

CEMEX LATAM HOLDINGS, S.A.

Annual Accounts (separate document)

December 31, 2013

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

CEMEX LATAM HOLDINGS, S.A.

Balance Sheets

December 31, 2013 and 2012

(Expressed in thousands of Euros)

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

<u>Assets</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Non-current investments in Group companies and associates			
Equity instruments	7	1,244,310	1,273,740
Total non-current assets		1,244,310	1,273,740
Trade and other receivables		47,138	449
Trade receivables from Group companies and associates	8 and 13	45,896	334
Personnel		13	-
Public entities, other		1,229	115
Cash and cash equivalents			
Cash		135	178
Total current assets		47,273	627
Total assets		1,291,583	1,274,367
<u>Liabilities</u>			
Capital and reserves	9	1,107,979	1,127,011
Registered capital		578,278	578,278
Share premium		728,266	728,266
Treasury shares		(113,649)	(113,649)
Other reserves		(7,906)	(7,513)
Prior periods' losses		(2,292)	-
Profit/(loss) for the period		28,076	(2,292)
Translation differences		(102,794)	(56,079)
Total equity		1,107,979	1,127,011
Group companies and associates, non-current	10 and 13	113,215	110,808
Total non-current liabilities		113,215	110,808
Group companies and associates, current	10 and 13	65,657	32,553
Trade and other payables		4,732	3,995
Other payables		631	438
Payables, Group companies and associates	13	12	9
Personnel		117	-
Current tax liabilities	12	3,889	3,444
Public entities, other	12	83	104
Total current liabilities		70,389	36,548
Total equity and liabilities		1,291,583	1,274,367

The accompanying notes form an integral part of the annual accounts for 2013.

CEMEX LATAM HOLDINGS, S.A.

Income Statements
for the year ended December 31, 2013
and the period from April 17 to December 31, 2012

(Expressed in thousands of Euros)

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

	Note	2013	2012
CONTINUING OPERATIONS			
Revenues	14 (a) and 13 (b)	121,176	53,287
Personnel expenses	14 (b)	(2,448)	(274)
Wages, salaries and similar costs		(2,034)	(236)
Employee benefits expense		(414)	(38)
Other operating expenses	14 (c) and 13 (b)	(67,815)	(33,013)
External services		(1,132)	(446)
Other operating expenses		(66,683)	(32,567)
Results from operating activities		50,913	20,000
Finance income		-	46
Group companies and associates		-	35
Other		-	11
Finance costs		(9,888)	(12,469)
Group companies and associates	10 and 13	(9,885)	(12,468)
Other		(3)	(1)
Exchange gains/(losses)		(61)	-
Impairment and gains/(losses) on disposal of financial instruments		-	(1,570)
Gains/(losses) on disposal and other	4 (b) iii	-	(1,570)
Net finance cost		(9,949)	(13,993)
Profit for the period before tax		40,964	6,007
Income tax	12	(12,888)	(8,299)
Profit/(loss) for the period		28,076	(2,292)

The accompanying notes form an integral part of the annual accounts for 2013.

CEMEX LATAM HOLDINGS, S.A.

Statements of Changes in Equity
for the year ended December 31, 2013
and the period from April 17 to December 31, 2012

A) Statements of Recognized Income and Expense

(Expressed in thousands of Euros)

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

	<u>2013</u>	<u>2012</u>
Profit/(loss) for the period	<u>28,076</u>	<u>(2,292)</u>
Income and expenses recognized directly in equity		
Translation differences	<u>(46,715)</u>	<u>(56,079)</u>
Total income and expenses recognized directly in equity	<u>(46,715)</u>	<u>(56,079)</u>
Total recognized income and expenses	<u>(18,639)</u>	<u>(58,371)</u>

The accompanying notes form an integral part of the annual accounts for 2013.

CEMEX LATAM HOLDINGS, S.A.

Statements of Changes in Equity
for the year ended December 31, 2013
and the period from April 17 to December 31, 2012

B) Statements of Total Changes in Equity

(Expressed in thousands of Euros)

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

	Registered capital	Share premium	Reserves	Prior periods' losses	Profit/(loss) for the period	Translation differences	Treasury shares	Total
Balances at April 17, 2012	60	-	-	-	-	-	-	60
Recognized income and expenses	-	-	-	-	(2,292)	(56,079)	-	(58,371)
Transactions with shareholders or owners								
Capital increases	578,218	728,266	-	-	-	-	-	1,306,484
Treasury shares acquired	-	-	-	-	-	-	(113,649)	(113,649)
Other movements	-	-	(7,513)	-	-	-	-	(7,513)
Balances at December 31, 2012	<u>578,278</u>	<u>728,266</u>	<u>(7,513)</u>	<u>-</u>	<u>(2,292)</u>	<u>(56,079)</u>	<u>(113,649)</u>	<u>1,127,011</u>
Recognized income and expenses	-	-	-	-	28,076	(46,715)	-	(18,639)
Transactions with shareholders or owners								
Appropriation of losses for 2012	-	-	-	(2,292)	2,292	-	-	-
Other movements	-	-	(393)	-	-	-	-	(393)
Balances at December 31, 2013	<u>578,278</u>	<u>728,266</u>	<u>(7,906)</u>	<u>(2,292)</u>	<u>28,076</u>	<u>(102,794)</u>	<u>(113,649)</u>	<u>1,107,979</u>

The accompanying notes form an integral part of the annual accounts for 2013.

CEMEX LATAM HOLDINGS, S.A.

Statements of Cash Flows
for the year ended December 31, 2013
and the period from April 17 to December 31, 2012

(Expressed in thousands of Euros)

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

	Note	2013	2012
Cash flows from operating activities		24,508	45,639
Profit for the period before tax		40,964	6,007
Adjustments for		9,949	27,730
Change in provisions: charges/(reversals)		-	326
Finance income		-	(46)
Finance costs	10	9,888	12,469
Exchange (gains)/losses		61	(1)
Change in fair value of financial instruments	4 (b) iii	-	1,570
Other income and expenses		-	13,412
Changes in operating assets and liabilities		(22,012)	11,902
Trade and other receivables		(55,408)	(452)
Other current assets		-	3
Trade and other payables		33,301	123
Provisions		116	314
Other current liabilities		(21)	11,914
Other cash flows from (used in) operating activities		(4,393)	-
Income tax received/(paid)		(4,393)	-
Cash flows used in investing activities		(23,101)	(1,387,389)
Payments for investments			
Group companies and associates	7	(23,101)	(1,273,740)
Treasury shares acquired	9	-	(113,649)
Cash flows from (used in) financing activities		(1,115)	1,398,007
Collections and payments for equity instruments	9	(393)	1,277,591
Capital increases		-	1,306,484
Issue costs		(393)	(28,893)
Issue			
Group companies and associates		67,045	904,434
Redemption and repayment of			
Group companies and associates		(67,767)	(784,018)
Effect of exchange rate fluctuations		(335)	(56,079)
Net increase/(decrease) in cash and cash equivalents		(43)	178
Cash and cash equivalents at beginning of period		178	-
Cash and cash equivalents at period end		135	178

The accompanying notes form an integral part of the annual accounts for 2013.

CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

December 31, 2013

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(1) Nature and Activities of the Company

Cemex Latam Holdings, S.A. (hereinafter “the Company” or “Cemex Latam”) was incorporated on April 17, 2012 as a public limited liability company (*Sociedad Anónima*), for an unlimited period. Its registered offices are located at Calle Hernández de Tejada, 1, Madrid.

The statutory and principal activities of the Company consist of the management and administration of equity securities of entities non-resident in Spain through the organization of material and human resources, as well as the subscription, buy-back, holding, use, management or disposal of securities and stakes in companies, except those subject to specific legislation.

Without prejudice to the foregoing, the Company’s objects also include the following activities:

- Production, sale, import and export of cement, concrete and other building materials and the exploration and operation of mines, except of minerals of strategic national interest.
- Manufacture, production, marketing and distribution of all types of paper sacks and containers, or of other materials, or similar articles, for packaging cement and other building materials.
- Occasional road freight transport, subject to prevailing legislation on land transport, as well as the activity of a transport agency, freight forwarder, cargo information and distribution center, storage, deposit and distribution of merchandise, vehicle leasing and other complementary activities set out in the aforementioned legislation.
- Research and development in the field of building materials;
- The provision of technical assistance and business management services.

As detailed in note 13 (b), a significant part of the Company’s transactions are with related parties.

As explained in note 7, the Company has investments in subsidiaries and associates, and is the parent of a group of companies located in Colombia, Panama, Costa Rica, Nicaragua, Guatemala, El Salvador and Brazil (hereinafter “the Group” or “the Cemex Latam Group”) engaged mainly in the manufacture of cement, concrete and mortar, the extraction of aggregates, and the sale and distribution of the products extracted and manufactured.

Consequently, in accordance with prevailing legislation, the Company is the parent of a group of companies. In accordance with generally accepted accounting principles in Spain, consolidated annual accounts must be prepared to present fairly the financial position of the Group, the results of operations and changes in its equity and cash flows.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

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Nevertheless, the Company does not prepare consolidated annual accounts as the group of which it is the parent forms part of a larger Spanish group headed by Cemex España, S.A. (hereinafter “the Cemex España Group” or “Cemex España”), which presents consolidated annual accounts in Spain as foreseen by section 2 of article 43 of the Spanish Code of Commerce. Cemex España’s registered offices are located at Calle Hernández de Tejada, 1, Madrid. Cemex España’s consolidated annual accounts will be filed at the Madrid Mercantile Registry.

Finally, the Company is also part of an international cement and building materials group whose ultimate parent is Cemex S.A.B. de C.V. (hereinafter “Cemex”), a company established in Monterrey (Mexico) and listed on the Mexican Stock Exchange and the New York Stock Exchange (NYSE).

(a) Corporate restructuringCorporación Cementera Latinoamericana

On June 27, 2012, the Company incorporated Corporación Cementera Latinoamericana, S.L.U. (hereinafter “CCL”) with share capital of Euros 3 thousand. A capital increase of US Dollars 1,649,232 thousand (Euros 1,314,758 thousand) was carried out on August 31, 2012, fully subscribed and paid by the Company through a non-monetary contribution consisting of a receivable of the same amount from Construction Funding Corporation, a Cemex España Group company domiciled in Ireland. Subsequently, monetary contributions were made in December 2012 for a total amount of US Dollars 31,433 thousand (Euros 23,814 thousand).

Through a series of purchase and sale transactions, CCL obtained direct and indirect holdings in companies making up a fundamental part of the CEMEX Latam Group. The main acquisitions related to CEMEX’s operations in Colombia, Panama, Costa Rica, Nicaragua, Brazil, El Salvador and Guatemala.

Other corporate transactions

On July 17, 2012, the Company acquired the following shareholdings:

- 230 shares of Cemex El Salvador, S.A. de C.V., representing a 0.01% stake, for US Dollars 231.27.
- 1 share of Cimento Vencemos do Amazonas, Ltd., representing a 0.00025% stake, for US Dollars 0.42.
- 1 share of Cemex Guatemala, S.A. (previously Global Cement, S.A.), representing a 0.00005% stake, for US Dollars 0.40.

On August 1, 2012 the Company acquired 1 share of Equipos de Uso para Guatemala S.A., representing a 1% stake, for US Dollars 112,996.

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CEMEX LATAM HOLDINGS, S.A.

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(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

On September 12, 2012, the Company acquired the following shareholdings:

- 1 share of Cemex Transportes de Colombia, S.A., representing a 0.0003448% stake, for Colombian Pesos 24,028.30.
- 1 share of Central de Mezclas, S.A., representing a 0.0000007% stake, for Colombian Pesos 175.28.

On October 16, 2012, the Company incorporated Maverick Re Limited, a reinsurance company domiciled in Bermuda, with initial share capital of US Dollars 120,000, and made a subsequent contribution to equity of US Dollars 380,000.

Details of the Company's direct and indirect shareholdings are provided in Appendices I and II.

(b) Initial public offering

On November 15, 2012, the Company completed its initial public offering on the Colombian Stock Exchange ("BVC") of 170,388,000 new ordinary shares at a price of Colombian Pesos 12,250 (US Dollars 6.75) per share. The Initial Public Offering ("IPO") included (a) 148,164,000 new ordinary shares for institutional investors and other investors in Colombia and a simultaneous private placement among qualified investors outside of Colombia, and (b) 22,224,000 new shares in a private placement subject to a put option ("the Put Option") granted to the underwriters ("the Initial Buyers") for a period a 30 days after the close of the offering.

As a result of the IPO and the subsequent exercise of the Put Option (see note 9), CEMEX España owns approximately 73.35% of the Company's outstanding ordinary shares, excluding treasury shares. The net proceeds raised from the IPO amount to approximately US Dollars 963 million after deducting fees and expenses of US Dollars 37 million. The Company's shares are listed on the Colombian Stock Exchange under the ticker CLH.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(c) Incorporation of the Branch in Switzerland by the Company

On August 1, 2012, the Company decided to set up a branch in Switzerland (hereinafter “the Branch”). The Branch operates under the name “Cemex Latam Holdings, S.A. Madrid, Swiss Branch Brügg” and its assets, liabilities, expenses and income form an integral part of the Company’s annual accounts. Details at 31 December 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Current assets	94,286	15,178
Total assets	94,286	15,178
Current liabilities	45,955	3,493
Total liabilities	45,955	3,493
Prior periods’ profit and loss	12,130	-
Profit for the period	38,363	12,130
Translation differences	(2,162)	(445)
Total equity	48,331	11,685

The Branch’s principal activity is the licensing, use, development, maintenance and protection of the Cemex Latam Group’s intellectual and industrial property rights. Its activity also includes the provision of technical assistance and management services.

The Branch keeps its own accounts, books and ledgers under Swiss accounting principles independently and separately from those of the Company.

(2) Basis of Presentation(a) Fair presentation

The accompanying annual accounts have been prepared on the basis of the accounting records of Cemex Latam and of its Branch in accordance with prevailing legislation and the Spanish General Chart of Accounts to present fairly the equity and financial position at December 31, 2013 and results of operations, changes in equity, and cash flows for the reporting period then ended.

The directors consider that the annual accounts for 2013, drawn up by the Board of Directors on March 12, 2014, will be approved with no changes by the shareholders at their annual general meeting.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

In addition, as a foreign issuer of securities on the BVC and in accordance with Colombian securities exchange rules, the Company presents separated (individual) and consolidated financial statements drawn up in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”). The financial statements were approved by the Company’s board of directors on February 26, 2014.

(b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2013 include comparative figures for 2012, which formed part of the annual accounts approved by shareholders at the annual general meeting held on May 15, 2013.

(c) Functional and presentation currency

Annual accounts are expressed in thousands of Euros, rounded to the nearest thousand. The Company’s functional currency is the US Dollar, as this is the currency in which most of its transactions are carried out.

Translation from the functional currency to Euros was carried out in accordance with the following criteria:

- Assets and liabilities at the exchange rate at the reporting date.
- Incomes and expenses at the exchange rate at the date of the transactions.
- Foreign currency differences arising from application of the preceding criteria are recognized as translation differences in equity.

(d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgments used when applying accounting principles

Relevant accounting estimates and judgments and other estimates and assumptions have to be made when applying the Company’s accounting principles to prepare the annual accounts.

The Company is subject to applicable legislation. The Company recognizes a provision if it is probable that an obligation will exist at year end which will give rise to an outflow of resources embodying economic benefits and the outflow can be reliably measured. Potential legal proceedings generally imply a certain complexity with respect to their outcome and are subject to considerable uncertainties. As a result, the board of directors exercises prudence in determining the probability that the proceeding will result in an outflow of resources and in estimating the amount.

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CEMEX LATAM HOLDINGS, S.A.

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Although the estimates made by the Company's board of directors were based on the best information available at December 31, 2013, events may occur in the future that will make it necessary to change these estimates in future reporting periods. Any effect on the annual accounts of adjustments to be made in subsequent years would be recognized prospectively.

(e) Going concern basis

The Company had negative working capital at December 31, 2013 amounting to Euros 23,116 thousand, including current payables to Group companies of Euros 19,773 thousand. The Company's Board of Directors drew up the accompanying 2013 annual accounts for issue in accordance with the going concern principle as the Cemex Group guarantees financial support to the Company with respect to its intragroup debt and the Company's cash flow projections indicate that it will obtain sufficient cash flow to ensure that it meets its short- and medium-term payment obligations.

(3) Distribution of Profit/Application of Loss

At their Annual General Meeting held on May 15, 2013, the shareholders agreed that the loss of Euros 2,291,841.76 incurred by the Company for the period ended December 31, 2012 would be carried forward as prior periods' losses.

The Directors will propose to the shareholders at their Annual General Meeting the following distribution of the profit of Euros 28,076,247.53 for the year ended December 31, 2013:

<u>Distribution</u>	<u>Euros</u>
Legal reserve	2,807,624.75
Offset of prior periods' losses	2,291,841.76
Voluntary reserves	<u>22,976,781.02</u>
	<u>28,076,247.53</u>

The Company's freely distributable reserves are, however, subject to the legal limits. Dividends may not be distributed if the distribution reduces equity to less than the Company's share capital. In addition, the distribution of dividends by the Company against reserves is subject to the limits set out in the Framework Agreement, as explained in note 16.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(4) Significant Accounting Policies(a) Leases

The Company has rights to use certain assets through lease contracts.

Leases in which, upon inception, the Company assumes substantially all the risks and rewards incidental to ownership are classified as financial leases, otherwise they are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(b) Financial instruments

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the economic substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument.

The Company classifies financial instruments into different categories based on the nature of the instruments and its intentions on initial recognition.

A financial asset and a financial liability are offset only when the Company currently has the legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Interests are recognized using the effective interest method. Dividends from investments in equity instruments are recognized when the Company is entitled to receive them. If the dividends are clearly derived from profits generated prior to the acquisition date, the carrying amount of the investment is reduced.

(i) Loans and receivables to be collected

These assets mainly include receivables from Group companies and are recognized initially at fair value, including transaction costs, and are subsequently measured at amortized cost using the effective interest method. Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(ii) Investments in Group companies and associates

Group companies are those over which the Company, either directly, or indirectly through subsidiaries, exercises control as defined in article 42 of the Spanish Code of Commerce, or when the companies are controlled by one or more individuals or entities acting jointly or under the same management through agreements or statutory clauses.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities. In assessing control, potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Investments in Group companies are initially recognized at cost, which is equivalent to the fair value of the consideration given net of transaction costs, and are subsequently measured at cost net of any accumulated impairment.

The Company assesses its investments in Group companies to determine whether there is any indication of impairment, recognizing an impairment loss where the carrying amount exceeds the recoverable amount.

(iii) *Derecognition of financial assets*

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iv) *Financial liabilities*

Financial liabilities mainly include payables to Group companies and trade payables and are recognized initially at fair value less any directly attributable transaction costs. After initial recognition, liabilities classified under this category are measured at amortized cost. Nevertheless, financial liabilities which have no established interest rate, which mature or are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

As the proceeds from the IPO were denominated in Colombian Pesos and used to pay debt denominated in US Dollars, the Company was exposed to foreign currency risk. Therefore, in September and October 2012, the Company entered into foreign currency hedges with Cemex, S.A.B. de C.V. to hedge against the impact of a potential depreciation of the Colombian Peso with respect to the proceeds from the IPO. These economic hedges, which do not meet the criteria for hedge accounting, were settled in November 2012. A loss of Euros 1,570 thousand was recognized on settlement.

(v) *Derecognition of financial liabilities*

The Company derecognizes all or part of a financial liability when it either discharges the liability by paying the creditor, or is legally released from primary responsibility for the liability either by process of law or by the creditor.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(c) Own equity instruments

Equity instruments acquired by the Company are shown separately at cost of acquisition as a reduction in capital and reserves in the balance sheet. Any gains or losses on transactions with own equity instruments are not recognized in profit and loss.

Transaction costs related to own equity instruments are accounted for as a deduction from reserves, net of any tax effect.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits in financial institutions.

(e) Defined contribution plans

The Company recognizes the contributions payable to a defined contribution plan in exchange for a service when an employee has rendered services. The contributions payable are recognized as an expense for the period, and as a liability after deducting any contribution already paid.

(f) Revenue from the rendering of services

Cemex Latam's revenues represent the pre-VAT value of royalties paid by its direct and indirect subsidiaries for the use of intangible assets, trademarks and management services of Cemex under sublicensing agreements arranged through the Branch in Switzerland. These revenues are measured at the fair value of the cash consideration received or receivables and are recognized once the corresponding service has been provided. There is no condition or uncertainty that could imply their reversal.

(g) Income taxes

The income tax expense or tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

The Company has elected to file tax under the tax regime for entities holding foreign securities (ETVEs in Spanish), having sent the Spanish Ministry of Finance the pertinent notification on November 28, 2012. ETVEs are defined as entities whose corporate purposes consists of managing and administering equity securities of non-resident entities in Spain through the organization of material and human resources. The regulation of such entities is set forth in Title VII, Chapter XIV of Royal Legislative Decree 4/2004 of March 5, 2004.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

The Company files consolidated tax returns with its principal shareholder, Cemex España, S.A. and with the subsidiaries, Cemex España Operaciones, S.L.U., Cementos Andorra, S.A., Corporación Cementera Latinoamericana, S.L.U., CCL Business Holdings S.L.U. and Business Material Funding, S.L. The Company recognizes income tax payable or recoverable with a debit or credit to receivables from or payables to Group companies in accordance with the figures included in the consolidated income tax return.

Deferred tax assets reflecting deductible temporary differences are recognized provided that it is probable that sufficient taxable income will be available against which the deductible temporary difference can be utilized, with the same exception as for taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted. The tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities are also reflected in the measurement of deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognized in the balance sheet under non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

(h) Share-based payment transactions

The share-based payment plans granted to executives are treated as capital instruments, taking into account that the services received from these employees are rewarded through Company shares.

The cost of the capital instruments represents their fair value at the delivery date and is recognized in the income statements of the subsidiaries in which Cemex Latam Holdings holds a direct or indirect interest to which the executives in question provide services and in the period in which such services are provided.

(i) Classification of assets and liabilities as current and non-current

The Company classifies assets and liabilities in the balance sheet as current when they are expected to be realized or settled within twelve months from the reporting date. All other assets and liabilities are classified as non-current.

(j) Transactions between Group companies

Transactions between Group companies are recognized at the fair value of the consideration given or received. Any difference between this value and the amount agreed is recognized in line with the underlying economic substance of the transaction.

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CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(5) Operating leases - Lessee

Since July 1, 2012 the Company has leased 100m² of space in a building located at Calle Hernández de Tejada, 1 (Madrid) from Cemex España, S.A. The lease runs for five years, with automatic renewal for additional one-year periods provided that neither party notifies the other of its intention not to extend the agreement at least 60 calendar days prior to the end of the initial lease period or of any of the extended periods.

Similarly, the Branch in Switzerland leases 300m² of office space from Cemex Research Group AG (CRG). The lease was signed in November 2012 and runs for a period of five years. The Branch may renew the lease for additional one-year periods by notifying the lessor at least 60 days before the expiration of the initial lease or any of its renewals.

Operating lease payments recognized as expenses amounted to Euros 147 thousand in 2013 and Euros 25 thousand in 2012.

Future minimum payments under non-cancelable operating leases are as follows:

	Thousands of Euros	
	2013	2012
Less than one year	142	140
One to five years	529	562
	<u>671</u>	<u>702</u>

(6) Risk Management Policy

The Company's activities are exposed to various financial risks, primarily liquidity risk and interest rate risk in cash flows. The Company's global risk management program focuses on uncertainties in its markets of operations and in financial markets, and aims to minimize the potentially adverse effects on the Company's financial performance.

The Company's Finance and Management departments ("Accounting and Internal Control") work together and jointly oversee the management of the Company's risks based on the policies, procedures and systems ("the Policies and Systems") in place and/or adopted specifically by the Company and other Cemex Latam Group companies. The strategic planning, tax and legal departments are also involved in the process.

These departments identify, measure and manage the operating and financial risks to which the Company is exposed in close collaboration with other Group areas and always under the supervision of the Company's General Manager.

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The Audit Committee is responsible for supervising the effectiveness of the internal control of the Company and for managing corporate risks directly in line with the duties conferred to it expressly in the Bylaws and the Regulations of the Board of Directors. In this respect, the Audit Committee is assisted by the Company's Internal Audit Area, which reports functionally to it.

The board of directors is ultimately responsible for the appropriate management of the Company's risks, approving and establishing suitable guidelines and policies, subject to a prior report by the Audit Committee.

In turn, the Cemex Latam Group's specific Policies and Systems are based on and articulated through the standards and requirements set out by Cemex S.A.B de C.V.

The key indicators of the efficiency of the Company's internal control and corporate risk management are detailed in the Report on Risk Oversight Systems prepared by the Audit Committee and in the related sections of the Annual Corporate Governance Report, attached as Appendix A to the Directors' Report.

(a) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash, as well as sufficient financing through credit facilities. One of the objectives of the Company's and the Cemex Group's Treasury Department is to maintain flexible financing through drawdowns on credit facilities arranged with Group companies.

Details of financial liabilities by contractual maturity date are provided in note 10.

(b) Cash flow interest rate risks

The Company is exposed to interest rate risk from borrowings (loans and credit facilities) with Cemex Group companies. Fixed-interest loans expose the Company to fair value interest rate risks.

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(7) Investments in Equity Instruments of Group Companies and Associates

Information on equity investments in group companies and associates is provided in Appendices I and II. At December 31, 2013 and 2012 no indications of impairment have been identified for which impairment of investments has not been recognized.

Details of and movements in investments in Group companies and associates in 2013 and 2012 are as follows:

Investment (*)	Thousands of Euros			31.12.2013
	31.12.2012	Additions	Translation differences	
Corporación Cementera Latinoamericana, S.L.U.	1,273,275	23,101	(52,511)	1,243,865
Equipos Para Uso de Guatemala, S.A.	86	-	(4)	82
Maverick RE Ltd.	379	-	(16)	363
Total	<u>1,273,740</u>	<u>23,101</u>	<u>(52,531)</u>	<u>1,244,310</u>

Investment (*)	Thousands of Euros			31.12.2012
	17.04.2012	Additions	Translation differences	
Corporación Cementera Latinoamericana, S.L.U.	-	1,340,596	(67,321)	1,273,275
Equipos Para Uso de Guatemala, S.A.	-	92	(6)	86
Maverick RE Ltd.	-	386	(7)	379
Total	<u>-</u>	<u>1,341,074</u>	<u>(67,334)</u>	<u>1,273,740</u>

(*) The Company's interests in Cemex El Salvador, S.A. de C.V., Cemex Transportes de Colombia, S.A., Cimento Vencemos Do Amazonas, Ltd, Cemex Guatemala S.A. (formerly Global Cement, S.A.) and Central de Mezclas, S.A. are not detailed in the above table because the amounts are less than one thousand Euros.

In 2013 the Company increased its investment in Corporación Cementera Latinoamericana, S.L.U. by Euros 23,101 thousand by way of a contribution made to offset this subsidiary's losses.

Note 1(a) provides a description of the main transactions in 2012.

The Company did not receive any dividends in 2013 or 2012.

The functional currency of investments in foreign operations is the currency of the countries in which they are domiciled, with the exception of Cemex El Salvador, S.A. de C.V., whose functional currency is the US Dollar.

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(8) Financial Assets by Category

Financial assets, which are classified as current, broken down by category and class, except for investments in equity instruments of Group companies and associates, at December 31, 2013 and 2012 are as follows:

	Thousands of Euros	
	At amortized cost or cost	
	2013	2012
Trade and other receivables		
Trade receivables from Group companies and associates	45,896	334
Personnel	13	-
	<u>45,909</u>	<u>334</u>

The carrying amount of loans and receivables does not differ significantly from their fair value.

Trade receivables from group companies and associates are the balances receivable from the Cemex Latam Group subsidiaries that the Company charges for royalties and the use of intangible assets, trademarks and Cemex management services provided through the Swiss Branch.

(9) Equity

Details of equity and movement during the year are shown in the statement of changes in equity.

(a) Capital

At December 31, 2013 and 2012 the Company's share capital amounted to Euros 578,278 thousand, represented by 578,278,342 ordinary shares with a par value of Euros 1 each. All the shares are fully subscribed and paid in.

In 2012 the Company carried out two capital increases, on August 1 and November 6, respectively, entailing the issuance of 407,830,342 and 170,388,000 new ordinary shares, respectively, with a par value of Euros 1 each and with the same features as existing shares. The shares of the second capital increase were issued with a total share premium of Euros 728,266,363. Regarding the latter, represented by book entries, Cemex España, S.A. waived its pre-emptive subscription rights so the shares could be subscribed by third parties (see note 1 (b)).

The Company's shares are listed on the Colombian Stock Exchange under the ticker CLH.

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(b) Share premium

The share premium includes contributions by shareholders where shares are issued over par value.

The share premium is unrestricted, unless there are negative reserves or losses that reduce equity below share capital.

(c) Reserves

As a result of the IPO (see note 1 (b)), the Company incurred in 2012 in issue expenses amounting to Euros 28,893 thousand, which were recognized as a reduction to reserves. At December 31, 2012 reserves also include Euros 21,380 thousand corresponding to the market value of royalties for the use of intangible assets, trademarks and management services that were not paid by the Company in 2012.

In 2013 reserves include additional issue costs of Euros 393 thousand incurred in the IPO.

(d) Treasury shares

As is stated in note 1 (b), on December 12, 2012, certain investors exercised a put option they held on shares previously acquired of the Company. Therefore, shares amounting to Euros 113,649 thousand at US Dollars 6.75 per share were reincorporated into treasury shares.

(10) Financial Liabilities by Category

The classification of financial liabilities by category and class at December 31, 2013 and 2012 is follows:

	Thousands of Euros					
	2013			2012		
	Non-current	Current	Total	Non-current	Current	Total
Group companies and associates						
Fixed-rate loans (note 11)	79,918	19,968	99,886	104,119	20,814	124,933
Fixed-rate credit facilities (note 11)	33,297	-	33,297	6,689	-	6,689
Accrued interest	-	2,548	2,548	-	619	619
Other payables	-	43,141	43,141	-	11,120	11,120
	<u>113,215</u>	<u>65,657</u>	<u>178,872</u>	<u>110,808</u>	<u>32,553</u>	<u>143,361</u>
Trade and other payables						
Payables	-	631	631	-	438	438
Payables to Group companies	-	12	12	-	9	9
Personnel	-	117	117	-	-	-
	<u>-</u>	<u>760</u>	<u>760</u>	<u>-</u>	<u>447</u>	<u>447</u>
	<u>113,215</u>	<u>66,417</u>	<u>179,632</u>	<u>110,808</u>	<u>33,000</u>	<u>143,808</u>

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(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

Debts and payables, for both trade and non-trade transactions, are measured at amortized cost or cost, which is a reasonable approximation of fair value.

Other current payables to Cemex Group companies at December 31, 2013 and 2012 represent mainly the balance of payables to Cemex, S.A.B. de C.V., Cemex Central, S.A. de C.V. and Cemex Research Group AG, for use of the trademark, use of intangible assets and management services provided through the Swiss Branch, respectively.

Details of gains and losses on financial liabilities recognized in the income statement in 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Finance costs at amortized cost	9,888	12,469
	<u>9,888</u>	<u>12,469</u>

(11) Payables and Trade Payables(a) Main characteristics of financial debt:

The terms and conditions of loans and borrowings at December 31, 2013 and 2012 are as follows:

Type	Currency	% effective and nominal rate	Start	Maturity	2013		
					Thousands of Euros		
					Nominal value in original currency (thousands)	Current	Non-current
Group companies and associates							
Fixed-loan loans							
Construction Funding Corporation	USD	7%	2012	2018	1,150,000	19,968	79,918
Fixed-rate credit facilities							
Construction Funding Corporation	USD	7%	2012	2018	50,000	-	33,297
						<u>19,968</u>	<u>113,215</u>

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(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

Type	Currency	% effective and nominal rate	Start	Maturity	2012		
					Thousands of Euros		Nominal value in original currency (thousands)
					Current	Non-current	
Group companies and associates							
Fixed-loan loans							
Construction Funding Corporation	USD	7%	2012	2018	1,150,000	20,814	104,119
Fixed-rate credit facilities							
Construction Funding Corporation	USD	7%	2012	2018	50,000	-	6,689
						20,814	110,808

(b) Classification by maturity

The classification by maturity of non-current financial liabilities, all of which are payable to Group companies, at December 31, 2013 and 2012 as follows:

	Thousands of Euros	
	2013	2012
Two years	19,968	20,814
Three years	19,968	20,814
Four years	19,968	20,814
Five years	53,311	20,814
Subsequent years	-	27,552
	113,215	110,808

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(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(12) Taxation

Details of balances with Public Entities, classified as current, at December 31, 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Assets		
Current tax assets	973	-
Value added tax and similar taxes	256	115
	1,229	115
Liabilities		
Current tax liabilities	3,889	3,444
Social Security	21	32
Withholdings	62	72
	3,972	3,548

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the tax authorities or before the four-year statute of limitation period has elapsed.

In accordance with Spanish Tax Legislation, if under the rules determining the tax base of companies this results negative, the amount may be offset against profits of the eighteen subsequent accounting periods, the amount being distributed as considered appropriate. This offset must take place on when the income tax return is filed. The taxation authorities are authorized to conduct inspections. Tax legislation also stipulates that temporarily, for 2012 to 2015, tax loss carryforwards may be offset up to a limit of 25% of taxable income prior to the application of these losses.

The Company files a consolidated income tax return with its main shareholder, Cemex España, S.A.. In accordance with tax legislation, income is taxed at a rate of 30% of taxable income, which may be reduced by certain deductions. The Company is also subject to the tax regime for entities holding foreign securities in accordance with Title VII, Chapter XIV of the Spanish Income Tax Law passed through Royal Legislative Decree 4/2004 of March 5, 2004.

The Branch in Switzerland is a permanent establishment for the purposes of the double taxation treaty between Switzerland and Spain and is subject to Swiss tax legislation. It is liable for Swiss corporate income tax.

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Income tax is calculated based on accounting or financial profit or loss, obtained through the application of generally accepted accounting principles, which does not necessarily have to match the profit or loss for tax purposes, understood as the taxable income or tax loss. A provisional reconciliation of the accounting profit for 2013 and 2012 with the tax loss for income tax purposes is as follows:

	Thousands of Euros	
	2013	2012
Profit before income tax	40,964	6,007
Permanent differences		
Of the Company	(393)	(28,893)
Of the Branch	(52,038)	(20,429)
Accounting loss for tax purposes	(11,467)	(43,315)
Temporary differences		
Originating in current year	-	6,754
Tax loss of the Parent	(11,467)	(36,561)

Permanent differences in 2013 and 2012 relate to issue expenses and capital increase expenses taken directly to equity in reserve accounts and considered tax-deductible (see note 9 (c)). Negative permanent differences of the foreign Branch relate to income it obtained in Switzerland that is exempt from taxation in Spain.

Temporary differences in 2012 related to non-tax-deductible finance costs. Undeducted finance costs are available for deduction in future tax periods ending within the next 18 years immediately thereafter with those of the tax period, subject to the limits set out in the income tax law.

The Company has not recognized deferred tax assets or liabilities at December 31, 2013 or 2012.

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Details of the income tax expense related to profit/loss for 2013 and 2012 are as follows:

	2013		
	Thousands of Euros		
	Company	Branch	Total
Profit/(loss) for the period before tax	(11,074)	52,038	40,964
Tax paid abroad	-	(9,674)	(9,674)
	<u>(11,074)</u>	<u>42,364</u>	<u>31,290</u>
Tax at 30%/9.64%	(3,322)	4,084	762
Tax paid abroad	-	9,674	9,674
Tax credits and deductions not capitalized in the year	3,322	-	3,322
Other	(753)	(117)	(870)
Income tax expense/income	<u>(753)</u>	<u>13,641</u>	<u>12,888</u>
	2012		
	Thousands of Euros		
	Company	Branch	Total
Profit/(loss) for the period before tax	(14,422)	20,429	6,007
Tax paid abroad	-	(4,724)	(4,724)
	<u>(14,422)</u>	<u>15,705</u>	<u>1,283</u>
Tax at 30%/9.64%	(4,327)	1,514	(2,813)
Permanent differences	-	2,061	2,061
Tax paid abroad	-	4,724	4,724
Temporary differences not capitalized in the year	2,026	-	2,026
Tax credits and deductions not capitalized in the year	2,301	-	2,301
Income tax expense/income	<u>-</u>	<u>8,299</u>	<u>8,299</u>

Details of the income tax expense in 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Current tax		
For the period	10,436	3,972
Tax credits and deductions not capitalized in the year	3,322	2,301
Deferred tax		
Temporary differences not capitalized in the year	-	2,026
Other	<u>(870)</u>	<u>-</u>
	<u>12,888</u>	<u>8,299</u>

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(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(13) Related Party Balances and Transactions

Balances and transactions with the Parent reflect those carried out with the principal shareholder, Cemex España, S.A. Balances and transactions with Group companies and other related parties consist of those carried out with Cemex Latam Group companies and other Cemex Group companies, respectively.

(a) Related party balances

Details of balances with related parties at December 31, 2013 and 2012 are as follows:

	2013			Total
	Thousands of Euros			
	Parent	Group companies	Other related parties	
Non-current investments in Group companies and associates				
Equity instruments (note 7)	-	1,244,310	-	1,244,310
Total non-current assets	-	1,244,310	-	1,244,310
Trade and other receivables				
Group companies and associates, current (note 8)	-	45,896	-	45,896
Total current assets	-	45,896	-	45,896
Total assets	-	1,290,206	-	1,290,206
Group companies and associates, non-current (note 10)	-		113,215	113,215
Total non-current liabilities	-		113,215	113,215
Group companies and associates, current (note 10)	-	1,358	64,299	65,657
Trade and other payables				
Payables, Group companies and associates	12	-	-	12
Total current liabilities	12	1,358	64,299	65,669
Total liabilities	12	1,358	177,514	178,884

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	2012			Total
	Thousands of Euros			
	Parent	Group companies	Other related parties	
Non-current investments in Group companies and associates				
Equity instruments (note 7)	-	1,273,740	-	1,273,740
Total non-current assets	-	1,273,740	-	1,273,740
Trade and other receivables				
Group companies and associates, current (note 8)	-	334	-	334
Total current assets	-	334	-	334
Total assets	-	1,274,074	-	1,274,074
Group companies and associates, non-current (note 10)	-		110,808	110,808
Total non-current liabilities	-		110,808	110,808
Group companies and associates, current (note 10)	-		32,553	32,553
Trade and other payables				
Payables, Group companies and associates	9	-	-	9
Total current liabilities	9	-	32,553	32,562
Total liabilities	9	-	143,361	143,370

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(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(b) Related party transactions

The amounts of transactions with related parties in 2013 and 2012 are as follows:

	2013				Total
	Thousands of Euros				
	Parent	Group companies	Directors	Other related parties	
Income					
Income from royalties or licenses	-	96,934	-	-	96,934
Use of trademark	-	7,285	-	-	7,285
Management services	-	16,946	-	-	16,946
Other services rendered	-	11	-	-	11
	-	121,176	-	-	121,176
Expenses					
Expenses for royalties or licenses	-	-	-	43,122	43,122
Use of trademark	-	-	-	7,035	7,035
Management services	-	-	-	15,586	15,586
Other services received	49	939	-	98	1,086
Personnel expenses	-	-	148	-	148
Finance costs	-	-	-	9,885	9,885
	49	939	148	75,726	76,862

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	2012				Total
	Thousands of Euros				
	Parent	Group companies	Directors	Other related parties	
Income					
Income from royalties or licenses	-	42,157	-	-	42,157
Use of trademark	-	3,611	-	-	3,611
Management services	-	7,519	-	-	7,519
Other services rendered	-	-	-	24	24
Finance income	-	-	-	35	35
	-	53,287	-	59	53,346
Expenses					
Expenses for royalties or licenses	-	-	-	22,565	22,565
Use of trademark	-	-	-	3,575	3,575
Management services	-	-	-	6,451	6,451
Other services received	9	-	-	16	25
Personnel expenses	-	-	32	-	32
Finance costs	-	-	-	12,468	12,468
	9	-	32	45,075	45,116

(c) Transactions other than in the ordinary business or under terms differing from market conditions carried out by the directors of the Company

During the year ended December 31, 2013 and the period from April 17 to December 31, 2012, the Company's directors did not carry out any transactions outside the ordinary course of business or that were not under market conditions.

(d) Investments and positions held by the directors and senior management personnel in other companies

Details of investments held by the directors and their related parties in companies with identical, similar or complementary statutory activities to that of the Company, as well as positions held and functions and activities performed in these companies, are shown in Appendix III, which forms an integral part of this note.

In 2013 and 2012, the members of the board of directors earned remuneration of Euros 148 thousand and Euros 32 thousand, respectively, payable after the forthcoming annual general meeting of shareholders, as well as allowances for board meeting attendance. The Company does not have any senior management personnel.

At December 31, 2013 and 2012, the Company's directors held shares in Cemex, S.A.B. de C.V., representing a combined stake of 0.01089% and 0.01048%, respectively, of this company's share capital. Nevertheless, no conflict of interest is considered to exist affecting the directors' duties to act with due diligence and loyalty.

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(14) Income and Expenses(a) Revenues

Revenues include royalties from the use of intangible assets and trademarks, and the services provided to direct and indirect subsidiaries through the human and material resources of the Swiss Branch. All of these revenues come from Latin America and are accrued in US Dollars.

(b) Personnel expenses and employee information

Details of personnel expenses in 2013 and 2012 are as follows:

	Thousands of Euros	
	2013	2012
Wages, salaries and similar costs		
Salaries and wages	1,589	234
Charges to defined contribution plans	4	-
Other remuneration	441	2
	<u>2,034</u>	<u>236</u>
Employee benefits expense		
Social Security payable by the Company	205	23
Other employee benefits expenses	209	15
	<u>414</u>	<u>38</u>
	<u>2,448</u>	<u>274</u>

The average number employees and directors of the Company in 2013 and 2012, by professional category, is as follows:

<u>Professional category</u>	Number	
	2013	2012
Directors	9	9
Executives	1	1
Managers and supervisors	17	16
	<u>27</u>	<u>26</u>

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The distribution of personnel by gender at December 31, 2013 and 2012 is as follows:

<u>Professional category</u>	Number			
	2013		2012	
	Female	Male	Female	Male
Directors	1	8	1	8
Executives	-	1	-	1
Managers and supervisors	8	9	7	9
	<u>9</u>	<u>18</u>	<u>8</u>	<u>18</u>

At December 31, 2013 and 2012 one member of the board of directors was female.

(c) Other operating expenses

Other operating expenses include mainly royalty payments for the use of intangible assets and trademarks recognized in the Swiss Branch, and management services of the Cemex Group.

(15) Audit Fees

KPMG Auditores, S.L. and other companies related to the auditors, as defined by Additional Regulation fourteen of the Law on Measures to Reform the Financial System, have provided professional services to the Company in 2013 and 2012, accruing the following fees:

	Euros	
	2013	2012
Audit services	298,000	317,000
Other services	16,500	12,300
	<u>314,500</u>	<u>329,500</u>

The amounts shown in the above tables include all fees relating to 2013 and 2012, regardless of the time of invoicing.

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(16) Commitments and contingencies

At December 31, 2013 the Company has the following relevant commitments:

- Cemex Latam, through the Branch in Switzerland, entered into a contract with Cemex, S.A.B de C.V. for use of Cemex trademarks. These contracts are valid for five years, automatically renewable for equal periods. Cemex Latam Group companies must pay an annual amount for use of the trademarks. The royalty is calculated based on net annual sales of goods and services, and according to market prices. The total royalty charge for the use of the trademark recognized in the income statement amounts to Euros 7,035 thousand at December 31, 2013 (Euros 3,575 thousand in 2012).
- Cemex Latam, through the Branch in Switzerland, entered into a contract with Cemex Research Group AG for the use, operation and exploitation of intangible assets. These contracts are for five years, automatically renewable for equal periods. Cemex Latam Group companies must pay an annual royalty calculated based on net annual sales of goods and services, and according to market prices. The total royalty charge for the use of intangible assets recognized in the income statement amounts to Euros 43,122 thousand at December 31, 2013 (Euros 22,565 thousand in 2012).
- Cemex Latam, through its Branch in Switzerland, entered into an agreement with Cemex Central, S.A. de C.V. for the provision of services from the technical, financial, marketing, legal, human resources and IT areas, and other technical assistance. This service agreement is for five years, automatically renewable for equal periods. Cemex Latam Group companies must pay an annual amount for technical assistance based on net annual sales of goods and services, and according to market prices. The total charge for services recognized in the income statement amounts to Euros 15,586 thousand at December 31, 2013 (Euros 6,451 thousand in 2012).
- In respect of these three agreements and in line with market practices and arm's length principles, Cemex Latam has agreed to pay Cemex on a quarterly basis an amount equivalent to 5% of the Cemex Latam Group's annual consolidated revenue for each financial period. The 5% rate agreed in these agreements cannot be increased without the consent of Cemex Latam's Independent Board Members.
- With respect to the IPO (note 1) and to prevent potential conflicts of interest, the Company also entered into a framework agreement with Cemex, S.A.B. de C.V. and Cemex España (the "Framework Agreement"). Under the Framework Agreement and in order to help Cemex honor its debt obligations, the Cemex Latam Group will require the prior consent of Cemex S.A.B. de C.V. and Cemex España:
 - To carry out any consolidation, merger or partnership arrangement (joint venture) with any natural or legal person other than Cemex S.A.B de C.V. or its subsidiaries;
 - To carry out any sale, lease, exchange or other arrangement, or acquisition from any person other than Cemex S.A.B. de C.V. or its subsidiaries;

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Notes to the Annual Accounts

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

- To issue or sell any shares or equity derivatives or the operation of any share-based incentive plans, except through (i) the issue of shares by the Company to Cemex S.A.B. de C.V. or its subsidiaries, (ii) the issue of shares to carry out long-term incentive plans for executives for an amount not exceeding US Dollars 1.75 million;
- To declare, resolve or pay out dividends or other distributions by the Company related to its shares other than (i) through the issuance of ordinary shares of the Company or pre-emptive subscription rights to shareholders of the Company in proportion to their stakes, provided that no cash is paid and no other assets of Cemex S.A.B. de C.V. or its subsidiaries (or any interest in the cash or asset) related to such distribution or interest are transferred to another person who does not belong to Cemex S.A.B. de C.V. or its subsidiaries (other than the Company) and/or (ii) in proportion to non-controlling interests in the Company, provided that each shareholder receives their share of any dividend, distribution or payment of interest at the same time;
- To (i) create, assume, grant or guarantee any type of debt on behalf of the Company, and (ii) pledge or encumber any assets for a total amount exceeding US Dollars 25 million at any time (considering both (i) and (ii));
- To grant loans or assume a creditor position in respect of any type of debt, except (i) with respect to trade loans granted to customers under normal trade terms and in the ordinary course of business, (ii) as deferred consideration in respect of any sale, lease, exchange or other arrangement which the Company or its subsidiaries are authorized to perform without the consent of Cemex S.A.B. de C.V. and Cemex España; and
- To take any action that could reasonably cause Cemex S.A.B. de C.V. or its subsidiaries to breach any agreement or contract, including the debt agreement reached by Cemex S.A.B. de C.V. or its subsidiaries with a banking syndicate and any refinancing, substitution or amendment thereto, and comply with the notification requirements of Cemex S.A.B. de C.V. or its subsidiaries set out in the Framework Agreement for contracts or agreements other than (i) the debt agreement and any refinancing, substitution or amendment thereto, and (ii) the deeds of issuance of Cemex S.A.B. de C.V. or its subsidiaries and any substitution or amendment thereto.

The Framework Agreement may be amended or terminated if agreed in writing between Cemex, S.A.B. de C.V., Cemex España and Cemex Latam, subject to authorization by the independent directors. In addition, the Framework Agreement will cease to be in effect if the Company ceases to be subordinated to Cemex or if Cemex ceases to recognize its investment in Cemex Latam according to the full consolidation or equity method of accounting (or any other method applying similar principles).

(Continued)

CEMEX LATAM HOLDINGS, S.A.

Information on Group Companies and Associates

December 31, 2013

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

Name	Registered offices	Activity	Auditor
Subsidiaries			
Cemento Bayano, S.A.	Panama City (Republic of Panama)	Manufacture and sale of cement and concrete	KPMG
Cemex Bogotá Investments, B.V.	Amsterdam (Netherlands)	Holding company	-
Cemex Caribe II Investments, B.V.	Amsterdam (Netherlands)	Holding company	-
Cemex El Salvador, S.A de C.V.	La Libertad (El Salvador)	Sale of cement	KPMG
Cemex Nicaragua, S.A.	Managua (Nicaragua)	Manufacture and sale of cement	KPMG
Cemex Transportes de Colombia, S.A.	Bogotá (Colombia)	Freight	KPMG
Central de Mezclas, S.A.	Bogotá (Colombia)	Mining permits	KPMG
Cimento Vencemos do Amazonas Ltd	Manaus (Brazil)	Sale of cement	KPMG
Corporación Cementera Latinoamericana, S.L.U.	Madrid (Spain)	Holding company	KPMG
Equipos Para Uso de Guatemala, S.A.	Guatemala City (Guatemala)	Equipment hire	KPMG
Cemex Guatemala, S.A. (formerly Global Cement, S.A.)	Puerto Quetzal (Guatemala)	Manufacture and sale of cement and concrete	KPMG
Cemex Colombia	Bogotá (Colombia)	Manufacture and sale of cement and concrete	KPMG
Cemex Costa Rica	San José (Costa Rica)	Manufacture and sale of cement	KPMG
Lomas del Tempisque, S.R.L.	San José (Costa Rica)	Holding company	KPMG
Maverick RE Ltd	Hamilton (Bermuda)	Insurance company	KPMG
Pavimentos Especializados	Panama City (Republic of Panama)	Consultancy, advisory, study, design and consumption	KPMG
Tecas Siglo XXI, S.A.	Panama City (Republic of Panama)	Purchase of land	-
Cemex Lan Trading Corporation	Bridgetown (Barbados)	Sale of cement	-
CCL Business Holdings, S.L.	Madrid (Spain)	Holding company	-

CEMEX LATAM HOLDINGS, S.A.

Information on Group Companies and Associates

December 31, 2012

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

Name	Registered offices	Activity	Auditor
Subsidiaries			
Cemento Bayano, S.A.	Panama City (Republic of Panama)	Manufacture and sale of cement and concrete	KPMG
Cemex Bogotá Investments, B.V.	Amsterdam (Netherlands)	Holding company	-
Cemex Caribe II Investments, B.V.	Amsterdam (Netherlands)	Holding company	-
Cemex El Salvador, S.A de C.V.	La Libertad (El Salvador)	Sale of cement	KPMG
Cemex Nicaragua, S.A.	Managua (Nicaragua)	Manufacture and sale of cement	KPMG
Cemex Transportes de Colombia, S.A.	Bogotá (Colombia)	Freight	KPMG
Central de Mezclas, S.A.	Bogotá (Colombia)	Mining permits	KPMG
Cimento Vencemos do Amazonas Ltd	Manaus (Brazil)	Sale of cement	KPMG
Corporación Cementera Latinoamericana, S.L.U.	Madrid (Spain)	Holding company	KPMG
Equipos Para Uso de Guatemala, S.A.	Guatemala City (Guatemala)	Equipment hire	KPMG
Global Cement, S.A.	Puerto Quetzal (Guatemala)	Manufacture and sale of cement and concrete	KPMG
Cemex Colombia	Bogotá (Colombia)	Manufacture and sale of cement and concrete	KPMG
Cemex Costa Rica	San José (Costa Rica)	Manufacture and sale of cement	KPMG
Lomas del Tempisque, S.R.L.	San José (Costa Rica)	Holding company	KPMG
Maverick RE Ltd	Hamilton (Bermuda)	Insurance company	KPMG
Pavimentos Especializados	Panama City (Republic of Panama)	Consultancy, advisory, study, design and consumption	KPMG
Tecas Siglo XXI, S.A.	Panama City (Republic of Panama)	Purchase of land	-

This appendix forms an integral part of note 7 to the annual accounts for 2013, and should be read together with such note.

CEMEX LATAM HOLDINGS, S.A.

Other Information on Group Companies and Associates
December 31, 2013

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(Expressed in thousands of Euros)

Name	Thousands of Euros										
	% ownership			Capital	Reserves	Other equity items	Profit/(loss)			Total equity	Carrying amount
	Direct	Indirect	Total				Operating activities	Continuing operations			
Subsidiaries											
Cemento Bayano, S.A.	-	99.48%	99.48%	107,535	98,732	(15,605)	44,688	36,869	227,531	-	
Cemex Bogotá Investments, B.V.	-	100.00%	100.00%	1,285,568	(39,848)	(82,735)	(73,210)	(36,607)	1,126,378	-	
Cemex Caribe II Investments, B.V.	-	100.00%	100.00%	237,001	4,553	-	82	41	241,595	-	
Cemex El Salvador, S.A de CV	0.01%	99.99%	100.00%	1,944	7,825	(722)	1,858	1,274	10,321	-	
Cemex Nicaragua, S.A.	-	98.82%	98.82%	3	12,224	(1,624)	10,132	8,059	18,661	-	
Cemex Transportes de Colombia, S.A.	-	100.00%	100.00%	-	-	-	-	-	-	-	
Central de Mezclas, S.A.	-	100.00%	100.00%	-	-	-	-	-	-	-	
Cimento Vencemos do Amazonas Ltd	-	100.00%	100.00%	15,129	128,209	(28,913)	(531)	(1,746)	122,679	-	
Corporación Cementera Latinoamericana, S.L.U.	100.00%	-	100.00%	1,314,761	712,232	(182,284)	(113)	(19,020)	1,825,689	1,243,865	
Equipos Para Uso de Guatemala, S.A.	1.00%	99.00%	100.00%	1	14,741	(922)	(204)	(115)	13,704	82	
Cemex Guatemala, S.A. (formerly Global Cement, S.A.)	-	100.00%	100.00%	15,507	84,627	(7,250)	11,179	7,919	100,803	-	
Cemex Colombia	-	99.71%	99.71%	270,070	717,210	(111,683)	199,567	169,387	1,044,984	-	
Cemex Costa Rica	-	98.81%	98.81%	337	21,084	(2,388)	29,159	19,747	38,780	-	
Lomas del Tempisque, S.R.L.	-	99.71%	99.71%	70,281	(20,155)	(4,258)	25,222	12,573	58,441	-	
Maverick RE Ltd	100.00%	-	100.00%	386	1,783	(385)	8,137	8,137	9,921	363	
Pavimentos Especializados	-	99.71%	99.71%	117	384	(17)	(822)	(804)	(319)	-	
Tecas Siglo XXI, S.A.	-	100.00%	100.00%	8	-	(1)	-	-	7	-	
Cemex Lan Trading Corporation	-	100.00%	100.00%	-	-	(107)	3,548	3,464	3,357	-	
CCL Business Holdings, S.L.	-	100.00%	100.00%	3	-	-	-	-	3	-	
										<u>1,244,310</u>	

CEMEX LATAM HOLDINGS, S.A.

Other Information on Group Companies and Associates
December 31, 2012

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

(Expressed in thousands of Euros)

Name	Thousands of Euros									
	% ownership			Capital	Reserves	Other equity items	Profit/(loss)		Total equity	Carrying amount
	Direct	Indirect	Total				Operating activities	Continuing operations		
Subsidiaries										
Cemento Bayano, S.A.	-	99.48%	99.48%	110,114	77,463	(4,814)	43,615	32,362	215,126	-
Cemex Bogotá Investments, B.V.	-	100.00%	100.00%	1,283,767	0	(11,136)	-	(32,372)	1,240,258	-
Cemex Caribe II Investments, B.V.	-	100.00%	100.00%	237,001	4,158	-	(21)	391	241,550	-
Cemex El Salvador, S.A de C.V.	0.01%	99.99%	100.00%	1,941	1,578	(31)	193	97	3,585	-
Cemex Nicaragua, S.A.	-	98.82%	98.82%	4	7,185	(428)	8,785	5,313	12,074	-
Cemex Transportes de Colombia, S.A.	-	100.00%	100.00%	-	-	-	-	-	-	-
Central de Mezclas, S.A.	-	100.00%	100.00%	-	-	-	-	-	-	-
Cimento Vencemos do Amazonas Ltd	-	100.00%	100.00%	14,982	122,971	(754)	1,264	91	137,290	-
Corporación Cementera Latinoamericana, S.L.U	100.00%	-	100.00%	1,314,761	695,746	(105,699)	(66)	(5,867)	1,898,941	1,273,275
Equipos Para Uso de Guatemala, S.A.	1.00%	99.00%	100.00%	0	14,481	(136)	143	(2)	14,343	86
Global Cement, S.A.	-	100.00%	100.00%	15,301	80,934	(1,092)	3,272	1,825	96,968	-
Cemex Colombia	-	99.71%	99.71%	280,530	524,998	(42,600)	184,143	151,105	914,033	-
Cemex Costa Rica	-	98.80%	98.80%	343	21,803	(613)	17,086	9,831	31,364	-
Lomas del Tempisque, S.R.L.	-	99.71%	99.71%	2,874	47,671	(1,178)	(37)	534	49,900	-
Maverick RE Ltd	100.00%	-	100.00%	386	0	(0)	55	55	441	379
Pavimentos Especializados	-	99.71%	99.71%	118	101	(15)	754	368	572	-
Tecas Siglo XXI, S.A.	-	100.00%	100.00%	8	0	(0)	-	-	8	-
										<u>1,273,740</u>

This appendix forms an integral part of notes 1 and 7 to the annual accounts for 2013, and should be read together with such notes.

CEMEX LATAM HOLDINGS, S.A.

Details of Investments and Positions Held by Directors in Other Companies

December 31, 2013

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

Board member	Company	Position	Percentage ownership
Mr. Jaime G. Elizondo Chapa	Cemex Perú, S.A.	Board member	-
	Distribuidora de Materiales de Construcción DIMACO DMC, Sociedad Anónima.	Chairman of the Board of Directors	-
	Amblesea Limited	Board member	-
	Cemex Cal, Inc.	Board member	-
	Cemex Colombia, S.A.	Board member	-
	Cemex Concretos, Inc.	Chairman of the Board of Directors	-
	Cemex de Puerto Rico, Inc.	Board member	-
	Cemex Dominicana, S.A.	Vice-chairman of the Board of Directors	-
	Cemex Jamaica Limited	Board member	-
	Cemex Global Sourcing, Inc.	Chairman of the Board of Directors	-
	Tecnologías de Recursos Minerales, S.A. de C.V.	Board member	-
Inversiones Mitre, C.A.		Board member	-
		Board member	-
Mr. Juan Pablo San Agustín Rubio	Neoris USA Inc.	Board member	-
	TRG Blue Rock HBM Holdings S.a.r.l	Board member	-
	Neoris de México, S.A. de C.V.	Chairman of the Board of Directors	-
Mr. Ignacio Madridejos Fernández	Cemex Deutschland AG.	Chairman of the Oversight Board	-
	Cemex France Services (GIE)	Sole Director	-
	Cemex Investment Limited	Board member	-
	Cemex UK Cement Limited	Board member	-
	Cemex UK Materials Limited	Board member	-
	Cemex UK Operations Limited	Board member	-
	Cemex España, S.A.	Chairman of the Board of Directors and Managing Director	-
	Readymix Limited	Board member	-
Mr. Jaime Muguero Domínguez	Assiut Cement Company	Representative of the board member Cemex Asia B.V.	-
	Cemex Egypt for Services	Board member	-
	Cemex Egypt Quarries LLC	Board member	-
	Cemex Hrvatska d.d.	Chairman of the Oversight Board	-
	Cemex España, S.A.	Vice-chairman of the Board of Directors and Managing Director	-
	Readymix Industries (Israel) Ltd.	Board member	-
	Readymix Holdings (Israel) Ltd.	Board member	-
Mr. Jaime Ruiz de Haro	Cementos Andorra, S.A.	Chairman of the Board of Directors and Managing Director	-
	Cemex España Operaciones, S.L.U.	Chairman of the Board of Directors and Managing Director	-
	Cemex España, S.A.	Board member/General Manager	-
Mr. Juan Pelegrí y Girón		Representative of the board member Cemex Egyptian Investments B.V.	-
	Assiut Cement Company	Investments B.V.	-
	Balboa Investment B.V.	Board member	-
	Cemex Asia Pte Limited	Board member	-
	Cemex Egyptian Investments B.V.	Board member	-
	Cemex Deutschland AG	Member of the Oversight Board	-
	Cemex UK	Board member	-
	Cemex España, S.A.	(Non-member) Secretary and representative of the board member New Sunward Holding, B.V.	-
	Corporación Cementera Latinoamericana, S.L.U.	Representative of the sole director Cemex Latam Holdings, S.A.	-
	New Sunward Holding, B.V.	Board member	-
	Fifth Lettuce Pty Limited	Board member	-
	Lomez International, B.V.	Board member	-
	RMC Holdings, B.V.	Board member	-
	Cemex Hrvatska d.d.	Member of the Oversight Board	-
	Sierra Trading, Ltd.	Board member	-
	Sunbulk Shipping N.V.	Board member	-
	CCL Business Holdings, S.L.U.	Representative of the sole director Corporación Cementera Latinoamericana, S.L.U.	-
	Business Material Funding, S.L.U.	Representative of the sole director Cemex España S.A.	-
	Fodex Pty Limited.	Board member	-
	Rugby Australia Investments Pty Ltd.	Board member	-
	Parmelia Hotel Pty Ltd	Board member	-
RMC Concrete (Singapore) Pte. Ltd.	Board member	-	
Ms. Coloma Armero Montes	Mutua Madrileña Automovilista	Board member	-
Mr. Rafael Santos Calderón	Cementos Argos, S.A.	-	0.0013%
	Invert Argos, S.A.	-	0.0006%

This appendix forms an integral part of note 13 to the annual accounts for 2013, and should be read together with such notes

(Unofficial translation from the original in Spanish. In the event of discrepancy, the Spanish-language version will prevail.)

The Board of Directors, at its meeting held in Madrid on March 12, 2014 and attended by Jaime Gerardo Elizondo Chapa (Chairman of the Board), Juan Pablo San Agustín Rubio (Vice-chairman of the Board), Ignacio Madridejos Fernández (Board Member), Jaime Muguero Domínguez (Board Member), Jaime Ruiz de Haro (Board Member), Rafael Santos Calderón (Board Member), Coloma Armero Montes (Board Member), Gabriel Jaramillo Sanint (Board Member) and Juan Pelegrí y Girón (Board Member and Secretary), authorized for issue the accompanying annual accounts and directors' report of Cemex Latam Holdings, S.A. for 2013.