-and-commercial sectors were the main drivers of demand during the quarter, supported by vertical-housing projects and shopping malls in Guatemala City.

Operating EBITDA and free cash flow

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Operating earnings before other expenses, net	**129**	**184**	**(30%)**	**41**	**55**	**(26%)**
+ Depreciation and operating amortization	59	58		19	17	
Operating EBITDA	**188**	**242**	**(22%)**	**60**	**72**	**(17%)**
- Net financial expense	43	47		14	14	
- Capital expenditures for maintenance	26	36		11	13	
- Change in working Capital	10	(8)		0	5	
- Taxes paid	40	83		15	19	
- Other cash items (Net)	32	4		4	2	
- Free cash flow discontinued operations	1	4		(2)	1	
Free cash flow after maintenance capital exp	**35**	**77**	**(55%)**	**16**	**19**	**(13%)**
- Strategic Capital expenditures	0	30		(1)	2	
Free cash flow	**34**	**46**	**(26%)**	**17**	**17**	**3%**

In millions of US dollars, except percentages.

Additionally, we received about 31 million dollars during the third quarter related to the gross proceeds from the sale of our cement-distribution business in Brazil. Free cash flow and the proceeds from the Brazil divestment were mainly used to reduce debt during the quarter. Net debt decreased by 45 million dollars in this period, reaching 811 million. The net-debt-to-EBITDA ratio dropped to 3.1 times, despite the lower EBITDA.

Information on Debt

	Third Quarter			Second Quarter
	2018	2017	% var	2018
Total debt [1, 2]	**834**	**922**		**895**
Short term	24%	16%		23%
Long term	76%	84%		77%
Cash and cash equivalents	24	41	(43%)	39
Net debt	**811**	**881**	**(8%)**	**856**
Net debt / EBITDA	**3.1x**	**2.7x**		**3.2x**

	Third Quarter	
	2018	2017
Currency denomination		
U.S. dollar	99%	98%
Colombian peso	1%	2%
Interest rate		
Fixed	60%	65%
Variable	40%	35%

In millions of US dollars, except percentages.
[1] Includes capital leases, in accordance with International Financial Reporting Standards (IFRS).
[2] Represents the consolidated balances of CLH and subsidiaries.

Income statement & balance sheet

CEMEX Latam Holdings, S.A. and Subsidiaries

in thousands of U.S. Dollars, except per share amounts

	January - September			Third Quarter		
INCOME STATEMENT	2018	2017	% var	2018	2017	% var
Net sales	848,520	928,187	(9%)	276,617	301,717	(8%)
Cost of sales	(502,189)	(518,621)	3%	(162,791)	(172,784)	6%
Gross profit	**346,331**	**409,566**	**(15%)**	**113,826**	**128,933**	**(12%)**
Operating expenses	(217,115)	(225,634)	4%	(72,765)	(73,811)	1%
Operating earnings before other expenses, net	**129,216**	**183,932**	**(30%)**	**41,061**	**55,122**	**(26%)**
Other expenses, net	(704)	(6,047)	88%	5,321	(4,584)	n/a
Operating earnings	**128,512**	**177,885**	**(28%)**	**46,382**	**50,538**	**(8%)**
Financial expenses	(42,938)	(46,592)	8%	(13,784)	(14,469)	5%
Other income (expenses), net	10,589	(1,082)	n/a	5,604	7,224	(22%)
Net income before income taxes	**96,163**	**130,211**	**(26%)**	**38,202**	**43,293**	**(12%)**
Income tax	(33,344)	(45,155)	26%	(9,789)	(13,036)	25%
Profit of continuing operations	62,819	85,056	(26%)	28,413	30,257	(6%)
Discontinued operations	(9,383)	(5,560)	(69%)	(8,659)	(2,083)	(316%)
Consolidated net income	**53,436**	**79,496**	**(33%)**	**19,754**	**28,174**	**(30%)**
Non-controlling Interest Net Income	(186)	(288)	35%	(107)	(99)	(8%)
Controlling Interest Net Income	**53,250**	**79,208**	**(33%)**	**19,647**	**28,075**	**(30%)**
Operating EBITDA	**187,739**	**242,089**	**(22%)**	**60,016**	**72,191**	**(17%)**
Earnings of continued operations per share	**0.10**	**0.13**	**(21%)**	**0.05**	**0.05**	**(6%)**
Earnings of discontinued operations per share	**(0.02)**	**(0.01)**	**(69%)**	**(0.02)**	**(0.00)**	**(316%)**

	as of September 30		
BALANCE SHEET	2018	2017	% var
Total Assets	**3,118,344**	**3,367,493**	**(7%)**
Cash and Temporary Investments	23,564	41,401	(43%)
Trade Accounts Receivables	107,937	125,287	(14%)
Other Receivables	56,064	67,647	(17%)
Inventories	79,178	78,236	1%
Assets held for sale	0	0	n/a
Other Current Assets	21,213	14,929	42%
Current Assets	287,956	327,500	(12%)
Fixed Assets	1,219,337	1,265,865	(4%)
Other Assets	1,611,051	1,774,128	(9%)
Total Liabilities	**1,570,766**	**1,816,889**	**(14%)**
Liabilities available for sale	0	0	n/a
Other Current Liabilities	487,499	501,456	(3%)
Current Liabilities	487,499	501,456	(3%)
Long-Term Liabilities	1,068,446	1,300,131	(18%)
Other Liabilities	14,821	15,302	(3%)
Consolidated Stockholders' Equity	**1,547,578**	**1,550,604**	**(0%)**
Non-controlling Interest	5,624	5,146	9%
Stockholders' Equity Attributable to Controlling Interest	1,541,954	1,545,458	(0%)

Income statement & balance sheet

CEMEX Latam Holdings, S.A. and Subsidiaries

in millions of Colombian Pesos in nominal terms, except per share amounts

	January - September			Third Quarter		
INCOME STATEMENT	2018	2017	% var	2018	2017	% var
Net sales	2,448,660	2,732,285	(10%)	818,353	892,419	(8%)
Cost of sales	(1,449,217)	(1,526,655)	5%	(481,605)	(511,062)	6%
Gross profit	**999,443**	**1,205,630**	**(17%)**	**336,745**	**381,357**	**(12%)**
Operating expenses	(626,550)	(664,192)	6%	(215,271)	(218,316)	1%
Operating earnings before other expenses, net	**372,893**	**541,438**	**(31%)**	**121,475**	**163,041**	**(25%)**
Other expenses, net	(2,033)	(17,802)	89%	15,743	(13,560)	n/a
Operating earnings	**370,860**	**523,636**	**(29%)**	**137,217**	**149,481**	**(8%)**
Financial expenses	(123,909)	(137,151)	10%	(40,779)	(42,796)	5%
Other income (expenses), net	30,557	(3,185)	n/a	16,579	21,369	(22%)
Net income before income taxes	**277,508**	**383,300**	**(28%)**	**113,018**	**128,054**	**(12%)**
Income tax	(96,226)	(132,923)	28%	(28,960)	(38,561)	25%
Profit of continuing operations	181,282	250,377	(28%)	84,058	89,493	(6%)
Discontinued operations	(27,078)	(16,368)	(65%)	(25,616)	(6,160)	(316%)
Consolidated net income	**154,204**	**234,011**	**(34%)**	**58,442**	**83,333**	**(30%)**
Non-controlling Interest Net Income	(535)	(847)	37%	(317)	(292)	(9%)
Controlling Interest Net Income	**153,669**	**233,164**	**(34%)**	**58,126**	**83,041**	**(30%)**
Operating EBITDA	**541,776**	**712,633**	**(24%)**	**177,552**	**213,525**	**(17%)**
Earnings of continued operations per share	**326**	**450**	**(28%)**	**151**	**161**	**(6%)**
Earnings of discontinued operations per share	**(49)**	**(29)**	**65%**	**(46)**	**(11)**	**(316%)**

	as of September 30		
BALANCE SHEET	2018	2017	% var
Total Assets	**9,268,281**	**9,904,032**	**(6%)**
Cash and Temporary Investments	70,035	121,762	(42%)
Trade Accounts Receivables	320,807	368,479	(13%)
Other Receivables	166,632	198,955	(16%)
Inventories	235,333	230,095	2%
Assets held for sale	0	0	n/a
Other Current Assets	63,050	43,908	44%
Current Assets	855,857	963,199	(11%)
Fixed Assets	3,624,088	3,722,997	(3%)
Other Assets	4,788,336	5,217,836	(8%)
Total Liabilities	**4,668,600**	**5,343,596**	**(13%)**
Liabilities available for sale	0	0	n/a
Other Current Liabilities	1,448,936	1,474,816	(2%)
Current Liabilities	1,448,936	1,474,816	(2%)
Long-Term Liabilities	3,175,613	3,823,776	(17%)
Other Liabilities	44,051	45,004	(2%)
Consolidated Stockholders' Equity	**4,599,681**	**4,560,436**	**1%**
Non-controlling Interest	16,716	15,135	10%
Stockholders' Equity Attributable to Controlling Interest	4,582,964	4,545,301	1%

Operating Summary per Country

in thousands of U.S. dollars
Operating EBITDA margin as a percentage of net sales

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
NET SALES						
Colombia	399,249	432,019	(8%)	134,274	141,501	(5%)
Panama	169,412	211,792	(20%)	57,932	70,593	(18%)
Costa Rica	111,931	113,732	(2%)	32,999	37,168	(11%)
Rest of CLH	180,129	189,243	(5%)	56,128	57,354	(2%)
Others and intercompany eliminations	(12,201)	(18,599)	34%	(4,716)	(4,899)	4%
TOTAL	**848,520**	**928,187**	**(9%)**	**276,617**	**301,717**	**(8%)**
GROSS PROFIT						
Colombia	152,405	159,132	(4%)	53,234	47,812	11%
Panama	66,844	100,085	(33%)	22,044	34,530	(36%)
Costa Rica	51,503	52,981	(3%)	16,469	17,529	(6%)
Rest of CLH	73,957	84,244	(12%)	21,485	24,985	(14%)
Others and intercompany eliminations	1,622	13,124	(88%)	594	4,077	(85%)
TOTAL	**346,331**	**409,566**	**(15%)**	**113,826**	**128,933**	**(12%)**
OPERATING EARNINGS BEFORE OTHER EXPENSES, NET						
Colombia	51,516	63,506	(19%)	19,050	17,144	11%
Panama	39,707	74,593	(47%)	12,644	25,845	(51%)
Costa Rica	33,214	36,081	(8%)	10,298	11,581	(11%)
Rest of CLH	51,281	63,361	(19%)	14,024	18,096	(23%)
Others and intercompany eliminations	(46,502)	(53,609)	13%	(14,955)	(17,544)	15%
TOTAL	**129,216**	**183,932**	**(30%)**	**41,061**	**55,122**	**(26%)**
OPERATING EBITDA						
Colombia	72,507	82,813	(12%)	26,059	22,448	16%
Panama	51,183	87,515	(42%)	16,490	29,688	(44%)
Costa Rica	36,832	40,058	(8%)	11,483	13,050	(12%)
Rest of CLH	56,185	67,782	(17%)	15,539	19,612	(21%)
Others and intercompany eliminations	(28,968)	(36,079)	20%	(9,555)	(12,607)	24%
TOTAL	**187,739**	**242,089**	**(22%)**	**60,016**	**72,191**	**(17%)**
OPERATING EBITDA MARGIN						
Colombia	18.2%	19.2%		19.4%	15.9%	
Panama	30.2%	41.3%		28.5%	42.1%	
Costa Rica	32.9%	35.2%		34.8%	35.1%	
Rest of CLH	31.2%	35.8%		27.7%	34.2%	
TOTAL	**22.1%**	**26.1%**		**21.7%**	**23.9%**	

Volume Summary

Consolidated volume summary

Cement and aggregates in thousands of metric tons
Ready mix in thousands of cubic meters

	January - September			Third Quarter		
	2018	2017	% var	2018	2017	% var
Total cement volume [1]	4,969	5,455	(9%)	1,638	1,812	(10%)
Total domestic gray cement volume	4,366	4,757	(8%)	1,462	1,571	(7%)
Total ready-mix volume	1,945	2,197	(11%)	658	721	(9%)
Total aggregates volume	4,794	5,234	(8%)	1,559	1,695	(8%)

[1] Consolidated cement volume includes domestic and export volume of gray cement, white cement, special cement, mortar and clinker.

Per-country volume summary

	January - September 2018 vs. 2017	Third Quarter 2018 vs. 2017	Third Quarter 2018 vs. Second Quarter 2018
DOMESTIC GRAY CEMENT			
Colombia	(10%)	(8%)	7%
Panama	(20%)	(16%)	10%
Costa Rica	6%	(4%)	(20%)
Rest of CLH	(3%)	2%	(3%)
READY-MIX			
Colombia	(13%)	(11%)	4%
Panama	(18%)	(9%)	36%
Costa Rica	10%	(6%)	(7%)
Rest of CLH	5%	12%	(13%)
AGGREGATES			
Colombia	(13%)	(12%)	4%
Panama	(7%)	(13%)	4%
Costa Rica	9%	18%	13%
Rest of CLH	6%	(17%)	(66%)

Price Summary

Variation in U.S. dollars

	January - September 2018 vs. 2017	Third Quarter 2018 vs. 2017	Third Quarter 2018 vs. Second Quarter 2018
DOMESTIC GRAY CEMENT			
Colombia	3%	6%	(4%)
Panama	(1%)	(1%)	(1%)
Costa Rica	2%	3%	(2%)
Rest of CLH	(2%)	(4%)	(2%)
READY-MIX			
Colombia	2%	(0%)	(5%)
Panama	(8%)	(9%)	2%
Costa Rica	2%	7%	2%
Rest of CLH	(4%)	(11%)	(2%)
AGGREGATES			
Colombia	0%	0%	(0%)
Panama	(0%)	9%	10%
Costa Rica	(13%)	(21%)	(10%)
Rest of CLH	(11%)	(25%)	0%

For Rest of CLH, volume-weighted average prices.

Variation in local currency

	January - September 2018 vs. 2017	Third Quarter 2018 vs. 2017	Third Quarter 2018 vs. Second Quarter 2018
DOMESTIC GRAY CEMENT			
Colombia	2%	6%	(1%)
Panama	(1%)	(1%)	(1%)
Costa Rica	2%	3%	(1%)
Rest of CLH	1%	(0%)	(1%)
READY-MIX			
Colombia	0%	(0%)	(2%)
Panama	(8%)	(9%)	2%
Costa Rica	2%	8%	3%
Rest of CLH	(1%)	(7%)	(0%)
AGGREGATES			
Colombia	(2%)	0%	2%
Panama	(0%)	9%	10%
Costa Rica	(13%)	(21%)	(9%)
Rest of CLH	(6%)	(21%)	1%

For Rest of CLH, volume-weighted average prices.

Information regarding the Tax Authority special proceeding received by CEMEX Colombia related to the income tax year 2011

On September 2012, the Colombian Tax Authority (the "Tax Authority") notified CEMEX Colombia an ordinary request for the review of its income tax return for the fiscal year 2011 in connection with the amortization of goodwill related the acquisition of its subsidiary Lomas del Tempisque S.R.L. that was considered tax deductible in such tax return. On October 5, 2012, CEMEX Colombia filed a challenge to the arguments of the proceeding and requested the case to be dismissed. On August 9, 2013, CEMEX Colombia received from the Tax Authority a notice for verification of the income tax return, which was under audit until September 5, 2018, when CEMEX Colombia was notified of a special proceeding by the Tax Authority in which certain deductions included in such tax return of the fiscal year 2011 were rejected. The Tax Authority assessed an increase in the income tax payable by CEMEX Colombia and imposed a penalty for amounts in Colombian Pesos equivalent to approximately $28.5 million and $28.5 million, respectively.

CEMEX Colombia has until December 5, 2018 to respond to the proceeding notice; and, in case an official liquidation is issued, CEMEX Colombia intends to appeal the Colombian Tax Authority's decision and exhaust all legal recourses available, which could take between six and eight years to resolve. If a final resolution adverse to CEMEX Colombia is reached in this matter, CEMEX Colombia will have to pay the amounts determined in the official liquidation, plus the interest caused on these amounts until the payment date. In this stage of the proceedings, as of September 30, 2018, CEMEX Latam is not able to assess the likelihood of an adverse result to this matter; but if adversely resolved, this proceeding could have a material adverse impact on the operating results, liquidity or financial position of CEMEX Latam.

Methodology for translation and presentation of results

Under IFRS, CLH reports its consolidated results in its functional currency, which is the US Dollar, by translating the financial statements of foreign subsidiaries using the corresponding exchange rate at the reporting date for the balance sheet and the corresponding exchange rates at the end of each month for the income statement.

For the reader's convenience, Colombian peso amounts for the consolidated entity are calculated by converting the US dollar amounts using the closing COP/US$ exchange rate at the reporting date for balance sheet purposes, and the average COP/US$ exchange rate for the corresponding period for income statement purposes. The exchange rates are provided below.

Per-country/region selected financial information of the income statement is presented before corporate charges and royalties which are included under "other and intercompany eliminations."

Discontinued operations and assets held for sale

On September 27, 2018, by means of two of its subsidiaries and after receiving the corresponding authorizations by local authorities, CEMEX sold its operations in Brazil as part of binding agreements entered with Votorantim Cimentos N/NE S.A. ("Votorantim") on May 24, 2018. The Company's operations in Brazil comprised mainly a water cement distribution terminal located in Manaus, Amazonas state and its operating license. The selling price was approximately US$31 million including working capital adjustments and before withholding taxes.

CEMEX Latam's operations for its operating segment in Brazil for the nine-month periods ended September 30, 2018 and 2017 are reported net of tax in the single line item "Discontinued Operations".

The following table presents condensed combined information of the income statements of CEMEX Latam discontinued operations in its operating segment in Brazil for the nine-month periods ended September 30, 2018 and 2017:

INCOME STATEMENT	**Jan - Sep**		**Third Quarter**	
(Millions of dollars)	**2018**	**2017**	**2018**	**2017**
Sales	26.8	26.1	9.1	9.8
Cost of sales and operating	(28.1)	(32.8)	(9.6)	(12.3)
Other expenses, net	(0.1)	0.0	0.0	0.0
Interest expense, net and others	(0.3)	0.2	(0.2)	0.1
Income (loss) before income tax	(1.6)	(6.5)	(0.6)	(2.4)
Income tax	0.3	1.0	0.0	0.3
Loss of discontinued operations	(1.3)	(5.6)	(0.6)	(2.1)
Result in sale, withholding and Fx reclassification	(8.1)	-	(8.1)	-
Net loss of discontinued operations	**(9.4)**	**(5.6)**	**(8.7)**	**(2.1)**

Consolidated financial information

When reference is made to consolidated financial information means the financial information of CLH together with its consolidated subsidiaries.

Presentation of financial and operating information

Individual information is provided for Colombia, Panama and Costa Rica.

Countries in Rest of CLH include Nicaragua, Guatemala and El Salvador.

Exchange rates

	January - September		January - September		Third Quarter	
	2018 EoP	2017 EoP	2018 average	2017 average	2018 average	2017 average
Colombian peso	2,972.18	2,941.07	2,885.80	2,943.68	2,958.43	2,957.80
Panama balboa	1.00	1.00	1.00	1.00	1.00	1.00
Costa Rica colon	585.80	574.13	572.57	572.71	577.18	575.57
Euro	0.86	1.12	0.85	1.11	0.86	1.12

Amounts provided in units of local currency per US dollar.

Definition of terms

Free cash flow equals operating EBITDA minus net interest expense, maintenance and strategic capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation).

Maintenance capital expenditures investments incurred for ensuring CLH’s operational continuity. These include capital expenditures on projects required to replace obsolete assets or maintain current operational levels, and mandatory capital expenditures, which are projects required to comply with governmental regulations or internal policies.

Net debt equals total debt minus cash and cash equivalents.

Operating EBITDA equals operating earnings before other expenses, net, plus depreciation and operating amortization.

pp equals percentage points.

EoP equals End of Period.

Strategic capital expenditures investments incurred with the purpose of increasing CLH’s profitability. These include capital expenditures on projects designed to increase profitability by expanding capacity, and margin improvement capital expenditures, which are projects designed to increase profitability by reducing costs.

Working capital equals operating accounts receivable (including other current assets received as payment in kind) plus historical inventories minus operating payables.