

CEMEX LATAM HOLDINGS, S.A.

December 31, 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

CEMEX LATAM HOLDINGS, S.A.  
Balance Sheets  
December 31, 2016 and 2015  
(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Assets	Note	2016	2015
<b>Non-current investments in Group companies and associates</b>			
Equity instruments	<b>7 and 13 (a)</b>	1,763,229	1,631,366
Other financial assets		3	-
<b>Total non-current assets</b>		<b>1,763,232</b>	<b>1,631,366</b>
<b>Trade and other receivables</b>			
Trade receivables from Group companies and associates	<b>8 and 13 (a)</b>	76,855	19,542
Personnel		23	60
Public entities, other	<b>12</b>	657	521
<b>Prepayments for current assets</b>			
		<b>14</b>	<b>31</b>
<b>Cash and cash equivalents</b>			
Cash		908	618
<b>Total current assets</b>		<b>78,457</b>	<b>20,772</b>
<b>Total assets</b>		<b>1,841,689</b>	<b>1,652,138</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Registered capital		578,278	578,278
Share premium		728,266	728,266
Treasury shares and equity holdings		(110,614)	(112,002)
Reserves		92,104	53,373
Profit for the year		68,579	40,116
Translation differences		253,775	201,000
<b>Total equity</b>	<b>9</b>	<b>1,610,388</b>	<b>1,489,031</b>
<b>Group companies and associates, non-current</b>			
	<b>10 and 13 (a)</b>	<b>193,672</b>	<b>129,316</b>
<b>Total non-current liabilities</b>		<b>193,672</b>	<b>129,316</b>
<b>Group companies and associates, current</b>			
	<b>10 and 13 (a)</b>	<b>28,443</b>	<b>27,532</b>
<b>Trade and other payables</b>			
Other payables	<b>10</b>	653	646
Payables, Group companies and associates	<b>10 and 13 (a)</b>	6,383	10
Personnel	<b>10</b>	208	107
Current tax liabilities	<b>12</b>	1,679	5,203
Public entities, other	<b>12</b>	263	293
<b>Total current liabilities</b>		<b>37,629</b>	<b>33,791</b>
<b>Total equity and liabilities</b>		<b>1,841,689</b>	<b>1,652,138</b>

The accompanying notes form an integral part of the annual accounts for 2016.

## CEMEX LATAM HOLDINGS, S.A.

Income Statements  
for the years ended  
December 31, 2016 and 2015

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>CONTINUING OPERATIONS</b>			
Revenues	<b>13 (b) and 14 (a)</b>	120,757	127,008
Personnel expenses	<b>14 (b)</b>	<u>(2,578)</u>	<u>(2,644)</u>
Salaries, wages and similar costs		(2,174)	(2,094)
Employee benefits expense		(404)	(550)
Other operating expenses		<u>(61,155)</u>	<u>(66,289)</u>
External services		(1,552)	(1,303)
Other operating expenses	<b>14 (c)</b>	(59,603)	(64,986)
<b>Results from operating activities</b>		<b><u>57,024</u></b>	<b><u>58,078</u></b>
Finance costs	<b>10</b>	<u>(12,538)</u>	<u>(9,134)</u>
Group companies and associates	<b>13 (b)</b>	(12,535)	(9,131)
Other		(3)	(3)
Exchange gains		27	44
Impairment and gains/(losses) on disposal of financial instruments	<b>7</b>	<u>43,170</u>	<u>-</u>
Gains on disposal and other		43,170	-
<b>Net finance (cost)/income</b>		<b><u>30,659</u></b>	<b><u>(9,090)</u></b>
<b>Profit before tax</b>		<b><u>87,683</u></b>	<b><u>48,985</u></b>
Income taxes	<b>12</b>	(19,104)	(8,869)
<b>Profit for the year</b>		<b><u>68,579</u></b>	<b><u>40,116</u></b>

The accompanying notes form an integral part of the annual accounts for 2016.

## CEMEX LATAM HOLDINGS, S.A.

Statements of Changes in Equity  
for the years ended  
December 31, 2016 and 2015

## A) Statements of Recognized Income and Expense

(Expressed in thousands of Euros)

	<u>2016</u>	<u>2015</u>
Profit for the year	<u>68,579</u>	<u>40,116</u>
Income and expense recognized directly in equity		
Translation differences	<u>52,775</u>	<u>148,781</u>
Total income and expense recognized directly in equity	<u>52,775</u>	<u>148,781</u>
Total recognized income and expense	<u><b>121,354</b></u>	<u><b>188,897</b></u>

## CEMEX LATAM HOLDINGS, S.A.

Statements of Changes in Equity  
for the years ended  
December 31, 2016 and 2015

## B) Statements of Total Changes in Equity

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	<u>Registered capital</u>	<u>Share premium</u>	<u>Reserves</u>	<u>Profit for the year</u>	<u>Translation differences</u>	<u>Treasury shares and equity holdings</u>	<u>Total</u>
Balances at December 31, 2014	578,278	728,266	17,521	37,065	52,219	(113,243)	1,300,106
Recognized income and expense	-	-	-	40,116	148,781	-	188,897
Transactions with shareholders or owners							
Distribution of profit for 2014	-	-	37,065	(37,065)	-	-	-
Other movements	-	-	(1,213)	-	-	1,241	28
Balances at December 31, 2015	<u>578,278</u>	<u>728,266</u>	<u>53,373</u>	<u>40,116</u>	<u>201,000</u>	<u>(112,002)</u>	<u>1,489,031</u>
Recognized income and expense	-	-	-	68,579	52,775	-	121,354
Transactions with shareholders or owners							
Distribution of profit for 2015	-	-	40,116	(40,116)	-	-	-
Other movements	-	-	(1,385)	-	-	1,388	3
Balances at December 31, 2016	<u>578,278</u>	<u>728,266</u>	<u>92,104</u>	<u>68,579</u>	<u>253,775</u>	<u>(110,614)</u>	<u>1,610,388</u>

The accompanying notes form an integral part of the annual accounts for 2016.

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

	<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		<b>26,684</b>	<b>19,167</b>
Profit for the year before tax		87,683	48,985
Adjustments for:		(30,656)	9,118
Finance costs	10	12,538	9,134
Profit on disposals of financial instruments		(43,170)	-
Exchange (gains)/losses		(27)	(44)
Other income and expenses		3	28
Changes in operating assets and liabilities		(18,215)	(33,034)
Trade and other receivables		(21,142)	(29,266)
Trade and other payables		2,856	(3,878)
Other current liabilities		71	110
Other cash flows used in operating activities		(12,128)	(5,902)
Interest paid		(4,885)	(6,598)
Income tax received/(paid)		(7,243)	696
<b>Cash flows used in investing activities</b>		<b>(75,135)</b>	<b>(39,206)</b>
Payments for investments		(75,135)	(39,206)
Group companies and associates	7	(75,135)	(39,206)
<b>Cash flows from financing activities</b>		<b>49,716</b>	<b>19,996</b>
Proceeds from financial liability instruments		101,181	105,421
Group companies and associates		101,181	105,421
Redemption and repayment of			
Group companies and associates		(51,465)	(85,425)
<b>Effect of exchange rate fluctuations</b>		<b>(975)</b>	<b>67</b>
<b>Net increase in cash and cash equivalents</b>		<b>290</b>	<b>24</b>
Cash and cash equivalents at beginning of year		618	594
Cash and cash equivalents at year end		908	618

The accompanying notes form an integral part of the annual accounts for 2016.

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) Nature and Activities of the Company

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

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

Without prejudice to the foregoing, the Company’s statutory activity also includes the following activities:

- Provision of technical assistance, business management services and support to Group companies;
- Research and development in the field of building materials.
- Manufacture, production, purchase, sale, distribution, transport, marketing, import and export of cement, aggregates, concrete, mortar and other building materials, any other product or activity related, directly or indirectly, to the cement and building materials industry, and the exploration and operation of mines;
- Management of all manner of sub-products and/or waste, in the broadest meaning, including the collection, transport by road, selection, recovery, commercialization, treatment, transformation into fuel or raw materials, and elimination; and

At December 31, 2016, the first two activities described above are performed directly by the Company, whereas the activities stated in the last two points are carried out through its subsidiaries.

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

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

As explained in note 7, the Company has investments in subsidiaries and associates, and is the parent of a group of companies located in Colombia, Panama, Costa Rica, Nicaragua, Guatemala, El Salvador and Brazil (hereinafter “**the Group**” or “**the Cemex Latam Group**”), engaged mainly in the manufacture of cement, concrete and mortar, the extraction of aggregates, and the sale and distribution of the products extracted and manufactured. For the purposes of clarification, (i) the definition provided in this document for the terms “*Group*” and “*Cemex Latam Group*” is not contained in the provisions of Title VII, Chapter VI of Income Tax Law 27/2014 of November 27, 2014 on consolidated tax groups, and (ii) although the Company is the parent of a group of companies as defined under legislation in force, and therefore obliged to file consolidated annual accounts, it does not prepare consolidated annual accounts in Spain because it is the parent of a group which forms part of a Spanish group headed by Cemex España, S.A. (hereinafter “**the Cemex España Group**” or “**Cemex España**”) which presents consolidated annual accounts pursuant to article 43.2 of the Spanish Code of Commerce. Cemex España’s registered office is located at Calle Hernández de Tejada, 1, Madrid. Cemex España’s consolidated annual accounts will be filed at the Madrid Mercantile Registry.

As stated in section c) below, the Company's shares were admitted to trading on the Colombian Stock Exchange (“**BVC**”) on November 16, 2012. Being a Spanish company, Cemex Latam is governed by the Spanish Companies Act, as well as its Bylaws, the Regulations of the General Shareholders’ Meeting, the Regulations of the Board of Directors and other rules approved by the Company’s internal governing bodies. As a Spanish company listed on the BVC and not in Spain, Cemex Latam is not subject to Spanish corporate governance legislation applicable to corporations listed on Spanish stock markets, neither is it governed by similar provisions of best practice regulations applicable to Colombian issuers whose shares are listed on the BVC. However, Cemex Latam opted to voluntarily comply with the best practice stipulations contained in the former Unified Code of Good Governance and has decided to comply with the equivalent practices set forth in the Good Governance Code of Listed Companies published on February 24, 2015. It also complies with the best practice provisions applicable to Colombian issuers as set out in the new Country Code published in the Colombian securities market regulator’s External Circular 028 of 2014. Since being admitted to trading, Cemex Latam has a good corporate governance system adapted to these best practices, as well as international best practices.

Lastly, the Company is part of the CEMEX Group (hereinafter “**Cemex Group**”), of which the ultimate parent is CEMEX, S.A.B. de C.V. (hereinafter “**Cemex**”), which is domiciled in Monterrey (Mexico) and listed on the Mexican Stock Exchange (BMV) and the New York Stock Exchange (NYSE).

(Continued)



## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(a) Relevant event and changes in management and corporate governance

During 2016, Cemex Colombia, an indirect subsidiary of the Company, received reports via its anonymous hotline of possible deficiencies in the purchase of the land for the construction of the new cement plant in the town of Maceo (Antioquia), Colombia. In line with its corporate government policy and code of ethics the Company immediately started an internal audit and detected the irregularities. As a result of this process on September 23, 2016 Cemex Colombia decided to immediately terminate the labor relationship with two executives involved in this transaction: Mr. Edgar Ramírez, Vice-President of Planning of the Cemex Latam Group and Cemex Colombia, S.A. and Mr. Camilo González, Legal Affairs Director of the Cemex Latam Group and Cemex Colombia. Furthermore, Mr. Carlos Jacks, CEO of the Cemex Latam Group and President of Cemex Colombia resigned with effect from September 23, 2016 to facilitate the investigations. Cemex and the Cemex Latam Group have informed the appropriate authorities in Colombia of these findings. Mr. Jaime Muguero, the current President of Cemex South, Central America and the Caribbean, who at the time was the Chairman of the Company's board of directors, temporarily assumed the duties of the CEO of Cemex Latam Holdings, S.A., as well as CEO of Cemex Colombia.

As a result of the events described in the above paragraph, on October 4, 2016, to strengthen the levels of leadership, management and corporate governance best practices, having received a favorable report from the Nomination and Remuneration Committee, the Company's board of directors decided to separate the roles of chairman of the board of directors from that of CEO of Cemex Latam and Director of Cemex Colombia. Consequently, the following appointments were agreed with immediate effect:

- Mr. Juan Pablo San Agustín was appointed Chairman of the Company's board of directors.
- Mr. Jaime Muguero Domínguez was appointed CEO of the Company.
- Mr. Ricardo Naya Barba was named Director of Cemex Colombia.

Furthermore, the aforementioned board of directors, having received a favorable report from the Nomination and Remuneration Committee, agreed to appoint Mr. Francisco Aguilera Mendoza as the Company's Vice-chairman of Planning and on November 9, 2016, after receipt of a favorable report from the Nomination and Remuneration Committee, approved the appointment of Ms. Ana Maria Gómez Montes as the Company's Legal Affairs Director.

(b) Incorporation of a Branch in Switzerland

On August 1, 2012, the Company resolved to set up a branch in Switzerland (hereinafter the “**Branch**”). The Branch operates under the name “Cemex Latam Holdings, S.A. Madrid, Swiss Branch Brügg” and its assets, liabilities, expenses and income form an integral part of the Company’s annual accounts. Details at December 31, 2016 and 2015 are as follows:

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

	Thousands of Euros	
	2016	2015
Current assets	214,620	164,634
Total assets	214,620	164,634
Current liabilities	2,274	3,390
Total liabilities	2,274	3,390
Reserves	142,880	97,860
Profit for the year	43,557	45,020
Translation differences	25,909	18,363
Total equity and liabilities	214,620	164,634

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

The Branch keeps its own accounts, books and ledgers under Swiss accounting principles independently and separately from those of the Company. However, the legal person being one and the same, its results are integrated into the accompanying accounts.

(c) Initial public offering

On November 15, 2012, the Company completed its initial public offering on the BVC of 170,388,000 new ordinary shares at a price of Colombian Pesos 12,250 (US Dollars 6.75) per share. The Company's shares are listed on the BVC under the ticker CLH. At December 31, 2016, Cemex España, S.A. holds approximately 73.28% of the Company's outstanding ordinary shares, excluding treasury shares.

(2) Basis of Presentation(a) True and fair view

The accompanying annual accounts have been prepared on the basis of the accounting records of Cemex Latam and of its Branch in accordance with prevailing legislation and the Spanish General Chart of Accounts, to give a true and fair view of the equity and financial position at December 31, 2016 and results of operations, changes in equity, and cash flows for the reporting period then ended.

The board of directors considers that the annual accounts for 2016, authorized for issue on March 28, 2017, will be approved with no changes by the shareholders at their annual general meeting.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

In addition, as a foreign issuer of securities on the BVC, in accordance with Colombian securities exchange rules, the Company presents separate (individual) and consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”). The financial statements were approved by the Company’s board of directors on February 8, 2017 and filed with the Superintendencia Financiera Colombiana (the Colombian securities market regulator or “SFC”). Those financial statements are not submitted to the shareholders for approval at the annual general meeting. However, they may be consulted on the Company’s website ([www.cemexlatam.com](http://www.cemexlatam.com)) in the Reports Archive section of the Investor Center tab.

(b) Comparative information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes thereto for 2016 include comparative figures for 2015, which formed part of the annual accounts approved by shareholders at the annual general meeting held on June 20, 2016.

(c) Functional and presentation currency

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

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

- Asset and liabilities at the exchange rate at the reporting date.
- Income and expenses at the exchange rate at the date of the transactions.
- Exchange gains and losses arising from application of the preceding criteria are recognized as translation differences in equity.

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

Relevant accounting estimates and judgments and other estimates and assumptions have to be made when applying the Company’s accounting principles to prepare the annual accounts. A summary of the items requiring a greater degree of judgment or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts, is as follows:

In the preparation of the annual accounts for the years ended December 31, 2016 and 2015 estimates made by management of the Company and of the Cemex Group have been used to measure certain assets, liabilities and commitments disclosed therein. The estimates that affect the most significant items of the annual accounts are those regarding the impairment of investments in Group companies and associates and the projections supporting the recognition of tax credits for tax loss carryforwards.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

The Company tests investments in Group companies and associates for impairment annually. The calculation of the recoverable amount of these investments requires the use of estimates by the Cemex Group. The recoverable amount is the higher of fair value less costs to sell and value in use. The Cemex Group uses cash flow discounting methods to calculate value in use, which are generally based on projections in the budgets approved by the Cemex Group.

The cash flows take into consideration past experience and represent the Cemex Group's best estimate of future market performance. From the last year of projections, cash flows are extrapolated using perpetual growth rates. The key assumptions employed when determining fair value less costs to sell and value in use include growth rates, the weighted average cost of capital and tax rates. The estimates, including the methodology used, could have a significant impact on values and impairment.

Tax projections are determined based on budgets approved by the board of directors and other estimates prepared by different Company departments. These projections, which encompass a maximum period of ten years, take into consideration past experience and represent management's best estimate of future market performance.

Although the estimates made by the Company's board of directors were based on the best information available at December 31, 2016, future events may require changes to these estimates in future reporting periods. Any effect on the annual accounts of adjustments to be made in subsequent years would be recognized prospectively.

(3) Distribution of Profit

The distribution of the Euros 40,115,607.22 profit for the year ended December 31, 2015, proposed by the directors and approved by the shareholders at their annual general meeting on June 20, 2016, was as follows:

<u>Distribution</u>	<u>Euros</u>
Legal reserve	4,011,560.72
Voluntary reserves	<u>36,104,046.50</u>
	<u>40,115,607.22</u>

The board of directors will propose to the shareholders at their annual general meeting that the Euros 68,578,718.55 profit for the year ended December 31, 2016 be distributed as follows:

<u>Distribution</u>	<u>Euros</u>
Legal reserve	6,857,871.85
Voluntary reserves	<u>61,720,846.70</u>
	<u><u>68,578,718.55</u></u>

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

(4) Significant Accounting Policies(a) Leases

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

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

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

(b) Financial instruments

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

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

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

(i) Loans and receivables

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

(ii) Investments in Group companies and associates

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

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

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

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

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

(iii) *Derecognition and modification of financial assets*

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed and any cumulative gain or loss deferred in recognized income and expense, is recorded in profit or loss. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the consideration received is recognized as a liability. Transaction costs are recognized using the effective interest method.

(iv) *Impairment of financial assets*

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(v) *Financial liabilities*

Financial liabilities mainly include payables to Group companies and trade payables and are recognized initially at fair value less any directly attributable transaction costs. After initial recognition, liabilities classified under this category are measured at amortized cost.

Nevertheless, financial liabilities which have no established interest rate, which mature or are expected to be settled in the short term, and for which the effect of discounting is immaterial, are measured at their nominal amount.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(vi) Derecognition and modification of financial liabilities

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

(c) Own equity instruments

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

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

(d) Cash and cash equivalents

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

(e) Defined contribution plans

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

(f) Revenues from the rendering of services

Cemex Latam's revenues represent the pre-VAT value of royalties paid by its direct and indirect subsidiaries for use of intangible assets, trademarks and management services of Cemex under licensing agreements arranged through the Branch in Switzerland. These revenues are measured at the fair value of the consideration received or receivable and are recognized once the corresponding service has been provided.

(g) Income taxes

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

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

The Company has elected to file tax under the tax regime for entities holding foreign securities (ETVEs in Spanish), having sent the Spanish Ministry of Finance the pertinent notification on November 28, 2012. ETVEs are defined as entities whose corporate purpose consists of managing and administering equity securities of non-resident entities in Spain through the organization of material and human resources. The regulation of such entities is set forth in Chapter XIII of Income Tax Law 27/2014 of November 27, 2014.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

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

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

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

(h) Share-based payment transactions

On January 16, 2013, having received a report from the Nomination and Remuneration Committee approving the initiative, the Company's board of directors approved a long-term incentive scheme for certain Cemex Latam Group executives in the form of an annual remuneration program with payment in Company shares, effective from January 1, 2013.

The cost associated with this long-term incentive scheme is the fair value of the shares at the delivery date and is recognized in the income statements of the Cemex Latam Group companies in which the executives adhering to the scheme render their services. The shares underlying the aforementioned scheme, which are treasury shares of the Company, are delivered fully paid-in over a period of four years under each annual program.

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

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

(j) Transactions between Group companies

(Continued)



## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

(5) Operating leases - Lessee

Since July 1, 2012 the Company has rented 100m<sup>2</sup> of space in a building located at Calle Hernández de Tejada, 1 (Madrid) from Cemex España, S.A. under an operating lease. As a result of the sale by Cemex España, S.A. of the buildings in which the aforementioned space is located to the Hermandad Nacional de Arquitectos Superiores y Químicos, Mutualidad de Previsión Social a Prima Fija, and the subsequent lease agreement entered into by both parties, the Company, as sub-lessee, signed a new sub-lease agreement with Cemex España, S.A. on September 29, 2015 for this space after rescinding the previous lease agreement. The new sub-lease agreement runs for a period of 10 years and may be extended for up to two additional periods of three and two years each, respectively.

Similarly, the Branch in Switzerland leases 300m<sup>2</sup> of office space in Brügg, Switzerland from Cemex Research Group AG (CRG). The lease was signed in November 2012 and runs for a period of five years. The Branch may renew the lease for additional one-year periods by notifying the lessor at least 60 days before expiry of the initial lease or any of its extensions.

Operating lease payments recognized as expenses amounted to Euros 149 thousand in 2016 and Euros 153 thousand in 2015.

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

	Thousands of Euros	
	2016	2015
Less than one year	149	156
One to five years	173	278
Over five years	162	208
	<u>484</u>	<u>642</u>

(6) Risk Management Policy

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

The Company's Finance and Management departments ("Comptroller, Internal Control and Internal Audit") work together and jointly oversee the management of the Company's risks based on the policies, procedures and systems ("the Policies and Systems") in place and/or adopted specifically by the Company and other Cemex Latam Group companies. The strategic planning, tax and legal departments are also involved in the process. These departments identify, measure and manage the operating and financial risks to which the Company is exposed in close collaboration with other Group areas and always under the supervision of the Company's senior management.

(Continued)

CEMEX LATAM HOLDINGS, S.A.

Notes to the Annual Accounts

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

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

The key indicators of the efficiency of the Company's internal control and corporate risk management are detailed in the pertinent sections of the Annual Corporate Governance Report that is attached as an Appendix to the Directors' Report.

(a) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash, as well as sufficient financing through credit facilities. One of the objectives of the Company's and the Cemex Group's Treasury Department is to maintain flexible financing through drawdowns on credit facilities arranged with Cemex Group companies. Details of financial liabilities by contractual maturity date are provided in notes 10 and 11 (b).

(b) Cash flow interest rate risk

The Company is exposed to interest rate risk from borrowings (loans and credit facilities) with Cemex Group companies. Fixed-rate loans are exposed to fair value interest rate risks and are reviewed by the Cemex Group to confirm that they are entered into on an arm's length basis at market rates of interest.

(c) Capital risk

At December 31, 2016 and 2015 the Company has no financial instruments or transactions involving treasury shares or shares of Cemex S.A.B. de C.V. or third parties, except the share-based payment plans granted to executives. As such, the Company does not expect any changes in forecast cash flows due to variations in share prices.

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

Information on equity investments in Group companies and associates is provided in Appendices I and II. At December 31, 2016 and 2015 no indications of impairment have been identified and no impairment of investments has been recognized.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

Details of and movement in investments in Group companies and associates in 2016 and 2015 are as follows:

Investment(*)	Thousands of Euros			
	12/31/2015	Additions (Disposals)	Translation differences	12/31/2016
Corporación Cementera Latinoamericana, S.L.U.	1,630,728	75,135	57,183	1,763,046
Equipos Para Uso de Guatemala, S.A.	104	-	3	107
Maverick RE Ltd.	460	(453)	(7)	-
Inversiones Secoya, S.A.	74	-	2	76
<b>Total</b>	<b>1,631,366</b>	<b>74,682</b>	<b>57,181</b>	<b>1,763,229</b>

  

Investment(*)	Thousands of Euros			
	12/31/2014	Additions	Translation differences	12/31/2015
Corporación Cementera Latinoamericana, S.L.U.	1,428,223	39,134	163,371	1,630,728
Equipos Para Uso de Guatemala, S.A.	93	-	11	104
Maverick RE Ltd.	413	-	47	460
Inversiones Secoya, S.A.		73	1	74
<b>Total</b>	<b>1,428,729</b>	<b>39,207</b>	<b>163,430</b>	<b>1,631,366</b>

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

In 2016 the Company increased its investment in Corporación Cementera Latinoamericana, S.L.U. by Euros 75,135 thousand (Euros 39,134 thousand in 2015) through contributions made to offset this subsidiary's losses.

On December 30, 2016 the Company sold all its interest in Maverick RE Ltd. to Apollo RE, Ltd., a Cemex Latam Group company, for Euros 43,623 thousand (US Dollars 48,133 thousand). This transaction generated a gain of Euros 43,170 thousand (US Dollars 47,633 thousand), which at 31 December 2016 is recognized under impairment and gains/(losses) on disposal of financial instruments.

The functional currencies of foreign operations are the currencies of the countries in which they are domiciled.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(8) Financial Assets by Category

Financial assets classified as current at December 31, 2016 and 2015, broken down by category and class, except for investments in equity instruments of Group companies and associates, are as follows:

	Thousands of Euros	
	At amortized cost or cost	
	2016	2015
Trade and other receivables		
Trade receivables from Group companies and associates (note 13 (a))	76,855	19,542
Personnel	23	60
	<u>76,878</u>	<u>19,602</u>

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

Trade receivables from Group companies and associates reflect the balances receivable from the Cemex Latam Group subsidiaries for royalties charged by the Company for the use of intangible assets, trademarks and Cemex management services provided through the Swiss Branch. Additionally, at December 31, 2016 the balance includes a receivable of Euros 43,623 thousand from Apollo RE, Ltd. for the sale of Maverick RE, Ltd. (see note 7).

(9) Equity

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

(a) Capital

At December 31, 2016 and 2015 the Company's share capital amounted to Euros 578,278,342, represented by 578,278,342 ordinary shares with a par value of Euros 1 each. All the shares are subscribed and fully paid in.

The Company's shares are listed on the BVC under the ticker CLH.

(b) Share premium

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

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

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(c) Reserves

Details of reserves and profit/loss and movement during the year are shown in Appendix III.

(i) Legal reserve

The legal reserve has been appropriated in compliance with article 274 of the Spanish Companies Act, which requires companies to transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

(ii) Voluntary reserves

The Parent's voluntary reserves are freely distributable, however, they are subject to the limits established by law. Dividends may not be distributed if the distribution reduces equity to less than the Company's share capital.

(iii) Other reserves

Other reserves include the cumulative effect of items and transactions recognized directly in equity.

In 2016 and 2015, other reserves were reduced by Euros 1,385 thousand and Euros 1,213 thousand, respectively, as a result of transactions involving own equity instruments in relation to the Company shares delivered to executives of the Cemex Latam Group under the share-based payment plans.

(d) Treasury shares and equity holdings

At December 31, 2016 and 2015 the Company held 21,630,605 and 21,902,066 treasury shares, respectively.

In 2016 and 2015, treasury shares were reduced by Euros 1,388 thousand and Euros 1,241 thousand, respectively, as a result of the shares delivered to executives of the Cemex Latam Group under the aforementioned share-based payment plans (see note 4 (h)).

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(10) Financial Liabilities by Category

The classification of financial liabilities by category and class at December 31, 2016 and 2015 is follows:

	Thousands of Euros					
	2016			2015		
	Non-current	Current	Total	Non-current	Current	Total
Group companies and associates (note 13 (a))						
Fixed-rate loans (note 11)	26,378	26,119	52,497	50,783	25,289	76,072
Fixed-rate credit facilities (note 11)	167,294	-	167,294	78,533	-	78,533
Accrued interest	-	2,324	2,324	-	2,189	2,189
Other payables	-	-	-	-	54	54
	<u>193,672</u>	<u>28,443</u>	<u>222,115</u>	<u>129,316</u>	<u>27,532</u>	<u>156,848</u>
Trade and other payables						
Other payables	-	653	653	-	646	646
Payables, Group companies and associates	-	6,383	6,383	-	10	10
Personnel	-	208	208	-	107	107
	<u>-</u>	<u>7,244</u>	<u>7,244</u>	<u>-</u>	<u>763</u>	<u>763</u>
	<u>193,672</u>	<u>35,687</u>	<u>229,359</u>	<u>129,316</u>	<u>28,295</u>	<u>157,611</u>

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

At December 31, 2016 payables, Group companies and associates basically reflect the Company's current income tax expense for 2016 payable to Cemex España. This expense is offset against tax losses generated by companies in the tax group in which the Company files taxes in Spain, the parent of which is Cemex España (note 12).

Details of gains and losses on financial liabilities recognized in the income statement in 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Finance costs at amortized cost	12,538	9,134
	<u>12,538</u>	<u>9,134</u>

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

The terms and conditions of loans and borrowings at December 31, 2016 and 2015 are as follows:

Type	Currency	% effective and nominal rate	Inception	Maturity	2016		
					Thousands of Euros		
					Nominal amount in original currency (thousands)	Current	Non-current
<b>Group companies and associates</b>							
Fixed-rate loans							
New Sunward Holding, B.V.	USD	7%	2012	2018	1,150,000	26,119	26,378
Fixed-rate credit facilities							
New Sunward Holding, B.V.	USD	7%	2012	2018	220,000	-	167,294
						26,119	193,672
<b>2015</b>							
Type	Currency	% effective and nominal rate	Inception	Maturity	Thousands of Euros		
					Thousands of Euros		
					Nominal amount in original currency (thousands)	Current	Non-current
<b>Group companies and associates</b>							
Fixed-rate loans							
New Sunward Holding, B.V.	USD	7%	2012	2018	1,150,000	25,289	50,783
Fixed-rate credit facilities							
New Sunward Holding, B.V.	USD	7%	2012	2018	220,000	-	78,533
						25,289	129,316

(Continued)



## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(b) Classification by maturity of non-current financial liabilities

At December 31, 2016 and 2015 the classification by maturity of non-current financial liabilities, all of which are payables to Group companies and associates, is follows:

	Thousands of Euros	
	2016	2015
Two years	193,672	25,289
Three years	-	104,027
	<u>193,672</u>	<u>129,316</u>

(c) Average supplier payment period. "Reporting requirement", final provision two of Law 3/2014 of 3 December 2014

Details of the average supplier payment period are as follows:

	2016	2015
	Days	Days
Average supplier payment period	17	10
Transactions paid ratio	17	10
Transactions payable ratio	17	30
	Thousands of Euros	
Total payments made	70,374	80,226
Total payments outstanding	272	27

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(12) Taxation

Details of balances with public entities, classified as current, at December 31, 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Assets		
Value added tax and similar taxes	657	521
	657	521
Liabilities		
Current tax liabilities	1,679	5,203
Social Security	167	147
Withholdings	96	146
	1,942	5,496

Details by company of intercompany receivables and payables resulting from the tax effect of filing consolidated tax returns are as follows:

	Thousands of Euros	
	2016	2015
Current assets		
Cemex España, S.A.	-	235
	-	-
Current liabilities		
Cemex España, S.A.	6,006	-

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

In accordance with Spanish tax legislation, losses declared may be offset against profits of subsequent tax periods with no time limit. Losses are offset when the income tax return is filed, without prejudice to the taxation authorities' power of inspection. Tax legislation also stipulated temporarily that in 2014 and 2015 tax loss carryforwards could be offset up to a limit of 25% of the tax base prior to the application of these losses. For 2016, the limit will be 60% and from 2017 it will be 70% of taxable income prior to application of losses.

However, on December 3, 2016, *Royal Decree-Law 3/2016, of December 2, 2016 was published, introducing Tax Measures Aimed at Consolidating Public Finances and Other Urgent Social Measures*, which stipulates, among other tax issues, that with effect from January 1, 2016 tax losses may be offset up to a limit of 25% of the tax base prior to the application of tax losses.

The Company files a consolidated income tax return with its principal shareholder, Cemex España, S.A. The standard rate of tax is 25%, which may be reduced by certain credits.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

The Company is also subject to the tax regime for entities holding foreign securities in accordance with Chapter XIII, Title VII of Spanish Income Tax Law 27/2014 of November 27, 2014. Under this regime, dividends paid by the Company to shareholders that are not Spanish residents are not subject to tax in Spain, unless the shareholder is resident in a territory or country considered a tax haven for Spanish purposes, and provided that these arise from revenues exempt from corporate income tax.

The Branch in Switzerland is a permanent establishment there for the purposes of the double taxation treaty between Switzerland and Spain, and is subject to Swiss tax legislation. It is liable for Swiss corporate income tax, which has a nominal rate of over 10%.

Income tax is calculated based on accounting or financial profit or loss, obtained through the application of generally accepted accounting principles, which does not necessarily have to match the profit or loss for tax purposes, understood as the taxable income or tax loss. A provisional reconciliation of the accounting profit for 2016 and 2015 with the taxable income for income tax purposes is as follows:

	Thousands of Euros	
	2016	2015
Profit before income tax	87,683	48,985
Permanent differences		
Of the Branch	(58,406)	(59,532)
Temporary differences		
Finance costs from prior years	(5,256)	-
Accounting profit/(loss) for tax purposes	24,021	(10,547)
Taxable profit/(tax loss) of the Company	24,021	(10,547)

Negative permanent differences of the foreign Branch relate to income it obtained in Switzerland that is exempt from taxation in Spain.

The Company has not recognized deferred tax assets or liabilities at December 31, 2016 or 2015.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

Details of the income tax expense related to profit/loss for 2016 and 2015 are as follows:

	2016		
	Thousands of Euros		
	Company	Branch	Total
Profit for the year before tax	29,277	58,406	87,683
Tax paid abroad	-	(9,657)	(9,657)
	<u>29,277</u>	<u>48,749</u>	<u>78,026</u>
Tax at 25%/9.64%	7,320	4,699	12,019
Tax paid abroad	-	9,657	9,657
Temporary differences	(1,314)	-	(1,314)
Other (adjustment of final tax for prior year)	(1,751)	493	(1,258)
	<u>4,255</u>	<u>14,849</u>	<u>19,104</u>
	2015		
	Thousands of Euros		
	Company	Branch	Total
Profit/(loss) for the year before tax	(10,547)	59,532	48,985
Tax paid abroad	-	(10,130)	(10,130)
	<u>(10,547)</u>	<u>49,402</u>	<u>38,856</u>
Tax at 28%/9.64%	(2,953)	4,762	1,809
Tax paid abroad	-	10,130	10,130
Tax credits and deductions not capitalized in the year	2,718	-	2,718
Tax losses included in the amended tax returns filed by the parent of the tax group	(5,875)	-	(5,875)
Other	47	40	87
	<u>(6,063)</u>	<u>14,932</u>	<u>8,869</u>

In 2016 the Company generated taxable income on an individual basis that was offset by the current tax losses for the year of other companies in the tax group. It, therefore, recognized an income tax expense of Euros 6.006 thousand under payables to Cemex España, the parent of the Spanish tax group (see note 10).

In June 2015 Cemex España, S.A., as the parent and representative of the Cemex España tax group, filed amended corporate income tax returns for the years from 2010 to 2013, adjusting the amounts to reflect the criteria put forward by the tax authorities during the inspection of the tax group for the years from 2006 to 2009. The purpose of this adjustment was to mitigate any risk relating to interpretation of the rule by the tax authorities in a future inspection.

As a result of this adjustment, the Company recognized tax income of Euros 5,875 thousand as Cemex España S.A., the parent of the consolidated tax group, offset Cemex Latam's tax losses from prior years.

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

Details of the income tax expense/(income) in 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Current tax		
For the period	20,362	11,939
Adjustments for prior years	(1,258)	(5,875)
Tax credits not capitalized	-	2,718
Other	-	87
	<u>19,104</u>	<u>8,869</u>

(13) Related Party Balances and Transactions

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

(a) Related party balances

Details of balances with related parties at December 31, 2016 and 2015 are as follows:

	2016			Total
	Thousands of Euros			
	Parent	Group companies	Other related parties	
Non-current investments in Group companies and associates				
Equity instruments (note 7)	-	1,763,229	-	1,763,229
Other financial assets	3	-	-	3
Total non-current assets	<u>3</u>	<u>1,763,229</u>	<u>-</u>	<u>1,763,232</u>
Trade and other receivables				
Trade receivables, Group companies and associates, current (note 8)	-	75,833	1,022	76,855
Total current assets	<u>-</u>	<u>75,833</u>	<u>1,022</u>	<u>76,855</u>
Total assets	<u>3</u>	<u>1,839,062</u>	<u>1,022</u>	<u>1,840,087</u>
Group companies and associates, non-current (note 10)	-	-	193,672	193,672
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>193,672</u>	<u>193,672</u>
Group companies and associates, current (note 10)	-	-	28,443	28,443
Trade and other payables				
Payables, Group companies and associates	6,025	244	114	6,383
Total current liabilities	<u>6,025</u>	<u>244</u>	<u>28,557</u>	<u>34,826</u>
Total liabilities	<u>6,025</u>	<u>244</u>	<u>222,229</u>	<u>228,498</u>

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

	2015			
	Thousands of Euros			
	Parent	Group companies	Other related parties	Total
Non-current investments in Group companies and associates				
Equity instruments (note 7)	-	1,631,366	-	1,631,366
Total non-current assets	-	1,631,366	-	1,631,366
Trade and other receivables				
Trade receivables, Group companies and associates, current (note 8)	-	17,901	1,641	19,542
Total current assets	-	17,901	1,641	19,542
Total assets	-	1,649,267	1,641	1,650,908
Group companies and associates, non-current (note 10)	-	-	129,316	129,316
Total non-current liabilities	-	-	129,316	129,316
Group companies and associates, current (note 10)	-	54	27,478	27,532
Trade and other payables				
Payables, Group companies and associates	10	-	-	10
Total current liabilities	10	54	27,478	27,542
Total liabilities	10	54	156,794	156,858

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(b) Related party transactions

The amounts of transactions with related parties in 2016 and 2015 are as follows:

	2016				Total
	Parent	Group companies	Directors	Other related parties	
	Thousands of Euros				
<b>Income</b>					
Income from royalties or licenses	-	96,382	-	-	96,382
Use of trademark	-	4,097	-	-	4,097
Management services	-	20,273	-	-	20,273
Other services rendered	-	5	-	-	5
Finance income					
Sale of interests	-	43,170	-	-	43,170
	<u>-</u>	<u>163,927</u>	<u>-</u>	<u>-</u>	<u>163,927</u>
<b>Expenses</b>					
Expenses for royalties or licenses	-	-	-	33,745	33,745
Use of trademark	-	-	-	6,720	6,720
Management services	-	-	-	19,138	19,138
Other services received	41	179	-	108	328
Personnel expenses	-	-	263	-	263
Finance costs	-	-	-	12,535	12,535
	<u>41</u>	<u>179</u>	<u>263</u>	<u>72,246</u>	<u>72,729</u>
	2015				
	Thousands of Euros				
	Parent	Group companies	Directors	Other related parties	Total
<b>Income</b>					
Income from royalties or licenses	-	99,980	-	-	99,980
Use of trademark	-	7,398	-	-	7,398
Management services	-	19,623	-	-	19,623
Other services rendered	-	7	-	-	7
	<u>-</u>	<u>127,008</u>	<u>-</u>	<u>-</u>	<u>127,008</u>
<b>Expenses</b>					
Expenses for royalties or licenses	-	-	-	39,095	39,095
Use of trademark	-	-	-	7,231	7,231
Management services	-	-	-	18,428	18,428
Other services received	43	189	-	110	342
Personnel expenses	-	-	269	-	269
Finance costs	-	-	-	9,131	9,131
	<u>43</u>	<u>189</u>	<u>269</u>	<u>73,995</u>	<u>74,496</u>

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

On February 9, 2016 the Company extended a guarantee for the credit facilities arranged by its direct and indirect subsidiaries with Citigroup Inc. or any of its subsidiaries, through which the Company commits to meeting any of the payment obligations to Citigroup Inc. derived from these credit facilities that are not met by its subsidiaries. The Company would only cover up to US Dollars 30,000 thousand. This guarantee replaces the guarantee extended by the Company in 2014 for the credit facility arranged by its subsidiary Cemento Bayano, S.A. with Citibank, N.A. sucursal Panamá. At December 31, 2016, Cemento Bayano, S.A. and Cemex Costa Rica, S.A. have drawn down US Dollars 1,855 thousand and US Dollars 1,011 thousand, respectively, from these credit facilities.

(c) Information on the directors

During the years ended December 31, 2016 and 2015, the Company's directors did not carry out any transactions outside the ordinary course of business or that were not under market conditions.

In 2016 and 2015, the members of the board of directors earned remuneration of Euros 263 thousand and Euros 269 thousand, respectively, receivable after the forthcoming annual general meeting of shareholders, as well as allowances for board meeting attendance. As a result of the events under investigation at the Maceo plant described in note 1(a), in 2016 some of the Company's governing bodies held extraordinary meetings that were not envisaged in their meeting schedule approved at the start of 2016. Consequently, the amount of the allowances payable to the three independent directors for attending the additional sessions has exceeded the limit set by the Company's shareholders at their general meeting by Euros 26 thousand. As proposed by the Appointments and Remuneration Committee, at their meeting on December 17, 2016 the board of directors agreed that these excess allowances should be proposed for approval by the shareholders at their next general meeting in 2017. Senior management is limited to the members of the board of directors.

The directors of the Company and their related parties have had no conflicts of interest requiring disclosure in accordance with article 229 of the Spanish Companies Act.

(Continued)



## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

(14) Income and Expenses(a) Revenues

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

(b) Personnel expenses and employee information

Details of personnel expenses in 2016 and 2015 are as follows:

	Thousands of Euros	
	2016	2015
Salaries, wages and similar costs		
Salaries and wages	1,637	1,817
Charges to defined contribution plans	8	7
Other remuneration	529	270
	<u>2,174</u>	<u>2,094</u>
Employee benefits expense		
Social Security payable by the Company	222	325
Other employee benefits expenses	182	225
	<u>404</u>	<u>550</u>
	<u>2,578</u>	<u>2,644</u>

The average number of employees and directors of the Company in 2016 and 2015, by professional category, is as follows:

<u>Professional category</u>	Number	
	2016	2015
Directors	9	9
Management	1	2
Middle management and foremen	16	16
	<u>26</u>	<u>27</u>

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

The distribution of personnel by gender at December 31, 2016 and 2015 is as follows:

<u>Professional category</u>	Number			
	2016		2015	
	Female	Male	Female	Male
Directors	2	7	1	8
Management	-	1	-	1
Middle management and foremen	8	8	9	8
	10	16	10	17

During 2016 and 2015 the Company did not have any employees with a disability rating of 33% or higher.

(c) Other operating expenses

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

(15) Audit Fees

KPMG Auditores, S.L. accrued the following fees in 2016 and 2015 in respect of professional services rendered to the Company:

	Euros	
	2016	2015
Audit services	23,256	38,760
Other services	311,304	295,800
	334,560	334,560

The amounts shown in the above table reflect the fees for 2016 and 2015, irrespective of the date of invoice.

(16) Commitments and Contingencies

At December 31, 2016 the Company has the following relevant commitments:

- On November 15, 2012 Cemex Latam, through the Branch in Switzerland, entered into an agreement with Cemex, S.A.B. de C.V. for use of Cemex trademarks. This agreement will remain in force for five years and is automatically renewable for equal periods. Cemex Latam Group companies must pay an annual amount for use of the trademarks. The royalty is calculated based on net annual sales of goods and services, and market prices. The total royalty charge recognized in the income statement for use of the trademark amounts to Euros 6,720 thousand at December 31, 2016 (Euros 7,231 thousand in 2015).

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

- On November 15, 2012 Cemex Latam, through the Branch in Switzerland, entered into an agreement with Cemex Research Group AG for the use, operation and exploitation of intangible assets. This agreement will remain in force for five years and is automatically renewable for equal periods. Cemex Latam Group companies must pay an annual royalty calculated based on net annual sales of goods and services, and market prices. The total royalty charge recognized in the income statement for use of intangible assets amounts to Euros 33,745 thousand at December 31, 2016 (Euros 39,095 thousand in 2015).
- On November 15, 2012 Cemex Latam, through its Branch in Switzerland, entered into an agreement for the provision of technical services with Cemex Central, S.A. de C.V., for the technical, financial, market analysis, legal, human resources and IT areas, and other technical assistance. This service agreement will remain in force for five years and is automatically renewable for equal periods. Cemex Latam Group companies must pay an annual amount for technical assistance based on net annual sales of goods and services, and market prices. The total expense recognized in the income statement for services amounts to Euros 19,138 thousand at December 31, 2015 (Euros 18,428 thousand in 2014).
- Cemex Latam has agreed to pay Cemex an amount equivalent to 5% of the Cemex Latam Group's annual consolidated revenues in respect of these three agreements. The 5% rate established in these agreements cannot be increased without the consent of Cemex Latam's independent board members.
- With respect to the IPO (see note 1 (c)) and to prevent potential conflicts of interest, on October 5, 2012 the Company also entered into a framework agreement with Cemex, S.A.B. de C.V. and Cemex España (the "Framework Agreement"). Under the Framework Agreement and in order to help Cemex honor its debt obligations, the Cemex Latam Group will require the prior consent of Cemex S.A.B. de C.V. and Cemex España:
  - To carry out any consolidation, merger or partnership arrangement (joint venture) with any natural or legal person other than Cemex S.A.B de C.V. or its subsidiaries;
  - To carry out any sale, lease, exchange or other arrangement, or acquisition from any person other than Cemex S.A.B. de C.V. or its subsidiaries;
  - To issue or sell any shares or equity derivatives or to operate any share-based incentive plans, except through (i) the issue of shares by the Company to Cemex S.A.B. de C.V. or its subsidiaries, (ii) the issue of shares to carry out long-term incentive plans for executives for an amount not exceeding US Dollars 1.75 million;

(Continued)

## CEMEX LATAM HOLDINGS, S.A.

## Notes to the Annual Accounts

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

The Framework Agreement may be amended or terminated if agreed in writing between Cemex, S.A.B. de C.V., Cemex España and Cemex Latam, subject to authorization by the independent directors. In addition, the Framework Agreement will be rendered without effect if the Company ceases to be subordinate to Cemex or if Cemex ceases to recognize its investment in Cemex Latam using the full consolidation method or equity method of accounting (or any other method applying similar principles).

(17) Events after the Reporting Period

On February 24, 2017 the Company refinanced its debt with New Sunward Holding, B.V. by amount of US Dollars 229,507 thousand, extending its maturity until 2023. The interest rate under the new loan contract is 5.65%.

At their meeting on March 28, 2017 the board of directors approved an amendment to the Framework Agreement (note 16) to establish a principle of mutual interest between Cemex, S.A.B. de C.V., Cemex España and the Company with regard to legal proceedings, administrative matters and government regulations.

(Continued)

CEMEX LATAM HOLDINGS, S.A.

Information on Group Companies and Associates

December 31, 2016

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Registered office	Activity	Auditor
Subsidiaries			
Apollo Re, Ltd.	Bridgetown (Barbados)	Insurance company	-
Cemento Bayano, S.A.	Panama City (Republic of Panama)	Manufacture and sale of cement and concrete	KPMG
Cemex El Salvador, S.A de C.V.	La Libertad (El Salvador)	Sale of cement	KPMG
Cemex Nicaragua, S.A.	Managua (Nicaragua)	Manufacture and sale of cement	KPMG
Cemex Transportes de Colombia, S.A.	Bogota (Colombia)	Freight	KPMG
Central de Mezclas, S.A.	Bogotá (Colombia)	Mining permits	KPMG
Cimento Vencemos do Amazonas Ltda.	Manaus (Brazil)	Sale of cement	KPMG
Corporación Cementera Latinoamericana, S.L.U.	Madrid (Spain)	Holding company	KPMG
Equipos Para Uso de Guatemala, S.A.	Guatemala City (Guatemala)	Equipment hire	KPMG
Cemex Guatemala, S.A. (formerly Global Cement, S.A.)	Puerto Quetzal (Guatemala)	Manufacture and sale of cement and concrete	KPMG
Cemex Colombia, S.A.	Bogotá (Colombia)	Manufacture and sale of cement and concrete	KPMG
Cemex Costa Rica, S.A.	San José (Costa Rica)	Manufacture and sale of cement	KPMG
Lomas del Tempisque, S.R.L.	San José (Costa Rica)	Holding company	KPMG
Maverick RE Ltd	Hamilton (Bermuda)	Insurance company	KPMG
Pavimentos Especializados, S.A.	Panama City (Republic of Panama)	Consultancy, advisory, study, design and consumption	KPMG
Cemex Lan Trading Corporation	Bridgetown (Barbados)	Sale of cement	-
Cemex Premezclados de Colombia, S.A.	Bogotá (Colombia)	Manufacture and sale of construction materials	KPMG
Inversiones Secoya, S.A.	Managua (Nicaragua)	Manufacture and sale of construction materials	KPMG
CCL Business Holdings, S.L.	Madrid (Spain)	Holding company	-
Cemex Finance Latam, B.V.	Amsterdam (Netherlands)	Finance	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	Maceo (Colombia)	Sale of construction materials and cement production	Castaño Arboleda

This appendix forms an integral part of note 7 to the annual accounts for 2016, in conjunction with which it should be read.

CEMEX LATAM HOLDINGS, S.A.

Information on Group Companies and Associates

December 31, 2015

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

This appendix forms an integral part of note 7 to the annual accounts for 2016, in conjunction with which it should be read.

CEMEX LATAM HOLDINGS, S.A.

Other Information on Group Companies and Associates  
December 31, 2016

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Thousands of Euros									Carrying amount ( <sup>2</sup> )
	% ownership			Capital	Reserves	Other equity items	Profit/(loss)		Total equity	
	Direct	Indirect	Total				Operating activities	Continuing operations		
Subsidiaries										
Apollo, Re, Ltd	-	100.00%	100.00%	119	-	-	-	-	119	-
Cemento Bayano, S.A. ( <sup>3</sup> )	-	99.48%	99.48%	125,986	26,471	15,713	52,851	36,596	204,766	-
Cemex El Salvador, S.A. de CV	0.01%	99.99%	100.00%	2,280	19,674	1,619	(492)	(877)	22,695	-
Cemex Nicaragua, S.A.	-	98.85%	98.85%	7	34,213	(1,875)	13,424	9,013	41,358	-
Cemex Transportes de Colombia, S.A. ( <sup>1</sup> )	-	100.00%	100.00%	117	2,134	(186)	1,941	896	2,961	-
Central de Mezclas, S.A. ( <sup>1</sup> )	-	100.00%	100.00%	3,161	6,754	(820)	121	(178)	8,917	-
Cimento Vencemos do Amazonas Ltda. ( <sup>1</sup> )	-	100.00%	100.00%	9,159	51,859	17,205	(6,929)	(4,727)	73,495	-
Corporación Cementera Latinoamericana, S.L.U.	100.00%	-	100.00%	1,314,761	(213,509)	745,655	(119,815)	77,003	1,923,910	1,763,046
Equipos Para Uso de Guatemala, S.A. ( <sup>3</sup> )	1.00%	99.00%	100.00%	1	17,733	767	40	(154)	18,347	107
Cemex Guatemala, S.A. (formerly Global Cement, S.A.) ( <sup>1</sup> ) ( <sup>3</sup> )	-	100.00%	100.00%	19,434	257,872	27,223	7,966	2,394	306,923	-
Cemex Colombia, S.A. ( <sup>3</sup> )	-	99.74%	99.74%	179,614	590,647	115,606	79,880	23,159	909,026	-
Cemex Costa Rica, S.A. ( <sup>3</sup> )	-	98.83%	98.83%	366	81,062	3,252	36,694	25,786	110,466	-
Lomas del Tempisque, S.R.L.	-	99.74%	99.74%	109,978	19,899	7,813	13	(3,143)	134,548	-
Maverick RE Ltd	-	100.00%	100.00%	457	32,665	1,906	11,361	11,569	46,598	-
Pavimentos Especializados, S.A.	-	99.74%	99.74%	137	(2,204)	(73)	1,269	1,268	(872)	-
Cemex Lan Trading Corporation	-	100.00%	100.00%	-	12,044	693	4,443	4,385	17,122	-
CCL Business Holdings, S.L.	-	100.00%	100.00%	4	73	3	-	(9)	71	-
Cemex Premezclados de Colombia, S.A.	-	100.00%	100.00%	40	313	26	356	15	394	-
Inversiones Secoya, S.A.	1.00%	99.00%	100.00%	7,131	346	92	4,811	1,182	8,751	76
Cemex Finance Latam, B.V.	-	100.00%	100.00%	2,025	(5)	6	(4)	26	2,052	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	-	99.74%	99.74%	56,171	(2,388)	(4,446)	(6,275)	(8,343)	40,994	-
										<u>1,763,229</u>

(1) One share is held by Cemex Latam Holdings.

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

(3) Consolidated figures.

This appendix forms an integral part of notes 1 and 7 to the annual accounts for 2016, in conjunction with which it should be read.

CEMEX LATAM HOLDINGS, S.A.

Other Information on Group Companies and Associates  
December 31, 2015

(Expressed in thousands of Euros)

Name	Thousands of Euros									
	% ownership			Capital	Reserves	Other equity items	Profit/(loss)		Total equity	Carrying amount <sup>(2)</sup>
	Direct	Indirect	Total				Operating activities	Continuing operations		
Subsidiaries										
Cemento Bayano, S.A. <sup>(3)</sup>	-	99.48%	99.48%	128,367	194,320	(3,628)	44,031	29,726	348,785	-
Cemex Bogotá Investments, B.V.	-	100.00%	100.00%	1,536,029	(310)	(15,033)	(29)	98,234	1,618,920	-
Cemex El Salvador, S.A de CV	0.01%	99.99%	100.00%	2,323	7,211	(230)	1,551	1,003	10,307	-
Cemex Nicaragua, S.A.	-	98.85%	98.85%	7	34,213	(1,875)	13,424	9,013	41,358	-
Cemex Transportes de Colombia, S.A. <sup>(1)</sup>	-	100.00%	100.00%	117	1,934	(315)	332	169	1,905	-
Central de Mezclas, S.A. <sup>(1)</sup>	-	100.00%	100.00%	3,161	6,597	(1,500)	283	132	8,390	-
Cimento Vencemos do Amazonas Ltda. <sup>(1)</sup>	-	100.00%	100.00%	11,696	134,179	(19,311)	(64,311)	(62,940)	63,624	-
Corporación Cementera Latinoamericana, S.L.U.	100.00%	-	100.00%	1,314,761	813,738	306,942	(200)	(18,124)	2,417,316	1,630,728
Equipos Para Uso de Guatemala, S.A. <sup>(3)</sup>	1.00%	99.00%	100.00%	1	17,768	(259)	187	163	17,673	104
Cemex Guatemala, S.A. (formerly Global Cement, S.A.) <sup>(1)(3)</sup>	-	100.00%	100.00%	18,946	123,370	(10)	20,280	18,031	160,337	-
Cemex Colombia, S.A. <sup>(3)</sup>	-	99.74%	99.74%	235,785	650,877	(176,214)	141,111	89,877	800,325	-
Cemex Costa Rica, S.A. <sup>(3)</sup>	-	98.83%	98.83%	377	23,146	(961)	11,341	5,137	27,699	-
Lomas del Tempisque, S.R.L.	-	99.74%	99.74%	112,139	(3,048)	(1,542)	0	24,126	131,675	-
Maverick RE Ltd	100.00%	-	100.00%	466	22,918	(209)	10,179	10,182	33,357	460
Pavimentos Especializados, S.A.	-	99.74%	99.74%	140	(418)	(10)	(1,795)	(1,790)	(2,078)	-
Tecas Siglo XXI, S.A.	-	100.00%	100.00%	9	-	-	-	-	9	-
Cemex Lan Trading Corporation	-	100.00%	100.00%	-	8,485	(77)	3,822	3,721	12,129	-
CCL Business Holdings, S.L.	-	100.00%	100.00%	4	73	(2)	-	(7)	68	-
Cemex Premezclados de Colombia, S.A.	-	100.00%	100.00%	51	73	(19)	286	18	123	-
Inversiones Secoya, S.A.	1.00%	99.00%	100.00%	1	(370)	98	5,438	644	373	74
Cemex Finance Latam, B.V.	-	100.00%	100.00%	-	-	-	(5)	(5)	(5)	-
Zona Franca Especial Cementera del Magdalena Medio S.A.S.	-	99.74%	99.74%	56,171	-	(8,637)	(1,564)	(2,021)	45,513	-
										<u>1,631,366</u>

(1) One share is held by Cemex Latam Holdings.

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

(3) Consolidated figures

This appendix forms an integral part of notes 1 and 7 to the annual accounts for 2016, in conjunction with which it should be read.



CEMEX LATAM HOLDINGS, S.A.

Details of Reserves  
December 31, 2016 and 2015

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	<b>Legal Reserve</b>	<b>Voluntary Reserves</b>	<b>Other Reserves</b>	<b>Total</b>
<b>Balance at December 31, 2014</b>	<b>2,808</b>	<b>22,976</b>	<b>(8,263)</b>	<b>17,521</b>
Distribution of profit	3,707	33,358	-	<b>37,065</b>
Other changes in equity	-	-	(1,213)	<b>(1,213)</b>
<b>Balance at December 31, 2015</b>	<b>6,515</b>	<b>56,334</b>	<b>(9,476)</b>	<b>53,373</b>
Distribution of profit	4,012	36,104	-	<b>40,116</b>
Other changes in equity	-	-	(1,385)	<b>(1,385)</b>
<b>Balance at December 31, 2016</b>	<b>10,527</b>	<b>92,438</b>	<b>(10,861)</b>	<b>92,104</b>

This appendix forms an integral part of note 9 to the annual accounts for 2016, in conjunction with which it should be read.

