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CEMEX Latam Holdings, S.A. and Subsidiaries:

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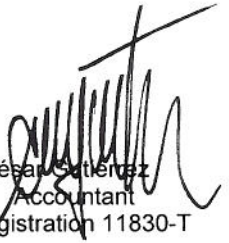
CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Income Statements
(Thousands of U.S. dollars)

(Unaudited)
For the nine-month periods ended
September 30,
2014 September 30,
2013

	Notes		
Net sales	3	\$ 1,324,298	1,287,765
Cost of sales	2D	(668,294)	(620,230)
Gross profit		656,004	667,535
Administrative and selling expenses		(182,730)	(176,219)
Distribution expenses		(101,358)	(85,892)
		(284,088)	(262,111)
Operating earnings before other income (expenses), net		371,916	405,424
Other income (expenses), net	5	(3,863)	(4,674)
Operating earnings		368,053	400,750
Financial expenses		(75,220)	(86,786)
Other financial income (expenses), net	6	(1,636)	(4,427)
Foreign exchange results		7,200	(482)
Earnings before income tax		298,397	309,055
Income tax	17A	(88,593)	(70,487)
CONSOLIDATED NET INCOME		209,804	238,568
Non-controlling interest net income		(851)	(887)
CONTROLLING INTEREST NET INCOME		\$ 208,953	237,681
BASIC EARNINGS PER SHARE	19	\$ 0.38	0.43
DILUTED EARNINGS PER SHARE	19	\$ 0.38	0.43

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

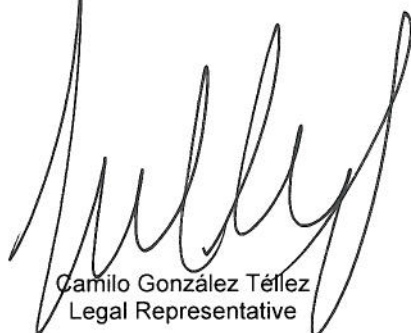

Camilo González Téllez
Legal Representative

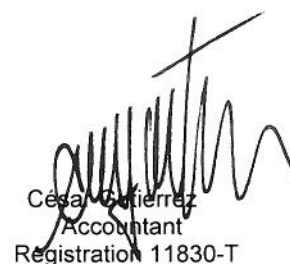

César Gutiérrez
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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Comprehensive Income
(Thousands of U.S. dollars)

	Notes	(Unaudited)	
		For the nine-month periods ended September 30, 2014	September 30, 2013
CONSOLIDATED NET INCOME.....		\$ 209,804	238,568
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Currency translation of foreign subsidiaries	18B	<u>(83,974)</u>	<u>(37,781)</u>
Other comprehensive loss for the period.....		<u>(83,974)</u>	<u>(37,781)</u>
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD		125,830	200,787
Non-controlling interest comprehensive income for the period		<u>(851)</u>	<u>(887)</u>
CONTROLLING INTEREST COMPREHENSIVE INCOME FOR THE PERIOD....		\$ 124,979	199,900

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


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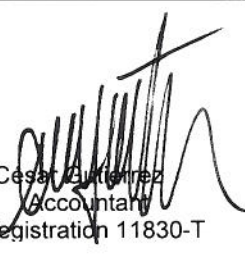

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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Balance Sheets
(Thousands of U.S. dollars)

		(Unaudited)	
		As of September 30, 2014	As of December 31, 2013
	Notes		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents.....	7	\$ 53,870	76,691
Trade receivables less allowance for doubtful accounts.....	8	168,361	164,195
Receivables from related parties.....	9	4,351	895
Other accounts receivable.....	10A	22,033	21,048
Taxes receivable.....		81,517	64,080
Inventories, net.....	11	107,516	103,683
Other current assets.....	12	21,375	19,227
Total current assets.....		<u>459,023</u>	<u>449,819</u>
NON-CURRENT ASSETS			
Other assets and non-current accounts receivable.....	10B	22,308	18,623
Property, machinery and equipment, net.....	13	1,183,659	1,205,574
Goodwill, intangible assets and deferred assets, net.....	14	2,066,777	2,154,652
Deferred income taxes.....		19,911	7,644
Total non-current assets.....		<u>3,292,655</u>	<u>3,386,493</u>
TOTAL ASSETS		<u>\$ 3,751,678</u>	<u>3,836,312</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt.....	15A	\$ 5,510	6,805
Trade payables.....		106,455	129,427
Payables to related parties.....	9	378,308	336,084
Taxes payable.....		105,704	93,240
Other accounts payable and accrued expenses.....	16	93,189	76,317
Total current liabilities.....		<u>689,166</u>	<u>641,873</u>
NON-CURRENT LIABILITIES			
Long-term debt.....	15A	14,280	18,797
Long term payables to related parties.....	9	872,940	1,106,199
Employee benefits.....		55,136	63,418
Deferred income taxes.....		631,465	635,903
Other liabilities.....	16	13,083	12,143
Total non-current liabilities.....		<u>1,586,904</u>	<u>1,836,460</u>
TOTAL LIABILITIES		<u>2,276,070</u>	<u>2,478,333</u>
STOCKHOLDERS' EQUITY			
Controlling interest:			
Common stock and additional paid-in capital.....	18A	1,462,854	1,462,813
Other equity reserves.....	18B	(556,453)	(473,821)
Retained earnings.....		353,998	89,895
Net income.....		208,953	264,103
Total controlling interest.....		<u>1,469,352</u>	<u>1,342,990</u>
Non-controlling interest.....	18C	6,256	14,989
TOTAL STOCKHOLDERS' EQUITY		<u>1,475,608</u>	<u>1,357,979</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>\$ 3,751,678</u>	<u>3,836,312</u>

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


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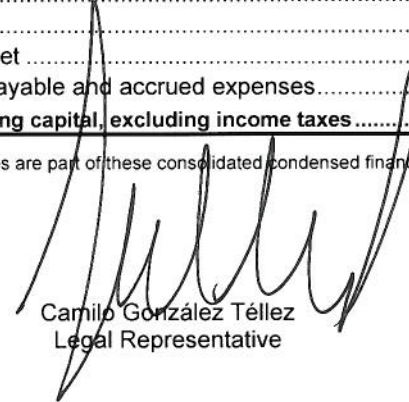

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CEMEX Latam Holdings, S.A. and Subsidiaries
Consolidated Condensed Statements of Cash Flows
(Thousands of U.S. dollars)

(Unaudited)
For the nine-month periods ended
September 30, September 30,
2014 2013

Notes			
OPERATING ACTIVITIES			
Consolidated net income		\$ 209,804	238,568
Non-cash items:			
Depreciation and amortization of assets	4	70,923	68,989
Provisions and other non-cash expenses		360	1,517
Financial expenses, other financial income (expenses), net and foreign exchange results		69,656	91,695
Income taxes	17A	88,593	70,487
Fixed assets sale loss	5	324	471
Changes in working capital, excluding income taxes		4,754	(42,758)
Net cash flow provided by operating activities before interest and income taxes.....		444,414	428,969
Financial expenses paid in cash		(64,972)	(82,918)
Income taxes paid in cash		(80,621)	(85,129)
Net cash flows provided by operating activities.....		298,821	260,922
INVESTING ACTIVITIES			
Property, machinery and equipment, net		(75,861)	(51,180)
Financial income		2,368	1,235
Intangibles assets and others deferred charges		12,418	1,206
Long-term assets and others, net		(3,685)	14,397
Net cash flows used in investing activities		(64,760)	(34,342)
FINANCING ACTIVITIES			
Cost of issuance of common shares		—	(248)
Payment of loans to related parties		(697,235)	(534,296)
Loans from related parties		452,103	320,585
Non-current liabilities, net		(11,781)	(11,729)
Net cash flows used in financing activities.....		(256,913)	(225,688)
Decrease in cash and cash equivalents		(22,852)	892
Cash conversion effect, net		32	2,202
Cash and cash equivalents at the beginning of the period		76,691	75,902
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD.....	7	\$ 53,870	78,996
Changes in working capital, excluding income taxes:			
Trade receivables, net		\$ (4,637)	(29,511)
Other accounts receivable and other assets		(1,785)	(49,855)
Inventories		(3,721)	803
Trade payables		(22,972)	(8,162)
Related parties, net		35,809	41,861
Other accounts payable and accrued expenses		2,060	2,106
Changes in working capital, excluding income taxes		\$ 4,754	(42,758)

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


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

	Notes	Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
(Unaudited)								
Balances as of December 31, 2012		\$ 718,124	745,213	(333,948)	89,895	1,219,284	6,334	1,225,618
Net income for the period		-	-	-	237,681	237,681	887	238,568
Total other items of comprehensive income (loss) for the period		-	-	-	-	-	-	-
Share-based payments	18D	-	-	(37,781)	-	(37,781)	-	(37,781)
Public and private offer of shares		-	-	998	-	998	-	998
Changes in non-controlling interest	18C	-	(248)	-	-	(248)	-	(248)
Balances as of September 30, 2013		\$ 718,124	744,965	(370,731)	327,576	1,419,934	6,006	1,425,940
Balances as of December 31, 2013		\$ 718,124	744,689	(473,821)	353,998	1,342,990	14,989	1,357,979
Net income for the period		-	-	-	208,953	208,953	851	209,804
Total other items of comprehensive income (loss) for the period		-	-	-	-	-	-	-
Share-based payments	18D	-	-	(83,974)	-	(83,974)	-	(83,974)
Changes in non-controlling interest	18C	-	41	1,342	-	1,383	-	1,383
Balances as of September 30, 2014		\$ 718,124	744,730	(556,453)	562,951	1,469,352	6,256	1,475,608

The accompanying notes are part of this consolidated condensed financial statement.


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CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the nine-month periods ended September 30, 2014 and 2013
(Thousands of U.S. dollars)

1) DESCRIPTION OF BUSINESS

CEMEX Latam Holdings, S.A., was incorporated on April 17, 2012 as a capital stock corporation (S.A.) for an undefined period under the laws of Spain. The entity is a subsidiary of CEMEX España, S.A. ("CEMEX España"), also organized under the laws of Spain, and an indirect subsidiary of CEMEX, S.A.B. de C.V. ("CEMEX"), a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of Mexico. The business purpose and main activities of CEMEX Latam Holdings, S.A. consist in the subscription, acquisition, holding, use, management and sale of transferrable securities and common shares, as well as the management of securities representing the stockholders' equity of Non-Spanish resident entities pursuant to the corresponding organization of labor and material resources. Based on its business purpose, CEMEX Latam Holdings, S.A. is an indirect holding company (parent) of entities whose main activities, located in Colombia, Panama, Costa Rica, Nicaragua, Guatemala, El Salvador and Brazil, are oriented to the construction industry, through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials.

The term the "Parent Company" used in these accompanying notes to the financial statements refer to CEMEX Latam Holdings, S.A. without its consolidated subsidiaries. The terms the "Company" or "CEMEX Latam" refer to CEMEX Latam Holdings, S.A. together with its consolidated subsidiaries. The issuance of these consolidated financial statements was authorized by the management and the Board of Directors of CEMEX Latam Holdings, S.A. on November 13, 2014.

The Parent Company's common shares are listed on the Colombian Stock Exchange (*Bolsa de Valores de Colombia* S.A.) since November 16, 2012, under the ticker CLH. CEMEX España owns approximately 73.35% of the Parent Company's outstanding ordinary shares, excluding shares held in the Parent Company's treasury (note 18A).

2) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied to these consolidated condensed financial statements as of September 30, 2014, except for those newly issued financial reporting standards effective January 1, 2014, none of which have a significant effect in the Company, are the same as those that were applied in the consolidated financial statements as of December 31, 2013.

A) BASIS OF PRESENTATION AND DISCLOSURE

The consolidated condensed financial statements and the accompanying notes were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), as well as with the International Accounting Standard 34, *Interim Financial Statements* ("IAS 34"), as these standards were effective on September 30, 2014.

The condensed consolidated balance sheets as of September 30, 2014 and as of December 31, 2013, as well as the condensed consolidated income statements, the condensed consolidated statements of comprehensive income, the condensed consolidated statements of cash flows and the condensed consolidated statements of change in stockholders' equity for the nine-month periods ended September 30, 2014 and 2013, as well as their related disclosures included in these notes to the financial statements, have not been audited.

Functional and presentation currency

The presentation currency of the consolidated financial statements is the dollar of the United States of America ("United States"), which is also the functional currency of the Parent Company considering that is the currency in which incurs its operations and settles its obligations. The amounts in the financial statements and the accompanying notes are stated in thousands of dollars of the United States, except when specific references are made to other currency, as described in the paragraph below, or unit of measure such as millions, to earnings per share and/or to prices per share. When it is deemed relevant, certain amounts in currencies others than the dollar included in the accompanying notes include between parentheses an approximate convenience translation into dollars, which should not be construed as representations that the dollar amounts were, may have been, or can be converted at the exchange rates indicated. The convenience translation as of September 30, 2014 and as of December 31, 2013, as well as for the nine-month periods ended as of September 30, 2014 and 2013 were determined using the closing and average exchange rates, as correspond, presented in the table of exchange rates included in note 2C.

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

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the nine-month periods ended September 30, 2014 and 2013
(Thousands of U.S. dollars)

Income statement

The line item "Other income (expenses), net" in the condensed consolidated income statement consists primarily of revenues and/or expenses not directly related to the Company's main activities, or which are of an unusual and/or non-recurring nature, including results on disposal of assets and some severance payments related to restructuring processes, among others (note 5).

Statement of cash flows

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

- a) The increase in additional paid-in capital for approximately \$41 as of September 30, 2014, as well as the increases in other equity reserves for the nine-month periods ended September 30, 2014 and 2013 for approximately \$1,342 and \$998, respectively, in connection with the executive' stock compensation programs based in shares of CEMEX and/or the Parent Company (note 18D).

Going Concern

As of September 30, 2014, total current liabilities, which included accounts payable to related parties (see note 9) of \$378,308 exceeds total current assets in \$230,143.

The Parent Company's management has approved these condensed consolidated financial statements as of September 30, 2014 under the principle of going concern, considering that the Company will generate sufficient cash flows to enable it to meet any liquidity risk in the short term. If it is deemed necessary, the Company considers that it will succeed renegotiating the maturity of some short-term payables to other entities of CEMEX. For the nine-month period ended September, 30, 2014, CEMEX Latam generated net cash flows from operations, after interest expense and income taxes, of \$298,821.

Principles of Consolidation

The consolidated financial statements included those of CEMEX Latam Holdings, S.A. and those of the entities in which the Parent Company exercises control (note 22), by means of which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Among other factors, control is evidenced when the Parent Company: a) holds directly or through subsidiaries, more than 50% of an entity's common stock; or b) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity. Balances and operations between the Parent Company and its subsidiaries (related parties) are eliminated in consolidation. Each subsidiary is a legally responsible separate entity and maintains custody of its own financial resources.

B) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of the consolidated condensed financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statement, as well as the reported amounts of revenues and expenses during the period. These assumptions are reviewed on an ongoing basis using available information. Actual results could differ from these estimates. The main concepts subject to estimates and assumptions by management include, among others, impairment tests of long-lived assets, allowances for doubtful accounts and inventories, recognition of deferred income tax assets, as well as the measurement of financial instruments at fair value, and the assets and liabilities related to employee benefits. Significant judgment by management is required to appropriately assess the amounts of these assets and liabilities.

C) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

The most significant closing exchange rates per U.S. dollar as of September 30, 2014 and as of December 31, 2013 for balance sheet purposes, and the average exchange rates per U.S. dollar for income statements purposes for the nine-month periods ended September 30, 2014 and 2013, are as follows:

Currency	Closing		Average	
	2014	2013	2014	2013
Colombian pesos.....	2,028.48	1,926.83	1,951.66	1,867.95
Costa Rican colones.....	545.52	507.80	547.36	505.75
Nicaraguan cordobas.....	26.27	25.33	25.85	24.62
Guatemalan quetzals.....	7.67	7.84	7.76	7.84
Brazilian reales.....	2.45	2.34	2.30	2.14

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the nine-month periods ended September 30, 2014 and 2013
(Thousands of U.S. dollars)

D) COST OF SALES, ADMINISTRATIVE AND SELLING EXPENSES AND DISTRIBUTION EXPENSES

Cost of sales represents the production cost of goods sold. Such cost of sales includes depreciation, amortization and depletion of assets involved in production and expenses related to storage in producing plants. Cost of sales excludes expenses related to personnel, equipment and services involved in sale activities and storage of product at points of sales, as well as costs related to warehousing of products at the selling points, which are included as part of administrative and selling expenses. Cost of sales includes freight expenses of raw material in plants and delivery expenses of the Company's ready-mix concrete business, but excludes freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities, which are included as part of the distribution expenses line item.

For the nine-month periods ended September 30, 2014 and 2013, selling expenses included as part of the administrative and selling expenses line item amounted to \$29,628 and \$33,445, respectively.

3) SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENTS

The financial reporting policies applied to elaborate the condensed financial information by geographic operative segments are consistent with those that are described in the condensed consolidated financial statements for the nine-month periods ended September 30, 2014 and 2013. The operative segment "Rest of CLH" refers to: a) the Company's operations in Guatemala, Nicaragua, El Salvador and Brazil; b) the Company's corporate offices in Spain and research and development offices in Switzerland; and c) certain adjustments resulting from consolidation.

Income statements

Selected condensed consolidated income statements information by geographic operating segment for the nine-month periods ended September 30, 2014 and 2013 are as follows:

2014	Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other income (expenses), net	Other income (expenses), net	Financial expenses	Other financial expenses, net
Colombia.....	\$ 768,629	(17)	768,612	242,248	(26,813)	215,435	451	(17,327)	(2,578)
Panama	241,261	—	241,261	96,280	(22,045)	74,235	—	(4,770)	101
Costa Rica	113,730	(8,630)	105,100	45,866	(5,264)	40,602	—	(411)	32
Rest of CLH	210,372	(1,047)	209,325	58,445	(16,801)	41,644	(4,314)	(52,712)	809
Total	\$ 1,333,992	(9,694)	1,324,298	442,839	(70,923)	371,916	(3,863)	(75,220)	(1,636)

2013	Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: Depreciation and amortization	Operating earnings before other income (expenses), net	Other income (expenses), net	Financial expenses	Other financial expenses, net
Colombia.....	\$ 734,669	—	734,669	268,121	(23,792)	244,329	(2,587)	(15,047)	(5,060)
Panama	240,760	(3,106)	237,654	102,166	(22,253)	79,913	(2,486)	(4,720)	74
Costa Rica	117,241	(11,293)	105,948	46,570	(5,749)	40,821	52	(390)	5
Rest of CLH	210,587	(1,093)	209,494	57,556	(17,195)	40,361	347	(66,629)	554
Total	\$ 1,303,257	(15,492)	1,287,765	474,413	(68,989)	405,424	(4,674)	(86,786)	(4,427)

Balance sheets

As of September 30, 2014 and December 31, 2013, selected condensed consolidated balance sheets information by geographic segment was as follows:

September 30, 2014	Total assets	Total liabilities	Net assets	Capital expenditures
Colombia	\$ 2,275,013	829,442	1,445,571	55,189
Panama	449,914	224,743	225,171	4,985
Costa Rica	62,143	29,827	32,316	1,443
Rest of CLH	964,608	1,192,058	(227,450)	16,273
Total	\$ 3,751,678	2,276,070	1,475,608	77,890

CEMEX Latam Holdings, S.A. and Subsidiaries
Notes to the Consolidated Condensed Financial Statements
For the nine-month periods ended September 30, 2014 and 2013
(Thousands of U.S. dollars)

December 31, 2013	Total Assets	Total liabilities	Net assets by segment	Capital expenditures
Colombia	\$ 2,319,241	876,578	1,442,663	70,192
Panama	557,336	223,409	333,927	11,094
Costa Rica	63,857	32,860	30,997	5,654
Rest of CLH	895,878	1,345,486	(449,608)	6,888
Total	\$ 3,836,312	2,478,333	1,357,979	93,828

Net sales by product and geographic operating segment for the nine-month periods ended September 30, 2014 and 2013 are as follows:

2014	Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Colombia	\$ 435,182	283,172	14,523	35,752	(17)	768,612
Panama	149,472	69,223	2,248	20,318	—	241,261
Costa Rica	84,037	11,308	6,489	11,895	(8,630)	105,100
Rest of CLH	174,762	17,936	2,877	14,798	(1,047)	209,325
Total	\$ 843,453	381,639	26,137	82,763	(9,694)	1,324,298

2013	Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Colombia	\$ 414,438	248,980	11,633	59,618	—	734,669
Panama	143,038	82,271	1,888	13,563	(3,106)	237,654
Costa Rica	87,963	16,197	2,887	10,194	(11,293)	105,948
Rest of CLH	179,248	19,116	1,967	10,256	(1,093)	209,494
Total	\$ 824,687	366,564	18,375	93,631	(15,492)	1,287,765

4) DEPRECIATION AND AMORTIZATION OF ASSETS

Depreciation and amortization expense recognized for the nine-month periods ended September 30, 2014 and 2013 are detailed as follows:

	2014	2013
Depreciation and amortization expense related to assets used in the production process	\$ 50,729	48,362
Depreciation and amortization expense related to assets used in administrative and selling activities	20,194	20,627
	\$ 70,923	68,989

5) OTHER INCOME (EXPENSES), NET

Other income (expenses), net for the nine-month periods ended September 30, 2014 and 2013 are detailed as follows:

	2014	2013
Damage recoveries	\$ 1,714	—
Sale of scrap and other non-operative income	207	223
Severance payments for reorganization and other related costs	(1,360)	(1,680)
Assumed taxes, fines, penalties and others, net	(4,101)	(2,746)
Results from the sale of assets and others expenses, net	(324)	(471)
	\$ (3,863)	(4,674)

6) OTHER FINANCIAL EXPENSES, NET

The detail of "Other financial expenses, net" for the nine-month periods ended September 30, 2014 and 2013 are as follows:

	2014	2013
Financial income	\$ 2,368	1,235
Interest cost on employee benefits	(4,004)	(5,662)
	\$ (1,636)	(4,427)

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7) CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents as of September 30, 2014 and December 31, 2013 consisted of:

	2014	2013
Cash and bank accounts	\$ 45,548	63,461
Fixed-income securities and other cash equivalents	8,322	13,230
	<u>\$ 53,870</u>	<u>76,691</u>

8) TRADE ACCOUNTS RECEIVABLE LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS

Consolidated trade accounts receivable as of September 30, 2014 and December 31, 2013 consisted of:

	2014	2013
Trade accounts receivable.....	\$ 171,486	166,849
Allowances for doubtful accounts	(3,125)	(2,654)
	<u>\$ 168,361</u>	<u>164,195</u>

9) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances payable to and receivable from related parties as of September 30, 2014 and December 31, 2013 are detailed as follows:

	2014	2013
Accounts receivable – current		
Mustang RE LTD	\$ 3,009	–
Neoris Colombia S.A.	986	260
CEMEX México, S.A.de C.V.	94	–
Cemex Central, S.A. de C.V.	78	35
Puerto Rican Cement Company, Inc.....	70	69
Construction Funding Corporation	67	–
CEMEX Dominicana S.A.	32	482
Business Material Funding SL	15	–
CEMEX España, S.A.	–	49
Total accounts receivable from related parties.....	<u>\$ 4,351</u>	<u>895</u>

	2014	2013
Accounts payable – current		
CEMEX España, S.A. ⁽¹⁾	\$ 113,753	113,680
CEMEX Hungary K.F.T. ⁽²⁾	84,736	79,064
Construction Funding Corporation ⁽³⁾	61,652	65,620
CEMEX Research Group, AG ⁽⁴⁾	58,700	20,808
Cemex Central, S.A. de C.V. ⁽⁵⁾	35,584	28,921
CEMEX, S.A.B. de C.V. ⁽⁵⁾	16,154	7,683
CEMEX Trading, LLC ⁽⁶⁾	7,268	19,586
Fujur, S.A. de C.V.	222	431
CEMEX México, S.A.de C.V.	108	–
Pro Ambiente, S.A. de C.V.	113	–
CEMEX Concretos, S.A. de C.V.	–	140
Sunbulk Shipping N.V.	–	107
Others	18	44
	<u>\$ 378,308</u>	<u>336,084</u>

Accounts payable – non-current		
Construction Funding Corporation ⁽³⁾	\$ 582,004	588,788
CEMEX Hungary K.F.T. ⁽²⁾	290,936	517,411
	<u>872,940</u>	<u>1,106,199</u>
Total accounts payable to related parties	<u>\$ 1,251,248</u>	<u>1,442,283</u>

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- (1) Includes the outstanding balance of \$112,010 plus accrued interest of \$1,743, related to a debt facility agreed between CEMEX Colombia and CEMEX España in October 2010, negotiated at LIBOR plus 539 basis points with maturity on December 28, 2014.
- (2) Debt agreement negotiated by CEMEX Bogota Investments B.V., maturing in different dates from 2015 to 2018.
- (3) The balance includes: a) loan agreement of \$343,115, negotiated by Corporación Cementera Latinoamericana, S.L.U., with an annual interest rate of 7%, maturing in different dates from 2014 to 2018 plus accrued interest of \$801; b) loan agreement of \$109,959 negotiated by CEMEX Latam Holdings, S.A., with an annual interest rate of 7%, maturing in different dates from 2014 to 2018, plus accrued interest of \$993; as well as a revolving credit facility of \$64,388 with an annual interest rate of 7%; and c) loan agreement of \$123,051, negotiated by Cemento Bayano, S.A., bearing 3-month LIBOR rate plus 415 basis points, maturing on September 26, 2018 plus accrued interest of \$1,349.
- (4) Royalties on technical assistance agreements, use of licenses and trademarks, software and administrative processes.
- (5) These balances are generated from administrative services received by the Company.
- (6) These balances were mainly generated by imports of cement by Cemex LAN Trading Corporation for \$7,268.

The maturities of non-current accounts payable as of September 30, 2014 are as follows:

Creditor	2015	2016 – 2018
CEMEX Bogotá Investments, B.V. (7% per year)	\$ 39,532	251,403
Corporación Cementera Latinoamericana, S.L.U. (7% per year).....	–	312,080
CEMEX Latam Holdings, S.A. (7% per year).....	–	146,874
Cemento Bayano, S.A. (3M LIBOR + 415 basis points)	–	123,051
	<u>\$ 39,532</u>	<u>833,408</u>

The main transactions entered into by the Company with related parties for the nine-month periods ended September 30, 2014 and 2013 are shown below:

	2014	2013
Purchases of raw materials		
CEMEX Trading, LLC.....	\$ 69,478	61,049
CEMEX Denmark ApS	553	1,045
CEMEX S.A. de C.V.....	–	149
Sunbulk Shipping N.V.	–	108
CEMEX México S.A. de C.V	–	13
	<u>\$ 70,031</u>	<u>62,364</u>
General, administrative and selling expenses		
CEMEX Research Group, AG.....	\$ 67	96
	<u>\$ 67</u>	<u>96</u>
Royalties and technical assistance		
CEMEX Research Group AG.....	\$ 36,117	38,621
CEMEX Central, S.A. de C.V.	22,130	15,802
CEMEX, S.A.B. de C.V.	7,962	7,400
	<u>\$ 66,209</u>	<u>61,823</u>
Financial expense		
Construction Funding Corporation	\$ 30,851	32,527
CEMEX Hungary K.T.F.	27,161	38,055
CEMEX España, S.A.....	4,815	4,735
	<u>\$ 62,827</u>	<u>75,317</u>

As consideration for the services and use, exploitation and enjoyment of CEMEX's trademarks, names and intellectual property assets under the Non Exclusive Use, Exploitation and Enjoyment of Assets License, the Management and Business Support Services Agreement and the License Agreement described elsewhere in these notes, CEMEX Latam Holdings, S.A. has agreed to pay CEMEX (which includes CEMEX, S.A.B. de C.V., CEMEX Research Group, AG and Cemex Central, S.A. de C.V.), consistent with market practice and arms' length principles, a fee equal to 5% of the Company's consolidated net sales. The aforementioned rate of 5% cannot be increased without the Parent Company's independent directors approving such increase during a Board of Directors' meeting.

During the nine-month periods ended September 30, 2014 and 2013 the directors of the Company, which are members of the Board of Directors, in the course of their management responsibilities accrued compensation of approximately \$247 and \$155, respectively. There were no advances or loans between the Company and these administrators and the Company has not provided guarantee on any administrators' obligations. In addition, the Company has not incurred in obligations related to pensions and insurances.

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10) OTHER ACCOUNTS RECEIVABLE

10A) OTHER CURRENT ACCOUNTS RECEIVABLE

Consolidated other accounts receivable as of September 30, 2014 and December 31, 2013 consisted of:

	2014	2013
Non-trade accounts receivable	\$ 15,168	14,844
Restricted cash ⁽¹⁾	5,384	5,666
Loans to employees and others	1,481	538
	<u>\$ 22,033</u>	<u>21,048</u>

(1) Restricted cash refers to guarantee deposits made by CEMEX Colombia in Liberty Seguros, S.A., as well as by CEMEX Panama in Citibank, N.A., to secure a stand-by letter of credit negotiated in connection with the execution of the construction contract in the Panama Canal.

10B) OTHER ASSETS AND NON-CURRENT ACCOUNTS RECEIVABLE

Consolidated balances of other assets and non-current accounts receivable as of September 30, 2014 and December 31, 2013 are detail as follows:

	2014	2013
Loans and notes receivable ⁽¹⁾	\$ 18,863	16,068
Other accounts receivable ⁽¹⁾	2,965	2,072
Guaranty deposits	418	417
Fixed-rate investments and others	62	66
	<u>\$ 22,308</u>	<u>18,623</u>

(1) These line items mainly include: a) a severance fund of CEMEX Panama for securing seniority premium payments as of September 30, 2014 and December 31, 2013 for \$2,189 and \$1,984, respectively; and b) accounts receivable of CEMEX Colombia related with: i) the sale of land of \$3,978 as of December 31, 2013; ii) assets received in payment of receivables without a plan for sale of \$3,568 as of September 30, 2014 and \$3,679 as of December 31, 2013; iii) Carbon Emission Certificates ("CERs") granted by the United Nations to CO₂ emissions' reduction projects of \$1,992 as of September 30, 2014 and \$2,097 as of December 31, 2013; and iv) advance payments for the purchase of fixed assets of \$5,577 as of September 30, 2014 and \$5,938 as of December 31, 2013. Also includes as of September 30, 2014, c) CERs granted to Costa Rica for \$1,057, d) VAT receivable in El Salvador for \$ 1,706, and e) legal deposits in Brazil for \$1,020.

11) INVENTORIES, NET

Consolidated balances of inventories as of September 30, 2014 and December 31, 2013 are summarized as follows:

	2014	2013
Materials	\$ 39,389	42,045
Raw materials	20,385	17,506
Finished goods	17,164	15,775
Work-in-process	20,392	19,406
Inventory in transit	11,648	10,457
Other inventory	189	256
Allowance for obsolescence	(1,651)	(1,762)
	<u>\$ 107,516</u>	<u>103,683</u>

12) OTHER CURRENT ASSETS

As of September 30, 2014 and December 31, 2013 consolidated other current assets consisted of:

	2014	2013
Advanced payments ⁽¹⁾	\$ 18,402	14,290
Assets held for sale ⁽²⁾	2,973	4,937
	<u>\$ 21,375</u>	<u>19,227</u>

(1) As of September 30, 2014 and December 31, 2013, advanced payments included \$17,975 and \$12,211, respectively, associated with advances to suppliers of inventories. In addition included \$4,406 as of September 30, 2014, relating to insurance premiums mainly in Colombia, Panama, Costa Rica and Nicaragua.

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

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13) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of September 30, 2014 and December 31, 2013 the consolidated balances of property, machinery and equipment, net consisted of:

	2014				
	Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at the end of the period	266,215	176,754	748,263	131,845	1,323,077
Accumulated depreciation and depletion	(16,291)	(22,539)	(100,588)	—	(139,418)
Carrying amount at the end of the period \$	249,924	154,215	647,675	131,845	1,183,659

	2013				
	Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
Cost at the end of the period	273,751	179,284	754,396	94,096	1,301,527
Accumulated depreciation and depletion	(10,490)	(12,795)	(72,668)	—	(95,953)
Carrying amount at the end of the period \$	263,261	166,489	681,728	94,096	1,205,574

14) GOODWILL, INTANGIBLE ASSETS AND DEFERRED ASSETS, NET

14A) BALANCES

As of September 30, 2014 and December 31, 2013, consolidated goodwill, intangible assets and deferred assets were summarized as follows:

	2014			2013		
	Cost	Accumulated amortization	Carrying amount	Cost	Accumulated amortization	Carrying amount
Indefinite life intangible assets:						
Goodwill	\$ 1,741,399	—	1,741,399	1,802,149	—	1,802,149
Definite life intangible assets:						
Customer relations	192,250	(43,253)	148,997	189,379	(29,007)	160,372
Extractions rights and licenses	185,543	(11,813)	173,730	197,232	(7,772)	189,460
Industrial property and trademarks	1,772	(619)	1,153	2,456	(683)	1,773
Mining projects	689	(16)	673	528	(12)	516
Other intangibles and deferred assets	925	(100)	825	472	(90)	382
\$	2,122,578	(55,801)	2,066,777	2,192,216	(37,564)	2,154,652

14B) ANALYSIS OF GOODWILL IMPAIRMENT

As of September 30, 2014 and December 31, 2013, goodwill balances allocated by operating segment were as follows:

	2014	2013
Costa Rica	\$ 449,512	482,903
Colombia	385,206	405,528
Panama	344,703	344,703
Nicaragua	238,418	247,279
Guatemala	236,808	231,668
Brazil	71,664	74,980
El Salvador	15,088	15,088
\$	1,741,399	1,802,149

The entity tests their goodwill balances for impairment at least once a year during the last quarter, or earlier when impairment indicators exist, at the level of the group of cash-generating units to which goodwill has been allocated, which are commonly comprised by the operating segments, corresponding to the Company's operations in each country. For the nine-month periods ended September 30, 2014 and 2013, the Company considers that there were no events or indicators leading to the need for the recognition of an impairment loss of goodwill.

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15) FINANCIAL INSTRUMENTS

15A) DEBT

As of September 30, 2014 and December 31, 2013, consolidated debts by type of financial instruments were summarized as follows:

	2014	2013
Banco Industrial S.A. ⁽¹⁾	\$ —	1,000
Leasing Bolívar S.A., DTF ⁽²⁾ anticipated quarterly plus 6.62 basis points ⁽³⁾	5,502	6,855
Leasing de Occidente S.A., DTF ⁽²⁾ anticipated quarterly plus 4.5 basis points ⁽³⁾ ..	3,717	4,671
Leasing Bancolombia S.A., DTF ⁽²⁾ anticipated quarterly plus 4.3 basis points ⁽³⁾ ..	5,006	6,193
Helm Leasing S.A., DTF ⁽²⁾ anticipated quarterly plus 4.85 basis points ⁽³⁾	3,106	3,842
Leasing Bogotá S.A., DTF ⁽²⁾ anticipated quarterly plus 4.65 basis points ⁽³⁾	2,459	3,041
Total	\$ 19,790	25,602
Long-term debt	14,280	18,797
Short-term debt	\$ 5,510	6,805

(1) The loan agreement in Guatemalan quetzals negotiated by CEMEX Guatemala S.A. (previously Global Cement S.A.) was fully repaid in June 2014. The Company incurred interest on this financial obligation of \$83 and \$242 for the nine-month periods ended September 30, 2014 and 2013, respectively.

(2) Average interest rate paid by Colombian financial institutions over fixed-term deposit certificates.

(3) Capital leases with commercial finance companies denominated in Colombian pesos, were documented in lease agreements with maturities of sixty months. CEMEX Colombia, S.A. incurred interest on these financial obligations amounting to \$680 and \$700 for the nine-month periods ended September 30, 2014 and 2013, respectively. The assets acquired through these leases have been placed as guarantee for such leases obligations.

16) OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES AND OTHER NON-CURRENT LIABILITIES

As of September 30, 2014 and December 31, 2013 consolidated other current accounts payable and accrued expenses were as follows:

	2014	2013
Advance payments from customers	\$ 23,649	23,053
Provision for legal claims and other commitments	21,230	24,602
Accrued expenses	13,206	10,146
Other provisions and liabilities	34,586	18,013
Others	518	503
	\$ 93,189	76,317

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

As of September 30, 2014 and December 31, 2013 consolidated other non-current liabilities were as follows:

	2014	2013
Asset retirement obligations ⁽¹⁾	\$ 7,745	8,094
Other provisions and liabilities	4,408	3,627
Deferred income	930	422
	\$ 13,083	12,143

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

17) INCOME TAXES

17A) INCOME TAXES FOR THE PERIOD

The recognition of income taxes is based on the best estimate of the income tax rate expected for the full year, which is applied to the income before income taxes. For the nine-month periods ended as of September 30, 2014 and 2013 the estimated current and deferred income tax expense recognized in the income statements amounted to \$88,593 and \$70,487, respectively.

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17B) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

CEMEX Latam is involved in several ongoing tax proceedings that have not resulted in the recognition of provisions based on the judgment elements available to the Company. However, the Company cannot assure obtaining a favorable resolution. Descriptions of elements of the most significant outstanding proceedings as of September 30, 2014, or resolved during the reported periods, are as follows:

Colombia

- On April 15, 2013, the Colombian Tax Authority issued a notice of formal conclusion in connection with the proceeding related to fiscal year 2010, which means that the year has been closed and the Colombian Tax Authority's window period for further reviews has expired. CEMEX Colombia made a voluntary correction to its income tax return for the fiscal year 2010 that originated a tax payment by CEMEX Colombia of approximately \$5 million.
- On September 13, 2012, CEMEX Colombia received an ordinary request from the Colombian Tax Authority to review its income tax return for the fiscal year 2011 in connection with its amortization of goodwill of Lomas del Tempisque S.R.L., which was considered tax deductible by CEMEX Colombia in its income tax return for the fiscal year 2011. On October 5, 2012, CEMEX Colombia responded to the ordinary request rejecting the arguments of the proceeding and requesting the dismissal of the case. On August 9, 2013, the Colombian Tax Authority informed CEMEX Colombia regarding its faculty and intention to review the income tax return that was under audit. Concurrently, on June 28, 2013, CEMEX Colombia requested a restatement project increasing its income tax credit, which was formally accepted on September 6, 2013.
- On April 1, 2011, CEMEX Colombia was notified of a special proceeding (*procedimiento especial*) pursuant to which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its tax return for the fiscal year 2009. The Colombian Tax Authority assessed an increase in the income tax payable by CEMEX Colombia in the amount of approximately \$44 million and imposed a penalty in the amount of approximately \$71 million. The Colombian Tax Authority argues that certain expenses are not tax deductible considering that such expenses are not related to direct revenues recorded in the same fiscal year, without taking into consideration that future revenue will be taxed with income tax in Colombia. CEMEX Colombia responded to the special proceeding on September 25, 2011. On December 15, 2011, the Colombian Tax Authority issued its final determination, which confirmed the information in the special proceeding. CEMEX Colombia appealed the final determination on February 15, 2012. On January 17, 2013, CEMEX Colombia was notified of the resolution confirming the official liquidation. On May 10, 2013, CEMEX Colombia presented a proceeding before the Administrative Tribunal of Cundinamarca requesting the nullity of the resolution and a restatement of rights, motion which was admitted on June 21, 2013. In addition, this request was electronically notified on July 3, 2013 to the Colombian Tax Authority, the National Legal Agency (*Agencia Nacional del Derecho*) and the Public Prosecutor. On December 5, 2013, CEMEX Colombia was notified of the date for the initial hearing held on February 18, 2014. On February 18 and March 11, 2014, the initial hearings were held without any resolution as of the financial statements' date. On July 14, 2014, CEMEX Colombia was notified about an adverse resolution to its appeal filed on May 10, 2013, which confirms the official liquidation notified by the Colombian Tax Authorities to CEMEX Colombia on January 17, 2013. On July 22, 2014, CEMEX Colombia filed an appeal against this resolution before the Colombian State Council (*Consejo de Estado*). At this stage, the Company cannot assess the possibility of an unfavorable ruling, however should it occur, it could result in an adverse material impact on the Company's results.
- On November 10, 2010, the Colombian Tax Authority notified CEMEX Colombia of a proceeding in which the Colombian Tax Authority rejected certain tax losses taken by CEMEX Colombia in its tax return for the fiscal year 2008. The Colombian Tax Authority assessed an increase in taxes to be paid by CEMEX Colombia in the amount of approximately \$21 million and imposed a penalty in the amount of approximately \$34 million. The Colombian Tax Authority argues that CEMEX Colombia was limited in its use of prior year tax losses to 25% of such losses per subsequent year. CEMEX Colombia believes that the tax provision that limits the use of prior year tax losses does not apply in the case of CEMEX Colombia because the income tax law applied by the Colombian Tax Authority was repealed in 2006. Furthermore, CEMEX believes that the Colombian Tax Authority is no longer able to review the 2008 tax return because the time to review such return has already expired pursuant to Colombian law. The Colombian Tax Authority notified a resolution on July 27, 2011, which confirmed its position in the proceeding. The resolution was appealed by CEMEX on September 27, 2011. On July 31, 2012, the Colombian Tax Authority notified CEMEX Colombia of the resolution confirming the official liquidation. On November 16, 2012, CEMEX Colombia appealed the official assessment. On September 27, 2013, CEMEX Colombia reached a settlement agreement with the Colombian Tax Authority pursuant to the payment on the same date of the purported amount of income taxes due and requested the nullification of interest and penalties. On September 16, 2013, CEMEX Colombia received the final resolution concluding the 2008 fiscal year proceeding.

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- During the periods from 2005 to 2012, CEMEX Colombia filed legal proceedings related to the payment of the industry and commerce tax (*impuesto de industria y comercio*) in the municipality of San Luis. Although the municipality argues that such tax is due as a result of industrial activities in such jurisdiction, CEMEX Colombia considers that its activities in the municipality of San Luis are strictly mining activities and as such CEMEX Colombia pays royalties for mineral extraction in such jurisdiction based on the legislation that bans the municipalities from collecting the industry and commerce tax when the amount payable for royalties is equal or higher than such tax. The disputed amount of the proceedings is of approximately \$18 million from which approximately \$7 million relates to tax due and \$11 million to penalties. On July 18, 2013, a final instance resolution was issued by the Colombian State Council (*Consejo de Estado*) in favor of CEMEX Colombia with respect to the industry and commerce tax process for the fiscal year 1999. On December 3, 2013, a first instance resolution was issued rejecting the municipality of San Luis' arguments in connection with the industry and commerce tax process for the years 2009 and 2010. On December 13, 2013, the municipality of San Luis appealed such resolution. On February 10, 2014, the municipality of San Luis, with the same arguments mentioned in the above processes, issued a special request for the fiscal year 2011 which was notified to CEMEX Colombia on March 28, 2014. The disputed amount is of approximately \$1 million of taxes due and a penalty of approximately \$2 million. On May 5, 2014, CEMEX Colombia filed an appeal against this request, which remains unanswered as of the date of the financial statements.

In connection with the legal proceedings with the municipality of San Luis described in the paragraph above, on May 15, 2014, CEMEX Colombia was notified of the first instance resolution issued by the Administrative Court of Tolima, in which it ruled against CEMEX Colombia in the proceedings relating to the payment of the industry and commerce tax for the fiscal years 2006 and 2007. The requested amount is of approximately \$1 million in tax due and a penalty of approximately \$2 million. On May 28, 2014, CEMEX Colombia filed an appeal against this resolution before the Colombian State Council (*Consejo de Estado*). At this stage, CEMEX Colombia considers that it is not probable that payments will have to be made with respect to this matter.

Costa Rica

- In January 2011, the General Tax Office of Costa Rica (*Dirección General de Impuestos* or the "Tax General Tax Office") notified CEMEX (Costa Rica), S.A. ("CEMEX Costa Rica") of an audit to the 2008 fiscal year, which included income, withholding and sales taxes for such year. On August 9, 2013, the General Tax Office issued a proposal for interim normalization in the amount of \$8 million, including tax, interest and penalties. On August 23, 2013, CEMEX Costa Rica filed its response rejecting the proposal, arguing prescription and denying the proposed adjustments considering that CEMEX Costa Rica reported in accordance with the applicable tax regulations. On September 30, 2013, CEMEX Costa Rica was notified of a resolution whereby the General Tax Office dismissed the arguments presented by CEMEX Costa Rica and confirmed the proposal for interim normalization. On November 7, 2013, CEMEX Costa Rica filed an appeal to such resolution, which should had to be resolved by the General Tax Office in a period of 3 months. This term is not limitative, which represents that the General Tax Office may extend the deadline without further consequence, except for the suspension of interest accrued on the principal. On September 24, 2014, the General Tax Office notified CEMEX Costa Rica annulment of the customary liquidation procedure and the legal proceedings previously issued, considering a constitutional challenge accepted by the Costa Rica Constitutional Court (the "Constitutional Court") against an article in the tax regulation which served as the basis for issuing the customary liquidation procedure. Nonetheless, in the same date, the General Tax Office notified again new customary liquidation procedures and legal proceedings adjusted to the legal requirements included in the new code of tax procedures. After the General Tax Office notified the new customary liquidation procedures, the Constitutional Court clarified that the General Tax Office should not issue new customary liquidation procedures until the Constitutional Court rules in respect of the constitutionality of the article in the tax regulation.

18) STOCKHOLDERS' EQUITY

18A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of September 30, 2014 and December 31, 2013, the line item common stock and additional paid-in capital was detailed as follows:

	2014			2013		
	Authorized	Treasury shares	Total	Authorized	Treasury shares	Total
Common stock	\$ 718,124	—	718,124	718,124	—	718,124
Additional paid-in capital	894,701	(149,971)	744,730	894,701	(150,012)	744,689
	\$ 1,612,825	(149,971)	1,462,854	1,612,825	(150,012)	1,462,813

Additional paid-in capital includes the costs incurred in the additional offer of November, 2012 totaling \$37,261.

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As of September 30, 2014 and December 31, 2013, the Parent Company's subscribed and paid shares by owner were as follows:

Shares	2014	2013
Owned by CEMEX España.....	407,890,342	407,890,342
Owned by third-party investors	148,170,078	148,164,000
Subscribed and paid shares	<u>556,060,420</u>	<u>556,054,342</u>

As of September 30, 2014, and December 31, 2013, the Parent Company's common stock was represented by 578,278,342 ordinary shares with a nominal value of 1 euro per share. The number of subscribed and paid shares of CEMEX Latam Holdings, S.A. presented in the table above excludes 22,217,922 and 22,224,000 shares held in the Company's treasury (treasury shares), respectively.

As mentioned in note 1, as of September 30, 2014, CEMEX España, S.A. owns approximately 73.35% of the ordinary shares of the Parent Company, excluding shares held in treasury.

18B) OTHER EQUITY RESERVES

As of September 30, 2014 and December 31, 2013 the balances of other equity reserves are summarized as follows:

	2014	2013
Reorganization of entities under common control ⁽¹⁾	\$ (327,840)	(327,840)
Currency translation of foreign subsidiaries ⁽²⁾	(260,850)	(176,876)
Share-based payments.....	4,819	3,477
Other items	27,418	27,418
	<u>\$ (556,453)</u>	<u>(473,821)</u>

(1) Effect resulting from the difference between the compensation amount determined in the reorganization of entities, effective as of July 1, 2012 by means of which the Parent Company acquired its consolidated subsidiaries (note 22), and the value of the incorporated net assets.

(2) Represents the cumulative translation effects of foreign subsidiaries generated in the period, and which are included in the condensed consolidated statements of comprehensive income (loss) for the period.

As of September 30, 2014 and December 31, 2013, other equity reserves included increases related to the executives' stock-based compensation programs in shares of both, CEMEX and the Parent Company (note 18D), which costs are recognized during the vesting period in the operating results of each subsidiary against other equity reserves.

18C) NON-CONTROLLING INTEREST

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated entities. As of September 30, 2014 and December 31, 2013, non-controlling interest in equity amounted to approximately \$6,256 and \$14,989, respectively.

18D) EXECUTIVE STOCK-BASED COMPENSATION

Based on IFRS 2, *Share-based payments* ("IFRS 2"), share-based instruments granted to executives are defined as equity instruments, considering that the services received from employees are settled by delivering shares. The cost of equity instruments represents the estimated fair value of the underlying shares at the grant date of the plan and is recognized in the income statement during the period in which the employees render the services and the exercise rights become vested.

As of September 30, 2014 and December 31, 2013, some executives of the Company participated in the long-term stock-based compensation program granted by CEMEX S.A.B. de C.V. ("CEMEX"), pursuant to which new CEMEX's Ordinary Participation Certificates ("CPOs") are issued under each annual program over a 4 year service period.

In addition, on January 16, 2013, the Parent Company's Board of Directors, considering the positive report of the Board's Nominating and Compensation Commission, approved, effective January 1, 2013, a long-term incentives plan for certain executives of CEMEX Latam subsidiaries, which consists of an annual compensation plan based on the Parent Company's shares. The costs associated with this long-term incentives plan are being recognized in the operating results of the subsidiaries of CEMEX Latam Holdings, S.A. in which the executives subject to the benefits of such plan render their services. The underlying shares in the aforementioned long-term incentives plan, which are held in the Parent Company's treasury, will be delivered fully vested under each annual program over a service period of 4 years.

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During the nine-month period ended as of September 30, 2014, the Parent Company performed a first delivery of shares to certain executives subject to the long-term incentives plan due to their termination of employment with the Company. The delivery of shares described above generated an increase in additional paid-in capital of \$41 as a result of the decrease in treasury shares, which were delivered to such executives.

The rest of the executives subject to the benefits of such plan will receive the first 25% of the 2013 plan during the last quarter of 2014, according to the plan's ordinary schedule.

18E) RETAINED EARNINGS

According to the Stock Corporations Law in Spain (*Ley de Sociedades de Capital* or "LSC"), the Parent Company should allocate 10% of its net income as determined on an individual basis, to create a legal reserve until such reserve reaches, at least, an amount equivalent to 20% of common stock. As of September 30, 2014 the Parent Company's legal reserve amounts to \$3,738.

19) EARNINGS PER SHARE

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

The amounts considered for calculations of earnings per share ("EPS") for the nine-month periods ended September 30, 2014 and 2013 were as follows:

Denominator (thousands of shares)	2014	2013
Weighted average number of shares outstanding	\$ 556,060	556,054
Potentially dilutive shares for shared-based payments	399	209
Weighted average number of shares outstanding – Basic EPS.....	556,459	556,263
Numerator		
Consolidated net income	\$ 209,804	238,568
Less: non-controlling interest net income.....	(851)	(887)
Controlling interest net income.....	\$ 208,953	237,681
Controlling Interest Basic Earnings Per Share.....	\$ 0.38	0.43
Controlling Interest Diluted Earnings Per Share	\$ 0.38	0.43

20) COMMITMENTS FOR THE PURCHASE OF RAW MATERIALS AND SUPPLIES

As of September 30, 2014, the Company had commitments for the purchase of raw materials and supplies for approximately \$296,162.

21) LEGAL PROCEEDINGS

21A) PROVISIONS RESULTING FROM LEGAL PROCEEDINGS

CEMEX Latam is subject to different significant legal proceedings, other than tax-related proceedings which are described in note 17B, the resolutions of which are considered probable and involve cash outflows or the delivery of other resources owned by CEMEX Latam. Therefore, certain provisions have been recorded in the financial statements, representing the best estimate of the expected payments. Therefore, CEMEX Latam considers that there will not be significant payments in excess of the amounts already recognized.

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As of September 30, 2014, the only significant process considered individually is as follows:

- In 1999, several entities belonging to the Laserna family filed a civil responsibility suit against CEMEX Colombia, through which compensation is sought for alleged damages caused to their land with effects on costs and lower performance of their rice crops as a result of purported solid pollutants released by CEMEX Colombia's "Buenos Aires" and "Caracolito" cement producing plants located in the department of Tolima. In January 2004, the Fourth Civil Circuit Court of Ibagué sentenced CEMEX Colombia to pay an amount equivalent to approximately \$12 million in favor of the plaintiffs. CEMEX Colombia appealed such resolution. After further review, on September 10, 2010 the Superior Court of Ibagué, revoked in full such sentence, accepting the defense arguments of CEMEX Colombia. As of September 30, 2014, the proceeding is in the Supreme Court of Justice, where a new recourse filed by the plaintiffs is being reviewed.

21B) OTHER CONTINGENCIES FROM LEGAL PROCEEDINGS

CEMEX Latam is involved in various legal proceedings, in addition to those related in tax matters (note 17B), which based on the available judgment elements have not required the recognition of accruals. Nonetheless, the Company cannot assure that favorable resolutions will be obtained. As of September 30, 2014, the details of the most significant proceedings with a quantification of the disputed amount were as follows:

Antitrust Proceedings

- On September 5, 2013, CEMEX Colombia was notified of a resolution dated August 21, 2013, issued by the Colombian Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio* or "SIC"), pursuant to which the SIC initiated an investigation and issued a statement of charges against five cement companies and fourteen directors of these companies, including CEMEX Colombia, for alleged practices against free competition. On October 7, 2013, CEMEX Colombia answered the statement of charges and submitted evidence in its relief. The investigated parties are accused of allegedly breaching regulations which prohibits any kind of practice, procedure or system designed to limit free competition and determining or maintaining unfair prices; any agreements designed to directly or indirectly fix prices; and any market sharing agreements between producers or between distributors. Additionally, the fourteen executives, including a former legal representative and the current President of CEMEX Colombia, are being investigated for allegedly breaching regulations 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, the following penalties according to law may be imposed against CEMEX Colombia: (i) a penalty of approximately \$30 million for each violation and to each company being declared in breach of the competition rules; and (ii) a penalty of approximately \$1 million against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. At this stage of the investigations, the Company is not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on the Company's operating results, liquidity and financial position.

Environmental Matters

- On June 5, 2010, the District Environmental Secretary of Bogotá (*Secretaría Distrital de Ambiente de Bogotá*, or the "Environmental Secretary"), issued a temporary injunction suspending all mining activities at CEMEX Colombia's El Tunjuelo quarry, located in Bogotá, Colombia. As part of the temporary injunction, Holcim Colombia and Fundación San Antonio (local aggregates producers which also have mining activities located in the same area as the El Tunjuelo quarry) were also ordered to suspend mining activities in that area. The Environmental Secretary alleged that during the past 60 years, CEMEX Colombia and the other companies illegally changed the course of the Tunjuelo River, used the percolating waters without permission and improperly used the edge of the river for mining activities. In connection with the temporary injunction, on June 5, 2010, CEMEX Colombia received a formal notification from the Environmental Secretary informing it of the initiation of proceedings to impose fines against CEMEX Colombia. CEMEX Colombia has requested that the temporary injunction be revoked, arguing that its mining activities are supported by all authorizations required pursuant to the applicable environmental laws and that all the environmental impact statements submitted by CEMEX Colombia have been reviewed and authorized by the Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible de Colombia*). On June 11, 2010, the local authorities in Bogotá, by requirement of the Environmental Secretary's resolution, sealed off the access of the mine to machinery and prohibited the extraction of CEMEX Colombia's aggregates inventory. Although there is not an official quantification of the possible fine, the Environmental Secretary has publicly declared that the fine could be equivalent to approximately \$148 million. As of September 30, 2014, the temporary injunction has not affected the production and supply of ready-mix concrete to any of the Company's clients in Colombia. At this stage, as of September 30, 2014, CEMEX Colombia is not able to assess the likelihood of an adverse result, but if adversely resolved, it could have a material adverse impact on the Company's operating results, liquidity and financial position.

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- In the ordinary course of business, the Company is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which the Company operates. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, waste water discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination. These laws and regulations expose CEMEX Latam to the risk of significant environmental costs and liabilities, including liabilities associated with divested assets and past activities, and in certain cases, even to the activities or omissions of former owners or operators of a property or plant. Moreover, in some jurisdictions, certain environmental laws and regulations impose responsibility without considering the fault or the lawfulness of the activity that originated the responsibility.

Other Legal Proceedings

- Construction related claims in Colombia. On August 5, 2005, the Urban Development Institute (*Instituto de Desarrollo Urbano* or "UDI") jointly with an individual, filed a lawsuit in the Fourth Anti-Corruption Court of Bogotá (*Fiscalía Cuarta Anticorrupción de Bogotá*) against a subsidiary of CEMEX Colombia claiming that it was liable, along with the other members of the Colombian Concrete Producers Association (*Asociación Colombiana de Productores de Concreto* or "ASOCRETO"), an association formed by the ready-mix concrete producers in Colombia, for the premature distress of the concrete slabs of the *Autopista Norte* trunk line of Transmilenio, Bogotá's bus rapid transit system, in which ready-mix concrete and flowable fill supplied by CEMEX Colombia and other ASOCRETO members was used. The plaintiffs alleged that the base material supplied for the road construction failed to meet the quality standards offered by CEMEX Colombia and the other ASOCRETO members and/or that they provided insufficient or inaccurate information in connection with the product. The plaintiffs were seeking the repair of the concrete slabs in a manner which guarantees their service during the 20-year period for which they were originally designed, and estimated that the cost of such repair would be equivalent to approximately \$49 million as of September 30, 2014. The lawsuit was filed within the context of a criminal investigation against a former director and two officers of the UDI, the contractor, the inspector and two ASOCRETO officers. On January 21, 2008, a court issued an order, sequestering the El Tunjuelo quarry, as security for payment of a possible future money judgment against CEMEX Colombia. The court determined that in order to lift this attachment and prevent further attachments, CEMEX Colombia was required to deposit an amount equivalent to approximately \$167 million instead of posting a deposit to secure such contingency. CEMEX Colombia appealed this decision and the Superior Court of Bogotá (*Tribunal Superior de Bogotá*) allowed CEMEX Colombia to present a security for an amount equivalent to approximately \$10 million. CEMEX Colombia posted the aforementioned security and, on July 27, 2009, the court lifted the attachment on the quarry. On October 10, 2012, the court issued a first instance resolution pursuant to which the accusation made against the ASOCRETO officers was nullified; nonetheless, the resolution convicted the former UDI director, the contractor's legal representatives and the inspector to a prison term of 85 months and a fine equivalent to approximately \$16. As a result of the nullification, the judge ordered to restart the proceeding against the ASOCRETO officers.

In connection with the paragraph above, the UDI and other parties to the legal proceeding appealed the first instance resolution and, on August 30, 2013, the Superior Court of Bogotá resolved to: a) reduce the prison term imposed to the former UDI director and the UDI officers to 60 months and imposed a fine equivalent to approximately \$4; b) sentenced the UDI officers to jointly pay the amount of \$53 million for the purported damages; c) revoked the penalty imposed to the contractor's legal representatives and the inspector considering that the criminal action against them had elapsed; and d) revoked the annulment in favor of the ASOCRETO officers and ordered the first instance judge to issue a resolution regarding the ASOCRETO officers' liability or lack thereof. In addition, six legal proceedings related to the aforementioned premature distress of the concrete slabs were brought against CEMEX Colombia. The Cundinamarca Administrative Court (*Tribunal Administrativo de Cundinamarca*) nullified five of these proceedings and currently only one remains outstanding. On June 25, 2014, an instance of the Supreme Justice Court of Colombia dismissed the cassation claims filed by the former UDI director and the other UDI officers. This dismissal resolution does not affect any of CEMEX Colombia's interests, considering that the Supreme Court of Bogotá had resolved the breakup of the unit of procedure, and to date, no proceeding has been issued involving CEMEX Colombia or the ASOCRETO officers.

In addition, the UDI filed another proceeding alleging that CEMEX Colombia made misleading advertisements on the characteristics of the flowable fill used in the construction of the slabs. CEMEX Colombia participated in this project solely and exclusively as supplier of the ready-mix concrete and flowable fill, which were delivered and received to the satisfaction of the contractor, complying with all the required technical specifications. CEMEX Colombia did not participated in or had any responsibility on the design, sourcing of materials or their corresponding technical specifications or construction. CEMEX Colombia denies committing any violation or illegal conduct relating to the above; nonetheless, CEMEX Colombia cannot assure obtaining a favorable result.

At this stage, as of September 30, 2014, CEMEX Colombia is not able to assess the likelihood of an adverse result in the aforementioned proceedings, but if adversely resolved, it could have a material adverse impact on the Company's operating results, liquidity and financial position.

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- **Panamanian Height Restriction Litigation.** On July 30, 2008, the Panamanian Authority of Civil Aeronautics (Autoridad de Aeronáutica Civil or AAC), denied a request from our subsidiary Cemento Bayano S.A. ("Cemento Bayano") to erect structures above the permitted height restriction applicable to certain areas surrounding the Calzada Larga Airport. This height restriction was set according to applicable legal regulations and reaches the construction area of cement plant's second line. Cemento Bayano has formally requested the above-mentioned authority to reconsider its denial. On October 14, 2008, the AAC granted permission for the construction of the tallest building of the second line, under the following conditions: that (a) Cemento Bayano assumes any liability arising from any incident or accident caused by the construction of such building; and (b) there would be no further permission for additional structures. Cemento Bayano filed an appeal with respect to both conditions considering that the construction involved building 12 additional structures. On March 13, 2009, the AAC issued an explanatory note stating that (a) should an accident occur in the Calzada Larga Airport's perimeter, an investigation shall be conducted in order to determine the cause and further responsibility; and (b) there will be no further permission for additional structures of the same height as the tallest structure was already authorized. Therefore, additional permits may be obtained as long as the structures are lower than the tallest building, on a case-by-case analysis to be conducted by the authority. Cemento Bayano filed an authorization request for the construction of the project's 12 remaining structures.

In connection with the paragraph above, on June 11, 2009, the AAC issued a resolution authorizing 3 of the 12 remaining structures and denying permits for 9 additional structures above the permitted height restriction applicable to certain areas surrounding Calzada Larga Airport. On June 16, 2009, Cemento Bayano requested the above-mentioned authority to reconsider its denial. On May 20, 2010, the AAC issued a report stating that all vertical structures erected by Cemento Bayano complied with the applicable signaling and lighting requirements in order to receive the respective authorization, nonetheless, as of September 30, 2014, the AAC had not yet issued a ruling pursuant to our request for reconsideration for the 9 remaining structures and, therefore, we continue to monitor our request. At this stage, we are not able to determine if the AAC will issue a favorable decision to our request for reconsideration or if such denial would have a material adverse impact on our results of operations, liquidity and financial condition. We are also not able to assess the likelihood of any incident or accident occurring as a result of the construction of the second line of our cement plant and the responsibility, if any, that would be allocated to Cemento Bayano, but if any major incident or accident were to occur and if Cemento Bayano were to be held liable, any responsibility that is formally allocated to Cemento Bayano could have a material adverse impact on our results of operations, liquidity and financial position.

22) MAIN SUBSIDIARIES

The main direct and indirect subsidiaries of the Parent Company as of September 30, 2014 and December 31, 2013 are as follows:

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

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

(2) Effective May 27, 2013, Global Cement, S.A., located in Guatemala, changed its legal name to CEMEX Guatemala, S.A.

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23) SUBSEQUENT EVENTS

In connection with the tax procedure in Costa Rica described in note 17B, on October 10, 2014, the General Tax Office notified CEMEX Costa Rica on the annulment of the new (and last) customary liquidation procedures and the corresponding sanctioning resolution. In addition, CEMEX Costa Rica was notified on the suspension of the resolution, arguing that the Constitutional Court admitted an unconstitutionality challenge from a third party against the payment obligation or guarantee during a tax procedure, prior to the defense process, which is included in the new code for tax procedures, suspending accordingly its application until the Constitutional Court rules on the matter. Considering the aforementioned, the General Tax Office cannot issue new customary liquidation procedures, nor sanctioning resolutions until the Constitutional Court resolves the action of unconstitutionality. Therefore, the tax proceeding initiated against CEMEX Costa Rica was canceled and the customary liquidation procedure was suspended, which means that at this time there are no customary liquidation procedures outstanding in respect to the audit made to fiscal year 2008 against CEMEX Costa Rica.

