



# 2013

## THIRD QUARTER RESULTS



- **Stock Listing Information**  
Colombian Stock Exchange S.A.  
Ticker: CLH
- **Investor Relations**  
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	January – September			Third Quarter		
	2013	2012 pro forma	% Var.	2013	2012 pro forma	% Var.
Consolidated cement volume (thousand of metric tons)	5,536	5,433	2%	1,916	1,751	9%
Consolidated domestic gray cement volume (thousand of metric tons)	4,994	4,968	1%	1,736	1,633	6%
Consolidated ready-mix volume (thousand of cubic meters)	2,443	2,322	5%	909	792	15%
Consolidated aggregates volume (thousand of metric tons)	5,456	5,157	6%	2,079	1,810	15%
Net sales	1,288	1,192	8%	474	400	18%
Gross profit	668	601	11%	238	197	21%
Gross profit margin	51.8%	50.4%	1.4pp	50.2%	49.2%	1.0pp
Operating earnings before other expenses, net	405	355	14%	145	112	29%
Operating earnings before other expenses, net, margin	31.5%	29.8%	1.7pp	30.6%	28.1%	2.5pp
Controlling interest net income	238			96		
Operating EBITDA	474	408	16%	168	135	24%
Operating EBITDA margin	36.8%	34.2%	2.6pp	35.5%	33.8%	1.7pp
Free cash flow after maintenance capital expenditures	232			91		
Free cash flow	201			76		
Net debt	1,345	2,510	(46%)	1,345	2,510	(46%)
Total debt	1,424	2,613	(46%)	1,424	2,613	(46%)
Earnings per share	0.43	N/A	N/A	0.17	N/A	N/A
Shares outstanding at end of period	556	N/A	N/A	556	N/A	N/A
Employees	4,032	3,467	16%	4,032	3,467	16%

In millions of US dollars, except percentages, employees, and per-share amounts. Shares outstanding at the end of period are presented in millions.

**Consolidated net sales** in the third quarter of 2013 increased to US\$474 million, representing an 18% growth when compared to the pro forma third quarter of 2012. The increase in net sales is mainly explained by higher construction activity driving strong volume growth during the third quarter, along with the contribution from our housing solutions projects in Colombia.

**Cost of sales** as a percentage of net sales declined by 1.0pp during the third quarter of 2013 compared with the same period last year, from 50.8% to 49.8%. This resulted mainly from a decline in maintenance and fuel costs.

**Operating expenses** as a percentage of net sales decreased by 1.5pp during the third quarter from 21.1% to 19.6%, compared with the same period a year ago, on a pro forma basis. This decline is mainly explained by lower distribution expenses and the effect on sales of our housing solutions initiative.

**Operating EBITDA** during the third quarter reached US\$168 million, increasing by 24% compared to the pro forma third quarter of 2012. This improvement was driven by a positive performance in most of our markets.

**Operating EBITDA margin** during the third quarter increased 1.7pp, compared to the third quarter on a pro forma basis, reaching 35.5%, mainly as a result of higher volumes, as well as lower distribution expenses, lower maintenance costs and lower fuel costs.

**Controlling interest net income** during the third quarter of 2013 reached US\$96 million.

**Total debt** at the end of the third quarter of 2013 was US\$1,424 million.

Colombia

	January – September			Third Quarter		
	2013	2012 pro forma	% Var.	2013	2012 pro forma	% Var.
Net sales	735	672	9%	287	230	25%
Operating EBITDA	305	270	13%	115	94	22%
Operating EBITDA margin	41.5%	40.2%	1.3pp	40.0%	40.9%	(0.9pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – September	Third Quarter	January – September	Third Quarter	January – September	Third Quarter
Volume	(1%)	8%	9%	15%	5%	15%
Price (USD)	2%	(2%)	4%	1%	(3%)	(6%)
Price (local currency)	6%	3%	9%	7%	1%	(1%)

In Colombia, during the third quarter our domestic gray cement volumes increased by 8%, while our ready-mix and aggregates volumes increased by 15% compared to the same period a year ago. For the January to September period our cement volumes declined by 1%, while our ready-mix and aggregates volumes increased by 9% and 5%, respectively.

During the quarter, the residential sector continued to be an important driver of demand, supported by the 100-thousand government-sponsored free-home program. The industrial-and-commercial sector continued its favorable trend driven by the positive economic outlook, higher investor confidence and the new trade agreements signed by Colombia.

Panama

	January – September			Third Quarter		
	2013	2012 pro forma	% Var.	2013	2012 pro forma	% Var.
Net sales	238	221	7%	84	70	21%
Operating EBITDA	114	98	16%	40	30	33%
Operating EBITDA margin	47.9%	44.3%	3.6pp	47.1%	42.8%	4.3pp

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – September	Third Quarter	January – September	Third Quarter	January – September	Third Quarter
Volume	4%	7%	(1%)	19%	6%	13%
Price (USD)	1%	2%	10%	16%	9%	6%
Price (local currency)	1%	2%	10%	16%	9%	6%

In Panama, our domestic cement volumes during the third quarter increased by 7%, while our ready-mix and aggregates volumes increased by 19% and 13% respectively, compared to the same period a year ago. During the first nine months of the year, our cement and aggregates volumes increased by 4% and 6%, respectively, while our ready-mix volumes declined by 1% on a year-over-year basis.

The residential sector in Panama continued to be an important driver of demand, mainly supported by middle-income housing construction. During the quarter, the infrastructure sector was driven by several ongoing projects such as the canal expansion and the *Cinta Costera*.

## Costa Rica

	January – September			Third Quarter		
	2013	2012 pro forma	% Var.	2013	2012 pro forma	% Var.
Net sales	117	100	18%	40	34	19%
Operating EBITDA	52	40	28%	17	13	29%
Operating EBITDA margin	44.3%	40.6%	3.7pp	43.1%	39.9%	3.2pp

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – September	Third Quarter	January – September	Third Quarter	January – September	Third Quarter
Volume	4%	10%	(8%)	2%	(3%)	7%
Price (USD)	13%	10%	16%	17%	(3%)	(4%)
Price (local currency)	12%	11%	16%	18%	(4%)	(3%)

In Costa Rica, our cement volumes in the quarter increased by 10%, while our ready-mix and aggregates volumes increased by 2% and 7%, respectively, on a year-over-year basis. For the first nine months of this year, our cement volumes increased by 4%, while our ready-mix and aggregates volumes declined by 8% and 3%, respectively, compared to the same period a year ago.

Construction activity during the quarter continued to be supported by the infrastructure sector with several ongoing hydroelectric and road projects. The positive performance in our ready-mix and aggregates volumes in the quarter was also driven by the industrial-and-commercial sector with projects related to tourism, office space and warehouse construction.

## Rest of CLH

	January – September			Third Quarter		
	2013	2012 pro forma	% Var.	2013	2012 pro forma	% Var.
Net sales	211	206	2%	65	65	0%
Operating EBITDA	59	56	6%	18	16	14%
Operating EBITDA margin	28.1%	27.2%	0.9pp	28.0%	24.7%	3.3pp

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – September	Third Quarter	January – September	Third Quarter	January – September	Third Quarter
Volume	0%	(0%)	2%	9%	46%	35%
Price (USD)	1%	(1%)	6%	6%	11%	5%
Price (local currency)	6%	4%	9%	8%	17%	10%

In the Rest of CLH region, which includes our operations in Nicaragua, Guatemala, El Salvador and Brazil, our domestic gray cement volumes during the third quarter remained stable, while our ready-mix and aggregates volumes increased by 9% and 35% respectively, compared to the same period a year ago. For the first nine months of the year, our cement volumes remained stable, while our ready-mix and aggregates volumes increased by 2% and 46%, respectively, on a year-over-year basis.

Nicaragua and Guatemala showed a positive performance, mainly driven by the infrastructure sector.

## Operating EBITDA and free cash flow

	January – September			Third Quarter		
	2013	2012 pro forma	% Var	2013	2012 pro forma	% Var
<b>Operating earnings before other expenses, net</b>	<b>405</b>	355	14%	<b>145</b>	112	29%
+ Depreciation and operating amortization	69	53		23	23	
<b>Operating EBITDA</b>	<b>474</b>	<b>408</b>	16%	<b>168</b>	<b>135</b>	24%
- Net financial expense	87			28		
- Capital expenditures for maintenance	22			14		
- Change in working capital	43			13		
- Taxes paid	85			20		
- Other cash items (net)	5			2		
<b>Free cash flow after maintenance capital expenditures</b>	<b>232</b>			<b>91</b>		
- Strategic capital expenditures	31			15		
<b>Free cash flow</b>	<b>201</b>			<b>76</b>		

In millions of US dollars.

The free cash flow generated during the quarter was used to reduce debt.

## Information on Debt

	Third Quarter			Second Quarter		Third Quarter	
	2013	2012	% Var	2013		2013	2012
Total debt <sup>(1)(2)</sup>	<b>1,424</b>	<b>2,613</b>	<b>(46%)</b>	<b>1,479</b>	<b>Currency denomination</b>		
Short-term	12%	59%		12%	US dollar	96%	100%
Long-term	88%	41%		88%	Colombian peso	4%	0%
Cash and cash equivalents	<b>79</b>	<b>103</b>	<b>(23%)</b>	<b>68</b>	<b>Interest rate</b>		
Net debt	<b>1,345</b>	<b>2,510</b>	<b>(46%)</b>	<b>1,411</b>	Fixed	82%	90%
					Variable	18%	10%

In millions of US dollars, except percentages.

<sup>(1)</sup>Includes capital leases, in accordance with International Financial Reporting Standards (IFRS).

<sup>(2)</sup>In 2013 represents the consolidated balances of CLH and subsidiaries. In 2012 represents the consolidated balances of the operating subsidiaries.

## Income statement & balance sheet

### CEMEX Latam Holdings, S.A. and Subsidiaries (Thousands of U.S. Dollars, except per share amounts)

INCOME STATEMENT	January – September				Third Quarter			
	2013	2012 pro forma	% Var.	2012 reported	2013	2012 pro forma	% Var.	2012 reported
Net Sales	1,287,765	1,192,372	8%	1,192,372	473,774	400,327	18%	400,327
Cost of Sales	(620,230)	(591,450)	5%	(591,450)	(235,910)	(203,334)	16%	(203,334)
<b>Gross Profit</b>	<b>667,535</b>	<b>600,922</b>	<b>11%</b>	<b>600,922</b>	<b>237,864</b>	<b>196,993</b>	<b>21%</b>	<b>196,993</b>
Operating Expenses	(262,110)	(245,826)	7%	(301,472)	(92,749)	(84,597)	10%	(99,313)
<b>Operating Earnings Before Other Expenses, Net</b>	<b>405,425</b>	<b>355,096</b>	<b>14%</b>	<b>299,450</b>	<b>145,115</b>	<b>112,396</b>	<b>29%</b>	<b>97,680</b>
Other expenses, Net	(4,674)				(1,359)			
<b>Operating Earnings</b>	<b>400,751</b>				<b>143,756</b>			
Financial Expenses	(86,786)				(27,996)			
Other Income (Expenses), Net	(4,909)				(147)			
<b>Net Income Before Income Taxes</b>	<b>309,056</b>				<b>115,613</b>			
Income Tax	(70,487)				(18,895)			
<b>Consolidated Net Income</b>	<b>238,569</b>				<b>96,718</b>			
Non-controlling Interest Net Income	(887)				(419)			
<b>CONTROLLING INTEREST NET INCOME</b>	<b>237,682</b>				<b>96,299</b>			
<b>Operating EBITDA</b>	<b>474,413</b>	<b>408,154</b>	<b>16%</b>		<b>168,020</b>	<b>135,137</b>	<b>24%</b>	
<b>Earnings per share</b>	<b>0.43</b>	N/A	N/A		<b>0.17</b>	N/A	N/A	

BALANCE SHEET	As of September 30
	2013
<b>Total Assets</b>	<b>3,980,631</b>
Cash and Temporary Investments	78,996
Trade Accounts Receivables	124,965
Other Receivables	146,557
Inventories	92,501
Other Current Assets	25,244
Current Assets	468,263
Fixed Assets	1,194,790
Other Assets	2,317,578
<b>Total Liabilities</b>	<b>2,554,691</b>
Current Liabilities	584,424
Long-Term Liabilities	1,958,706
Other Liabilities	11,561
<b>Consolidated Stockholders' Equity</b>	<b>1,425,940</b>
Non-controlling Interest	6,006
Stockholders' Equity Attributable to Controlling Interest	1,419,934

Please refer to definition of terms and disclosure for presentation of financial information.

## Income statement &amp; balance sheet

CEMEX Latam Holdings, S.A. and Subsidiaries  
(Millions of Colombian Pesos in nominal terms, except per share amounts)

INCOME STATEMENT	January – September				Third Quarter			
	2013	2012 pro forma	% Var.	2012 reported	2013	2012 pro forma	% Var.	2012 reported
Net Sales	2,405,479	2,142,116	12%	2,142,116	906,552	723,263	25%	723,263
Cost of Sales	(1,158,558)	(1,062,550)	9%	(1,062,550)	(451,407)	(367,359)	23%	(367,359)
<b>Gross Profit</b>	<b>1,246,921</b>	1,079,566	16%	1,079,566	<b>455,145</b>	355,904	28%	355,904
Operating Expenses, net	(489,608)	(441,631)	11%	(541,599)	(177,472)	(152,840)	16%	(179,427)
<b>Operating Earnings Before Other Expenses, Net</b>	<b>757,313</b>	637,935	19%	537,967	<b>277,673</b>	203,064	37%	176,477
Other Expenses, Net	(8,731)				(2,600)			
<b>Operating Earnings</b>	<b>748,582</b>				<b>275,073</b>			
Financial Expenses	(162,112)				(53,570)			
Other Income (Expenses) Financial, net	(9,170)				(281)			
<b>Net Income Before Income Taxes</b>	<b>577,300</b>				<b>221,222</b>			
Income Tax	(131,666)				(36,155)			
<b>Consolidated Net Income</b>	<b>445,634</b>				<b>185,067</b>			
Non-controlling Interest Net Income	(1,657)				(802)			
<b>CONTROLLING INTEREST NET INCOME</b>	<b>443,977</b>				<b>184,265</b>			
<b>Operating EBITDA</b>	<b>886,179</b>	733,255	21%		<b>321,502</b>	244,150	32%	
<b>Earnings per share</b>	<b>798.44</b>	N/A	N/A		<b>331.38</b>	N/A	N/A	

BALANCE SHEET	As of September 30
	2013
<b>Total Assets</b>	<b>7,621,515</b>
Cash and Temporary Investments	151,250
Trade Accounts Receivables	239,264
Other Receivables	280,605
Inventories	177,107
Other Current Assets	48,333
Current Assets	896,559
Fixed Assets	2,287,605
Other Assets	4,437,351
<b>Total Liabilities</b>	<b>4,891,338</b>
Current Liabilities	1,118,967
Long-Term Liabilities	3,750,236
Other Liabilities	22,135
<b>Consolidated Stockholders' Equity</b>	<b>2,730,177</b>
Non-controlling Interest	11,500
Stockholders' Equity Attributable to Controlling Interest	2,718,677

Please refer to definition of terms and disclosure for presentation of financial information.

## Operating Summary per Country

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

NET SALES	January – September			Third Quarter		
	2013	2012 pro forma	% Var.	2013	2012 pro forma	% Var.
Colombia	734,669	672,489	9%	287,326	230,336	25%
Panama	237,654	221,371	7%	84,095	69,602	21%
Costa Rica	117,241	99,510	18%	40,193	33,774	19%
Rest of CLH	210,588	205,571	2%	65,491	65,341	0%
<i>Others and intercompany eliminations</i>	<i>(12,387)</i>	<i>(6,569)</i>	<i>89%</i>	<i>(3,331)</i>	<i>1,274</i>	<i>(361%)</i>
<b>TOTAL</b>	<b>1,287,765</b>	<b>1,192,372</b>	<b>8%</b>	<b>473,774</b>	<b>400,327</b>	<b>18%</b>

### GROSS PROFIT

Colombia	399,365	372,056	7%	148,549	125,307	19%
Panama	124,718	110,014	13%	43,698	33,379	31%
Costa Rica	63,534	52,940	20%	21,462	18,006	19%
Rest of CLH	73,799	67,355	10%	23,470	20,846	13%
<i>Others and intercompany eliminations</i>	<i>6,119</i>	<i>(1,443)</i>	<i>(524%)</i>	<i>685</i>	<i>(545)</i>	<i>(226%)</i>
<b>TOTAL</b>	<b>667,535</b>	<b>600,922</b>	<b>11%</b>	<b>237,864</b>	<b>196,993</b>	<b>21%</b>

### OPERATING EARNINGS BEFORE OTHER EXPENSES, NET

Colombia	281,062	249,949	12%	106,924	87,084	23%
Panama	100,649	85,199	18%	35,206	25,371	39%
Costa Rica	46,217	34,361	35%	15,423	11,406	35%
Rest of CLH	55,441	50,910	9%	17,150	14,861	15%
<i>Others and intercompany eliminations</i>	<i>(77,944)</i>	<i>(65,323)</i>	<i>19%</i>	<i>(29,588)</i>	<i>(26,326)</i>	<i>12%</i>
<b>TOTAL</b>	<b>405,425</b>	<b>355,096</b>	<b>14%</b>	<b>145,115</b>	<b>112,396</b>	<b>29%</b>

### OPERATING EBITDA

Colombia	304,683	270,315	13%	114,812	94,170	22%
Panama	113,930	98,157	16%	39,615	29,824	33%
Costa Rica	51,899	40,412	28%	17,328	13,471	29%
Rest of CLH	59,124	55,965	6%	18,364	16,169	14%
<i>Others and intercompany eliminations</i>	<i>(55,223)</i>	<i>(56,695)</i>	<i>(3%)</i>	<i>(22,099)</i>	<i>(18,497)</i>	<i>19%</i>
<b>TOTAL</b>	<b>474,413</b>	<b>408,154</b>	<b>16%</b>	<b>168,020</b>	<b>135,137</b>	<b>24%</b>

### OPERATING EBITDA MARGIN

Colombia	41.5%	40.2%		40.0%	40.9%
Panama	47.9%	44.3%		47.1%	42.8%
Costa Rica	44.3%	40.6%		43.1%	39.9%
Rest of CLH	28.1%	27.2%		28.0%	24.7%
<b>TOTAL</b>	<b>36.8%</b>	<b>34.2%</b>		<b>35.5%</b>	<b>33.8%</b>

Please refer to definition of terms and disclosure for presentation of financial information.



## Volume Summary

### CLH volume summary

Cement and aggregates: Thousands of metric tons.

Ready-mix: Thousands of cubic meters.

	January – September			Third Quarter		
	2013	2012	% Var.	2013	2012	% Var.
Total cement volume <sup>1</sup>	5,536	5,433	2%	1,916	1,751	9%
Total domestic gray cement volume	4,994	4,968	1%	1,736	1,633	6%
Total ready-mix volume	2,443	2,322	5%	909	792	15%
Total aggregates volume	5,456	5,157	6%	2,079	1,810	15%

### Per-country volume summary

DOMESTIC GRAY CEMENT VOLUME	January - September		Third Quarter		Third Quarter 2013 Vs.
	2013 Vs. 2012		2013 Vs. 2012		Second Quarter 2013
Colombia	(1%)		8%		1%
Panama	4%		7%		2%
Costa Rica	4%		10%		2%
Rest of CLH	0%		(0%)		(9%)

#### READY-MIX VOLUME

Colombia	9%		15%		13%
Panama	(1%)		19%		4%
Costa Rica	(8%)		2%		3%
Rest of CLH	2%		9%		(2%)

#### AGGREGATES VOLUME

Colombia	5%		15%		20%
Panama	6%		13%		(1%)
Costa Rica	(3%)		7%		7%
Rest of CLH	46%		35%		(10%)

<sup>1</sup> Consolidated cement volume includes domestic and export volume of gray cement, white cement, special cement, mortar and clinker. Please refer to definition of terms and disclosure for presentation of operating results.

## Price Summary

### Variation in U.S. Dollars

DOMESTIC GRAY CEMENT PRICE	January - September		Third Quarter		Third Quarter 2013 Vs.
	2013 Vs. 2012		2013 Vs. 2012		Second Quarter 2013
Colombia	2%		(2%)		(0%)
Panama	1%		2%		(1%)
Costa Rica	13%		10%		(1%)
Rest of CLH (*)	1%		(1%)		(2%)

### READY-MIX PRICE

Colombia	4%		1%		(1%)
Panama	10%		16%		1%
Costa Rica	16%		17%		3%
Rest of CLH (*)	6%		6%		(3%)

### AGGREGATES PRICE

Colombia	(3%)		(6%)		(2%)
Panama	9%		6%		(0%)
Costa Rica	(3%)		(4%)		(9%)
Rest of CLH (*)	11%		5%		(9%)

### Variation in Local Currency

DOMESTIC GRAY CEMENT PRICE	January - September		Third Quarter		Third Quarter 2013 Vs.
	2013 Vs. 2012		2013 Vs. 2012		Second Quarter 2013
Colombia	6%		3%		2%
Panama	1%		2%		(1%)
Costa Rica	12%		11%		(0%)
Rest of CLH (*)	6%		4%		(1%)

### READY-MIX PRICE

Colombia	9%		7%		1%
Panama	10%		16%		1%
Costa Rica	16%		18%		3%
Rest of CLH (*)	9%		8%		(3%)

### AGGREGATES PRICE

Colombia	1%		(1%)		(1%)
Panama	9%		6%		(0%)
Costa Rica	(4%)		(3%)		(9%)
Rest of CLH (*)	17%		10%		(8%)

(\*) Volume weighted-average price.

Please refer to definition of terms and disclosure for presentation of operating results.

### Antitrust Investigation in Colombia

On September 5, 2013, CEMEX Latam Holdings, S.A. (“CLH”) (BVC: CLH) informed the Colombian Financial Superintendency (Superintendencia Financiera de Colombia) that on that same date, CEMEX Colombia S.A. (“CEMEX Colombia”), a subsidiary of CLH, was notified of Resolution No. 49141 dated August 21, 2013, issued by the Colombian Superintendency of Industry and Commerce, SIC, (Superintendencia de Industria y Comercio) pursuant to which the SIC opened an investigation and issued a statement of objections (*pliego de cargos*) against five (5) cement companies and fourteen (14) directors of those companies, including CEMEX Colombia, for alleged anti-competitive practices. The parties being investigated have a twenty (20) day term commencing from the notice date to answer the statement of objections (*pliego de cargos*) and submit evidence.

The investigated parties are accused of allegedly breaching: (i) Article 1 of Law 155 of 1959, which prohibits any kind of practice, procedure or system designed to limit free competition and determining or maintaining unfair prices; (ii) paragraph 1 of Article 47 of Decree 2153 of 1992, which prohibits any agreements designed to directly or indirectly fix prices; and (iii) paragraph 3 of Article 47 of Decree 2153 of 1992, which prohibits any market sharing agreements between producers or between distributors. Additionally, the fourteen (14) executives, including a former legal representative and the current President of CEMEX Colombia, are being investigated for allegedly breaching paragraph 16 of Article 4 of Decree 2153 of 1992, as amended by Article 26 of Law 1340 of 2009, which provides that the SIC may investigate and sanction any individual who collaborates, facilitates, authorizes, executes or tolerates behavior that violates free competition rules.

If the alleged infringements investigated by the SIC are substantiated, aside from any measures that could be ordered to stop the alleged anti-competitive practices, penalties may be imposed against CEMEX Colombia. Pursuant to Law 1340 of 2009, the SIC may impose the following penalties: (i) up to one hundred thousand (100,000) legal monthly minimum wages, approximately 58,950,000,000 Colombian Pesos (approximately U.S.\$30.8 million as of September 30, 2013, based on an exchange rate of 1,914.65 Colombian Pesos to U.S.\$1.00) for each violation and to each company being declared in breach of the competition rules, and (ii) up to two thousand (2,000) legal monthly minimum wages, approximately 1,179,000,000 Colombian Pesos (approximately U.S.\$616,000 as of September 30, 2013, based on an exchange rate of 1,914.65 Colombian Pesos to U.S.\$1.00) against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules.

At this stage of the investigations, CLH is not able to assess the likelihood of an adverse result, but if adversely resolved against CEMEX Colombia, such resolution may have a material adverse impact on CLH’s financial results.

### Tax Proceedings in Colombia

Regarding the proceedings (*requerimientos especiales*) initiated by the Colombian Tax Authority (*Dirección de Impuestos*) in relation to CEMEX Colombia’s 2007 and 2008 year-end tax returns, during the second quarter of 2013, CEMEX Colombia reached a settlement with the Colombian Tax Authority (*Dirección de Impuestos*). On August 26, 2013, CEMEX Colombia received the final resolution regarding the 2007 year-end tax return and on September 16, 2013, CEMEX Colombia received the final resolution regarding the 2008 year-end tax return.

### CEMEX Colombia S.A., a CLH subsidiary, announced a public offering of commercial paper in Colombia

On August 15, 2013, CEMEX Colombia S.A., a CLH subsidiary, announced the results of the Dutch auction of the first issuance and placement of \$50,000 million Colombian pesos under CEMEX Colombia S.A.’s authorized commercial paper program.

### 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 used to convert: (i) the balance sheet as of September 30, 2013 was \$1,914.65 Colombian pesos per US dollar, and (ii) the consolidated results for the third quarter of 2013 and pro forma combined result for the third quarter of 2012 were \$1,913.47 and \$1,806.68 Colombian pesos per US dollar, respectively.

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."

### Consolidated and combined financial information

When reference is made to consolidated financial information means the financial information of CLH together with its consolidated subsidiaries. When reference is made to combined financial information means the financial information of CLH's subsidiaries on a combined basis.

### Presentation of financial and operating information

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

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

### Pro forma financial information included in the report

CLH was incorporated during the second quarter of 2012 for purposes of the initial equity offering concluded on November 15, 2012. For accounting purposes, the group reorganization pursuant to which CLH acquired its consolidated subsidiaries was effective July 1, 2012. As a result, CLH has no historical consolidated financial information for the first and second quarter of 2012.

For convenience of the reader, and in order to present comprehensive comparative operating information for the nine and three month periods ended September 30, 2013, CLH prepared pro forma selected consolidated income statement information for the nine and three-month periods ended September 30, 2012, intended in all cases and to the extent possible, to present the operating performance of CLH on a like-to-like basis.

Pro forma year-to-date and third quarter 2012: CLH selected consolidated income statement information for the nine and three-month periods ended September 30, 2012, was determined by reflecting the original results of the operating subsidiaries for the nine and three-month periods ended September 30, 2012. In addition, in connection with the 5% corporate charges and royalties agreements entered into by CLH with CEMEX and that was executed during the last quarter of 2012 with retroactive effects for full year 2012, the consolidated pro forma condensed income statement information of CLH for the nine and three-month periods ended September 30, 2012 was adjusted to reflect the 5% consolidated corporate charges and royalties.

CLH will continue to present pro forma amounts during 2013 in connection with the quarterly comparative information of 2012, in order to reflect the effect of the 5% royalty agreement allocated to each quarter.

Exchange rates	January – September		January – September		Third quarter	
	2013	2012	2013	2012	2013	2012
	Closing	Closing	Average	Average	Average	Average
Colombian peso	1,914.65	1,800.52	1,867.95	1,796.52	1,913.47	1,806.68
Panama balboa	1	1	1	1	1	1
Costa Rica colon	505.57	503.31	505.75	508.74	506.68	504.17
Euro	0.7393	0.7784	0.7582	0.7778	0.7495	0.7979

Amounts provided in units of local currency per US dollar.

### **Pro forma Earnings per Share (“Pro forma EPS”)**

CLH was incorporated in April 2012 and its relevant share capital was contributed by CEMEX España on July 31, 2012 and by third-party investors on November 6, 2012. Therefore, there are no regular quarterly periods for 2012 in order to determine the average number of shares outstanding as indicated under IFRS for purposes of presenting Earnings per Share amounts.

Considering this limitation CLH does not include Pro Forma EPS for the pro forma nine and three-month periods ended September 30, 2012.

### **Volumes and prices**

Considering the limitations of historical information described above, CLH changes in volumes and prices, presented for convenience of the reader, consider volumes and average prices on a pro forma basis for the nine and three-month periods ended September 30, 2012.

### **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 the purpose of ensuring the company'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 company 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.

**Strategic capital expenditures** investments incurred with the purpose of increasing the company'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.