
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 or 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of September, 2013

Commission File Number: 001-14946

CEMEX, S.A.B. de C.V.

(Translation of Registrant's name into English)

Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre
Garza García, Nuevo León, México 66265

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Contents

In connection with proposed private placements of debt securities, CEMEX, S.A.B. de C.V. (“CEMEX”) anticipates disclosing to prospective purchasers certain information that has not been previously publicly reported. The private placements are being made under Section 4(2) of the Securities Act of 1933, as amended (the “Securities Act”), and the securities will be sold only to qualified institutional buyers and to offshore investors in transactions exempt from registration under Rule 144A and Regulation S under the Securities Act. No assurance can be made that any private placement of securities will be completed. CEMEX has elected to provide this information in this Report on Form 6-K in the attached Exhibit 1 for informational purposes.

This report contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential” and “intend” or other similar words. These forward-looking statements reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from our expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on us or our subsidiaries, include:

- the cyclical activity of the construction sector;
- competition;
- general political, economic and business conditions in the markets in which we operate;
- the regulatory environment, including environmental, tax, antitrust and acquisition-related rules and regulations;
- our ability to satisfy our obligations under our facilities agreement, dated as of September 17, 2012, entered into with our major creditors and our obligations under the indentures that govern our senior secured notes and our other debt instruments;
- our ability to consummate asset sales, achieve cost-savings from our cost-reduction initiatives and implement our global pricing initiatives for our products;
- weather conditions;
- natural disasters and other unforeseen events; and
- other risks and uncertainties described under “Item 3—Key Information—Risk Factors” of our annual report on Form 20-F for the year ended December 31, 2012 and under “Risk Factors” in this report.

Readers are urged to read this filing and carefully consider the risks, uncertainties and other factors that affect our business. The information contained in this report is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements. Readers should review future reports filed by us with the U.S. Securities and Exchange Commission.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, CEMEX, S.A.B. de C.V. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CEMEX, S.A.B. de C.V.
(Registrant)

Date: September 25, 2013

By: /s/ Rafael Garza
Name: Rafael Garza
Title: Chief Comptroller

EXHIBIT INDEX

EXHIBIT NO.

DESCRIPTION

1. Certain information with respect to CEMEX, S.A.B. de C.V. (NYSE:CX).

The following summarizes certain information, including financial information, that we will disclose to prospective purchasers in connection with our proposed private placement. The disclosures set forth below update the information contained in our annual report on Form 20-F for the year ended December 31, 2012 (the “2012 Annual Report”), our report on Form 6-K filed with the U.S. Securities Exchange Commission (the “SEC”) on August 5, 2013 (the “August 6-K”) relating to certain information disclosed in connection with our August 2013 Notes Offering (as defined herein) and any other documents that we have filed or furnished with the SEC, and should be read in conjunction therewith. Except as the context otherwise may require, references in this filing to “CEMEX,” “we,” “us” or “our” refer to CEMEX, S.A.B. de C.V. and its consolidated entities. See note 2 to our audited consolidated financial statements included in our 2012 Annual Report. References in this filing to “U.S.\$” and “Dollars” are to U.S. Dollars, references to “€” are to Euros, and, unless otherwise indicated, references to “Ps,” “Mexican Pesos” and “Pesos” are to Mexican Pesos.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This filing contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. federal securities laws. In some cases, these statements can be identified by the use of forward-looking words such as “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential” and “intend” or other similar words. These forward-looking statements reflect our current expectations and projections about future events based on our knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from our expectations. Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on us or our subsidiaries, include:

- the cyclical activity of the construction sector;
- competition;
- general political, economic and business conditions in the markets in which we operate;
- the regulatory environment, including environmental, tax, antitrust and acquisition-related rules and regulations;
- our ability to satisfy our obligations under our facilities agreement, dated as of September 17, 2012, entered into with our major creditors and our obligations under the indentures that govern our Senior Secured Notes (as defined herein) and our other debt instruments;
- our ability to consummate asset sales, achieve cost-savings from our cost-reduction initiatives and implement our global pricing initiatives for our products;
- weather conditions;
- natural disasters and other unforeseen events; and
- other risks and uncertainties described under “Item 3—Key Information—Risk Factors” of our 2012 Annual Report and under “Risk Factors” in below.

Readers are urged to read this filing and carefully consider the risks, uncertainties and other factors that affect our business. The information contained in this filing is subject to change without notice, and we are not obligated to publicly update or revise forward-looking statements. Readers should review future reports filed by us with the SEC.

RECENT DEVELOPMENTS

Recent Developments Relating to Our Indebtedness

On August 12, 2013, CEMEX, S.A.B. de C.V. issued U.S.\$1.0 billion aggregate principal amount of its 6.500% Senior Secured Notes due 2019, or the August 2013 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act (the “August 2013 Notes Offering”). The payment of principal, interest and premium, if any, on the August 2013 Notes is fully and unconditionally guaranteed by CEMEX México, S.A. de C.V., or CEMEX México, CEMEX España, S.A., or CEMEX España, New Sunward Holding B.V., or New Sunward, Cemex Asia B.V., or CEMEX Asia, CEMEX Concretos, S.A. de C.V., or CEMEX Concretos, CEMEX Corp., Cemex Egyptian Investments B.V., or CEMEX Egyptian Investments, Cemex Egyptian Investments II B.V., or CEMEX Egyptian Investments II, CEMEX France Gestion (S.A.S.), or CEMEX France, Cemex Research Group AG, or CEMEX Research Group, Cemex Shipping B.V., or CEMEX Shipping, CEMEX UK and Empresas Tolteca de México, S.A. de C.V., or Empresas Tolteca. The August 2013 Notes are secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. The net proceeds from the offering of approximately U.S.\$995 million, along with available cash, were used to purchase U.S.\$925 million aggregate principal amount of CEMEX Finance LLC’s 9.50% Senior Secured Notes due 2016 at an aggregate purchase price of approximately U.S.\$1.01 billion through a cash tender offer (the “2016 Notes Tender Offer” and, together with the August 2013 Notes Offering, the “August 2013 Refinancing”), following which such 9.50% Senior Secured Notes due 2016 were immediately cancelled.

Recent Developments Relating to Regulatory Matters and Legal Proceedings

Antitrust Investigations in Europe by the European Commission

Regarding the formal proceedings against us and the other companies related to the antitrust investigations in Europe by the European Commission, the hearings for CEMEX, S.A.B. de C.V. and the other companies being investigated were completed in April 2013. We currently expect that a judgment will be rendered in late September 2013 or early October 2013.

Antitrust Investigations in Mexico

In January and March 2009, we were notified of two findings of presumptive responsibility against CEMEX issued by the Mexican Competition Authority (*Comisión Federal de Competencia* or “CFC”), alleging certain violations of Mexican antitrust laws. We believe these findings include substantial violations of rights granted by the Mexican Constitution. With respect to the first case, on June 6, 2013, the Monterrey Circuit Court ruled that the CFC had not complied with the constitutional challenge (*juicio de amparo*) resolution and that the matter should be sent to the Mexican Supreme Court in order to apply the relevant sanctions to the CFC. Once the CFC was notified of the content of this resolution, the CFC issued a new decision revoking its previous resolution and withdrawing all charges against CEMEX. With respect to the second case, the plaintiffs appealed the resolution issued by the District Court in Mexico City, dismissing the constitutional challenge (*juicio de amparo*) that they had filed due to a lack of standing to challenge the CFC’s decision, to the Circuit Court in Mexico City. On September 20, 2013, the Circuit Court in Mexico City confirmed that the case should be closed due to a lack of evidence to impose any sanctions.

Antitrust Investigations in Colombia

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

The investigated parties are accused of allegedly breaching: (i) Article 1 of Law 155 of 1959, which prohibits any kind of practice, procedure or system designed to limit free competition and determining or

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

If the alleged infringements investigated by the SIC are substantiated, aside from any measures that could be ordered to stop the alleged anti-competitive practices, penalties may be imposed against CEMEX Colombia. Pursuant to Law 1340 of 2009, the SIC may impose the following penalties: (i) up to 100,000 times the legal monthly minimum wage, which is approximately 58,950,000,000 Colombian Pesos (approximately U.S.\$30 million as of September 5, 2013, based on an exchange rate of 1,938.00 Colombian Pesos to U.S.\$1.00), for each violation and to each company being declared in breach of the competition rules, and (ii) up to 2,000 times the legal monthly minimum wage, which is approximately 1,179,000,000 Colombian Pesos (approximately U.S.\$609,000 as of September 5, 2013, based on an exchange rate of 1,938.00 Colombian Pesos to U.S.\$1.00), against those individuals found responsible of collaborating, facilitating, authorizing, executing or tolerating behavior that violates free competition rules. At this stage of the investigations, we do not expect this matter to have a material adverse impact on our results of operations, liquidity or financial condition.

Environmental Matters—Europe

In 2003, the European Union adopted a directive in order to help it fulfill its commitments under the Kyoto Protocol on climate change. This directive defines and establishes a GHG emissions trading scheme (“ETS”) within the European Union, i.e., it caps carbon dioxide emissions from installations involved in a number of sectors including, among others, the cement and lime. Installations covered by this regulation have to monitor their emissions of CO₂ and surrender every year allowances (the right to emit one metric ton of CO₂), or to a certain extent international offset credits, that cover their emissions. Allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that exceed their allocated quota. Failure to meet the emissions caps can subject a company to heavy penalties.

Up to 2012, allowances were issued by member states according to their National Allocation Plans, or NAPs. The NAPs not only set the total number of allowances for a given phase, but also defined how they were allocated among participating installations. From 2013 onwards the mechanism of NAPs is replaced by National Implementation Measures (“NIMs”) through which the allowances are allocated under a European-wide standard, which takes into account a best-of-class performance benchmark and, for each installation, its production of clinker during a reference period.

The international offset credits that installations are allowed to use, up to specified levels, to replace European allowances are issued under the flexible mechanisms of the Kyoto Protocol. The main source of those credits are projects registered under the so-called Clean Development Mechanism (“CDM”), but Joint Implementation (“JI”) credits are also eligible subject to certain criteria; the difference between these credits is dependent on which country is hosting the project: CDM projects are implemented in developing countries, JI projects in developed ones.

After a favorable verdict in the case that the Republic of Latvia brought before the European General Court against the European Commission’s rejection of the initial version of the 2008-2012 Latvian NAP, the Latvian Ministry of Environmental Protection and Regional Development issued the Decision No. 46 of April 18, 2012 increasing the allocation of allowances to our Broceni plant. The European Commission has subsequently filed an appeal with the European Court of Justice against the Judgment of the General Court; the General Advocate has issued an opinion in favor of the Commission’s legal grounds and subsequently contrary to the judgment of the European General Court. The outcome of this appeal is uncertain, as is the effect that a successful appeal by the Commission could have on the Decision that increased the allocation to our cement plant. A final judgment is expected to be passed within an approximate period of 4 years.

Croatia implemented during the years 2010 to 2012 an emissions trading scheme designed to be compatible with the one in force in the European Union, although no emission allowances could be exchanged between the two

schemes. Starting in 2013 and in line with its accession to the EU, Croatia has fully adopted the EU ETS Phase III legislation. We do not expect the adoption by Croatia of the EU emissions trading scheme to substantially affect our overall position.

On April 27, 2011, the European Commission adopted a Decision that states the rules, including the benchmarks of greenhouse gas emissions performance, to be used by the Member States in calculating the number of allowances to be annually allocated for free to industrial sectors (such as cement) that are deemed to be exposed to the risk of “carbon leakage”. Preliminary allocation calculations based on those rules were carried out by each Member State and included in a NIM table which was sent for scrutiny to the European Commission. Furthermore on September 5, 2013, the Commission adopted a Decision on Member States’ NIMs, which provides the basis for calculating the number of allowances allocated for free and auctioned, respectively. According to this Decision, the free allocation to each installation is to be adjusted by a ‘cross-sectoral correction factor’ laid down in the Decision which will vary each year, as foreseen by the ETS legislation. This is to ensure that the total amount handed out for free does not exceed a maximum set in the ETS Directive. The application of this cross-sectoral correction factor results in an important decrease in the quantity of allowances that our ETS-participant operations expect to receive for free in the 2013-2020 period.

Nonetheless, despite having sold a substantial amount of allowances during Phase II of the ETS, we believe that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS (2013-2012) will be sufficient to operate. This assessment stems from various factors, notably our efforts to reduce emissions per unit of clinker produced, reduced demand for our products due to the current economic circumstances, the stream of offset credits coming from our internal portfolio of CDM projects in Latin America and Egypt, and our expected long position in the initial years of Phase III of the ETS. As of September 4, 2013, the price of carbon dioxide allowances on the spot market was approximately €4.51 per ton (approximately U.S.\$5.97 as of August 31, 2013, based on an exchange rate of €0.7553 to U.S.\$1.00). We are taking measures intended to minimize our exposure to this market, while continuing to supply our products to our customers.

Tax Matters—Mexico

On September 8, 2013, the Mexican Government presented a tax reform proposal that includes amendments to the Income Tax Law (*Ley del Impuesto a la Renta*), the Value Added Tax Law (*Ley del Impuesto al Valor Agregado*), the Federal Tax Code (*Código Fiscal de la Federación*) and the Special Tax on Production and Services Law (*Ley del Impuesto Especial Sobre Producción y Servicios*), among others, which mainly consist of changes to the tax consolidation regime, deductions, dividends and other matters. We are currently evaluating the possible effects of this proposed tax reform.

Tax Matters—Colombia

During the second quarter of 2013, CEMEX Colombia reached a settlement with the Colombian Tax Authority (*Dirección de Impuestos*) regarding its 2007 and 2008 year-end tax returns. The amount paid in connection with the settlement regarding the 2007 and 2008 year-end tax returns was \$47,111.33 million Colombian Pesos (approximately U.S.\$24.3 million as of August 31, 2013, based on an exchange rate of 1,935.43 Colombian Pesos to U.S.\$1.00). On August 26, 2013, CEMEX Colombia received the final resolution regarding the 2007 year-end tax return. We are currently waiting for the final resolution regarding the 2008 year-end tax return settlement to be fully signed.

Israeli Class Action Litigation

On June 21, 2012, one of our subsidiaries in Israel was notified about an application for the approval of a class action suit against it. The application was filed by a homeowner who built his house with concrete supplied by our Israeli subsidiary in October 2010. According to the application, the plaintiff claims that the concrete supplied to him did not meet with the “Israel Standard for Concrete Strength No. 118” and that, as a result, our Israeli subsidiary acted unlawfully toward all of its customers who requested a specific type of concrete but that received concrete that did not comply with the Israeli standard requirements. As per the application, the plaintiff claims that the supply of the alleged non-conforming concrete has caused financial and non-financial damages to those customers, including the plaintiff. We presume that the class action would represent the claim of all the clients who purchased the alleged non-conforming concrete from our Israeli subsidiary during the past 7 years, the limitation period according to

applicable laws in Israel. The damages that could be sought amount to approximately 276 million Israeli Shekels (approximately U.S.\$76.4 million as of August 31, 2013, based on an exchange rate of 3.614 Israeli Shekels to U.S.\$1.00). Our Israeli subsidiary has submitted a formal response to the corresponding court. A hearing scheduled for September 8, 2013 was postponed to a date to be determined by the court because the plaintiff submitted a formal response only few days before the hearing date. At this stage, we believe the application is vexatious and should be dismissed without any expense to us. As of August 31, 2013, our subsidiary in Israel is not able to assess the likelihood of the class action application being approved or, if approved, of an adverse result, but if adversely resolved, we do not believe the final resolutions would have a material adverse impact on our financial results.

Egypt Share Purchase Agreement

On September 13, 2012, Assiut Cement Company (“ACC”), our Egyptian subsidiary, through local media in Egypt, learned about a preliminary non-enforceable decision against ACC made by a court of first instance in Assiut, Egypt, regarding the annulment of a Share Purchase Agreement signed in November 1999 between CEMEX and state-owned Metallurgical Industries Company pursuant to which CEMEX acquired a controlling interest in ACC. On September 19, 2012, ACC received the formal notification of the ruling made by the Assiut court of first instance. On October 18, 2012, ACC filed an appeal which was followed by Metallurgical Industries Company’s appeal filed on October 20, 2012. Hearings have been held on December 19, 2012, January 22, 2013, April 16, 2013, June 16, 2013 and September 14, 2013, with the next hearing scheduled to take place on October 23, 2013. At the September 14, 2013 hearing the Assiut Court decided to adjourn the session to October 23, 2013. We expect this hearing to be the last hearing in these proceedings, and we expect that the Assiut Court will decide to join the appeals filed by each ACC and Metallurgical Industries Company, schedule a date for a hearing to decide on the appeal and render a judgment. At this stage, we are not able to assess the likelihood of an adverse result, but if adversely resolved, the final resolution could have a material adverse impact on our financial results.

Recent Developments Relating to Our Operations

Proposed Transactions to Improve Our Strategic Footprint in Europe

On August 28, 2013, we announced that we had reached an agreement in principal with Holcim Ltd (“Holcim”) to conduct a series of transactions intended to improve our strategic footprint in Europe. In connection with the proposed transactions (i) we will acquire all of Holcim’s assets in the Czech Republic, which include one cement plant (cement capacity of 1.1 million tons, clinker capacity of 0.9 million tons), four aggregates quarries and 17 ready-mix plants; (ii) we will divest our assets in the western part of Germany (and some related assets in the Netherlands and France) to Holcim, which include one cement plant and two grinding mills (total cement capacity of 2.5 million tons, clinker capacity of 0.9 million tons), one slag granulator, 22 aggregates quarries and 79 ready-mix plants; and (iii) Holcim will contribute to CEMEX España Operaciones, S.L.U. (“CEMEX España Operaciones”), our principal operating company in Spain, all of its cement, ready-mix and aggregates operations in Spain, in exchange for a 25% minority interest in CEMEX España Operaciones. We anticipate that any definitive agreements relating to the transactions will contain customary provisions regarding Holcim’s rights as a minority holder in CEMEX España Operaciones. As part of these transactions, Holcim will pay us approximately €70 million in cash. The transactions are expected to close during the fourth quarter of 2013, subject to various conditions precedent including, among others, due diligence, negotiation of satisfactory agreements, approvals from competition authorities and consent from creditors under the Facilities Agreement, pursuant to which a consent request was launched on September 11, 2013. As such, there can be no assurance that the transactions will be consummated as currently contemplated, or at all. We are also currently performing due diligence in order to determine if any tax effect should be recognized due to these transactions.

Joint Venture With Concrete Supply Co. in North and South Carolina

On September 23, 2013, we and Concrete Supply Co. formed a joint venture company to combine our ready mix operations in North and South Carolina. The joint venture company is Concrete Supply Co., LLC. With a production capacity of 2 million cubic yards, the new joint venture will be a leading concrete producer in North and South Carolina. The joint venture is majority owned by Concrete Supply Holdings Co., who is the managing member, and we own a minority interest.

Recent Developments Relating to Our Major Shareholders

Based upon information contained in a statement on Schedule 13G filed with the SEC on August 9, 2013, as of July 31, 2013, BlackRock Inc. and its affiliates ("BlackRock") beneficially owned 1,155,662,641 CPOs, which represent approximately 10.11% of CEMEX, S.A.B. de C.V.'s outstanding capital stock as of August 21, 2013. BlackRock does not have voting rights different from our other non-Mexican holders of CPOs.

RISK FACTORS

The following risk factors, as well as the risk factors described under “Item 3—Key Information—Risk Factors” of our 2012 Annual Report and under “Risk Factors” in our August 6-K, are not the only risks we face, and any of the risk factors described below and in our 2012 Annual Report and August 6-K could significantly and adversely affect our business, results of operations or financial condition.

Economic conditions in some of the countries where we operate may adversely affect our business, financial condition and results of operations.

The economic conditions in some of the countries where we operate have had and may continue to have a material adverse impact on our business, financial condition and results of operations throughout our operations worldwide. Our results of operations are highly dependent on the results of our operating subsidiaries in the United States, Mexico, South America, Western Europe and Egypt.

Economic growth in the United States remains moderate despite substantial easing of monetary policy since the 2008 financial crisis. A rapid shift to contractionary policy by the Federal Reserve could have considerable economic consequences. An uncontrolled and disorderly departure from current policy could de-anchor inflation expectations, while a mistimed exit could undermine financial stability and negatively impact potential economic growth. An increase in mortgage interest rates due to a restrictive monetary policy could decelerate the pace of recovery in the housing sector and, in consequence, lead to a reduction in demand for cement and building materials in the United States. A decrease in spending by federal and state governments could also jeopardize economic recovery in the United States. Infrastructure spending is dependent upon state fiscal results and political agreements being reached at the federal level. Significant reductions in or changes to the U.S. federal government’s budget or its spending priorities from one period to another, including the impact of the sequestration, could adversely affect our customers’ and their demand for our products and services and could therefore materially adversely affect our business, financial condition and results of operations.

Investor confidence in the Mexican economy remains uncertain driven by the government’s proposed structural reforms; economic activity in Mexico has continued to decelerate. In particular, construction and building activity has been weak. The Mexican housing sector has suffered significantly with several of the country’s largest homebuilders facing financial distress. A deeper economic slowdown could affect construction activity (e.g. the formal housing sector) which may result in an adverse effect on demand for our products and could have a material adverse effect on our results of operations and financial condition. In addition, Mexico’s dependence on the U.S. economy remains very significant and, therefore, any downturn in the economic outlook of the United States may hinder economic growth in Mexico. Exchange rate depreciation and/or volatility in the markets would adversely affect our operational and financial results. Large capital inflows, which are driven by accommodative monetary policies in the United States, Japan and the European Union, and the search for higher returns on investments, can generate financial instability through credit booms and asset price bubbles, dampening future economic growth. A reversal of capital inflows resulting from a spike in risk aversion, or when the United States, Japan and the European Union begin exiting their accommodative monetary policy, could have adverse effects on the Mexican economy generally and our financial results.

Euro area countries, particularly peripheral countries, have faced a difficult economic environment due to sovereign, institutional and financial crises. Although progress has been made through policy actions that are essential to stabilize the Euro area (European Central Bank support, banking union, further fiscal integration), stability in the Euro area is still fragile and the relevant details of such policies are still in the initial phases. Once these policies are decided, they will need to be legislated and implemented. Delays and/or incomplete steps could trigger the erosion of incipient market confidence and our financial condition and results of operations could be further affected. Austerity measures being implemented by most European countries could result in larger than expected declines in infrastructure construction activity and demand for our products. A weaker than expected economic growth and worsening financial conditions could negatively affect residential and private non-residential construction. The risks are more pronounced in those countries with a higher degree of previous market distortions (especially those experiencing real estate bubbles and durable goods overhangs prior to the crisis), such as Spain. In these countries, the adjustment process has been slow, given the severe fiscal constraints, the need for households to delever and the limitations on credit institutions that are in the process of strengthening their balance sheets. Because of this, the residential adjustment could last longer than anticipated, while non-residential construction could

experience a sharper decline than expected. At the same time, fiscal austerity measures implemented in these countries have increased social risk and could also negatively affect their economies, which could adversely affect demand for our products and, as a consequence, adversely affect our business, financial condition and results of operations. Moreover, a default by a Eurozone country on their debt or their exit from the Euro could have a negative effect not only on the country, but also on the rest of Europe, which could adversely affect demand for our products, our business financial conditions and results of operations.

In the U.K., despite the economy's recent outperformance, exposure to financial market distress (given the weight of the financial sector in its economy) is significant. The significant trade links that Eastern European countries have with Western Europe make some of them susceptible to the Western European recession and political problems. The risk of spillover of financial and economic problems from one country to another is significant. Large financing needs in these countries also represent a significant vulnerability. Regarding European Union Structural Funds (funds provided by the European Union to member states with the lowest national incomes per capita), Central European economies might face cuts in coming years which could adversely affect infrastructure investment.

The Central and South American economies are also exposed to the risk of a decrease in overall economic activity. A new financial downturn, lower exports to the United States and Europe, lower remittances, lower commodity prices and a further moderation in some Asian emerging markets (i.e., net commodity importers) could represent an important risk for the region in the short term. This may translate into greater economic and financial volatility and lower growth rates, which could have a material adverse effect on demand and/or prices for our products in this region, thereby adversely affecting our business and results of operations. The region has received strong capital inflows associated with the excess of global liquidity, so the risk of asset bubbles, credit booms and economic overheating is also present, as well as the risk of a sudden reversal of flows. In particular, recently announced tightening of U.S. monetary policy could reduce capital flows into Latin American countries. Political or economic volatility in the South American, Central American or the Caribbean countries in which we have operations may also have a negative impact on prices and demand for our products, which could adversely affect our business, financial conditions and results of operations.

The Asia-Pacific region will likely be negatively affected if the economic landscape further deteriorates. Increased country risk and/or decreased confidence among global investors would also limit capital inflows and investments in the Asian region. A decline in Chinese economic growth (due to a disorderly correction of its imbalances or otherwise) would have negative spillover effects on the region.

In the Middle East region, lower oil revenues and political risk could moderate economic growth and adversely affect construction investments. Political instability in Syria and a potential military intervention could affect oil prices. In Egypt, political instability and social risk persist. The uncertainty caused by this could dampen overall economic activity in Egypt, negatively affecting demand for building materials. Egypt's large financial needs and the impediments to access financial support from multilateral institutions (due to the necessity for unpopular economic measures) could trigger a disorderly depreciation of the exchange rate. In addition, Egypt is subject to risks created by legal uncertainty.

Demand for our products is highly related to construction levels and depends, in large part, on residential and commercial construction activity as well as private and public infrastructure spending in the countries where we operate. Declines in the construction industry are correlated with declines in economic conditions. As a result, a deterioration in economic conditions in the countries where we operate could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure you that growth in the GDP of the countries where we operate will translate into a correlated increase in demand for our products.

If the economy of certain major countries where we operate were to deteriorate or fall into an even deeper and longer lasting recession, or even a depression, our business, financial condition and results of operations would be adversely affected.

We are subject to the effects of general global economic and market conditions that are beyond our control. If these conditions remain challenging or deteriorate, our business, financial condition and results of operations could be materially adversely affected. Possible consequences from macroeconomic global challenges such as the debt crisis in certain countries in the European Union or slowing economies in parts of Asia, or the impact of continuing

uncertainty associated with the budget “sequestration” in the U.S. federal government on our business, including insolvency of key suppliers resulting in product delays, inability of customers to obtain credit to finance purchases of our products, customer insolvencies and increased risk that customers may delay payments, fail to pay or default on credit extended to them, could have a material adverse effect on our results of operations or financial condition.

Our operations are subject to environmental laws and regulations.

Our operations are subject to a broad range of environmental laws and regulations in each of the jurisdictions in which we operate. The enactment of stricter laws and regulations, or stricter interpretation of existing laws or regulations, may impose new risks or costs on us or result in the need for additional investments in pollution control equipment, which could result in a material decline in our profitability.

In late 2010, the U.S. Environmental Protection Agency (“EPA”) issued the final portland cement national emission standard (“Portland Cement NESHAP”) for hazardous air pollutants under the federal Clean Air Act (“CAA”). This rule required portland cement plants to limit emissions of mercury, total hydrocarbons, hydrochloric acid and particulate matter by September 2013. The EPA also promulgated New Source Performance Standards (the “NSPS”) for cement plants at the same time. CEMEX, along with others in its industry, challenged these rules in administrative and judicial proceedings. In December 2011, the D.C. Circuit Court of Appeals remanded the Portland Cement NESHAP to EPA and directed the agency to recompute the standards, but rejected all challenges to the NSPS rule. In February 2013, EPA issued a revised final NESHAP rule that relaxed emissions limits for particulate matter as compared to the Portland Cement NESHAP rule, left the emissions limits for mercury, total hydrocarbons, and hydrochloric acid unchanged, and moved the compliance deadline to September 2015. In April 2013, environmental groups challenged the revised Portland Cement NESHAP rule in federal court. We are unable to predict whether the challenge will result in the rule being remanded again to EPA, or whether such a remand would result in a more or less stringent Portland Cement NESHAP. We are similarly unable to predict whether the September 2015 compliance date will remain in effect. If the final Portland Cement NESHAP and NSPS rules ultimately result in more stringent emission requirements or compliance deadlines for portland cement plants, these rules could have a material impact on our business operations, which we expect would be consistent with the impact on the cement industry as a whole.

In February 2013, EPA issued revised final emissions standards under the CAA for commercial and industrial solid waste incinerators (“CISWI”). Under the CISWI rule, if a material being used in a cement kiln as an alternative fuel is classified as a solid waste, the plant must comply with CISWI standards. The CISWI rule covers nine pollutants, and imposes more stringent emissions limits on certain pollutants also regulated under the Portland Cement NESHAP. The CISWI rule has been challenged by both industrial and environmental groups in federal court. In August 2013, EPA announced that it was reconsidering certain monitoring requirements, emission limits and other provisions in the CISWI rule and asked the court to hold in abeyance portions of pending litigation that challenge the provisions it is reconsidering. We are unable to predict the result of EPA’s reconsideration of the CISWI rule. We are similarly unable to predict whether the pending challenge would result in the rule being remanded to EPA, or whether such a remand would result in a more or less stringent CISWI standards. If the CISWI rule takes effect in its current form, and if kilns at CEMEX plants are determined to be CISWI kilns due to the use of certain alternative fuels, the emissions standards imposed by the CISWI rule could have a material impact on our business operations.

In June 2010, EPA proposed regulating Coal Combustion Products (“CCPs”) generated by electric utilities and independent power producers as a hazardous or special waste under the Resource Conservation and Recovery Act. CEMEX uses CCPs as a raw material in the cement manufacturing process, as well as a supplemental cementitious material in some of our ready-mix concrete products. Efforts are also underway in Congress to introduce CCP legislation that would preempt the EPA’s proposed rule. It is too early to predict how CCPs will ultimately be regulated, but if CCPs are regulated as a hazardous or special waste in the future, it may result in changes to the formulation of our products away from those formulations that employ CCPs as a raw or supplemental cementitious material. Based on current information, we believe, although we cannot assure you, that such matters will not have a material impact on us. EPA has not announced a timetable for issuing the final CCP rule.

The cement manufacturing process requires the combustion of large amounts of fuel and creates carbon dioxide (“CO₂”) as a by-product of the calcination process. Therefore, efforts to address climate change through federal, state, regional and international laws and regulations requiring reductions in emissions of greenhouse gases (“GHGs”) can create economic risks and uncertainties for our business. Such risks could include the cost of

purchasing allowances or credits to meet GHG emission caps, the cost of installing equipment to reduce emissions to comply with GHG limits or required technological standards, or decreased profits or losses arising from decreased demand for our goods or higher production costs resulting directly or indirectly from the imposition of legislative or regulatory controls. EPA has promulgated a series of regulations pertaining to emissions of GHGs from industrial sources. EPA issued the Mandatory Reporting of GHGs Rule, effective December 29, 2009, which requires certain covered sectors, including cement manufacturing, with GHG emissions above an established threshold to inventory and report their GHG emissions annually on a facility-by-facility basis. We do not expect this rule to have a material economic impact on us.

In 2010, EPA issued a final rule that establishes GHG thresholds for the New Source Review Prevention of Significant Deterioration (“PSD”) and Title V Operating Permit programs. The rule “tailors” the requirements of these CAA permitting programs to limit which facilities will be required to obtain PSD and Title V permits for GHG emissions. Cement production facilities are included within the categories of facilities required to obtain permits, provided that their GHG emissions exceed the thresholds in the tailoring rule. The PSD program requires new major sources of regulated pollutants and major modifications at existing major sources to secure pre-construction permits, which establish, among other things, limits on pollutants based on Best Available Control Technology (“BACT”). According to EPA’s rules, stationary sources, such as cement manufacturing, which are already regulated under the PSD program for non-GHG pollutants, need to apply for a PSD permit for any GHG emissions increases above 75,000 tons/year of carbon dioxide equivalent (“CO₂E”). Therefore, new cement plants and existing plants undergoing modification which are major sources for non-GHG pollutants regulated under the CAA need to acquire a PSD permit for construction or modification activities that increase CO₂E by 75,000 or more tons/year, and would have to determine and install BACT controls for those emissions. Furthermore, any new source that emits 100,000 tons/year of CO₂E or any existing source that emits 100,000 tons/year of CO₂E and undergoes modifications that would emit 75,000 tons/year of CO₂E, must comply with PSD obligations. Complying with these PSD permitting requirements can involve significant costs and delay. The costs of future GHG-related regulation of our facilities through these efforts or others could have a material economic impact on our U.S. operations and the U.S. cement manufacturing industry.

In June 2013, President Obama announced his Climate Action Plan to achieve a 17% reduction in GHG emissions below 2005 levels by 2020. The directive outlines plans to regulate CO₂E emissions from existing sources in the power sector under the CAA. Because, as presently formulated, the Climate Action Plan is most relevant to the power sector, we do not expect it to have a material economic impact on our U.S. operations. However, should future executive branch climate change directives broaden to include existing sources in industries outside of the power sector, the cost of complying with regulations promulgated in response to such directives could have a material economic impact on our U.S. operations and the U.S. cement manufacturing industry as a whole.

On the legislative front, during the past few years, various bills have been introduced in the U.S. Congress seeking to establish caps or other limits on GHG emissions. Any legislation imposing significant costs or limitations on raw materials, fuel or production, or requirements for reductions of GHG emissions, could have a significant impact on the cement manufacturing industry and a material economic impact on our U.S. operations, including competition from imports in countries where such costs are not imposed on manufacturing.

In addition to pending U.S. federal regulation and legislation, states and regions are establishing or seeking to establish their own programs to reduce GHG emissions, including from manufacturing sectors. For example, California passed AB 32 into law in 2006, which, among other things, seeks a statewide reduction of GHG emissions to 1990 levels by 2020 and places responsibility with the California Air Resources Board (“CARB”) to develop the implementing regulations which, among other things, requires the minimization of leakage to the extent feasible. In October 2011, CARB approved a cap-and-trade program that went into effect on January 1, 2013 for the utility and industrial sectors, including the cement sector. Under the current regulatory framework, we expect that CARB will distribute free emission allowances to industrial facilities under an output-based benchmark system based on each industrial sector’s leakage risk. The cement sector was placed in the high leakage risk category. Based on its placement in the high leakage risk category, the cement industry as a whole will receive a free allowance allocation rate of approximately 94% of its emission obligation in 2013 which would decline ratably with the cap adjustment to 87% in 2020. The output-based benchmark system creates incentives for industrial facilities to reduce their GHG intensity. We are actively pursuing initiatives to substitute lower carbon fuels for fossil fuels, improve our energy efficiency and utilize renewable power in an effort to economically reduce our direct and indirect GHG emission intensities. However, even with these ongoing efforts and the expected distribution of free allowances and CARB-mandated power rebates to us, we cannot assure you that the overall costs of complying with a cap-and-trade program will not have a material impact on our operations in California.

In 2007, CARB approved a regulation that will require California equipment owners/operators to reduce diesel particulate and nitrogen oxide emissions from in-use off-road diesel equipment and to meet progressively more restrictive emission targets. In 2008, CARB approved a similar regulation for in-use on-road diesel equipment. The emission targets will require us to retrofit our California-based equipment with diesel emission control devices or replace equipment with new engine technology in accordance with certain deadlines, which will result in higher equipment related expenses or capital investments. We may incur substantial expenditures to comply with these requirements.

In the European Union, cement plants are regulated according to two directives which have been transposed into domestic law by member states. The first is the Directive on Integrated Pollution Prevention and Control (2008/1/EC) (“IPPC Directive”), which adopts an integrated approach by taking into account the whole environmental performance of the plant. It requires cement works to have a permit containing emission limit values and other conditions based on the application of best available techniques (“BAT”) with a view to preventing or, where this is not practicable, minimizing emissions of pollutants likely to be emitted in significant quantities in air, water or land. Permit conditions also have to address energy efficiency, waste minimization, prevention of accidental emissions and site restoration. To assist the permitting authorities and companies in determining the BAT, the European Commission organizes an exchange of information between experts from the member states, industry and environmental organizations. This results in the adoption and publication by the European Commission of BAT Reference Documents (“BREFs”) for the industry sectors covered by the IPPC Directive. A key element of the BREFs are the conclusions on BAT (“BAT conclusions”) which are used as a reference for setting permit conditions.

The second Directive relates to the Incineration of Waste (2000/76/EC) (“Incineration Directive”). Its aim is to prevent or limit, as far as practicable, negative effects on the environment, in particular pollution by emissions in air, soil, surface water and groundwater and the resulting risks to human health, from incineration and co-incineration plants, the latter including cement and lime kilns. The Incineration Directive seeks to achieve its aim by setting and maintaining stringent operational conditions and technical requirements, as well as emission limit values for a range of pollutants including dust, nitrogen oxides, sulfur dioxide, hydrogen chloride, heavy metals and dioxins.

On January 6, 2011, the Industrial Emissions Directive (2010/75/EU) (“IED”) came into force. The IED updates and merges seven pieces of existing legislation, including the IPPC Directive and the Incineration Directive which it will eventually replace. It will apply to new installations from 6 January 2013 and to existing installations (other than large combustion plants) from 6 January 2014. Under the IED, operators of industrial installations, including cement plants, are required to obtain an integrated permit from the relevant permitting authority in the member states. As with the IPPC Directive, permit conditions, including emission limit values, must be based on BAT. However, there is an important difference between the two directives. Under the IPPC Directive, the BAT reference documents are considered as guidance only. This is not the case under the IED. Where BAT conclusions specify emission levels, permitting authorities are required to set emission limit values that do not exceed these levels. They may derogate from this requirement only where the costs associated with the achievement of the emission levels associated with the BAT disproportionately outweigh the environmental benefits due to the geographical location, the local environmental conditions or the technical characteristics of the installation concerned. The permitting authorities must document the reasons for the derogation from the emission limit values in the permit, including the result of the cost-benefit assessment. In April 2013, the European Commission published new BAT conclusions under the IED for Cement, Lime and Magnesium Oxide, together with specific emission levels. While it is too early to assess what impact the IED will have on our operations, it is reasonable to assume that there will be an impact given the change in regulatory approach heralded by the legislation and the fact that it will be key to the permitting of the cement industry in the EU.

On the international front, we actively monitor negotiations of the United Nations Framework Convention on Climate Change (“UNFCCC”). In 1997, as part of the UNFCCC, 197 governments adopted the Kyoto Protocol to limit and reduce GHG emissions. The Kyoto Protocol set legally binding emission reduction targets for 37 industrialized countries and the European Union. Under the Kyoto Protocol, industrialized countries agreed to reduce their collective GHG emissions by 5% against 1990 levels over the five year period 2008-2012 (“first commitment period”); future mandatory targets were expected to be established for commitment periods after 2012.

To compensate for the sting of binding targets, the Kyoto Protocol allows three “flexibility” mechanisms to be used by parties in meeting their emission limitation commitments: the Clean Development Mechanism (“CDM”), Joint Implementation (“JI”) and International Emissions Trading.

In November-December 2012, at the UN Climate Change Conference in Doha, Qatar, certain parties, including the UK and the European Union, adopted the Doha Amendment to the Kyoto Protocol and committed to reduce GHG emissions by at least 18% below 1990 levels in the eight year period from 2013 to 2020 (“second commitment period”).

We operate in countries that are signatories to the Kyoto Protocol, including European Union member states. Hence, our operations in the United Kingdom, Spain, Germany, Latvia, Poland and Croatia, are subject to binding caps on CO₂ emissions imposed pursuant to the European Union’s emissions trading system (“ETS”) that was established by Directive 2003/87/EC to implement the Kyoto Protocol. Under the ETS, a cap or limit is set on the total amount of CO₂ emissions that can be emitted by the power plants, energy-intensive installations (including cement plants) and commercial airlines that are covered by the system. The cap is reduced over time, so that the total amount of emissions will decrease. Within the cap, companies receive or buy emission allowances. These allowances are tradable so as to enable companies that manage to reduce their emissions to sell their excess allowances to companies that are not reaching their emissions objectives. In addition to carbon allowances, the ETS also allows the use of Kyoto Protocol units (the Emission Reduction Unit, representing a metric ton of carbon saved by a project under the JI mechanism, and the Certified Emission Reduction unit under the CDM). The ETS recognizes these units as equivalent to its carbon allowances and allows them to be used by companies for compliance up to a certain limit to offset their carbon emissions in the EU. After each year, a company must surrender enough carbon allowances to cover all its emissions. Failure to meet the emissions caps is subject to significant monetary penalties. For further detail, see “Item 3—Key Information—Risk Factors—Our operations are subject to environmental laws and regulations.”

The EU ETS has been divided in subsequent trading phases: Phase I which lasted from January 1, 2005 to December 31, 2007, Phase II, which lasted from 1 January 2007 to 31 December 2012, and was intended to meet commitments under the Kyoto first commitment period, and Phase III which commenced on 1 January 2013 and will end on 31 December 2020. Prior to the commencement of each of ETS Phases I and II, each member state was responsible for publishing its National Allocation Plan, a document which sets out a national cap on the total amount of carbon allowances during each relevant trading phase and the methodology by which the cap would be allocated to the different sectors in the ETS and their respective installations. Each member state’s cap contributed to an overall EU cap on emissions, where one carbon allowance must be surrendered to account for 1 metric ton of carbon emitted. The carbon allowances were mostly distributed for free by each member state to its ETS installations, although some member states also used a fraction of their material cap for auctioning, mainly to power generators. Under ETS Phase III, however, the system of National Allocation Plans has been replaced by a single EU-wide, top-down, cap on CO₂ emissions, with allocation for all installations made according to harmonized EU rules and set out in each member state’s National Implementation Measures. Restrictions have been introduced on the extent to which Kyoto Protocol units can be used to offset EU carbon emissions, and auctioning, not free allocation, has become the default method for distributing allowances. For those allowances that are still given away free, as discussed below, harmonized rules apply based on EU-wide benchmarks of emissions performance.

EU policymakers see the free allocation of allowances as a principle way to reduce the risk of carbon leakage—that is, the risk that energy-intensive industries, facing higher costs because of the ETS, will move their facilities beyond the EU’s borders to countries that do not have climate change controls, thus resulting in a leakage of CO₂ emissions without any environmental benefits. In 2009, a list of ETS sectors deemed to be at significant risk of carbon leakage was formally adopted by the European Commission, following agreement by member states and the European Parliament. The list included the cement production sector, on the basis that the additional costs imposed by the ETS would lead to a 30% or more increase in production costs as a proportion of the “gross value added”. Sectors classified as deemed to be at significant risk of carbon leakage will continue to receive 100% of their benchmark allocation of allowances free of charge during 2013 and 2014, notwithstanding the application of a cross-sectoral correction factor, affecting uniformly upon all participating facilities in Europe, in order to reduce the amount of free allocation that each installation receives so that the sum of free allocations given out by all Member States equals the authorized EU-wide cap for free allocation. By contrast, sectors that are not considered at risk of carbon leakage will receive 80% of their benchmark allowances for free in 2013, declining to 30% by 2020.

In accordance with European Commission Decision of 27 April 2011 (2011/278/EU), the number of allowances to be allocated to installations for free will be based on a combination of historic activity levels at that installation and an EU benchmark of carbon efficiency for the production of a particular product—for example, clinker. An installation's historic activity level is calculated by taking the median of its annual production levels during the baseline period, either 2005 to 2008 or, where historic activity levels are higher, 2009/10. The product benchmark is based on the average carbon emissions of the top 10% most "carbon efficient" EU installations for a particular product during 2007/8, where carbon efficiency is measured by carbon intensity or carbon emission per metric ton of product. Based on these criteria for preliminary allocation, we expect that the aggregate amount of allowances that will be annually allocated for free to CEMEX in Phase III of the ETS will be sufficient to operate, assuming that the cement industry continues to be considered at significant risk of carbon leakage and that no cross-sectoral correction factor is applied. However, a review of the sectors deemed to be at significant risk is to take place in 2014 and it is possible that the cement industry could lose that status. Indeed, commentators argue that many of the assumptions that were used to determine which sectors should be deemed to be at significant risk are now obsolete. For example, the 2009 quantitative analysis that was relied upon forecast that ETS prices would stabilize at €30/ton CO₂, but in fact prices are significantly lower than that. A determination that the cement industry should no longer be regarded as at significant risk of carbon leakage, or the application of a cross-sectoral correction factor, could have a material impact on our operations.

An installation can only receive its full allocation of free allowances if it is deemed to have not partially ceased under the "partial cessation rule" of the ETS. Partial cessation applies where a sub-installation which contributes at least 30% of the installation's final annual amount of emissions allocated, or contributes to more than 50,000 allowances, reduces its activity level by at least 50% of its historic activity levels. If activity levels are reduced to between 50% and 75% of the historic activity level, the amount of free carbon allowances the sub-installation will receive will reduce by half in the following year; if activity levels are reduced by 75% to 90% compared to historic activity levels, the amount of free carbon allowances the sub-installation will receive will reduce by 75% in the following year; and if activity levels are reduced by 90% or more compared to historic activity levels, no allowances shall be allocated free of charge the following year in respect of the sub-installation concerned. This represents a change from ETS Phase II, in which the rules for partial cessation were defined by each member state's NAP and often did not result in any reduction in the level of free allocation, but an installation was no longer entitled to a free allocation from the following year if it had permanently ceased operating. The new rules are therefore more stringent, and to the extent that they result in our plants foregoing free carbon allowances, they could represent a significant loss of revenue, since carbon allowances are also tradable.

As a result of continuing uncertainty regarding final allocation of free allowances and our cement production volumes until 2020, it is premature to draw conclusions regarding the overall position of all of our European cement plants. Also, separate cap-and-trade schemes may be adopted in individual countries outside the European Union.

Under the ETS, we seek to reduce the impact of any excess emissions by either reducing the level of CO₂ released in our facilities or by implementing CDM projects under the Kyoto Protocol in emerging markets. We have registered 12 CDM projects; in total, these projects have the potential to reduce almost 1.7 million metric tons of CO₂-E emissions per year. If we are not successful in implementing emission reductions in our facilities or obtaining credits from CDM projects, we may have to purchase a significant amount of allowances in the market, the cost of which may have a significant impact on our operating results.

Given the uncertain nature of the actual or potential statutory and regulatory requirements for GHG emissions at the federal, state, regional and international levels, we cannot predict the impact on our operations or financial condition or make a reasonable estimate of the potential costs to us that may result from such requirements. However, the impact of any such requirements, whether individually or cumulatively, could have a material economic impact on our operations in the United States and in other countries.

Cement production raises a number of health and safety issues. As is the case with other companies in our industry, some of our aggregate products contain varying amounts of crystalline silica, a common mineral. Also, some of our construction and material processing operations release, as dust, crystalline silica that is in the materials being handled. Excessive, prolonged inhalation of very small-sized particles of crystalline silica has allegedly been associated with respiratory disease (including silicosis). As part of our annual due diligence, we work with our stakeholders to verify that certain health and safety protocols are in place as regards the management of silica and its health effects. Nonetheless, under various laws we may be subject to future claims related to exposure to these or other substances.

Other health and safety issues include: burns arising from contact with hot cement kiln dust or dust on preheater systems; noise, including from chutes and hoppers, milling plants, exhaust fans and blowers; the potential for dioxin formation if chlorine-containing alternative fuels are introduced into kilns; plant cleaning and maintenance activities involving working at height or in confined or other awkward locations, and the storage and handling of coal and petcoke, which, in their finely ground state, can pose a risk of fire or explosion. While we actively seek to minimize the risk posed by these issues, personal injury claims may be made, and substantial damages awarded, against us. We may also be required to change our operational practices, involving material capital expenditure.

Under certain environmental laws and regulations, liability associated with investigation or remediation of hazardous substances can arise at a broad range of properties, including properties currently or formerly owned or operated by CEMEX, as well as facilities to which we sent hazardous substances or wastes for treatment, storage or disposal. Such laws and regulations may apply without regard to causation or knowledge of contamination. We occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities (or ongoing operational or construction activities) may lead to hazardous substance releases or discoveries of historical contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. While compliance with these laws and regulations has not materially adversely affected our operations in the past, we cannot assure you that these requirements will not change and that compliance will not adversely affect our operations in the future. Furthermore, we cannot assure you that existing or future circumstances or developments with respect to contamination will not require us to make significant remediation or restoration expenditures.

As part of our insurance-risk governance approach, from time to time we evaluate the need to address the financial consequences of environmental laws and regulations through the purchase of insurance. As a result we do arrange certain types of environmental impairment insurance policies for both site-specific, as well as multi-site locations. We also organize non-specific environmental impairment insurance as part of the provision of a broader corporate insurance strategy. These latter insurance policies are designed to offer some assistance to our financial flexibility to the extent that the specifics of an environmental incident could give rise to a financial liability. However, we cannot assure you that a given environmental incident will be covered by the environmental insurance we have in place, or that the amount of such insurance will be sufficient to offset the liability arising from the incident.

See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Environmental Matters” of our 2012 Annual Report.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial data set forth below as of December 31, 2012, 2011 and 2010 and for each of the three years ended December 31, 2012, 2011 and 2010 have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, our audited consolidated financial statements included in our 2012 Annual Report. Our audited consolidated financial statements prepared under International Financial Reporting Standards, or IFRS, for the year ended December 31, 2012 were approved by our shareholders at the annual general ordinary shareholders' meeting, which was held on March 21, 2013.

The financial data set forth below as of June 30, 2013, and for the six-month periods ended June 30, 2013 and 2012, have been derived from, and should be read in conjunction with, and are qualified in their entirety by reference to, our unaudited condensed consolidated financial statements as of and for the six-month periods ended June 30, 2013 and 2012 and the notes thereto included herein. In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring items) that are necessary to properly present, in all material respects, the results for the interim periods. The interim results of operations for the six-month period ended June 30, 2013 are not indicative of operating results to be expected for the entire year.

The operating results of newly acquired businesses are consolidated in our financial statements beginning on the acquisition date. Therefore, all periods presented do not include operating results corresponding to newly acquired businesses before we assumed control. As a result, the financial data for the year ended December 31, 2012 may not be comparable to that of prior periods.

Our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein are prepared on a basis consistent with the accounting policies used in the preparation and presentation of our audited consolidated financial statements included in our 2012 Annual Report, except for those newly issued financial reporting standards effective January 1, 2013. The effects of the amendments to IAS 19 "*Employee Benefits*" and the IFRIC 20 "*Stripping Cost in the production phase of a surface mine*" were recognized in the statements of operations for the six month-period ended June 30, 2012. Our annual financial statements for the years ended December 31, 2012 do not include the adjustments from the application of these new financial reporting standards and will be restated for comparison purposes upon the preparation of our annual financial statements for the year ended December 31, 2013. Nonetheless, CEMEX evaluated the impact of adopting such amendments based on the estimated effect for full year 2012 and concluded that any such effect for the reported comparative period was not significant. Therefore, the results of operations for such periods are not fully comparable with those for the year ended December 31, 2012.

Our audited consolidated financial statements included in our 2012 Annual Report, have been prepared in accordance with IFRS, which differ in significant respects from U.S. GAAP. The regulations of the SEC do not require foreign private issuers that prepare their financial statements on the basis of IFRS (as published by the International Accounting Standards Board) to reconcile such financial statements to U.S. GAAP. Accordingly, beginning in 2011 upon our adoption of IFRS, we no longer reconcile our financial information to U.S. GAAP.

Non-Mexican Peso amounts included in the financial statements are first translated into U.S. Dollar amounts, in each case at a commercially available or an official government exchange rate for the relevant period or date, as applicable, and those U.S. Dollar amounts are then translated into Mexican Peso amounts at the CEMEX accounting rate, described under "Item 3—Key Information—Mexican Peso Exchange Rates" of our 2012 Annual Report, as of the relevant period or date, as applicable.

The U.S. Dollar amounts provided below and, unless otherwise indicated herein, are translations of Mexican Peso amounts at an exchange rate of Ps12.96 to U.S.\$1.00, the CEMEX accounting rate as of June 30, 2013. However, in the case of transactions conducted in U.S. Dollars, we have presented the U.S. Dollar amount of the transaction and the corresponding Mexican Peso amount that is presented in our consolidated financial statements. These translations have been prepared solely for the convenience of the reader and should not be construed as representations that the Mexican Peso amounts actually represent those U.S. Dollar amounts or could be converted into U.S. Dollars at the rate indicated. The noon buying rate for Mexican Pesos on June 30, 2013 was Ps12.99 to U.S.\$1.00. From June 30, 2013 through August 31, 2013, the Mexican Peso depreciated by approximately 3% against the U.S. Dollar, based on the noon buying rate for Mexican Pesos.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Selected Consolidated Financial Information

As of and For the Year Ended December 31,	As of and For the Six Months Ended June 30,			
2010	2011	2012	2012	2013

(in millions of Mexican Pesos, except ratios and share and per share amounts)
(unaudited)

Statement of Operations Information:

Net sales	Ps 177,641	Ps 189,887	Ps 197,036	Ps 97,694	Ps 92,478
Cost of sales(1)	(127,845)	(136,167)	(138,711)	(69,774)	(64,837)
Gross profit	49,796	53,720	58,325	27,920	27,641
Administrative, selling and distribution expenses	(39,060)	(41,656)	(41,125)	(19,883)	(18,924)
Operating earnings before other expenses, net(2)	10,736	12,064	17,200	8,037	8,717
Other expense, net	(6,335)	(5,449)	(5,692)	(368)	(1,580)
Operating earnings(2)	4,401	6,615	11,508	7,669	7,137
Financial items(3)	(15,276)	(18,841)	(17,358)	(8,765)	(8,670)
Equity in income (loss) of associates	(487)	(334)	728	158	31
Loss before income tax	(11,362)	(12,560)	(5,122)	(938)	(1,502)
Non-controlling net income (loss)	46	21	662	90	564
Controlling interest net loss	(13,482)	(24,788)	(11,881)	(2,924)	(5,464)
Basic loss per share(4)(5)	(0.39)	(0.71)	(0.34)	(0.08)	(0.15)
Diluted loss per share(4)(5)	(0.39)	(0.71)	(0.34)	(0.08)	(0.15)
Number of shares outstanding(4)(6)(7)	30,065	31,410	32,808	32,695	34,155

Balance Sheet Information:

Cash and cash equivalents	8,354	16,128	12,478	8,351	9,672
Property, machinery and equipment, net	221,271	233,709	212,301	221,601	203,613
Total assets	504,881	541,652	478,770	512,986	474,122
Short-term debt	5,618	4,673	596	693	4,500
Long-term debt	188,776	203,798	177,539	198,405	178,948
Non-controlling interest and Perpetual Debentures(8)	19,443	16,602	14,488	9,332	14,087
Total controlling stockholders' equity	163,744	155,101	141,112	150,324	139,469

Other Financial Information:

Net working capital(9)	18,692	23,690	19,667	25,642	23,479
Book value per share(4)(7)(10)	5.45	4.94	4.30	4.60	4.08
Operating margin	6.0%	6.4%	8.7%	8.2%	9.4%
Operating EBITDA(11)	29,844	29,600	34,384	16,865	15,803
Ratio of Operating EBITDA to interest expense(11)	2.0	1.8	1.9	1.84	1.71
Capital expenditures	6,963	7,577	10,026	2,438	2,319
Depreciation and amortization	19,108	17,536	17,184	8,828	7,086
Net cash flow provided by operating activities before interest and income taxes paid in cash	25,952	23,616	29,897	9,701	8,375
Basic loss per CPO(4)(5)	(1.17)	(2.13)	(1.02)	(0.24)	(0.45)
Total debt plus other financial obligations	210,619	249,372	218,026	240,409	224,780

- (1) Cost of sales includes depreciation, amortization and depletion of assets involved in production, freight expenses of raw materials used in our producing plants, delivery expenses of our ready-mix concrete business and expenses related to storage in producing plants. Our cost of sales excludes (i) expenses related to personnel and equipment comprising our selling network and those expenses related to warehousing at the points of sale, which are included as part of our administrative and selling expenses line item, and (ii) freight expenses of finished products from our producing plants to our points of sale and from our points of sale to our customers' locations, which are all included as part of our distribution expenses line item.
- (2) The line item "Operating earnings before other expenses, net" was titled by CEMEX in prior years as "Operating income." The line item "Operating earnings" was titled by CEMEX in prior years as "Operating income after other expenses, net." See note 2A to our audited consolidated financial statements included in our 2012 Annual Report.
- (3) Financial items includes financial expenses and our other financial income, net, which includes our financial income, results from financial instruments, net (derivatives and marketable securities), foreign exchange results, effects of net present value on assets and liabilities and others, net. See note 7 to our audited consolidated financial statements included in our 2012 Annual Report, and note 6 to our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2013 and 2012 included herein.
- (4) CEMEX, S.A.B. de C.V.'s capital stock consists of Series A shares and Series B shares. Each of CEMEX, S.A.B. de C.V.'s CPOs represents two Series A shares and one Series B share. As of June 30, 2013, approximately 99.29% of CEMEX, S.A.B. de C.V.'s outstanding share capital was represented by CPOs. Each of CEMEX, S.A.B. de C.V.'s ADSs represents ten CPOs.

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- (5) Loss per share are calculated based upon the weighted average number of shares outstanding during the preceding 12-month period, as described in note 22 to our audited consolidated financial statements included in our 2012 Annual Report. Basic loss per CPO is determined by multiplying the basic loss per share for each period by three (the number of shares underlying each CPO). Basic loss per CPO is presented solely for the convenience of the reader and does not represent a measure under IFRS.
- (6) CEMEX, S.A.B. de C.V. did not declare a dividend for fiscal years 2010, 2011 and 2012. At each of CEMEX, S.A.B. de C.V.'s 2010, 2011 and 2012 annual general ordinary shareholders' meetings, held on February 24, 2011, February 23, 2012 and March 21, 2013, respectively, CEMEX, S.A.B. de C.V.'s shareholders approved a recapitalization of retained earnings. New CPOs issued pursuant to each such recapitalization were allocated to shareholders on a pro-rata basis. As a result, shares equivalent to approximately 401 million CPOs, approximately 418.7 million CPOs and approximately 437.5 million CPOs were allocated to shareholders on a pro-rata basis in connection with the 2010, 2011 and 2012 recapitalizations, respectively. In each case, CPO holders received one new CPO for each 25 CPOs held and ADS holders received one new ADS for each 25 ADSs held. There was no cash distribution and no entitlement to fractional shares.
- (7) Based upon the total number of shares outstanding at the end of each period, expressed in millions of shares, and includes shares subject to financial derivative transactions, but does not include shares held by our subsidiaries.
- (8) Non-controlling interest, as of December 31, 2012 and June 30, 2013, includes U.S.\$473 million (Ps6,078 million) and U.S.\$472 million (Ps6,118 million), respectively, that represents the nominal amount of Perpetual Debentures (as defined our 2012 Annual Report), denominated in U.S. Dollars and Euros, issued by consolidated entities. In accordance with IFRS, these securities qualify as equity due to their perpetual nature and the option to defer the coupons. See note 20D to our audited consolidated financial statements included in our 2012 Annual Report, and note 17B to our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2013 and 2012 included herein.
- (9) Net working capital equals trade receivables, less allowance for doubtful accounts plus inventories, net, less trade payables.
- (10) Book value per share is calculated by dividing the total controlling stockholders' equity by the number of shares outstanding.
- (11) Operating EBITDA equals operating earnings before other expenses, net, amortization and depreciation expenses. Operating EBITDA and the ratio of Operating EBITDA to interest expense are presented because we believe that they are widely accepted as financial indicators of our ability to internally fund capital expenditures and service or incur debt. Operating EBITDA and such ratios should not be considered as indicators of our financial performance, as alternatives to cash flow, as measures of liquidity or as being comparable to other similarly titled measures of other companies. Under IFRS, while there are line items that are customarily included in statements of operations prepared pursuant to IFRS, such as net sales, operating costs and expenses and financial revenues and expenses, among others, the inclusion of certain subtotals, such as operating earnings before other expenses, net, and the display of such statement of operations varies significantly by industry and company according to specific needs. Operating EBITDA is reconciled below to operating earnings before other expenses, net, as reported in the statements of operations, and to net cash flows provided by operating activities before interest and income taxes paid in cash, as reported in the statement of cash flows. Interest expense under IFRS does not include coupon payments and issuance costs of the Perpetual Debentures issued by consolidated entities of approximately Ps294 million for the six-month period ended June 30, 2012 and approximately Ps217 million for the six-month period ended June 30, 2013.

	As of and For the Year Ended December 31,			As of and For the Six-Month Period Ended June 30,	
	2010	2011	2012	2012	2013
	(in millions of Mexican Pesos)				
	(unaudited)				
Reconciliation of operating EBITDA to net cash flows provided by operating activities before interest and income taxes paid in cash					
Operating EBITDA	Ps 29,844	Ps 29,600	Ps 34,384	Ps 16,865	Ps 15,803
Less:					
Operating depreciation and amortization expense	19,108	17,536	17,184	8,828	7,086
Operating earnings before other expenses, net	10,736	12,064	17,200	8,037	8,717
Plus / minus:					
Changes in working capital excluding income taxes	(623)	(727)	(2,048)	(6,863)	(6,714)
Depreciation and amortization expense	19,108	17,536	17,184	8,828	7,086
Other items, net	(3,269)	(5,257)	(2,439)	(301)	(714)
Net cash flows provided by operating activities before interest and income taxes paid in cash	Ps 25,952	Ps 23,616	Ps 29,897	Ps 9,701	Ps 8,375

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with, and are qualified in their entirety by reference to, our unaudited condensed consolidated financial statements as of June 30, 2013 and for the six-month periods ended June 30, 2012 and 2013 included herein. Our significant accounting policies are described in note 2 to our audited consolidated financial statements included in our 2012 Annual Report, except for those newly issued financial reporting standards effective January 1, 2013, described in note 2A to the unaudited condensed consolidated financial statements as of June 30, 2013 and for the six-month periods ended June 30, 2012 and 2013, included herein. The effects of the amendments to IAS 19 "*Employee Benefits*" and the IFRIC 20 "*Stripping Cost in the production phase of a surface mine*" were recognized in the statements of operations for the six month-period ended June 30, 2012. Nonetheless, CEMEX evaluated the impact of adopting such amendments based on the estimated effect for full year 2012 and concluded that any such effect for the reported comparative period was not significant. Therefore, the results of operations for such period are not fully comparable with those for the year ended December 31, 2012.

On July 25, 2013, we announced our results for the six-month period ended June 30, 2013. The interim results of operations for the six-month period ended June 30, 2013 are not indicative of operating results to be expected for the entire year. The following is a discussion of our results for the six-month period ended June 30, 2013.

Our consolidated financial statements, included herein and in our 2012 Annual Report, include those subsidiaries in which we hold a controlling interest or which we otherwise control. Control exists when we have the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity in order to obtain benefits from its activities.

Investments in associates are accounted for by the equity method, when we have significant influence, which is generally presumed with a minimum equity interest of 20% unless it is proven that we have significant influence with a lower percentage. Under the equity method, after acquisition, the investment's original cost is adjusted for the proportional interest of the holding company in the associate's equity and earnings, considering the effects of inflation.

All significant balances and transactions between related parties have been eliminated in consolidation.

Selected Consolidated Statement of Operations Data

The following table sets forth our selected consolidated statement of operations data for each of the six-month periods ended June 30, 2012 and 2013 expressed as a percentage of net sales:

	For the Six-Month Periods Ended June 30,	
	2012	2013
Net sales	100.0%	100.0%
Cost of sales	(71.4)	(70.1)
Gross profit	28.6	29.9
Administrative and selling expenses	(11.5)	(11.7)
Distribution expenses	(8.9)	(8.8)
Administrative, selling and distribution expenses	(20.4)	(20.5)
Operating earnings before other expenses, net	8.2	9.4
Other expenses, net	(0.3)	(1.7)
Operating earnings	7.9	7.7
Financial expense	(9.4)	(10.0)
Other financial income, net	0.4	0.6
Equity in gain of associates	0.1	0.1
Loss before income tax	(1.0)	(1.6)
Income taxes	(1.9)	(3.7)
Consolidated net loss	(2.9)	(5.3)
Non-controlling net income	0.1	0.6
Controlling interest net loss	(3.0)	(5.9)

Six-month period ended June 30, 2012 compared to six-month period ended June 30, 2013

Summarized in the table below are the percentage (%) increases (+) and decreases (-) for the six-month period ended June 30, 2012 compared to the six-month period ended June 30, 2013 in our domestic cement and ready-mix concrete sales volumes, as well as export sales volumes of cement and domestic cement and ready-mix concrete average prices for each of our geographic segments. The table below and the other volume data presented by geographic segment in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section are presented before eliminations resulting from consolidation (including those shown on page F-11 of our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein).

Geographic Segment	Domestic Sales Volumes		Export Sales Volumes	Average Domestic Prices in Local Currency(1)	
	Cement	Ready-Mix Concrete	Cement	Cement	Ready-Mix Concrete
Mexico	-8%	-6%	+20%	-2%	Flat
United States	+3%	+11%	—	+4%	+6%
Northern Europe					
United Kingdom	+4%	+1%	—	-3%	+2%
Germany	-3%	-8%	—	-1%	+3%
France	N/A	-13%	—	N/A	+3%
Rest of Northern Europe(2)	-16%	-10%	—	+4%	-1%
The Mediterranean					
Spain	-32%	-34%	-36%	+4%	-9%
Egypt	+7%	-7%	—	+11%	+14%
Rest of the Mediterranean(3)	-20%	+16%	—	+2%	-2%
South America and the Caribbean					
Colombia	-6%	+5%	—	+8%	+10%
Rest of South America and the Caribbean(4)	+3%	-14%	—	Flat	+3%
Asia					
Philippines	+7%	—	-50%	+8%	—
Rest of Asia(5)	-5%	-1%	—	+13%	+3%

N/A = Not Applicable

- (1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change of prices in U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which represent the weighted average change of prices in Euros) based on total sales volumes in the region.
- (2) Refers primarily to operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- (3) Includes mainly the operations in Croatia, the UAE and Israel.
- (4) Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.
- (5) Includes primarily our operations in Thailand, Bangladesh, China and Malaysia.

On a consolidated basis, our cement sales volumes decreased approximately 4%, from 32.9 million tons in the six-month period ended June 30, 2012 compared to 31.7 million tons in the comparable period in 2013, and our ready-mix concrete sales volumes decreased approximately 2%, from 26.7 million cubic meters in the six-month period ended June 30, 2012 to 26.3 million cubic meters in the comparable period in 2013. Our net sales decreased approximately 5%, from Ps97.7 billion in the six-month period ended June 30, 2012 to Ps92.5 billion in the comparable period in 2013, and our operating earnings before other expenses, net increased approximately 8%, from Ps8.0 billion in the six-month period ended June 30, 2012 to Ps8.7 billion in the comparable period in 2013.

The following tables present selected condensed financial information of net sales and operating earnings before other expenses, net for each of our geographic segments for the six-month periods ended June 30, 2012 and 2013. The net sales information in the table below is presented before the eliminations resulting from consolidation shown on page F-9 of our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein. Variations in net sales determined on the basis of Mexican Pesos include the appreciation or depreciation which occurred during the period between the local currencies of the countries in the regions vis-à-vis the Mexican Peso; therefore, such variations differ substantially from those based solely on the countries' local currencies:

Geographic Segment	Variations in Local Currency(1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Mexican Pesos	Net Sales For the Six-Month Periods Ended June 30,	
				2012	2013
				(in millions of Mexican Pesos)	
Mexico	-7%	—	-7%	22,130	20,545
United States	+8%	-5%	+3%	19,646	20,248
Northern Europe					
United Kingdom	-1%	-8%	-9%	7,347	6,704
Germany	-9%	-4%	-13%	6,627	5,786
France	-5%	-4%	-9%	7,043	6,414
Rest of Northern Europe(2)	-13%	-2%	-15%	5,761	4,902
Mediterranean					
Spain	-28%	-3%	-31%	2,709	1,867
Egypt	+12%	-22%	-10%	3,393	3,065
Rest of the Mediterranean(3)	+15%	-5%	+10%	4,108	4,526
South America and the Caribbean					
Colombia	+4%	-8%	-4%	5,866	5,646
Rest of South America and the Caribbean(4)	Flat	-13%	-13%	8,837	7,678
Asia					
Philippines	+13%	-2%	+11%	2,334	2,587
Rest of Asia(5)	+6%	-6%	Flat	1,252	1,256
Others(6)	-17%	+26%	+9%	6,909	7,551
Net sales before eliminations			-5%	103,962	98,775
Eliminations from consolidation				(6,268)	(6,297)
Consolidated net sales			-5%	<u>97,694</u>	<u>92,478</u>

Geographic Segment	Variations in Local Currency(1)	Approximate Currency Fluctuations, Net of Inflation Effects	Variations in Mexican Pesos	Operating Earnings (Loss) Before Other Expenses, Net For the Six-Month Periods Ended June 30,	
				2012	2013
				(in millions of Mexican Pesos)	
Mexico	-24%	—	-24%	Ps 6,478	Ps 4,902
United States	+48%	-3%	+45%	(3,610)	(1,976)
Northern Europe					
United Kingdom	-94%	-26%	<100%	664	(130)
Germany	+19%	+3%	+22%	(549)	(429)
France	-18%	-7%	-25%	471	354
Rest of Northern Europe(2)	<100%	N/A	<100%	103	(225)
The Mediterranean					
Spain	<100%	N/A	<100%	255	(190)
Egypt	+18%	-22%	-4%	1,073	1,027
Rest of the Mediterranean(3)	+38%	-9%	+29%	376	484
South America and the Caribbean					
Colombia	+10%	-9%	+1%	2,166	2,197
Rest of South America and the Caribbean(4)	+12%	-16%	-4%	2,295	2,192
Asia					
Philippines	+51%	+23%	+74%	214	372
Rest of Asia(5)	>100%	N/A	>100%	18	48
Others(6)	+40%	N/A	>100%	(1,917)	91
Operating earnings before other expenses, net			+8%	<u>8,037</u>	<u>8,717</u>

N/A = Not Applicable

- (1) Represents the average change in domestic cement and ready-mix concrete prices in local currency terms. For purposes of a geographic segment consisting of a region, the average prices in local currency terms for each individual country within the region are first translated into U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which is translated first into Euros) at the exchange rates in effect as of the end of the reporting period. Variations for a region represent the weighted average change of prices in U.S. Dollar terms (except for the Rest of Northern Europe and the Rest of the Mediterranean regions, which represent the weighted average change of prices in Euros) based on total sales volumes in the region.
- (2) Refers primarily to operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- (3) Includes mainly the operations in Croatia, the UAE and Israel.
- (4) Includes the operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.
- (5) Includes primarily our operations in Thailand, Bangladesh, China and Malaysia.
- (6) Our Others segment refers to: (i) cement trade maritime operations, (ii) our information technology solutions business (Neoris), (iii) CEMEX, S.A.B. de C.V. and other corporate entities and (iv) other minor subsidiaries with different lines of business.

Net sales. Our consolidated net sales decreased approximately 5%, from Ps97.7 billion in the six-month period ended June 30, 2012 to Ps92.5 billion in the comparable period in 2013. The decrease was primarily attributable to lower volumes in the Northern Europe, Mexico and Mediterranean operations partially offset by higher prices in local currency terms in most of our regions. Set forth below is a quantitative and qualitative analysis of the various factors affecting our net sales on a geographic segment basis. The discussion of volume data below is presented before eliminations resulting from consolidation (including those shown on page F-11 of our unaudited

condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein). The discussion of net sales information below is presented before the eliminations resulting from consolidation shown on page F-9 of our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein.

Mexico

Our domestic cement sales volumes from our operations in Mexico decreased approximately 8% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes decreased approximately 6% during the same period. Our net sales from our operations in Mexico represented approximately 21% of our total net sales in the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. The domestic cement and ready-mix concrete sales volumes were negatively affected by the low levels of infrastructure spending reflecting the transition process of the new government and by the reduction in sales of bagged cement to social programs. Uncertainty surrounding the new national housing program and tight credit conditions affected the performance of the formal residential sector. The industrial-and-commercial sector continued showing positive performance during the same period. Our cement export volumes of our operations in Mexico, which represented approximately 8% of our Mexican cement sales volumes in the six-month period ended June 30, 2013, increased approximately 20% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, primarily as a result of higher export volumes to South America and the Caribbean and the United States. Of our total cement export volumes from our operations in Mexico during the six-month period ended June 30, 2013, approximately 16% to Central America and the Caribbean, 67% to South America and 17% was shipped to the United States. Our average sales price of domestic cement from our operations in Mexico decreased approximately 2%, in Mexican Peso terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and our average sales price of ready-mix concrete remained flat, in Mexican Peso terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 53%, ready-mix concrete approximately 23% and our aggregates and other businesses approximately 24% of our net sales from our operations in Mexico before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes and decrease in the average sales price of domestic cement, our net sales in Mexico, in Mexican Peso terms, decreased approximately 7% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

United States

Our domestic cement sales volumes from our operations in the United States, increased approximately 3% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes increased approximately 11% during the same period. The residential sector continued to be the main driver of demand during the quarter, sustained by strong fundamentals such as record high affordability, low interest rates, improved credit availability and low levels of inventories. The industrial-and-commercial sector also contributed favorably to demand growth. Our operations in the United States represented approximately 20% of our total net sales in the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement of our operations in the United States increased approximately 4%, in U.S. Dollar terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and our average sales price of ready-mix concrete increased approximately 6%, in U.S. Dollar terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012. For the six-month period ended June 30, 2013, cement represented approximately 28%, ready-mix concrete approximately 35% and our aggregates and other businesses approximately 37% of net sales from our operations in the United States before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete sales volumes and domestic cement and ready-mix concrete average sales prices, net sales from our operations in the United States, in U.S. Dollar terms, increased approximately 8% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Northern Europe

In the six-month period ended June 30, 2013, our operations in the Northern Europe region consisted of our operations in the United Kingdom, Germany and France, which represent the most significant operations in this region, in addition to our Rest of Northern Europe segment, which refers primarily to our operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland. Our net sales from our operations in the Northern Europe region represented approximately 24% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of June 30, 2013, our operations in the Northern Europe region represented approximately 16% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Northern Europe region.

United Kingdom

Our domestic cement sales volumes from our operations in the United Kingdom increased approximately 4% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes increased approximately 1% during the same period. The increases in domestic cement volumes were driven by growth in the residential sector and, to a lesser extent, to a catch-up effect from the adverse weather conditions during the first quarter. Government policies to promote home ownership, including guarantees and interest-free loans as well as low interest rates for home acquisition positively impacted the residential sector. Our operations in the United Kingdom represented approximately 7% of our total net sales in the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in the United Kingdom decreased approximately 3%, in Pound terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and the average price of ready-mix concrete increased approximately 2%, in Pound terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 16%, ready-mix concrete approximately 27% and our aggregates and other businesses approximately 57% of net sales from our operations in the United Kingdom before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decrease in domestic cement sales prices, partially offset by increases in domestic cement and ready-mix concrete sales volumes and ready-mix concrete average sales price, net sales from our operations in the United Kingdom, in Pound terms, decreased approximately 1% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Germany

Our domestic cement sales volumes from our operations in Germany decreased approximately 3% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes in those operations decreased approximately 8% during the same period. The decline in domestic cement and ready-mix concrete sales volumes resulted primarily from unfavorable weather conditions including floods in East Germany and Bavaria. Low unemployment and mortgage rates, as well as the increase in wages and salaries benefited residential activity, which was the main driver of demand for our products. Our operations in Germany represented approximately 6% of our total net sales in the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement from our operations in Germany decreased approximately 1%, in Euro terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and the average price of ready-mix concrete increased approximately 3%, in Euro terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 26%, ready-mix concrete approximately 36% and our aggregates and other businesses approximately 38% of net sales from our operations in Germany before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes and domestic cement average sales prices, partially offset by the increase in ready-mix concrete average sales price, net sales from our operations in Germany, in Euro terms, decreased approximately 9% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

France

Our ready-mix concrete sales volumes from our operations in France decreased approximately 13% in the six-month period ended June 30, 2013 compared to the comparable period in 2012. The decrease in ready-mix concrete sales volumes resulted primarily from a reduction in government housing incentives and a less attractive buy-to-let program. Infrastructure activity continued to be supported by a number of ongoing highway and high-speed-railway projects that started during 2012. Our operations in France represented approximately 6% of our total net sales in the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of ready-mix concrete of our operations in France increased approximately 3%, in Euro terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012. For the six-month period ended June 30, 2013, ready-mix concrete represented approximately 71% and our aggregates and other businesses approximately 29% of net sales from our operations in France before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decrease in ready-mix concrete sales volumes, partially offset by the increase in ready-mix concrete average sales price, net sales from our operations in France, in Euro terms, decreased approximately 5% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Rest of Northern Europe

In the six-month period ended June 30, 2013, our operations in our Rest of Northern Europe segment consisted primarily of our operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland. Our domestic cement sales volumes of our operations in our Rest of Northern Europe segment decreased approximately 20% in the six-month period ended June 30, 2013 compared to comparable period in 2012, and ready-mix concrete sales volumes decreased approximately 10% during the same period. The decreases in domestic cement and ready-mix concrete sales volumes resulted primarily from adverse weather conditions in most countries of the region and a slowdown in the economic environment that negatively affected our volumes. Our net sales from our operations in our Rest of Northern Europe segment represented approximately 5% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic sales price of domestic cement from our operations in our Rest of Northern Europe segment increased approximately 2%, in Euro terms, in the six-month period ended June 30, 2013 compared to comparable period in 2012, and the average price of ready-mix concrete decreased approximately 2%, in Euro terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 36%, ready-mix concrete approximately 44% and our aggregates and other businesses approximately 20% of net sales from our operations in our Rest of Northern Europe segment before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes and ready-mix concrete average sales prices, partially offset by increase in domestic cement average sales prices net sales in our Rest of Northern Europe segment, in Euro terms, decreased approximately 13% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

The Mediterranean

In the six-month period ended June 30, 2013, our operations in the Mediterranean region consisted of our operations in Spain and Egypt, which represent the most significant operations in this region, in addition to our Rest of the Mediterranean segment, which includes mainly our operations in Croatia, the UAE and Israel. Our net sales from our operations in the Mediterranean region represented approximately 10% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of June 30, 2013, our operations in the Mediterranean region represented approximately 8% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Mediterranean region.

Spain

Domestic cement sales volumes from our operations in Spain decreased approximately 32% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, while ready-mix concrete sales

volumes decreased approximately 34% during the same period. The decreases in domestic cement and ready-mix concrete sales volumes reflect the adverse economic situation in the country. The continued fiscal austerity measures and spending cuts kept infrastructure activity at very low levels. In the residential sector, there has been a gradual reduction in home inventories. Our operations in Spain represented approximately 2% of our total net sales in the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our cement export volumes of our operations in Spain, which represented approximately 43% of our Spain cement sales volumes in the six-month period ended June 30, 2013, decreased approximately 36% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, primarily as a result of lower export volumes to Europe and Africa. Of our total cement export volumes of our operations in Spain during the six-month period ended June 30, 2013, approximately 74% was shipped to Africa and approximately 26% was shipped to Europe. Our average sales price of domestic cement of our operations in Spain increased approximately 4%, in Euro terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and the average price of ready-mix concrete decreased approximately 9%, in Euro terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 70%, ready-mix concrete approximately 16% and our aggregates and other businesses approximately 14% of net sales from our operations in Spain before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the decreases in domestic cement and ready-mix concrete sales volumes and ready-mix concrete average sales price, offset by the increase in domestic cement average sales price, net sales from our operations in Spain, in Euro terms, decreased approximately 28% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Egypt

Our domestic cement sales volumes from our operations in Egypt increased approximately 7% in the six-month period ended June 30, 2013 compared to comparable period in 2012, while ready-mix concrete sales volumes decreased approximately 7% during the same period. The increase in domestic cement sale volumes was driven mainly by the informal residential sector and supported by our alternative fuel strategy in the country. Our net sales from our operations in Egypt represented approximately 3% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms. Our average domestic sales price of cement of our operations in Egypt increased by approximately 11%, in Egyptian Pound terms, during the six-month period ended June 30, 2013, and the average price of ready-mix concrete increased approximately 14%. For the year six-month period ended June 30, 2013, cement represented approximately 91%, ready-mix concrete approximately 7% and our aggregates and other businesses approximately 2% of net sales for our operations in Egypt before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and domestic cement and ready-mix concrete average sales prices, partially offset by decreases in ready-mix concrete sales volumes, our net sales in Egypt, in Egyptian Pound terms, increased approximately 12% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Rest of the Mediterranean

In the six-month period ended June 30, 2013, our operations in our Rest of the Mediterranean segment consisted mainly of our operations in Croatia, the UAE and Israel. Our domestic cement sales volumes of our operations in our Rest of the Mediterranean segment decreased approximately 11% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes increased approximately 16% during the same period. Our net sales from our operations in our Rest of the Mediterranean segment represented approximately 5% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic sales price of cement from our operations in our Rest of the Mediterranean decreased approximately 1%, in U.S. Dollar terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and the average price of ready-mix concrete increased approximately 5%, in U.S. Dollar terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 19%, ready-mix concrete approximately 58% and our aggregates and other businesses approximately 23% of our net sales from our operations in our Rest of the Mediterranean segment before intra-sector eliminations within the segment and before eliminations resulting from consolidation, as applicable.

As a result of the increases in ready-mix concrete sales volumes and average sales prices, partially offset by decrease in domestic cement sales volumes and average sales prices, net sales in our Rest of the Mediterranean segment, in U.S. Dollar terms, increased approximately 15% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

South America and the Caribbean

In the six-month period ended June 30, 2013, our operations in the South America and the Caribbean region consisted of our operations in Colombia, which represents the most significant operation in this region, in addition to our Rest of South America and the Caribbean segment, which includes our operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina. Most of these trading operations consist of the resale in the Caribbean region of cement produced by our operations in Mexico. Our net sales from our operations in the South America and the Caribbean region represented approximately 14% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of June 30, 2013, our operations in the South America and the Caribbean region represented approximately 6% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the South America and the Caribbean region.

Colombia

Our domestic cement sales volumes from our operations in Colombia decreased approximately 6% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes increased approximately 5% during the same period. The residential sector was an important driver of demand for our products, mainly supported by construction in connection with the 100 thousand free-home program announced by the government. The industrial-and-commercial sector continued its favorable performance primarily in terms of warehouses and office buildings on the back of Colombia's recently signed trade agreements. Our net sales from our operations in Colombia represented approximately 6% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic sales price of cement from our operations in Colombia increased approximately 8%, in Colombian Peso terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, while the average price of ready-mix concrete increased approximately 10%, in Colombian Peso terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 58%, ready-mix concrete approximately 29% and our aggregates and other businesses approximately 13% of our net sales for our operations in Colombia before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in ready-mix concrete sales volumes and domestic cement and ready-mix concrete average sales prices, partially offset by decrease in domestic cement sales volumes, net sales of our operations in Colombia, in Colombian Peso terms, increased approximately 4% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Rest of South America and the Caribbean

In the six-month period ended June 30, 2013, our operations in our Rest of South America and the Caribbean segment included our operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina. Our domestic cement volumes from our operations in our Rest of South America and the Caribbean segment increased approximately 3% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes decreased approximately 14% during the same period. Our net sales from our operations in our Rest of South America and the Caribbean segment represented approximately 8% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic sales price of cement for our operations in our Rest of South America and the Caribbean segment remained flat, in U.S. Dollar terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and our average sales price of ready-mix concrete increased approximately 3%, in U.S. Dollar terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 75%, ready-mix concrete approximately 18% and our other businesses approximately 7% of net sales for our operations in our Rest of South America and the Caribbean segment before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and ready-mix concrete average sales prices, offset by the decrease in ready-mix concrete sales volumes, net sales of our operations in our Rest of South America and the Caribbean segment, in U.S. Dollar terms, remained flat in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Asia

In the six-month period ended June 30, 2013, our operations in the Asia region consisted of our operations in the Philippines, which represent the most significant operation in this region, in addition to our Rest of Asia segment, which includes our operations in Thailand, Bangladesh, China and Malaysia. Our net sales from our operations in the Asia region represented approximately 4% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. As of June 30, 2013, our operations in the Asia region represented approximately 2% of our total assets. Set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our net sales for our main operations in the Asia region.

The Philippines

Our domestic cement volumes from our operations in the Philippines increased approximately 7% in the six-month period ended June 30, 2013 compared to the comparable period in 2012. The residential sector was the main driver of demand supported by the increased activity from foreign buyers and favorable conditions, such as a stable level of inflation and low mortgage rates, as well as healthy remittances inflows. The infrastructure and industrial-and-commercial sectors continue with their positive trend during the same period. Our net sales from our operations in the Philippines represented approximately 3% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average domestic sales price of cement from our operations in the Philippines increased approximately 8%, in Philippine Peso terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012. For the six-month period ended June 30, 2013, cement represented approximately 100% of our net sales for our operations in the Philippines before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement sales volumes and average sales prices, net sales of our operations in the Philippines, in Philippine Peso terms, increased approximately 13% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Rest of Asia

In the six-month period ended June 30, 2013, our operations in our Rest of Asia segment included our operations in Thailand, Bangladesh, China and Malaysia. Our domestic cement volumes from our operations in our Rest of Asia segment decreased approximately 5% in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and ready-mix concrete sales volumes decreased approximately 1% in the same period. The decrease in domestic cement and ready-mix concrete sales volumes resulted primarily from a decline in all of our markets. Our net sales from our operations in our Rest of Asia segment represented approximately 1% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation. Our average sales price of domestic cement for our operations in our Rest of Asia segment increased approximately 13%, in U.S. Dollar terms, in the six-month period ended June 30, 2013 compared to the comparable period in 2012, and the average sales price of ready-mix concrete increased approximately 3%, in U.S. Dollar terms, over the same period. For the six-month period ended June 30, 2013, cement represented approximately 41%, ready-mix concrete approximately 51% and our other businesses approximately 8% of net sales for our operations in our Rest of Asia segment before intra-sector eliminations within the segment and before eliminations from consolidation, as applicable.

As a result of the increases in domestic cement and ready-mix concrete average domestic sale prices, partially mitigated by lower domestic cement and ready-mix concrete sales volumes, net sales of our operations in our Rest of Asia segment, in U.S. Dollar terms, increased approximately 6% in the six-month period ended June 30, 2013 compared to the comparable period in 2012.

Others

Our Others segment includes our worldwide cement, clinker and slag trading operations, our information technology solutions company and other minor subsidiaries. Net sales of our Others segment decreased approximately 17% before eliminations resulting from consolidation in the six-month period ended June 30, 2013 compared to the comparable period in 2012 in U.S. Dollar terms, primarily as a result of a decrease in worldwide cement volumes, as well as in our other business, such as asphalt, transport, precast, multi-products and surfacing operations, partially offset by an increase in cement average sale price. Our net sales from our operations in Others segment represented approximately 7% of our total net sales for the six-month period ended June 30, 2013, in Mexican Peso terms, before eliminations resulting from consolidation.

Cost of Sales. Our cost of sales, including depreciation, decreased approximately 7%, from Ps69.8 billion in the six-month period ended June 30, 2012 to Ps64.8 billion in the comparable period in 2013, primarily due to lower volumes in the Northern Europe, Mexico and Mediterranean operations. As a percentage of net sales, cost of sales decreased from 71.4% in the six-month period ended June 30, 2012 to 70.1% in the comparable period in 2013, mainly as a result of lower fuel and electricity costs and a reduction in workforce related to our cost reduction initiatives. In our cement and aggregates business, we have several producing plants and many selling points. Our cost of sales includes freight expenses of raw materials used in our producing plants.

Gross Profit. For the reasons explained above, our gross profit decreased approximately 1%, from approximately Ps27.9 billion in the six-month period ended June 30, 2012 to approximately Ps27.6 billion in the comparable period in 2013. As a percentage of net sales, gross profit increased from approximately 28.6% in the six-month period ended June 30, 2012 to 29.9% in the comparable period in 2013.

Operating Expenses. Our operating expenses decreased approximately 5%, from approximately Ps19.9 billion in the six months ended June 30, 2012 to approximately Ps18.9 billion in the comparable period in 2013, mainly as a result of our cost initiative efforts. As a percentage of net sales, our operating expenses increased from approximately 20.4% in the six months ended June 30, 2012 to 20.5% in the comparable period in 2013. Operating expenses include administrative, selling and distribution expenses.

Operating Earnings Before Other Expenses, Net. For the reasons mentioned above, our operating earnings before other expenses, net increased approximately 8% from approximately Ps8.0 billion in the six-month period ended June 30, 2012 to approximately Ps8.7 billion in the comparable period in 2013. As a percentage of net sales, operating earnings before other expenses, net increased from approximately 8.2% in the six-month period ended June 30, 2012 to 9.4% in the comparable period in 2013. Additionally, set forth below is a quantitative and qualitative analysis of the effects of the various factors affecting our operating earnings before other expenses, net on a geographic segment basis.

Mexico

Our operating earnings before other expenses, net from our operations in Mexico decreased approximately 24%, from an operating earnings before other expenses, net of approximately Ps6.5 billion in the six-month period ended June 30, 2012 to an operating earnings before other expenses, net of approximately Ps4.9 billion in the comparable period in 2013, in Mexican Peso terms. The decrease resulted primarily from lower domestic cement and ready-mix concrete sale volumes and average domestic cement sale prices, mainly caused by delays in infrastructure projects, slight declines in the formal residential sector and reduced spending on social programs.

United States

Our operating loss before other expenses, net from our operations in the United States decreased approximately 45%, from an operating loss before other expenses, net of approximately Ps3.6 billion in the six-month period ended June 30, 2012 to an operating loss before other expenses, net of approximately Ps2.0 billion in the comparable period in 2013, in Mexican Peso terms. The decrease in our operating loss before other expenses, net, resulted primarily from higher domestic cement and ready-mix concrete sale volumes and average domestic sale prices, driven by the improvement in demand in the residential and industrial-and-commercial sectors.

Northern Europe

United Kingdom

Our operating earnings before other expenses, net from our operations in the United Kingdom decreased significantly from an earnings before other expenses, net of approximately Ps664 million in the six-month period ended June 30, 2012 to a loss before other expenses, net approximately Ps130 million in the comparable period in 2013, in Mexican Peso terms. The decrease resulted primarily from the changes to defined benefits plans, which led to a curtailment event and also affected prior service costs, generating a net gain in results during 2012 of approximately Ps1,914 million (U.S.\$146 million).

Germany

Our operating loss before other expenses, net from our operations in Germany decreased approximately 22% from approximately Ps549 million in the six-month period ended June 30, 2012 to approximately Ps429 million in the comparable period in 2013, in Mexican Peso terms. The decrease in the loss before other expenses, net resulted primarily from lower domestic cement and ready-mix concrete sale volumes due to restrained spending on infrastructure sector projects.

France

Our operating earnings before other expenses, net from our operations in France decreased approximately 25% from approximately Ps471 million in the six-month period ended June 30, 2012 to approximately Ps354 million in the comparable period in 2013, in Mexican Peso terms. The decrease resulted primarily from lower ready-mix concrete sale volumes, as a result of tight credit availability during this year that negatively affected the residential sector.

Rest of Northern Europe

Our operating loss before other expenses, net from our operations in our Rest of Northern Europe segment decreased significantly, from approximately an earnings before other expenses, net of Ps103 million in the six-month period ended June 30, 2012 to approximately a loss before other expenses, net of Ps225 million in the comparable period in 2013, in Mexican Peso terms. The increase in the loss before other expenses resulted primarily from lower domestic cement and ready-mix concrete sale volumes due to unfavorable weather and market conditions.

The Mediterranean

Spain

Our operating loss before other expenses, net from our operations in Spain increased significantly from approximately an earnings before other expenses, net of Ps255 million in the six-month period ended June 30, 2012 to an operating loss before other expenses, net of approximately Ps190 million in the comparable period in 2013, in Mexican Peso terms. The increase in the operating loss before other expenses resulted primarily from lower domestic cement and ready-mix concrete sale volumes result of adverse economic conditions that affected the performance in different sectors.

Egypt

Our operating earnings before other expenses, net from our operations in Egypt decreased approximately 4%, from approximately Ps1,073 million in the six-month period ended June 30, 2012 to approximately Ps1,027 million in the comparable period in 2013, in Mexican Peso terms. The decrease resulted primarily from lower ready-mix concrete sale volumes due to energy shortages that had a negative effect on production and delivery of cement.

Rest of the Mediterranean

Our operating earnings before other expenses, net from our operations in our Rest of the Mediterranean segment increased approximately 29%, from approximately Ps376 million in the six-month period ended June 30, 2012 to approximately Ps484 million in the comparable period in 2013, in Mexican Peso terms. The increase resulted primarily from higher ready-mix concrete volumes and average domestic sale prices, driven by new residential and infrastructure projects as a result of the improvement in market conditions.

South America and the Caribbean

Colombia

Our operating earnings before other expenses, net from our operations in Colombia increased approximately 1%, from approximately Ps2,166 million in the six-month period ended June 30, 2012 to approximately Ps2,197 million in the comparable period in 2013, in Mexican Peso terms. The increase resulted primarily from higher domestic cement and ready-mix concrete average sales prices.

Rest of South America and the Caribbean

Our operating earnings before other expenses, net from our Rest of South America and the Caribbean segment decreased approximately 4%, from approximately Ps2,295 million in the six-month period ended June 30, 2012 to approximately Ps2,192 million in the comparable period in 2013, in Mexican Peso terms. The decrease resulted primarily from lower ready-mix concrete sale volumes, mainly driven by the completion of infrastructure projects and reduced public spending.

Asia

The Philippines

Our operating earnings before other expenses, net from our operations in the Philippines increased approximately 74% from approximately Ps214 million in the six-month period ended June 30, 2012 to approximately Ps372 million in the comparable period in 2013, in Mexican Peso terms. The increase resulted primarily from higher domestic cement sale volumes and average domestic sale prices, caused by sustained infrastructure spending and favorable performance from the industrial-and-commercial sector.

Rest of Asia

Our operating earnings before other expenses, net from our operations Rest of Asia segment increased significantly from approximately Ps18 million in the six-month period ended June 30, 2012 to approximately Ps48 million in the comparable period in 2013, in Mexican Peso terms. The increase resulted primarily from higher average domestic sale prices.

Others

Our operating loss before other expenses, net from our Others segment decreased significantly from an operating loss before other expenses, net of approximately Ps1.9 billion in the six-month period ended June 30, 2012 to approximately an operating earnings before other expenses, net of Ps91 million in the comparable period in 2013, in Mexican Peso terms. The decrease in the operating loss before other expenses, net resulted primarily from an increase in our trading operations and in our information technology solutions company.

Other Expenses, Net. Our other expenses, net increased significantly, from approximately an expense of Ps368 million in the six-month period ended June 30, 2012 to approximately Ps1,580 million in the comparable period in 2013, in Mexican Peso terms. The increase was due mainly to impairment of fixed assets, severance payments, and a loss in sales of fixed assets.

The most significant items included under this caption in the six-month periods ended June 30, 2012 and 2013 are as follows:

	For the Six-month Periods	
	Ended June 30,	
	2012	2013
	(in millions of Mexican Pesos)	
Impairment losses	Ps 124	Ps 693
Restructuring costs	238	328
Charitable contributions	49	10
Results from sales of assets and others, net	(43)	549
	<u>Ps 368</u>	<u>Ps 1,580</u>

Financial Items

Pursuant to IFRS, financial items include:

- financial or interest expense on borrowed funds;
- financial income on cash and cash equivalents;
- changes in the fair value resulting from the valuation of financial instruments, including derivative instruments and marketable securities;
- foreign exchange gains or losses associated with monetary assets and liabilities denominated in foreign currencies; and
- effects by the net present value on assets and liabilities and others.

	For the Six-month Periods	
	Ended June 30,	
	2012	2013
	(in millions of Mexican Pesos)	
Financial Items:		
Financial expense	Ps (9,169)	Ps (9,237)
Other financial income, net:		
Financial income	314	207
Results from financial instruments, net	161	902
Foreign exchange results	326	(205)
Effects of net present value on assets and liabilities and others, net	(397)	(337)
	<u>Ps (8,765)</u>	<u>Ps (8,670)</u>

Our aggregate financial items in the six-month period ended June 30, 2013, which comprises financial expense and other financial income, net, as reported in our statements of operations, decreased approximately Ps95 million from a loss of approximately Ps8.8 billion to a loss of approximately Ps8.7 billion in the comparable period in 2012. The components of the change are shown above.

Our financial expense increased approximately 1%, from approximately Ps9,169 million in the six-month period ended June 30, 2012 to approximately Ps9,237 million in the comparable period in 2013, primarily attributable to the issuance of high yield notes and high yield exchange notes to prepay debt under the 2009 Financial Agreement. Our financial income decreased 34%, from Ps314 million in the six-month period ended June 30, 2012 to Ps207 million in the comparable period in 2013, primarily attributable to the exchange of a portion of our Perpetual Debentures into debt, partially offset by the decrease in our fixed rate instruments to prepay debt under the 2009 Financing Agreement (as defined herein). Our Results from our financial instruments increased significantly, from approximately Ps161 million in the six-month period ended June 30, 2012 to approximately Ps902 million in the comparable period in 2013, primarily attributable to gains from our equity derivatives related to CEMEX, S.A.B. de C.V. shares. Our foreign exchange result decreased significantly, from a gain of approximately Ps326 million in the six-month period ended June 30, 2012 to a loss of approximately Ps205 million in the comparable period in 2013, primarily attributable to the appreciation of the peso against the U.S. Dollar, partially offset by the euro depreciating against the U.S. Dollar during the current year. The accretion expense, which represents the effects on our net assets and liabilities recognized at amortized cost due to the passage of time, decreased from an expense of approximately Ps397 million in the six-month period ended June 30, 2012 to an expense of Ps337 million in the comparable period in 2013.

Derivative Financial Instruments. For the six-month periods ended June 30, 2012 and 2013, our derivative financial instruments that had a potential impact on our other financial income consisted of equity forward contracts, a forward instrument over the Total Return Index of the Mexican Stock Exchange, interest rate derivatives related to energy projects and conversion options embedded in our convertible notes.

For the six-month period ended June 30, 2013, our “Results from financial instruments, net” increased to a gain of approximately Ps161 million compared to a gain of approximately Ps902 million for the six-month period ended June 30, 2012. This increase was mainly attributable to our equity derivatives related to CEMEX, S.A.B. de C.V. shares. See “—Liquidity and Capital Resources—Our Equity Forward Arrangements.”

Income Taxes. Our income tax effect in the statement of operations, which is primarily comprised of current income taxes plus deferred income taxes, increased from an expense of approximately Ps1.9 billion in the six-month period ended June 30, 2012 to an expense of Ps3.4 billion in the comparable period in 2013. This increase is mainly attributable to our current tax expense, which increase from an expense of Ps3.4 billion in the six-month period ended June 30, 2012 to Ps4.4 billion in the comparable period in 2013. Our deferred tax income decreased from Ps1.5 billion in the six-month period ended June 30, 2012 to Ps1.0 billion in the comparable period in 2013.

Consolidated Net Loss. For the reasons described above, our consolidated net loss (before deducting the portion allocable to non-controlling interest) for the six-month period ended June 30, 2013 increased approximately 73%, from a consolidated net loss of approximately Ps2.8 billion in the six-month period ended June 30, 2012 to a consolidated net loss of approximately Ps4.9 billion in the comparable period in 2013.

Non-controlling Interest Net Income. Changes in non-controlling interest net income in any period reflect changes in the percentage of the stock of our subsidiaries held by non-associated third parties as of the end of each month during the relevant period and the consolidated net income attributable to those subsidiaries. Non-controlling interest net income increased significantly, from approximately Ps90 million in the six-month period ended June 30, 2012 to approximately Ps564 million in the comparable period in 2013, mainly as a result of the November 2012 offering of common shares of CEMEX Latam Holdings, S.A. (“CEMEX Latam”), the holding company for our operations in Brazil, Colombia, Costa Rica, Guatemala, Nicaragua, Panama and El Salvador, partially offset by our acquisition of the 49% non-controlling interest in an indirect holding company parent of Cemex Guatemala, S.A. during October, 2012 in a private transaction and the 38.8% acquisition of a non-controlling interest in Readymix Limited, an indirect subsidiary of CEMEX España, through a public tender offer commenced on March 12, 2012.

Controlling Interest Net Loss. Controlling interest net loss represents the difference between our consolidated net loss and non-controlling interest net loss, which is the portion of our consolidated net loss attributable to those of our subsidiaries in which non-associated third parties hold interests. Controlling interest net loss increased approximately 87%, from a net loss of approximately Ps2.9 billion in the six-month period ended June 30, 2012 to a controlling interest net loss of approximately Ps5.5 billion in 2013.

Liquidity and Capital Resources

Operating Activities

We have satisfied our operating liquidity needs primarily through operations of our subsidiaries and expect to continue to do so for both the short and long-term. Although cash flow from our operations has historically met our overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, our subsidiaries are exposed to risks from changes in foreign currency exchange rates, price and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which they operate, any one of which may materially reduce our net income and cash from operations. Consequently, in order to meet our liquidity needs, we also rely on cost-cutting and operating improvements to optimize capacity utilization and maximize profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. Our consolidated net cash flows provided by operating activities before interest and income taxes paid in cash were approximately Ps8.4billion in the six-month period ended June 30, 2013 and Ps9.7billion in the comparable period in 2012. See our statement of cash flows for the six-month periods ended June 30, 2012 and 2013 included herein.

Sources and Uses of Cash

Our review of sources and uses of resources below refers to nominal amounts included in our statement of cash flows for the six-month periods ended June 30, 2012 and 2013.

Our primary sources and uses of cash during the six-month periods ended June 30, 2012 and 2013 were as follows:

	Six-month Periods Ended June 30,	
	2012	2013
	(in millions of Mexican Pesos)	
Operating activities		
Consolidated net loss	Ps (2,834)	Ps (4,900)
Non-cash items	19,398	19,989
Changes in working capital, excluding income taxes	(6,863)	(6,714)
Net cash flows provided by operations before interest and income taxes	9,701	8,375
Financial expense, Perpetual Debenture coupons and income taxes paid in cash	(13,387)	(15,060)
Net cash flows applied in operating activities	(3,686)	(6,685)
Investing activities		
Property, machinery and equipment, net	(1,864)	(1,097)
Disposal of subsidiaries and associates, net	—	1,129
Other long term assets and others, net	1,061	(175)
Net cash flows provided by (used in) investing activities	(803)	(143)
Financing activities		
Derivative financial instruments	150	(337)
Issuance of debt, net	(3,660)	3,254
Securitization of trade receivables	(195)	1,044
Non-current liabilities and others, net	(86)	(281)
Net cash flows provided by financing activities	(3,791)	3,680
Decrease in cash and cash equivalents	(8,280)	(3,148)
Cash Conversion effects, net	503	342
Cash and cash equivalents at beginning of period	16,128	12,478
Cash and cash equivalents at end of period	Ps 8,351	Ps 9,672

June 30, 2013. During the six-month period ended June 30, 2013, including the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of approximately Ps342 million, there was a decrease in cash and cash equivalents of approximately Ps2.8 billion. This decrease was

generated by our net cash flows used in operating activities, which after financial expense, Perpetual Debenture coupons and income taxes paid in cash of approximately Ps15.1 billion, represented a decrease of approximately Ps6.7 billion and a decrease in our net cash flows applied in our investing activities of approximately Ps143 million. The decrease in cash and cash equivalents was partially offset by our net cash flow used in financing activities of approximately Ps3.7 billion.

For the six-month period ended June 30, 2013, our net cash flows applied in our operations before interest and income taxes included cash flows used in working capital of approximately Ps6.7 billion, which was primarily comprised of cash flows applied to trade receivable, net, other accounts receivable and other assets, inventories and other accounts payable and accrued expenses for an aggregate amount of approximately Ps7.5 billion, partially offset by cash flows originated by trade payables of approximately Ps809 million.

During the first six months of 2013, our cash flows were applied mainly in connection with the income tax and financial expense paid in cash, including Perpetual Debenture coupons of approximately Ps9.6 billion.

During the six-month period ended June 30, 2013, our net cash flows used in operating activities after financial expense, Perpetual Debenture coupon and income taxes paid in cash decreased our cash flow by approximately Ps6.7 billion. Our net cash flow used in investing activities also decreased our cash flow by approximately Ps143 million. In addition, our net resources provided by financing activities increased our cash flow by approximately Ps3.7 billion, which was generated mainly in connection with the issuance of debt of approximately Ps3.3 billion.

June 30, 2012. During the six-month period ended June 30, 2012, including the positive foreign currency effect of our initial balances of cash and cash equivalents generated during the period of approximately Ps503 million, there was a decrease in cash and cash equivalents of approximately Ps7.8 billion. Our net cash flows provided by financing activities decreased our cash flow by approximately Ps3.8 billion and by net cash flows generated in investing activities of approximately Ps803 million and by our net cash flows applied in our operating activities of approximately Ps3.7 billion.

For the six-month period ended June 30, 2012, our net cash flows provided by operations before interest and income taxes included cash flows applied in working capital of approximately Ps6.9 billion, which was primarily comprised of cash flows applied to other accounts payable and accrued expenses, other accounts receivable and other assets, trade receivable, net and trade payable for an aggregate amount of approximately Ps7.7 billion, partially offset by cash flows originated by inventories for an aggregate amount of approximately Ps859 million.

During the first six months of 2012, our cash flows were applied mainly in connection with the income tax and financial expense paid in cash, including Perpetual Debenture coupons of approximately Ps9.8 billion.

During the six-month period ended June 30, 2012, our net cash flows used in operating activities after financial expense, Perpetual Debenture coupon and income taxes paid in cash decreased our cash flow by approximately Ps3.7 billion. Our net cash flow used in investing activities also decreased our cash flow by approximately Ps803 million. In addition, our net resources provided by financing activities decreased our cash flow by approximately Ps3.8 billion.

As of June 30, 2013, we had the following uncommitted lines of credit, at annual interest rates ranging between approximately 2% and 9.5%, depending on the negotiated currency:

	<u>Lines of credit</u>	<u>Available</u>
	<u>(in millions of Mexican Pesos)</u>	
Other lines of credit in foreign subsidiaries	5,149	3,569
Other lines of credit from banks	3,694	3,653

Capital Expenditures

Our capital expenditures incurred for the six-month periods ended June 30, 2012 and 2013, and our expected capital expenditures for the six-month period ended December 31, 2013, which include an allocation to 2013 of a portion of our total future committed amount, are as follows:

	<u>Actual For the Six-Month Periods</u>		<u>Estimated For the</u>
	<u>Ended June 30,</u>		<u>Six-Month Period</u>
	<u>2012</u>	<u>2013</u>	<u>Ended December 31, 2013</u>
	<u>(in millions of U.S. Dollars)</u>		
Mexico	27	28	58
United States	42	51	110
Northern Europe			
United Kingdom	12	10	26
Germany	11	15	18
France	5	8	16
Rest of Northern Europe(1)	13	15	26
The Mediterranean			
Egypt	4	5	38
Spain	9	3	7
Rest of the Mediterranean(2)	10	9	15
South America and the Caribbean			
Colombia	27	16	47
Rest of South America and the Caribbean(3)	7	11	34
Asia			
Philippines	5	12	39
Rest Asia(4)	2	2	5
Others	9	—	29
Total consolidated	<u>183</u>	<u>184</u>	<u>466</u>
Of which:			
Expansion capital expenditures	60	35	107
Base capital expenditures	123	149	359

(1) Refers mainly to our operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia as well as trading activities in Scandinavia and Finland.

(2) Includes our operations in Croatia, the UAE and Israel.

(3) Includes our operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.

(4) Includes our operations in Thailand, Bangladesh, China and Malaysia.

For the six-month period ended June 30, 2013, we recognized U.S.\$184 million in capital expenditures. As of the date of this filing, plans for capital expenditures for the six-month period ended December 31, 2013 are expected to be U.S.\$466 million. Pursuant to the Facilities Agreement, we are prohibited from making aggregate annual capital expenditures in excess of U.S.\$800 million (excluding certain capital expenditures, joint venture investments and acquisitions by CEMEX Latam and its subsidiaries, which capital expenditures, joint venture investments and acquisitions at any time then incurred are in the aggregate not to exceed U.S.\$350 million (or its equivalent)).

Our Indebtedness

As of June 30, 2013, as adjusted to give effect to the August 2013 Refinancing, we had approximately Ps225,452 million (U.S.\$17,396 million) (principal amount Ps231,570 million (U.S.\$17,868 million)) of total debt plus other financial obligations, not including approximately Ps6,118 million (U.S.\$472 million) of Perpetual Debentures. See notes 12A and 12B to our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein. Of our total debt plus other financial obligations, approximately 6% were short-term (including current maturities of long-term debt) and 94% were long-term. As of June 30, 2013, approximately 84% of our total debt plus other financial obligations was U.S. Dollar-denominated, approximately 13% was Euro-denominated, approximately 3% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies.

On August 14, 2009, we entered into a financing agreement (the “2009 Financing Agreement”), which extended the final maturities of approximately U.S.\$15 billion in syndicated and bilateral bank facilities and private placement notes to February 14, 2014. On July 5, 2012, we launched an exchange offer and consent request (the “Exchange Offer and Consent Request”), to eligible creditors under the 2009 Financing Agreement, pursuant to which eligible creditors were requested to consent to certain amendments to the 2009 Financing Agreement, including the deletion of all mandatory prepayment provisions, the release of the collateral securing the 2009 Financing Agreement and other obligations secured by such collateral, and the deletion of certain representations, information undertakings, financial covenants, general undertakings and events of default thereunder (together, the “Amendment Consents”). In addition, we offered to exchange the indebtedness owed to such creditors under the 2009 Financing Agreement that were eligible to participate in the Exchange Offer and Consent Request (the “Participating Creditors”) for (i) new loans (or, in the case of the private placement notes, new private placement notes) or (ii) up to U.S.\$500 million of our September 2012 Notes, in each case, in transactions exempt from registration under the Securities Act.

On September 17, 2012, we successfully completed the refinancing transactions contemplated by the Exchange Offer and Consent Request (collectively, the “Refinancing Transaction”), and we and certain of our subsidiaries entered into (a) an amendment and restatement agreement, dated September 17, 2012 (the “Amendment and Restatement Agreement”), pursuant to which the Amendment Consents with respect to the 2009 Financing Agreement were given effect, and (b) the Facilities Agreement, pursuant to which we were deemed to borrow loans from those Participating Creditors participating in the Exchange Offer and Consent Request in principal amounts equal to the principal amounts of indebtedness subject to the 2009 Financing Agreement that was extinguished by such Participating Creditors. As a result of the Refinancing Transaction, participating creditors received (i) approximately U.S.\$6.155 billion in aggregate principal amount of new loans and new private placement notes and (ii) U.S.\$500 million aggregate principal amount of the September 2012 Notes. In addition, approximately U.S.\$525 million aggregate principal amount of loans and private placement notes remained outstanding under the 2009 Financing Agreement as of September 17, 2012. The aggregate principal amount of loans and private placement notes outstanding under the 2009 Financing Agreement was subsequently repaid in full, as a result of prepayments made in accordance with the Facilities Agreement.

As part of the Facilities Agreement, we pledged under pledge agreements or transferred to a trustee under a security trust, as collateral, the Collateral, and all proceeds of the Collateral, to secure our payment obligations under the Facilities Agreement and under several other financing arrangements. These subsidiaries whose shares were pledged or transferred as part of the Collateral collectively own, directly or indirectly, substantially all our operations worldwide. Upon completion of the Refinancing Transaction, the collateral securing the 2009 Financing Agreement and other obligations secured by such collateral was released.

As of June 30, 2013, we had an aggregate principal amount of outstanding debt under the Facilities Agreement of approximately Ps52,791 million (U.S.\$4,073 million) (principal amount Ps54,064 million (U.S.\$4,172 million)), all of which matures in 2017. However, if we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will spring-back to earlier dates. See “Risk Factors—If we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically reset, or “spring-back,” to earlier dates” in our August 6-K.

For a discussion of restrictions and covenants under the Facilities Agreement, see “Item 3—Key Information—Risk Factors—The Facilities Agreement contains several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on us” in our 2012 Annual Report.

For a description of the Senior Secured Notes, see “—Summary of Material Contractual Obligations and Commercial Commitments—Senior Secured Notes.”

Some of our subsidiaries and special purpose vehicles have issued or provided guarantees of certain of our indebtedness, as indicated in the table below.

	<u>Senior Secured Notes(1)(2)</u>	<u>Facilities Agreement</u>	<u>Perpetual Debentures(2)</u>	<u>Eurobonds(2)</u>	<u>CBs(3)</u>
	U.S.\$9,528 million (Ps123,482 million) (principal amount)	U.S.\$4,073 million (Ps52,791 million) (principal amount)		U.S.\$322 million (Ps4,167 million) (principal amount)	
	U.S.\$9,611 million (Ps124,559 million))	U.S.\$4,172 million (Ps54,064 million))	U.S.\$705 million (Ps9,139 million)	U.S.\$322 million (Ps4,173 million))	U.S.\$45 million (Ps577 million)
Amount outstanding as of June 30, 2013(4)					
CEMEX, S.A.B. de C.V.	✓	✓	✓		✓
CEMEX México	✓	✓	✓		✓
CEMEX Concretos	✓	✓			
Empresas Tolteca	✓	✓			✓
New Sunward	✓	✓	✓		
CEMEX España	✓	✓		✓	
CEMEX Asia	✓	✓			
CEMEX Corp.	✓	✓			
CEMEX Egyptian Investments	✓	✓			
CEMEX Egyptian Investments II	✓	✓			
CEMEX France	✓	✓			
CEMEX Research Group	✓	✓			
CEMEX Shipping	✓	✓			
CEMEX UK	✓	✓			

(1) Includes (i) 9.50% Senior Secured Notes due 2016 and 9.625% Senior Secured Notes due 2017 issued by CEMEX Finance LLC on December 14, 2009, (ii) additional 9.50% Senior Secured Notes due 2016 issued by CEMEX Finance LLC on January 19, 2010; (iii) 9.25% Senior Secured Notes due 2020 and 8.875% Senior Secured Notes due 2017 issued by CEMEX España, acting through its Luxembourg branch, on May 12, 2010, (iv) 9.000% Senior Secured Notes due 2018 issued by CEMEX, S.A.B. de C.V. on January 11, 2011, (v) additional 9.25% Senior Secured Notes due 2020 issued by CEMEX España, acting through its Luxembourg branch, on March 4, 2011, (vi) Floating Rate Senior Secured Notes due 2015 issued by CEMEX, S.A.B. de C.V. on April 5, 2011, (vii) additional 9.000% Senior Secured Notes due 2018 issued by CEMEX, S.A.B. de C.V. on July 11, 2011, (viii) 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and 9.875% Euro-Denominated Senior Secured Notes due 2019 issued by CEMEX España, acting through its Luxembourg branch, on March 28, 2012, (ix) 9.50% Senior Secured Notes due 2018 issued by CEMEX, S.A.B. de C.V. on September 17, 2012, (x) 9.375% Senior Secured Notes due 2022 issued by CEMEX Finance LLC on October 12, 2012, (xi) 5.875% Senior Secured Notes due 2019 issued by CEMEX, S.A.B. de C.V. on March 25, 2013 and (xii) 6.500% Senior Secured Notes due 2019 issued by CEMEX, S.A.B. de C.V. on August 12, 2013. We refer to these notes, collectively, as the Senior Secured Notes.

(2) Includes, as applicable, Senior Secured Notes, Perpetual Debentures and 4.75% Notes due 2014, issued by CEMEX Finance Europe B.V. (the “Eurobonds”), held by CEMEX.

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- (3) Includes long-term secured CBs.
(4) As adjusted to give effect to the August 2013 Refinancing.

Most of our outstanding indebtedness has been incurred to finance our acquisitions and to finance our capital expenditure programs. Historically, we have addressed our liquidity needs (including funds required to make scheduled principal and interest payments, refinance debt, and fund working capital and planned capital expenditures) with operating cash flow, securitizations, borrowings under credit facilities, proceeds of debt and equity offerings and proceeds from asset sales.

The continued weakness of the global economic environment and its adverse effects on our operating results may negatively affect our credit rating and the market value of CEMEX, S.A.B. de C.V.'s common stock, CPOs and ADSs. If current economic pressures continue or worsen, we may be dependent on the issuance of equity as a source to repay our existing indebtedness, including indebtedness under the Facilities Agreement. Although we have been able to raise debt, equity and equity-linked capital in the recent past, previous conditions in the capital markets in 2008 and 2009 were such that traditional sources of capital were not available to us on reasonable terms or at all. As a result, we cannot assure you that we will be able to successfully raise additional debt or equity capital on terms that are favorable to us or at all.

If the global economic environment deteriorates and our operating results worsen significantly, if we were unable to complete debt or equity offerings or if the proceeds of any divestitures and/or our cash flow or capital resources prove inadequate, we could face liquidity problems and may not be able to comply with our upcoming principal payments under our indebtedness or refinance our indebtedness. If we are unable to comply with our upcoming principal maturities under our indebtedness, or refinance or extend maturities of our indebtedness, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our business and financial condition.

We and our subsidiaries have sought and obtained waivers and amendments to several of our debt instruments relating to a number of financial ratios in the past. Our ability to comply with these ratios may be affected by current global economic conditions and volatility in foreign exchange rates and the financial and capital markets. We may need to seek waivers or amendments in the future. However, we cannot assure you that any future waivers or amendments, if requested, will be obtained. If we or our subsidiaries are unable to comply with the provisions of our debt instruments, and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our financial condition.

Relevant transactions related to our indebtedness during the six-month period ended June 30, 2013

As of June 30, 2013, as adjusted to give effect to the August 2013 Refinancing, we had approximately Ps225,452 million (U.S.\$17,396 million) (principal amount Ps231,570 million (U.S.\$17,868 million)) of total debt plus other financial obligations, not including approximately Ps6,118 million (U.S.\$472 million) of Perpetual Debentures. Our financing activities through December 31, 2012 are described in our 2012 Annual Report. The following is a description of our most relevant transactions related to our indebtedness in the six-month period ended June 30, 2013:

- On March 25, 2013, CEMEX, S.A.B. de C.V. issued U.S.\$600 million aggregate principal amount of its 5.875% Senior Secured Notes due 2019, or the March 2013 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The payment of principal, interest and premium, if any, on the March 2013 Notes is fully and unconditionally guaranteed by CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca. The March 2013 Notes are secured by a first-priority security interest over the Collateral and all proceeds of such Collateral. The March 2013 Notes were issued at par. The net proceeds from the offering of approximately U.S.\$596 million were used for the repayment in full of the remaining indebtedness under the 2009 Financing Agreement of approximately U.S.\$55 million and the remainder for general corporate purposes, including the purchase of €182.9 million aggregate principal amount of Eurobonds, through a cash tender offer using a portion of the proceeds from the issuance of the March 2013 Notes, following which such Eurobonds were immediately cancelled.

For a description of our financing activities after June 30, 2013, see “Recent Developments—Recent Developments Relating to Our Indebtedness.”

Our Other Financial Obligations

Other financial obligations in the consolidated balance sheet as December 31, 2012 and June 30, 2013 are detailed as follows:

	December 31, 2012			June 30, 2013		
	Short-term	Long-term	Total	Short-term	Long-term	Total
I. Convertible subordinated notes due 2018	Ps —	Ps 7,100	Ps 7,100	Ps —	Ps 7,295	Ps 7,295
I. Convertible subordinated notes due 2016	—	10,768	10,768	—	11,093	11,093
II. Convertible subordinated notes due 2015	—	8,397	8,397	—	8,619	8,619
III. Convertible securities due 2019	152	1,561	1,713	164	1,479	1,643
IV. Liabilities secured with accounts receivable	6,013	2,500	8,513	7,114	2,500	9,614
V. Capital leases	813	2,587	3,400	929	2,139	3,068
	<u>Ps 6,978</u>	<u>Ps 32,913</u>	<u>Ps 39,891</u>	<u>Ps 8,207</u>	<u>Ps 33,125</u>	<u>Ps 41,332</u>

As mentioned in note 2L to our audited consolidated financial statements included in our 2012 Annual Report, financial instruments convertible into CEMEX, S.A.B. de C.V. CPOs and/or ADSs contain components of both liability and equity, which are recognized differently depending if the instrument is mandatorily convertible, or is optionally convertible by election of the note holders.

2011 Optional Convertible Subordinated Notes

On March 15, 2011, CEMEX, S.A.B. de C.V. closed the offering of U.S.\$978 million (Ps11,632 million) aggregate principal amount of 3.25% Convertible Subordinated Notes due in 2016 and U.S.\$690 million (Ps8,211 million) aggregate principal amount of 3.75% Convertible Subordinated Notes due in 2018. The aggregate principal amounts reflect the full exercise of the U.S.\$177.5 million and U.S.\$90 million over-allotment option granted to the relevant initial purchasers of the 3.25% Convertible Subordinated Notes due 2016 and the 3.75% Convertible Subordinated Notes due 2018, respectively. The 2011 Optional Convertible Subordinated Notes are subordinated to all of CEMEX’s liabilities and commitments. A portion of the net proceeds from this transaction were used to fund the purchase of capped call transactions. During 2012 and 2011, changes in the fair value of these capped call transactions generated a gain of approximately U.S.\$155 million (Ps1,973 million) and a loss of approximately U.S.\$153 million (Ps1,906 million), respectively, which were recognized within “Other financial income (expense), net” in the statements of operations (see note 16D to our audited consolidated financial statements included in our 2012 Annual Report), which are generally expected to reduce the potential dilution cost to CEMEX, S.A.B. de C.V. upon future conversion of the 2011 Optional Convertible Subordinated Notes. As a result of the issuance, substantially all the new shares approved at CEMEX, S.A.B. de C.V.’s extraordinary shareholders’ meeting on February 24, 2011 (see note 20 to our audited consolidated financial statements included in our 2012 Annual Report) were reserved by CEMEX, S.A.B. de C.V. to satisfy conversion of these notes. After antidilution adjustments, the conversion rate as of December 31, 2012 was 95.8525 ADSs per U.S.\$1,000 principal amount of such notes and as of March 21, 2013, has been further adjusted to 99.6866 ADS per U.S.\$1,000 principal amount of such notes, reflecting the issuance of CPOs in connection with the recapitalization of earnings approved by shareholders at the 2012 annual general ordinary shareholders’ meeting held on March 21, 2013. In addition, considering that the currency in which the notes are denominated and the functional currency of the issuer differ, under IFRS, we separated the conversion options embedded in these notes and recognized them as a freestanding derivative at fair value through the statements of operations. Changes in fair value of such conversion options generated a loss in 2012 for approximately U.S.\$243 million (Ps3,078 million) and a gain in 2011 for approximately U.S.\$279 million (Ps3,482 million) (see note 16D to our audited consolidated financial statements included in our 2012 Annual Report). Beginning January 1, 2013, due to changes in the parent company’s functional currency, the conversion option ceased to be treated as a standalone derivative and was reclassified as an equity component for approximately US\$301 million (Ps3,862 million).

2010 Optional Convertible Subordinated Notes

On March 30, 2010, CEMEX, S.A.B. de C.V. issued U.S.\$715 million (Ps8,837 million) aggregate principal amount of 4.875% Optional Convertible Subordinated Notes due 2015, including the full exercise of the U.S.\$65 million over-allotment option granted to the initial purchasers of the notes. The 2010 Optional Convertible Subordinated Notes are subordinated to all of CEMEX's liabilities and commitments. The holders of the 2010 Optional Convertible Subordinated Notes have the option to convert their notes for our ADSs at a conversion price per ADS 30% higher than the ADS price at the pricing of the transaction. In connection with the offering, CEMEX, S.A.B. de C.V. entered into a capped call transaction expected to generally reduce the potential dilution cost to CEMEX, S.A.B. de C.V. upon future conversion of the 2015 Notes. During 2012 and 2011, changes in the fair value of this capped call transaction generated a gain of approximately U.S.\$47 million (Ps594 million) and a loss of approximately U.S.\$79 million (Ps984 million), respectively, which were recognized within "Other financial income (expense), net" in the statements of operations (see note 16D to our audited consolidated financial statements included in our 2012 Annual Report). After antidilution adjustments, the conversion rate as of December 31, 2012 was 82.7227 ADSs per U.S.\$1,000 principal amount of such notes and as of March 21, 2013, has been further adjusted to 86.0316 ADS per U.S.\$1,000 principal amount of such notes, reflecting the issuance of CPOs in connection with the recapitalization of earnings approved by shareholders at the 2012 annual general ordinary shareholders' meeting held on March 21, 2013. In addition, considering that the currency in which the notes are denominated and the functional currency of the issuer differ, under IFRS, we separated the conversion option embedded in these notes and recognized it as a freestanding derivative at fair value through the statements of operations. Changes in fair value of the conversion option generated a loss in 2012 for approximately U.S.\$56 million (Ps708 million) and a gain in 2011 for approximately U.S.\$97 million (Ps1,211 million) (see note 16D to our audited consolidated financial statements included in our 2012 Annual Report). Commencing January 1, 2013, due to the changes in the parent company's functional currency, the conversion option ceased to be treated as a standalone derivative and was reclassified as an equity component for approximately US\$64 million (Ps828 million).

Mandatory Convertible Notes

In December 2009, CEMEX, S.A.B. de C.V. completed its offer to exchange CBs issued in Mexico with maturities between 2010 and 2012, into Mandatorily Convertible Notes for approximately Ps4,126 million (U.S.\$315 million). Reflecting antidilution adjustments, at their scheduled conversion in ten years or earlier if the price of the CPO reaches approximately \$30.68, the securities will be mandatorily convertible into approximately 202 million CPOs at a conversion price of approximately \$20.4510 per CPO. During their tenure, the securities yield a 10% interest payable quarterly. Holders have an option to voluntarily convert their securities, after the first anniversary of their issuance, on any interest payment date into CPOs. The equity component for Ps1,971 million was recognized within "Other equity reserves." See note 16B to our audited consolidated financial statements included in our 2012 Annual Report. Beginning January 1, 2013, due to changes in the parent company's functional currency, the conversion option is now treated as a standalone derivative. The equity component was measured at its fair value recognizing an initial effect of US\$29 million (Ps365 million). Changes in the fair value for the six-month period ended June 30, 2013, generated a loss of approximately U.S.\$5 million (Ps59 million) recognized within "Other financial income (expense), net" in the statement of operations. The fair value of the standalone derivative as of June 30, 2013, represented a liability of approximately U.S.\$34 million (Ps429 million).

Our Receivables Financing Arrangements

Our subsidiaries in the United States, Mexico, France and the United Kingdom are parties to sales of trade accounts receivable programs with financial institutions, referred to as securitization programs. As of December 31, 2012 and June 30, 2013, trade accounts receivable include receivables of Ps10,792 million (U.S.\$840 million) and Ps12,118 million (U.S.\$935 million), respectively. In October 2012, CEMEX terminated its program in Spain. Under these programs, our subsidiaries effectively surrender control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets. However, we retain certain residual interest in the programs and/or maintain continuing involvement with the accounts receivable; therefore, the amounts received are recognized within "Other financial obligations." Trade accounts receivable qualifying for sale exclude amounts over

certain days past due or concentrations over certain limits to any one customer, according to the terms of the programs. The portion of the accounts receivable sold maintained as reserves amounted to Ps2,280 million as of December 31, 2012 and Ps2,497 million as of June 30, 2013. The discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to approximately Ps174 million (U.S.\$13 million) and Ps157 million (U.S.\$12 million) in the six-month periods ended June 30, 2012 and June 30, 2013, respectively. Our securitization programs are negotiated for specific periods and should be renewed at their maturity. The securitization program outstanding as of December 31, 2012 in Mexico was initiated during 2011 and matures in October 2015. The securitization programs in the United States, France and the United Kingdom were renewed in 2013 and currently mature in May 2015 (in the United States) and March 2014 (in France and the United Kingdom).

Capital leases

As of December 31, 2012 and June 30, 2013, we held several operating assets, mainly mobile equipment and buildings under capital lease contracts for a total of approximately U.S.\$265 million (Ps3,400 million) and U.S.\$237 million (Ps3,068 million) respectively.

Our Equity Forward Arrangements

In connection with the sale of CPOs of Axtel (note 16D to our audited consolidated financial statements included in our 2012 Annual Report) and in order to maintain exposure to changes in the price of such entity, in March 2008, we entered into a forward contract to be settled in cash over the price of 119 million CPOs of Axtel (59.5 million CPOs with each counterparty), which was originally set to mature in April 2011. During 2009, in order to reset the exercise price included in the contract, we instructed the counterparties to definitively dispose of the deposits in margin accounts for approximately Ps207 million, and each of the counterparties exercised an option to maintain the contract over their respective 59.5 million CPOs of Axtel until October 2011. During 2010, one of the counterparties further extended the maturity of 50% of the notional amount of this forward contract to April 2012. In addition, during 2011, the other counterparty further extended the maturity of its contract also until April 2012. During 2012, one of the contracts was further extended until October 2013, while the other contract reached its scheduled maturity in April 2012. In March 2012, CEMEX renewed the forward contract to be settled in cash over the price of 59.5 million of CPOs of Axtel, which was extended until October 2013. On August 27, 2013, CEMEX renewed the forward contract to be settled in cash over the price of 59.5 million CPOs of Axtel, which was further extended until October 2015. Changes in the fair value of this instrument generated gains of approximately U.S.\$6 million (Ps79 million) in the six-month period ended June 30, 2012 and approximately U.S.\$6 million (Ps75 million) in the six-month period ended June 30, 2013.

Our Perpetual Debentures

As of December 31, 2012 and as of June 30, 2013, non-controlling interest stockholders' equity included approximately U.S.\$473 million (Ps6,078 million) and U.S.\$472 million (Ps6,118 million), respectively, representing the principal amount of the Perpetual Debentures. The Perpetual Debentures have no fixed maturity date and do not represent a contractual payment obligation for us. Based on their characteristics, the Perpetual Debentures, issued through special purpose vehicles, or SPVs, qualify as equity instruments under IFRS and are classified within non-controlling interest as they were issued by consolidated entities, considering that there is no contractual obligation to deliver cash or any other financial asset, the Perpetual Debentures do not have any maturity date, meaning that they were issued to perpetuity, and, if the conditions to interest deferred are satisfied, we have the unilateral right to defer indefinitely the payment of interest due on the Perpetual Debentures. Issuance costs, as well as the interest expense, which is accrued based on the principal amount of the Perpetual Debentures, are included within "Other equity reserves" and represented expenses of approximately Ps294 million and Ps217 million in the six-month periods ended June 30, 2012 and 2013, respectively. The different SPVs were established solely for purposes of issuing the Perpetual Debentures and are included in our audited consolidated financial statements included in our 2012 Annual Report. As of December 31, 2013, the Perpetual Debentures were as follows:

<u>Issuer</u>	<u>Issuance Date</u>	<u>Nominal Amount at Issuance Date (in millions)</u>	<u>Nominal Amount Outstanding as of December 31, 2012 (in millions)(2)</u>	<u>Repurchase Option</u>	<u>Interest Rate</u>
C5 Capital (SPV) Ltd(1).				Fifth anniversary and at any time thereafter with at least 30 days notice	LIBOR +
	December 2006	U.S.\$ 350	U.S.\$ 69		4.277%
C8 Capital (SPV) Ltd.	February 2007	U.S.\$ 750	U.S.\$ 137	Eighth anniversary	6.640%
C10 Capital (SPV) Ltd.	December 2006	U.S.\$ 900	U.S.\$ 183	Tenth anniversary	6.722%
C10-EUR Capital (SPV) Ltd.	May 2007	€ 730	€ 64	Tenth anniversary	6.277%

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- (1) Because we did not exercise our repurchase option by December 31, 2011, the annual interest rate of this series changed to 3-month LIBOR plus 4.277%, which will be reset quarterly. Interest payments on this series will be made quarterly instead of semi-annually. We are not permitted to call these Perpetual Debentures under the Facilities Agreement. As of June 30, 2013, 3-month LIBOR was approximately 0.27%.
 - (2) Excludes the notional amount of Perpetual Debentures held by subsidiaries, acquired in December 2011 through a series of asset swaps. See notes 16A and 20D to our audited consolidated financial statements included in our 2012 Annual Report.

Stock Repurchase Program

Under Mexican law, our shareholders may authorize a stock repurchase program at our annual general ordinary shareholders' meeting. Unless otherwise instructed by our shareholders, we are not required to purchase any minimum number of shares pursuant to such program.

In connection with CEMEX, S.A.B. de C.V.'s 2010, 2011 and 2012 annual general ordinary shareholders' meetings held on February 24, 2011, February 23, 2012 and March 21, 2013, respectively, no stock repurchase program has been proposed between February 2011 and the date of this filing. Subject to certain exceptions, we are not permitted to repurchase shares of our capital stock under the Facilities Agreement and the indentures governing the Senior Secured Notes.

Research and Development, Patents and Licenses, etc.

Our research and development, or R&D, efforts help us in achieving our goal of increasing market share in the markets in which we operate. The department of the Vice President of Technology and Safety is responsible for developing new products for our cement, ready-mix concrete, aggregate and admixture businesses that respond to our clients' needs, as well as introduce new or improved processing and equipment technology for all our core businesses. The department of the Vice President of Energy and Sustainability has the responsibility to optimize operational efficiencies and reduce our costs and environmental impact through the usage of alternative or biomass fuels, and energy management systems. For example, we have developed processes and products that allow us to reduce heat consumption in our kilns, which in turn reduces energy costs. Products have also been developed that provide our customers with solutions with better performance and overall lower environment footprint in the whole value chain. We believe this has helped us to keep or increase our market share in many of the markets in which we operate.

We have nine laboratories dedicated to our R&D efforts. Eight of these laboratories are strategically located in close proximity to our plants to assist our operating subsidiaries with troubleshooting, optimization techniques and quality assurance methods. One of our laboratories is located in Switzerland, where we are continually improving and consolidating our research and development efforts in the areas of cement, concrete, aggregates, admixtures, mortar and asphalt technology, as well as in business processes, information technology and energy management. We have actively registering patents and pending applications in many of the countries in which we operate. These patent registrations and applications relate primarily to different solutions, materials, additives used in the construction industry and the production processes related to them, as well as processes to decrease the use of scarce resources and improve our use of alternative fuels and raw materials.

Our Information Technology divisions have developed information management systems and software relating to cement and ready-mix concrete operational practices, automation and maintenance. These systems have helped us to better serve our clients with respect to purchasing, delivery and payment.

R&D activities comprise part of the daily routine of the departments and divisions mentioned above; therefore, the costs associated with such activities are expensed as incurred. However, the costs incurred in the development of software for internal use are capitalized and amortized in operating results over the estimated useful life of the software, which is approximately five years.

For the six-month periods ended June 30, 2012 and 2013, the combined total expense of the departments of the Vice President of Energy, Vice President of Technology, which includes R&D activities, amounted to approximately Ps207 million (U.S.\$15 million) and Ps233 million (U.S.\$18 million), respectively.

Summary of Material Contractual Obligations and Commercial Commitments

The 2009 Financing Agreement

On August 14, 2009, we entered into the 2009 Financing Agreement. The 2009 Financing Agreement extended the final maturities of approximately U.S.\$15 billion in syndicated and bilateral bank facilities and private placement notes to February 14, 2014, providing for a semi-annual amortization schedule, and, prior to giving effect to the Refinancing Transaction, we had reduced indebtedness under the 2009 Financing Agreement by approximately U.S.\$7.7 billion. Upon completion of the Refinancing Transaction, the collateral securing the 2009 Financing Agreement and other obligations secured by such collateral was released. In connection with the issuance of the March 2013 Notes, we used a portion of the proceeds from the offering for the repayment in full of the remaining indebtedness under the 2009 Financing Agreement. See “—Liquidity and Capital Resources—Relevant transactions related to our indebtedness during the six-month period ended June 30, 2013.”

The Facilities Agreement

As a result of the Refinancing Transaction, on September 17, 2012, we entered into the Facilities Agreement. See “—Liquidity and Capital Resources—Our Indebtedness.” As of June 30, 2013, we had an aggregate principal amount of outstanding debt under the Facilities Agreement of approximately Ps52,791 million (U.S.\$4,073 million) (principal amount Ps54,064 million (U.S.\$4,172 million)), all of which matures in 2017. Additionally, if we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will spring-back to earlier dates. See “Risk Factors—If we are unable to comply with the milestones for addressing the maturities of certain indebtedness pursuant to the Facilities Agreement, the maturity date of our indebtedness under the Facilities Agreement will automatically reset, or ‘spring-back,’ to earlier dates” in our August 6-K.

The Facilities Agreement is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

For a discussion of restrictions and covenants under the Facilities Agreement, see “Item 3—Key Information—Risk Factors—The Facilities Agreement contains several restrictions and covenants. Our failure to comply with such restrictions and covenants could have a material adverse effect on us” in our 2012 Annual Report.

Senior Secured Notes

The indentures governing the Senior Secured Notes impose significant operating and financial restrictions on us. These restrictions will limit our ability, among other things, to: (i) incur debt; (ii) pay dividends on stock; (iii) redeem stock or redeem subordinated debt; (iv) make investments; (v) sell assets, including capital stock of subsidiaries; (vi) guarantee indebtedness; (vii) enter into agreements that restrict dividends or other distributions from restricted subsidiaries; (viii) enter into transactions with affiliates; (ix) create or assume liens; (x) engage in mergers or consolidations; and (xi) enter into a sale of all or substantially all of our assets.

December 2009 Notes. On December 14, 2009, our subsidiary, CEMEX Finance LLC, issued U.S.\$1,250 million aggregate principal amount of its 9.50% Senior Secured Notes due 2016 and €350 million aggregate

principal amount of its 9.625% Euro-Denominated Notes due 2017, or together, the Initial December 2009 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. On January 19, 2010, CEMEX Finance LLC issued an additional U.S.\$500 million aggregate principal amount of its 9.50% Senior Secured Notes due 2016, or the Additional December 2009 Notes and, together with the Initial December 2009 Notes, the December 2009 Notes. On August 19, 2013, we used the net proceeds from the offering of the August 2013 Notes and available cash to purchase U.S.\$925 million aggregate principal amount of CEMEX Finance LLC's 9.50% Senior Secured Notes due 2016 pursuant to the 2016 Notes Tender Offer, following which such 9.50% Senior Secured Notes due 2016 were immediately cancelled. CEMEX, S.A.B. de C.V., CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX Finance LLC under the December 2009 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

May 2010 Notes. On May 12, 2010, CEMEX España, acting through its Luxembourg branch, issued U.S.\$1,067,665,000 aggregate principal amount of its 9.25% Senior Secured Notes due 2020 and €115,346,000 aggregate principal amount of its 8.875% Euro-Denominated Notes due 2017, or together, the Initial May 2010 Notes, in exchange for a majority in principal amount of the then outstanding Perpetual Debentures pursuant to exchange offers, in private transactions exempt from registration pursuant to Section 4(2) of the Securities Act and Regulation S under the Securities Act. In addition, on March 4, 2011, CEMEX España, acting through its Luxembourg branch, issued an additional U.S.\$125,331,000 aggregate principal amount of its 9.25% Senior Secured Notes due 2020, or the Additional May 2010 Notes and, together with the Initial May 2010 Notes, the May 2010 Notes, in exchange for €119,350,000 aggregate principal amount of the 6.277% Perpetual Debentures, pursuant to an exchange offer, in a private transaction exempt from registration pursuant to Regulation S under the Securities Act. CEMEX, S.A.B. de C.V., CEMEX México, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX España under the May 2010 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

January 2011 Notes. On January 11, 2011, CEMEX, S.A.B. de C.V. issued U.S.\$1 billion aggregate principal amount of its 9.000% Senior Secured Notes due 2018, or the Initial January 2011 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. On July 11, 2011, CEMEX, S.A.B. de C.V. issued an additional U.S.\$650 million aggregate principal amount of its 9.000% Senior Secured Notes due 2018, or the Additional January 2011 Notes and, together with the Initial January 2011 Notes, the January 2011 Notes. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the January 2011 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

April 2011 Notes. On April 5, 2011, CEMEX, S.A.B. de C.V. issued U.S.\$800 million aggregate principal amount of its Floating Rate Senior Secured Notes due 2015, or the April 2011 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the April 2011 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

March 2012 Notes. On March 28, 2012, CEMEX España, acting through its Luxembourg branch, issued U.S.\$703,861,000 aggregate principal amount of its 9.875% U.S. Dollar-Denominated Senior Secured Notes due 2019 and €179 million aggregate principal amount of its 9.875% U.S. Dollar-Denominated Senior Secured Notes

due 2019, or together, the March 2012 Notes, in exchange for Perpetual Debentures and Eurobonds pursuant to separate private placement exchange offers directed to the holders of Perpetual Debentures and Eurobonds, in transactions exempt from registration pursuant to Section 4(2) of the Securities Act. Such exchange offers were made within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), and outside the United States to persons that are not “U.S. persons,” as such term is defined in Rule 902(k) of Regulation S under the Securities Act and who participated in the transactions in accordance with Regulation S. CEMEX, S.A.B. de C.V., CEMEX México, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX España under the March 2012 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

September 2012 Notes. In connection with the Refinancing Transaction, on September 17, 2012, CEMEX, S.A.B. de C.V. issued U.S.\$500 million aggregate principal amount of its 9.50% Senior Secured Notes due 2018, or the September 2012 Notes, to participating creditors that elected to receive the September 2012 Notes in place of all or a portion of their indebtedness subject to the 2009 Financing Agreement. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the September 2012 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

October 2012 Notes. On October 12, 2012, our subsidiary, CEMEX Finance LLC, issued U.S.\$1.5 billion aggregate principal amount of its 9.375% Senior Secured Notes due 2022, or the October 2012 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX, S.A.B. de C.V., CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX Finance LLC under the October 2012 Notes on a senior basis. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

March 2013 Notes. On March 25, 2013, CEMEX, S.A.B. de C.V. issued U.S.\$600 million aggregate principal amount of its 5.875% Senior Secured Notes due 2019, or the March 2013 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the March 2013 Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

August 2013 Notes. On August 12, 2013, CEMEX, S.A.B. de C.V. issued U.S.\$1.0 billion aggregate principal amount of its 6.500% Senior Secured Notes due 2019, or the August 2013 Notes, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. CEMEX México, CEMEX España, New Sunward, CEMEX Asia, CEMEX Concretos, CEMEX Corp., CEMEX Egyptian Investments, CEMEX Egyptian Investments II, CEMEX France, CEMEX Research Group, CEMEX Shipping, CEMEX UK and Empresas Tolteca have fully and unconditionally guaranteed the performance of all obligations of CEMEX, S.A.B. de C.V. under the August 2013 Notes. The payment of principal, interest and premium, if any, on such notes is secured by a first-priority security interest over the Collateral and all proceeds of such Collateral.

We refer to the December 2009 Notes, the May 2010 Notes, the January 2011 Notes, the April 2011 Notes, the March 2012 Notes, the September 2012 Notes, the October 2012 Notes, the March 2013 Notes and the August 2013 Notes collectively, as the Senior Secured Notes.

Mandatory Convertible Notes

On December 10, 2009, CEMEX, S.A.B. de C.V. issued approximately Ps4.1 billion (approximately U.S.\$315 million) in Mandatory Convertible Notes, in exchange for CBs maturing on or before December 31, 2012, pursuant to an exchange offer conducted in Mexico, in transactions exempt from registration pursuant to Regulation S under the Securities Act. The Mandatory Convertible Notes are mandatorily convertible into newly issued CPOs at a conversion price per CPO (calculated as the volume-weighted average price of the CPO for the ten trading days prior to the closing of the exchange offer multiplied by a conversion premium of approximately 1.65), accrue interest, payable in cash, at 10% per annum, provide for the payment of a cash penalty fee, equal to approximately one year of interest, upon the occurrence of certain anticipated conversion events, and mature on November 28, 2019. After antidilution adjustments, the conversion rate as of December 31, 2012 was 418.4494 CPOs per each obligation, equivalent to a conversion price of approximately Ps21.27 per CPO and as of March 21, 2013, has been further adjusted to 435.1874 CPOs per each obligation, equivalent to a conversion price of approximately Ps20.4510 per CPO, reflecting the issuance of CPOs in connection with the recapitalization of earnings approved by shareholders at the 2012 annual general ordinary shareholders' meeting held on March 21, 2013.

Convertible Subordinated Notes

2010 Optional Convertible Subordinated Notes. On March 30, 2010, CEMEX, S.A.B. de C.V. issued U.S.\$715,000,000 aggregate principal amount of its 4.875% Convertible Subordinated Notes due 2015, or the 2010 Optional Convertible Subordinated Notes, including the initial purchasers' exercise in full of their over-allotment option, in transactions exempt from registration pursuant to Rule 144A under the Securities Act. The conversion rate at issuance was 73.5402 ADSs per U.S.\$1,000 principal amount of 2010 Optional Convertible Subordinated Notes. After antidilution adjustments, the conversion rate as of December 31, 2012 was 82.7227 ADSs per U.S.\$1,000 principal amount of such notes and as of March 21, 2013, has been further adjusted to 86.0316 ADS per U.S.\$1,000 principal amount of such notes, reflecting the issuance of CPOs in connection with the recapitalization of earnings approved by shareholders at the 2012 annual general ordinary shareholders' meeting held on March 21, 2013. We used a portion of the net proceeds from the offering of the 2010 Optional Convertible Subordinated Notes to fund the purchase of a capped call transaction, which are expected generally to reduce the potential cost to CEMEX upon future conversion of the 2010 Optional Convertible Subordinated Notes.

2011 Optional Convertible Subordinated Notes. On March 15, 2011, CEMEX, S.A.B. de C.V. issued U.S.\$977.5 million aggregate principal amount of its 3.25% Convertible Subordinated Notes due 2016 and U.S.\$690 million aggregate principal amount of its 3.75% Convertible Subordinated Notes due 2018, or together, the 2011 Optional Convertible Subordinated Notes, including the initial purchasers' exercise in full of their over-allotment options, in transactions exempt from registration pursuant to Rule 144A and Regulation S under the Securities Act. The 2011 Optional Convertible Subordinated Notes are convertible into ADSs, at any time after June 30, 2011. After antidilution adjustments, the conversion rate as of December 31, 2012 was 95.8525 ADSs per U.S.\$1,000 principal amount of such notes and as of March 21, 2013, has been further adjusted to 99.6866 ADS per U.S.\$1,000 principal amount of such notes, reflecting the issuance of CPOs in connection with the recapitalization of earnings approved by shareholders at the 2012 annual general ordinary shareholders' meeting held on March 21, 2013. We used a portion of the net proceeds from the offering of the 2011 Optional Convertible Subordinated Notes to fund the purchase of capped call transactions, which are expected generally to reduce the potential cost to CEMEX upon future conversion of the 2011 Optional Convertible Subordinated Notes.

Commercial Commitments

As of December 31, 2012 and June 30, 2013, we had commitments for the purchase of raw materials for an approximate amount of U.S.\$127 million and U.S.\$50 million, respectively.

On July 27, 2012, we entered into a Master Professional Services Agreement with International Business Machines Corporation ("IBM"). This agreement provides the framework for our contracting for IBM to provide us with the following services: information technology, application development and maintenance, finance and accounting outsourcing, human resources administration and contact center services. The agreement provides for these services to be provided to us from July 27, 2012 until August 31, 2022, unless earlier terminated. Our minimum required payments to IBM under the agreement are approximately U.S.\$50 million per year. We will have the right to adjust the cost and quality of the services every two years if it is determined that they do not meet certain

benchmarks. We may terminate the agreement (or a portion of it) at our discretion and without cause at any time by providing at least six-months' notice to IBM and paying termination charges consisting of IBM's unrecovered investment and breakage and wind-down costs. In addition, we may terminate the agreement (or a portion of it) for cause without paying termination charges. Other termination rights may be available to us for a termination charge that will vary with the reason for termination. IBM may terminate the agreement if we (i) fail to make payments when due or (ii) become bankrupt and do not pay in advance for the services.

In 2006, in order to take advantage of the high wind potential in the "Tehuantepec Isthmus," CEMEX and ACCIONA formed an alliance to develop a wind farm project for the generation of 250 megawatts in the Mexican state of Oaxaca. We acted as promoter of the project, which was named EURUS. ACCIONA provided the required financing, constructed the facility and currently owns and operates the wind farm. The operation of the 167 wind turbines on the farm commenced on November 15, 2009. The agreements between CEMEX and ACCIONA established that CEMEX's plants in Mexico will acquire a portion of the energy generated by the wind farm for a period of at least 20 years, which began in February 2010, when EURUS reached the committed limit capacity. For the six-month periods ended June 30, 2012 and 2013, EURUS supplied approximately 29% and 26%, respectively, of CEMEX's overall electricity needs in Mexico during such periods.

In 1999, CEMEX entered into an agreement with an international partnership, which built and operated two electrical energy generating plants in Mexico called "Termoeléctrica del Golfo," or TEG and "Termoeléctrica de Peñoles," or TEP. In 2007, another international company replaced the original operator. The agreement established that CEMEX would purchase the energy generated from TEG for a term of not less than 20 years, which started in April 2004. In addition, CEMEX committed to supply TEG and TEP all fuel necessary for its operations, a commitment that has been hedged through four 20-year agreements entered with PEMEX, which terminate in 2024. With the change of the operator in 2007, CEMEX extended the term of its agreement with TEG until 2027. Consequently, for the last 3 years of the agreement, CEMEX intends to purchase the required fuel in the market. For the six-month periods ended June 30, 2012 and 2013, the power plant has supplied approximately 68% and 71%, respectively, of CEMEX's overall electricity needs during such years for its cement plants in Mexico.

In regards with the above, in March 1998, we entered into two contracts with PEMEX providing that PEMEX's refinery in Cadereyta would supply us with 0.9 million tons of petcoke per year, commencing supply operations in 2003, or the Cadereyta Contracts. In July 1999, we entered into two contracts with PEMEX providing that PEMEX's refinery in Madero would supply us with 0.85 million tons of petcoke per year, commencing supply operations in 2002, or the Madero Contracts and jointly with the Cadereyta Contracts, the PEMEX Petcoke Contracts. As per the PEMEX Petcoke Contracts, 1.2 million tons of the contracted volume will be allocated to TEG and TEP and the remaining volume will be allocated to our operations in Mexico. By entering into the PEMEX Petcoke Contracts, we expect to reduce the volatility of our fuel costs and to have a consistent source of petcoke throughout their 20-year terms (which terminate in 2024).

Contractual Obligations

As of December 31, 2012 and June 30, 2013, we had material contractual obligations as set forth in the table below.

Millions of U.S. Dollars	As of December 31, 2012		As of June 30, 2013				
	Total		Less than 1 year	1-3 Years	3-5 Years	More than 5 Years	Total
Obligations							
			(in millions of U.S. Dollars)				
Long-term debt	U.S.\$	13,857	334	771	6,559	6,478	14,142
Capital lease obligation(1)		361	76	77	51	116	320
Convertible notes(2)		2,177	13	688	896	614	2,211
Total debt and other financial obligations (3)		16,395	423	1,536	7,506	7,208	16,673
Operating leases(4)		413	111	137	74	51	373
Interest payments on debt(5)		3,713	1,056	2,121	1,764	1,279	6,220
Pension plans and other benefits(6)		1,653	151	301	322	864	1,638
Purchases of raw materials(7)		127	39	11	—	—	50
Purchases of fuel and energy(8)		3,539	104	413	430	2,495	3,442
Total contractual obligations	U.S.\$	25,840	1,884	4,519	10,096	11,897	28,396
Total contractual obligations (Mexican Pesos)	Ps	332,044	24,417	58,566	130,844	154,185	368,012

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- (1) The amounts of payments under capital leases have been determined on the basis of nominal cash flows. As of June 30, 2013, the net present value of future payments under such leases is approximately U.S.\$237 million (Ps3,068 million), of which, approximately U.S.\$58 million (Ps755 million) refers to cash flows from 1 to 3 years, approximately U.S.\$29 million (Ps372 million) refers to cash flows from 3 to 5 years and approximately U.S.\$78 million (Ps1,012 million) refers to cash flows of more than 5 years
 - (2) Refers to the liability component of the Optional Convertible Subordinated Notes and the Mandatory Convertible Notes described herein.
 - (3) The schedule of debt payments, which includes current maturities, does not consider the effect of any refinancing of debt that may occur during the following years. In the past, CEMEX has replaced its long-term obligations for others of a similar nature. For purposes of this table, other financial obligations do not include liabilities secured with accounts receivable, as these receivables are sold on a non-recourse basis. See note 12B to our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein.
 - (4) The amounts for operating leases have been determined on the basis of nominal cash flows. CEMEX has operating leases, primarily for operating facilities, cement storage and distribution facilities and certain transportation and other equipment, under which annual rental payments are required plus the payment of certain administrative, selling and distribution expenses. Rental expense was U.S.\$156 million (Ps2,003 million) for 2012 and U.S.\$66 million (Ps852 million) for the six-month period ended June 30, 2013.
 - (5) For the determination of the future estimated interest payments on floating rate denominated debt, CEMEX used the floating interest rates in effect as of December 31, 2012 and June 30, 2013.
 - (6) Represents estimated annual payments under these benefits for the next 10 years (see note 18 to our audited consolidated financial statements included in our 2012 Annual Report). Future payments include the estimate of new retirees during such future years.
 - (7) Future payments for the purchase of raw materials are presented on the basis of contractual nominal cash flows.
 - (8) Future nominal payments of energy have been estimated for all contractual commitments on the basis of aggregate average expected consumption of approximately three thousand GWh per year using the future prices of energy established in the contracts for each period. Future payments also include our commitments for the purchase of fuel.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a material effect on our financial condition, operating results, and liquidity or capital resources.

CEMEX Venezuela

On August 18, 2008, the Government of Venezuela expropriated all business, assets and shares of CEMEX Venezuela, S.A.C.A., or CEMEX Venezuela, and took control of its facilities. CEMEX controlled and operated CEMEX Venezuela until August 17, 2008. In October 2008, CEMEX submitted a request to the International Centre for Settlement of Investment Disputes (the "ICSID"), seeking international arbitration claiming that the nationalization and seizure of the facilities located in Venezuela and owned by CEMEX Venezuela did not comply with the terms of the treaty for the protection of investments signed by the Government of Venezuela and the Netherlands and with international law because CEMEX had not received any compensation and no public purpose was proven. On November 30, 2011, following negotiations with the Government of Venezuela and its public entity Corporación Socialista de Cemento, S.A., a settlement agreement was reached between CEMEX and the Government of Venezuela that closed on December 13, 2011. Under this settlement agreement, CEMEX received compensation for the expropriation of CEMEX Venezuela and administrative services provided after the expropriation in the form of: (i) a cash payment of U.S.\$240 million; and (ii) notes issued by Petróleos de Venezuela, S.A. ("PDVSA"), with nominal value and interest income to maturity totaling approximately U.S.\$360 million. Additionally, as part of the settlement, claims among all parties and their affiliates were released and all intercompany payments due from or to CEMEX Venezuela to and from CEMEX were cancelled, resulting in the cancellation for CEMEX of accounts payable, net of approximately U.S.\$154 million. Pursuant to this settlement agreement, CEMEX and the government of Venezuela agreed to withdraw the ICSID arbitration. As a result of this

settlement, CEMEX cancelled the book value of its net assets in Venezuela of approximately U.S.\$503 million and recognized a settlement gain in the statement of operations of approximately U.S.\$25 million, which includes the write-off of the currency translation effects accrued in equity. In 2012, upon disposal of the PDVSA notes, CEMEX recognized a net gain of approximately Ps169 million as part of other financial income, net, including the effects recognized within other comprehensive income in prior years. See note 13B to our audited consolidated financial statements included in our 2012 Annual Report.

See “Item 4—Information on the Company—Regulatory Matters and Legal Proceedings—Expropriation of CEMEX Venezuela and ICSID Arbitration” of our 2012 Annual Report.

Qualitative and Quantitative Market Disclosure

Our Derivative Financial Instruments

For the year ended June 30, 2013, we had a net gain related to the recognition of changes in fair values of derivative financial instruments of approximately Ps947 million (U.S.\$75 million) as compared to a net gain of approximately Ps146 million (U.S.\$11 million) in the same period of 2012.

Since the beginning of 2009, with the exception of our capped call transaction entered into in March 2010 and March 2011, we have been reducing the aggregate notional amount of our derivatives, thereby reducing the risk of cash margin calls. This initiative has included closing substantially all notional amounts of derivative instruments related to our debt (currency and interest rate derivatives) and the settlement of our inactive derivative financial instruments (see note 16D to our audited consolidated financial statements included in our 2012 Annual Report), which we finalized during April 2009. The Facilities Agreement significantly restricts our ability to enter into derivative transactions.

We use derivative financial instruments in order to change the risk profile associated with changes in interest rates and foreign exchange rates of debt agreements, as a vehicle to reduce financing costs, as an alternative source of financing, and as hedges of: (i) highly probable forecasted transactions, (ii) our net assets in foreign subsidiaries and (iii) future exercises of options under our executive stock option programs. Before entering into any transaction, we evaluate, by reviewing credit ratings and our business relationship according to our policies, the creditworthiness of the financial institutions and corporations that are prospective counterparties to our derivative financial instruments. We select our counterparties to the extent we believe that they have the financial capacity to meet their obligations in relation to these instruments. Under current financial conditions and volatility, we cannot assure that risk of non-compliance with the obligations agreed to with such counterparties is minimal.

The fair value of derivative financial instruments is based on estimated settlement costs or quoted market prices and supported by confirmations of these values received from the counterparties to these financial instruments. The notional amounts of derivative financial instrument agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss.

	December 31, 2012		June 30, 2013		Maturity Date
	Notional amount	Estimated fair value	Notional amount	Estimated fair value	
	(in millions of U.S. Dollars)				
Interest Rate Swaps	181	49	177	37	September 2022
Equity forwards on third party shares	27	—	27	3	October 2013
Forward instruments over indexes	5	—	—	—	April 2013
Options on our own shares					March 2015 – March 2018
	2,743	(138)	2,383	317	

Our Interest Rate Swaps. As of December 31, 2012 and June 30, 2013, we had an interest rate swap maturing in September 2022 with notional amounts of U.S.\$181 million and U.S.\$177 million, respectively, negotiated to exchange floating for fixed rates in connection with agreements we entered into for the acquisition of electric energy in Mexico. For more information, see note 12C to our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein. As of December 31, 2012 and June 30, 2013, the fair value of the swap represented assets of approximately U.S.\$49 million and U.S.\$37 million,

respectively. Pursuant to this instrument, during the tenure of the swap and based on its notional amount, we will receive a fixed rate of 5.4% and will pay a LIBOR, which is the international reference for debt denominated in U.S. Dollars. As of June 30, 2012 and 2013, LIBOR was 0.46% and 0.415%, respectively.

Our Equity Forwards on Third-Party Shares. As of June 30, 2013, we had a forward contract to be settled in cash over the price of 59.5 million CPOs of Axtel with an aggregate notional amount of U.S.\$27 million. The contract that was renewed on August 27, 2013 matures in October 2015. Changes in the fair value of this instrument generated a gain of approximately U.S.\$6 million (Ps75 million) in the six-month period ended June 30, 2013, which were recognized in the statement of operations for the period. See “—Liquidity and Capital Resources—Our Equity Forward Arrangements.”

Our Options on CEMEX, S.A.B. de C.V. Shares. On March 15, 2011, in connection with the offering of the 2011 Optional Convertible Subordinated Notes and to effectively increase the conversion price for CEMEX, S.A.B. de C.V.’s CPOs under such notes, CEMEX, S.A.B. de C.V. entered into capped call transactions over approximately 166 million ADSs (97 million ADSs maturing in March 2016 and 69 million ADSs maturing in March 2018), by means of which, for the 3.25% Convertible Subordinated Notes due 2016, at maturity of the notes in March 2016, if the price per ADS is above U.S.\$10.0314, we will receive in cash the difference between the market price of the ADS and U.S.\$10.0314, with a maximum appreciation per ADS of U.S.\$4.6299. Likewise, for the 3.75% Convertible Subordinated Notes due 2018, at maturity of the notes in March 2018, if the price per ADS is above U.S.\$10.0314, we will receive in cash the difference between the market price of the ADS and U.S.\$10.0314, with a maximum appreciation per ADS of U.S.\$6.1732. We paid a total premium of approximately U.S.\$222 million. As of December 31, 2012 and June 30, 2013, the fair value of such options represented an asset of approximately U.S.\$226 million (Ps2,899 million) and U.S.\$277 million (Ps3,589 million), respectively. For the six-month period ended June 30, 2013, changes in the fair value of these contracts generated a gain of approximately U.S.\$51 million (Ps648 million), which were recognized in the statement of operations for the period.

On March 30, 2010, in connection with the offering of the 2010 Optional Convertible Subordinated Notes and to effectively increase the conversion price for CEMEX, S.A.B. de C.V.’s CPOs under such notes, CEMEX, S.A.B. de C.V. entered into a capped call transaction over approximately 62 million ADSs maturing in March 2015, by means of which, at maturity of the notes, if the price per ADS is above U.S.\$11.6236, we will receive in cash the difference between the market price of the ADS and U.S.\$11.6236, with a maximum appreciation per ADS of U.S.\$4.4707. We paid a premium of approximately U.S.\$105 million. As of December 31, 2012 and June 30, 2013, the fair value of such options represented an asset of approximately U.S.\$58 million (Ps751 million) and U.S.\$73 million (Ps946 million), respectively. For the six-month period ended June 30, 2013, changes in the fair value of this contract generated a gain of approximately U.S.\$15 million (Ps184 million), which were recognized in the statement of operations for the period.

For accounting purposes under IFRS, we separated the conversion option embedded in the Mandatory Convertible Notes and recognized it at fair value, which as of June 30, 2013, resulted in liabilities of approximately U.S.\$33 million (Ps429 million). Changes in fair value of the conversion options generated a loss during the six-month period ended June 30, 2013 of approximately U.S.\$5 million (Ps59 million), which were recognized in the statement of operations for the period. In addition, even though the changes in fair value of CEMEX’s embedded conversion options in these notes affect the statements of operations, they do not imply any risk or variability in cash flows, considering that through the exercise of such embedded conversion options, we may settle a fixed amount of debt with a fixed amount of shares.

Interest Rate Risk, Foreign Currency Risk and Equity Risk

Interest Rate Risk. The table below presents tabular information of our fixed and floating rate long-term foreign currency-denominated debt as of June 30, 2013. Average floating interest rates are calculated based on forward rates in the yield curve as of June 30, 2013. Future cash flows represent contractual principal payments. The fair value of our floating rate long-term debt is determined by discounting future cash flows using borrowing rates available to us as of June 30, 2013 and is summarized as follows:

Long-Term Debt(1)	Expected maturity dates as of June 30, 2013					Total	Fair Value
	2013	2014	2015	2016	After 2017		
	(in millions of U.S. Dollars, except percentages)						
Variable rate	7	3	759	5	4,091	4,865	4,916
Average interest rate	4.8%	5.1%	5.6%	6.6%	7.4%		
Fixed rate	324	6	7	1,741	7,199	9,277	9,944
Average interest rate	8.9%	9.1%	9.1%	9.1%	8.9%		

(1) The information above includes the current maturities of the long-term debt. Total long-term debt as of June 30, 2013 does not include our other financial obligations and the Perpetual Debentures for an aggregate amount of U.S.\$3,028 million (Ps39,242 million) issued by consolidated entities. See notes 12B and 17B to our unaudited condensed consolidated financial statements for the six-month periods ended June 30, 2012 and 2013 included herein.

As of June 30, 2013, we were subject to the volatility of floating interest rates, which, if such rates were to increase, may adversely affect our financing cost and our net income. As of June 30, 2013, 34% of our foreign currency-denominated long-term debt bears floating rates at a weighted average interest rate of LIBOR plus 467 basis points.

Foreign Currency Risk. Due to our geographic diversification, our revenues are generated in various countries and settled in different currencies. However, some of our production costs, including fuel and energy, and some of our cement prices, are periodically adjusted to take into account fluctuations in the U.S. Dollar/Mexican Peso exchange rate. For the six-month period ended June 30, 2013, approximately 21% of our net sales, before eliminations resulting from consolidation, were generated in Mexico, 20% in the United States, 7% in the United Kingdom, 6% in Germany, 6% in France, 5% in our Rest of Northern Europe geographic segment, 2% in Spain, 3% in Egypt, 5% in our Rest of the Mediterranean segment, 6% in Colombia, 8% in our Rest of South America and the Caribbean segment, 4% in Asia and 7% from our Other operations.

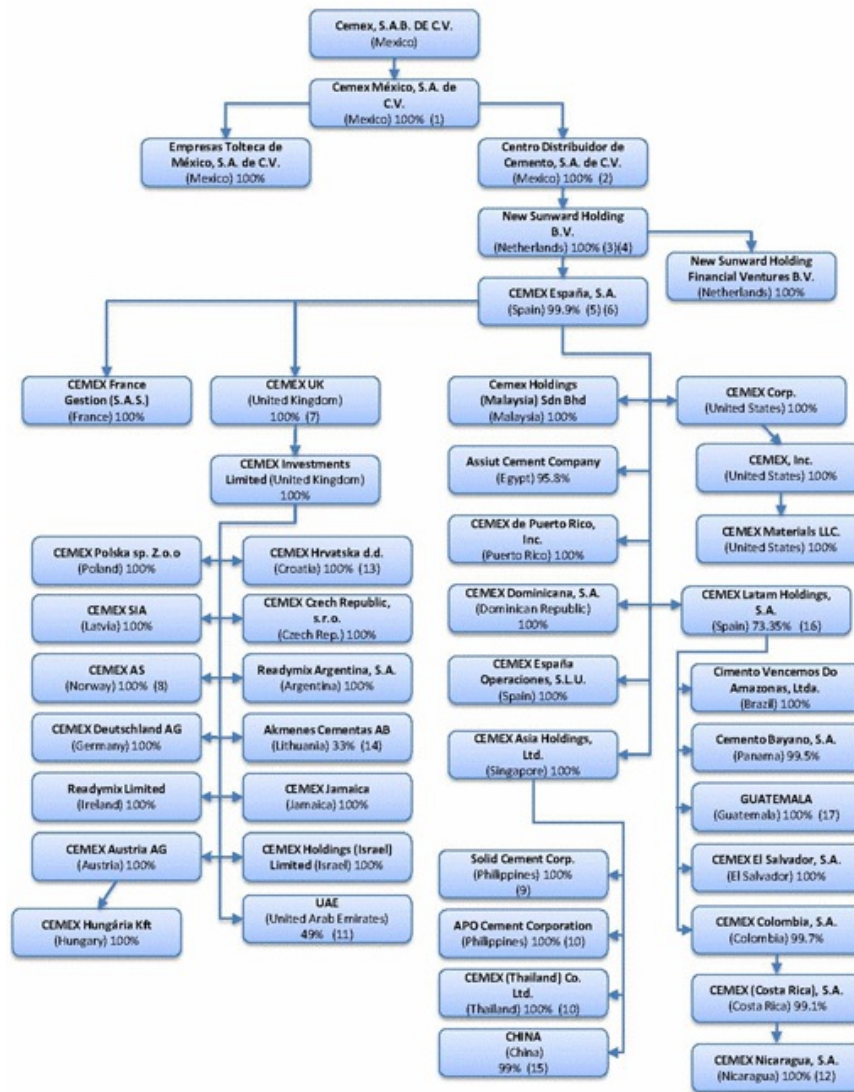
As of June 30, 2013, approximately 85% of our total debt plus other financial obligations was U.S. Dollar-denominated, approximately 13% was Euro-denominated, approximately 2% was Mexican Peso-denominated and immaterial amounts were denominated in other currencies, which does not include approximately Ps6,118 million (U.S.\$472 million) of Perpetual Debentures; therefore, we had a foreign currency exposure arising from the debt plus other financial obligations denominated in U.S. Dollars, and the debt and other financial obligations denominated in Euros, versus the currencies in which our revenues are settled in most countries in which we operate. We cannot guarantee that we will generate sufficient revenues in Euros from our operations in Spain, Germany, France and the Rest of Northern Europe to service these obligations. As of June 30, 2012 and 2013, all cross-currency swaps had been settled.

Equity Risk. As described above, we have entered into equity forward contracts on Axtel CPOs. Upon liquidation, the equity forward contracts provide for cash settlement and the effects are recognized in the statement of operations. At maturity, if these forward contracts are not settled or replaced, or if we default on these agreements, our counterparties may sell the shares of the underlying contracts. Under these equity forward contracts, there is a direct relationship in the change in the fair value of the derivative with the change in value of the underlying asset.

As of June 30, 2013, the potential change in the fair value of these contracts that would result from a hypothetical, instantaneous decrease of 10% in the market price of Axtel CPOs would be a loss of approximately U.S.\$2 million (Ps27 million).

In connection with the offering of the 2010 Optional Convertible Subordinated Notes and the 2011 Optional Convertible Subordinated Notes issued in March 2010 and March 2011, respectively, we entered into capped call transactions with the financial institutions involved on those transactions or their affiliates. See “—Qualitative and Quantitative Market Disclosure—Our Derivative Financial Instruments—Our Options on Our Own Shares.”

Our Corporate Structure as of June 30, 2013



The chart above summarizes our corporate structure as of June 30, 2013. The chart also shows, for each company, our approximate direct or indirect percentage equity ownership or economic interest. The chart has been simplified to show only our major holding companies and/or major operating companies in the principal countries in which we operate and does not include all our intermediary holding companies and all our operating company's subsidiaries.

- (1) Includes approximately 99.87% interest pledged or transferred to a trustee under a security trust as collateral under the Facilities Agreement dated September 17, 2012 (the "Collateral").
- (2) Includes approximately 99.99% interest pledged as part of the Collateral.
- (3) Includes approximately 100% interest pledged as part of the Collateral.

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- (4) CEMEX, S.A.B. de C.V. and Centro Distribuidor de Cemento, S.A. de C.V. indirectly hold 100% of New Sunward through other intermediate subsidiaries.
 - (5) Includes New Sunward's and CEMEX, S.A.B. de C.V.'s interest.
 - (6) Includes approximately 99.63% interest pledged as part of the Collateral.
 - (7) Includes CEMEX España's 69.39% interest and CEMEX France's 30.61% interest.
 - (8) On March 15, 2011, EMBRA AS changed its legal name to CEMEX AS. CEMEX AS is an operational company and also the holding company for operations in Finland, Norway and Sweden.
 - (9) Includes CEMEX Asia Holdings Ltd.'s ("Cemex Asia Holdings") 70% indirect economic interest and 30% equity ownership by CEMEX España.
 - (10) Represents CEMEX Asia Holdings' indirect economic interest.
 - (11) Represents our economic interest in three UAE companies, CEMEX Topmix LLC, CEMEX Supermix LLC and CEMEX Falcon LLC. We own a 49% equity interest in each of these companies, and we have purchased the remaining 51% of the economic benefits through agreements with other shareholders.
 - (12) Includes CEMEX (Costa Rica), S.A.'s 98% interest and CEMEX Latam's 2% indirect interest.
 - (13) On December 4, 2009 Dalmacijacement d.d. changed its legal name to CEMEX Hrvatska d.d.
 - (14) Represents our 33.95% in ordinary shares and our 11.64% in preferred shares.
 - (15) Represents CEMEX Asia Holdings' economic interest in 2 companies in China, CEMEX Tianjin and CEMEX Qingdao with a 99% and 100% interest, respectively. As of June 30, 2013, CEMEX Asia Holdings' sale of its 100% interest in CEMEX Qingdao is pending completion.
 - (16) Represents outstanding shares of CEMEX Latam's capital stock and excludes treasury stock.
 - (17) Represent CEMEX Latam's economic interest in five Guatemala companies, Cemex Guatemala, S.A., Global Concrete, S.A., Gestion Integral de Proyectos, S.A., Equipos para uso de Guatemala, S.A., and Cementos de Centroamérica, S.A.

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CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Millions of Mexican pesos, except for loss per share)

	Note	For the six-month period ended June 30.,	
		2013	2012
Net sales		Ps 92,478	97,694
Cost of sales		(64,837)	(69,774)
Gross profit		27,641	27,920
Administrative and selling expenses	4	(10,846)	(11,256)
Distribution expenses		(8,078)	(8,627)
		(18,924)	(19,883)
Operating earnings before other expenses, net		8,717	8,037
Other expenses, net	5	(1,580)	(368)
Operating earnings, net		7,137	7,669
Financial expense		(9,237)	(9,169)
Other financial income, net	6	567	404
Equity in earnings of associates		31	158
Loss before income tax		(1,502)	(938)
Income tax	16	(3,398)	(1,896)
CONSOLIDATED NET LOSS FOR THE PERIOD		(4,900)	(2,834)
Non-controlling interest net income for the period	17B	564	90
CONTROLLING INTEREST NET LOSS FOR THE PERIOD		Ps (5,464)	(2,924)
BASIC LOSS PER SHARE		Ps (0.15)	(0.08)
DILUTED LOSS PER SHARE		Ps (0.15)	(0.08)

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

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Loss
(Millions of Mexican pesos)

	<u>Note</u>	<u>For the six-month period ended June 30,</u>	
		<u>2013</u>	<u>2012</u>
CONSOLIDATED NET LOSS FOR THE PERIOD		Ps (4,900)	(2,834)
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Effects from available-for-sale investments		137	107
Currency translation of foreign subsidiaries		(1,691)	(2,677)
Income tax recognized directly in other comprehensive income	16	842	(1,096)
Other comprehensive loss for the period		(712)	(3,666)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(5,612)	(6,500)
Non-controlling interest comprehensive income for the period		564	90
CONTROLLING INTEREST COMPREHENSIVE LOSS FOR THE PERIOD		Ps (6,176)	(6,590)

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

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Millions of Mexican pesos)

	Note	June 30, 2013	December 31, 2012
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	Ps 9,672	12,478
Trade receivables less allowance for doubtful accounts	8	28,233	23,698
Other accounts receivable		6,382	6,239
Inventories, net		16,202	16,485
Other current assets	9	5,192	4,396
Total current assets		<u>65,681</u>	<u>63,296</u>
NON-CURRENT ASSETS			
Investments in associates		7,900	7,979
Other investments and non-current accounts receivable	10	10,661	8,410
Property, machinery and equipment, net	11	203,613	213,323
Goodwill and intangible assets, net		173,109	172,990
Deferred income taxes		13,158	13,047
Total non-current assets		<u>408,441</u>	<u>415,749</u>
TOTAL ASSETS		<u>Ps474,122</u>	<u>479,045</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term debt including current maturities of long-term debt	12A	Ps 4,500	596
Other financial obligations	12B	8,207	6,978
Trade payables		20,956	20,516
Income tax payable		6,555	6,736
Other accounts payable and accrued expenses	13	17,130	18,967
Total current liabilities		<u>57,348</u>	<u>53,793</u>
NON-CURRENT LIABILITIES			
Long-term debt	12A	178,948	177,539
Other financial obligations	12B	33,125	32,913
Employee benefits		13,008	13,642
Deferred income taxes		11,896	12,861
Other non-current liabilities	14	26,241	32,604
Total non-current liabilities		<u>263,218</u>	<u>269,559</u>
TOTAL LIABILITIES		<u>320,566</u>	<u>323,352</u>
STOCKHOLDERS' EQUITY			
Controlling interest:			
Common stock and additional paid-in capital	17A	124,321	118,068
Other equity reserves		11,343	12,203
Retained earnings		9,269	22,857
Net loss		(5,464)	(11,923)
Total controlling interest		<u>139,469</u>	<u>141,205</u>
Non-controlling interest and perpetual debentures	17B	14,087	14,488
TOTAL STOCKHOLDERS' EQUITY		<u>153,556</u>	<u>155,693</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>Ps474,122</u>	<u>479,045</u>

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

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Millions of Mexican pesos)

	Note	For the six-month period ended June 30,	
		2013	2012
OPERATING ACTIVITIES			
Consolidated net loss		Ps (4,900)	(2,834)
Non-cash items:			
Depreciation and amortization of assets		7,086	8,828
Impairment losses		693	152
Equity in earnings of associates		(31)	(158)
Other income, net		173	(85)
Comprehensive financing result		8,670	8,765
Income taxes	16	3,398	1,896
Changes in working capital, excluding income taxes		(6,714)	(6,863)
Net cash flow provided by operating activities before interest and income taxes		8,375	9,701
Financial expense paid in cash including coupons on perpetual debentures	17B	(9,620)	(9,787)
Income taxes paid in cash		(5,440)	(3,600)
Net cash flows applied in operating activities		(6,685)	(3,686)
INVESTING ACTIVITIES			
Property, machinery and equipment, net	3, 11	(1,097)	(1,864)
Disposal of subsidiaries and associates, net		1,129	—
Intangible assets and other deferred charges		(238)	(233)
Long term assets and others, net		63	1,294
Net cash flows used in investing activities		(143)	(803)
FINANCING ACTIVITIES			
Derivative instruments		(337)	150
Issuance of debt, net	12	3,254	(3,660)
Securitization of trade receivables		1,044	(195)
Non-current liabilities, net		(281)	(86)
Net cash flows provided (used in) by financing activities		3,680	(3,791)
Decrease in cash and cash equivalents		(3,148)	(8,280)
Cash conversion effect, net		342	503
Cash and cash equivalents at beginning of period		12,478	16,128
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7	Ps 9,672	8,351
Changes in working capital, excluding income taxes:			
Trade receivables, net		Ps (4,981)	(148)
Other accounts receivable and other assets		(964)	(1,492)
Inventories		(106)	859
Trade payables		809	(826)
Other accounts payable and accrued expenses		(1,472)	(5,256)
Changes in working capital, excluding income taxes		Ps (6,714)	(6,863)

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

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Condensed Consolidated Statements of Changes in Stockholders' Equity
(Millions of Mexican pesos)

	Note	Common stock	Additional paid-in capital	Other equity reserves	Retained earnings	Total controlling interest	Non-controlling interest	Total stockholders' equity
Balance at December 31, 2011		Ps 4,135	109,309	14,797	26,903	155,144	16,602	171,746
Net loss for the period		—	—	—	(2,924)	(2,924)	90	(2,834)
Total other items of comprehensive loss for the period		—	—	(3,666)	—	(3,666)	—	(3,666)
Capitalization of retained earnings		4	4,134	—	(4,138)	—	—	—
Stock-based compensation		—	261	—	—	261	—	261
Effects of perpetual debentures	17B	—	—	1,509	—	1,509	(6,811)	(5,302)
Changes in non-controlling interest	17B	—	—	—	—	—	(549)	(549)
Balance at June 30, 2012		Ps 4,139	113,704	12,640	19,841	150,324	9,332	159,656
Balance at December 31, 2012		4,139	113,929	12,203	10,934	141,205	14,488	155,693
Net loss for the period		—	—	—	(5,464)	(5,464)	564	(4,900)
Total other items of comprehensive loss for the period		—	—	(712)	—	(712)	—	(712)
Change in the Parent Company's functional currency	2D	—	—	—	4,325	4,325	—	4,325
Capitalization of retained earnings	17A	3	5,987	—	(5,990)	—	—	—
Stock-based compensation		—	263	69	—	332	—	332
Effects of perpetual debentures	17B	—	—	(217)	—	(217)	(401)	(618)
Changes in non-controlling interest	17B	—	—	—	—	—	(564)	(564)
Balance at June 30, 2013		Ps 4,142	120,179	11,343	3,805	139,469	14,087	153,556

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

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
As of June 30, 2013 and December 31, 2012 and for the six-month period ended
June 30, 2013 and 2012
(Millions of Mexican pesos)

1. DESCRIPTION OF BUSINESS

CEMEX, S.A.B. de C.V., a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States, or Mexico, is a holding company (parent) of entities whose main activities are oriented to the construction industry, through the production, marketing, distribution and sale of cement, ready-mix concrete, aggregates and other construction materials.

CEMEX, S.A.B. de C.V. was founded in 1906 and was registered with the Mercantile Section of the Public Register of Property and Commerce in Monterrey, N.L., Mexico in 1920 for a period of 99 years. In 2002, this period was extended to the year 2100. The shares of CEMEX, S.A.B. de C.V. are listed on the Mexican Stock Exchange ("MSE") as Ordinary Participation Certificates ("CPOs"). Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V. In addition, CEMEX, S.A.B. de C.V.'s shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares ("ADSs") under the symbol "CX." Each ADS represents ten CPOs.

The terms "CEMEX, S.A.B. de C.V." or the "Parent Company" used in these accompanying notes to the condensed consolidated financial statements refer to CEMEX, S.A.B. de C.V. without its consolidated subsidiaries. The terms the "Company" or "CEMEX" refer to CEMEX, S.A.B. de C.V. together with its consolidated subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that were applied to these consolidated condensed financial statements of June 30, 2013, except for those newly issued financial reporting standards effective January 1, 2013, none of which have a significant effect in the Company, are the same as those applied by CEMEX in its consolidated financial statements as at and for the year ended 31 December 2012.

2A) BASIS OF PRESENTATION AND DISCLOSURE

The condensed consolidated financial statements were prepared in accordance with International Accounting Standards—IAS 34 *Interim Financial Reporting* ("IAS 34"). Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of CEMEX since the last annual consolidated financial statements as of and for the year ended 31 December 2012.

The accompanying condensed consolidated balance sheets as of June 30, 2013, as well as the condensed consolidated statements of operations, comprehensive loss, cash flows and changes in stockholders' equity for the six-month period ended June 30, 2013 and 2012, and their related disclosures included in these notes, are unaudited. The presentation currency for these condensed consolidated financial statements is the Mexican Peso.

In October 2011, the IASB issued International Financial Reporting Interpretations Committee 20, Stripping costs in the production phase of a surface mine ("IFRIC 20"), which is effective and has been adopted by CEMEX beginning January 1, 2013. IFRIC 20 addresses inconsistencies in the reporting of waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). To the extent that the benefit from the stripping activity is realized in the form of inventory produced, the entity shall account for the costs of that stripping activity in accordance with the principles of IAS 2, Inventories. To the extent the benefit is improved access to ore, the entity shall recognize these costs as an addition to, or as an enhancement of, the existing non-current asset. The capitalized amounts should be further amortized over the expected useful life of exposed ore body based on the units of production method. CEMEX's previous accounting policy, before adoption of IFRIC 20 was to expense production stripping costs as incurred. The amendments to IFRIC 20 require retrospective application to the beginning of the earliest comparative period presented. Nonetheless, CEMEX has evaluated the impact of adopting IFRIC 20 based on the estimated effect for full year 2012 and concluded that any such effect for the reported comparative period was no significant.

In June 2011, the IASB amended IAS 19, which provides the accounting and disclosure requirements by employers for employee benefits. Among other things, the amendments require: a) the use of a single rate for the determination of the expected return on plan assets' and the discount of the benefits' obligation to present value (together the "net interest expense"); b) the recognition of the net interest on the net defined benefit liability (liability minus plan assets), instead of an interest cost on the liability and a separate return on plan assets; and c) the recognition of all actuarial gains and losses for the period as part of other comprehensive income or loss, thereby, eliminating the option to defer the recognition of gains and losses, known as the 'corridor method'. The use of the single rate will generally increase the net interest expense for the period. CEMEX adopted the amendments to IAS 19 beginning January 1, 2013. The amendments to IAS 19 require retrospective application to the beginning of the earliest comparative period presented. For the year ended December 31, 2012 and the six-month period ended June 30, 2012, the financial statements have been adjusted as if CEMEX had use a single rate to determine the net interest expense an its net defined pension liability, the effect represented a charge to the statements of operations of Ps364 and Ps90, respectively.

CEMEX, S.A.B. DE C.V. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
As of June 30, 2013 and December 31, 2012 and for the six-month period ended
June 30, 2013 and 2012
(Millions of Mexican pesos)

Definition of terms

When reference is made to pesos or “Ps,” it means Mexican pesos. Except when specific references are made to “earnings per share” and “prices per share,” the amounts in the condensed consolidated financial statements and the accompanying notes are stated in millions of pesos. When reference is made to “US\$” or dollars, it means millions of dollars of the United States of America (“United States”). When reference is made to “£” or pounds, it means millions of British pounds sterling. When reference is made to “€” or Euros, it means millions of the currency in circulation in a significant number of European Union countries.

When it is deemed relevant, certain amounts presented in the notes to the condensed consolidated financial statements include between parentheses a convenience translation into dollars, into pesos, or both, as applicable. These translations should not be construed as representations that the amounts in pesos or dollars, as applicable, actually represent those peso or dollar amounts or could be converted into pesos or dollars at the rate indicated. As of June 30, 2013 and December 31, 2012, translations of pesos into dollars and dollars into pesos, were determined for balance sheet amounts using the closing exchange rates of Ps12.96 and Ps12.85 pesos per dollar, respectively, and for statements of operations amounts, using the average exchange rates of Ps12.63 and Ps13.25 pesos per dollar for 2013 and 2012, respectively. When the amounts between parentheses are the peso and the dollar, the amounts were determined by translating the foreign currency amount into dollars using the closing exchange rates at year-end, and then translating the dollars into pesos as previously described.

2B) TRANSLATION OF FOREIGN CURRENCY FINANCIAL STATEMENTS

The most significant closing exchange rates and the approximate average exchange rates for condensed consolidated balance sheet accounts and condensed consolidated income statement accounts, respectively, as of June 30, 2013 and December 31, 2012, as well as the approximate average exchange rates as of June 30, 2012, were as follows:

Currency	As of June 30, 2013		As of December 31, 2012	As of June 30, 2012
	Closing	Average	Closing	Average
United States Dollar	12.9600	12.6300	12.8500	13.2500
Euro	16.8640	16.5639	16.9615	17.2597
British Pound Sterling	19.7170	19.3836	20.8841	20.9929
Colombian Peso	0.0067	0.0068	0.0073	0.0074
Egyptian Pound	1.8435	1.8382	2.0233	2.1924
Philippine Peso	0.3000	0.3046	0.3130	0.3101

The financial statements of foreign subsidiaries are initially translated from their functional currencies into dollars and subsequently into pesos. Therefore, the foreign exchange rates presented in the table above between the functional currency and the peso represent the exchange rates resulting from this methodology. The peso to U.S. dollar exchange rate used by CEMEX is an average of free market rates available to settle its foreign currency transactions. No significant differences exist, in any case, between the foreign exchange rates used by CEMEX and those exchange rates published by the Mexican Central Bank.

2C) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, 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 items subject to estimates and assumptions made by management include, among others, impairment tests of long-lived assets, allowances for doubtful accounts and inventories obsolescence, 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.

In preparing this condensed consolidated financial statements, significant judgments made by Management in applying CEMEX’s accounting policies and the key sources of information and assumptions were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2012.

2D) CHANGE IN THE PARENT COMPANY’S FUNCTIONAL CURRENCY.

Considering the guidance under IFRS set forth by International Accounting Standard 21, *The Effects of Changes in Foreign Exchange Rates* (“IAS 21”), and based on changing circumstances on the net monetary position in foreign currencies of CEMEX, S.A.B. de C.V. (on a parent company only basis) resulting mainly from: a) a significant decrease in tax liabilities denominated in Mexican Pesos; b) a significant increase in its U.S. Dollar-denominated debt and other financial obligations; and c) the expected increase in U.S. Dollar-denominated intra-group administrative expenses associated with the externalization of major back office activities with IBM; effective as of January 1, 2013, CEMEX, S.A.B. de C.V., for purposes of its parent company only financial statements, was required to prospectively change its functional currency from the Mexican Peso to the U.S. Dollar, as the U.S. Dollar was determined to be the currency of CEMEX, S.A.B. de C.V.’s primary economic environment. The aforementioned change has no effect on the functional currencies of CEMEX, S.A.B. de C.V.’s subsidiaries, which continue to be the currency in the primary economic environment in which each subsidiary operates. Moreover, the reporting currency for the consolidated financial statements of CEMEX, S.A.B. de C.V. and its subsidiaries and the parent company only financial statements of CEMEX, S.A.B. de C.V. continues to be the Mexican Peso.

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Change in the Parent Company's Functional Currency—Continued

The main effects in CEMEX's condensed consolidated financial statements beginning on January 1, 2013, associated with the change in functional currency, as compared to prior years are: a) all transactions, revenues and expenses in any currency are recognized in U.S. Dollars at the exchange rates prevailing at their execution dates; b) monetary balances of CEMEX, S.A.B. de C.V. denominated in U.S. Dollars will not generate foreign currency fluctuations, while monetary balances in Mexican Pesos and other non-U.S. Dollar-denominated balances will now generate foreign currency fluctuations through CEMEX, S.A.B. de C.V.'s statement of operations; and c) the conversion option embedded in CEMEX, S.A.B. de C.V.'s Mandatory Convertible Notes denominated in Mexican Pesos will now be treated as a stand-alone derivative. As such, the equity component was measured at its fair value recognizing an initial effect of US\$29 (Ps365). Changes in the fair value for the six-month period ended June 30, 2013, generated a loss of approximately US\$5 (Ps59) recognized within "Other financial income (expense), net" in the statements of operations. The fair value of the stand-alone derivative as of June 30, 2013 represented a liability of approximately US\$34 (Ps429). While the conversion option embedded in CEMEX, S.A.B. de C.V.'s 2015 Notes, 2016 Notes, and the 2018 Notes will cease to be treated as stand-alone derivatives through CEMEX, S.A.B. de C.V.'s statement of operations, recognizing its fair value as of January 1, 2013 as an equity component, with retained earnings caption of approximately US\$365 (Ps 4,690). Prior period financial statements are not required to be restated.

3. SELECTED FINANCIAL INFORMATION BY GEOGRAPHIC OPERATING SEGMENT

Our operating segments, as well as the policies applied to formulate segment information are consistent with those described in our December 31, 2012 consolidated financial statements. Selected information of the condensed consolidated statements of operations by geographic operating segment for the six-month period ended June 30, 2013 and 2012 was as follows:

	Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
2013									
Mexico	Ps 20,545	(799)	19,746	6,156	1,254	4,902	(474)	(174)	142
United States	20,248	(98)	20,150	950	2,926	(1,976)	(13)	(250)	(62)
Northern Europe									
United Kingdom	6,704	—	6,704	295	425	(130)	(170)	(46)	(131)
Germany	5,786	(449)	5,337	(138)	291	(429)	(59)	(13)	(53)
France	6,414	—	6,414	591	237	354	(43)	(26)	(3)
Rest of Northern Europe 1	4,902	(229)	4,673	181	406	(225)	(22)	(9)	(52)
Mediterranean									
Spain	1,867	(60)	1,807	127	317	(190)	(710)	(38)	(2)
Egypt	3,065	—	3,065	1,257	230	1,027	(59)	(53)	28
Rest of Mediterranean 2	4,526	(29)	4,497	632	148	484	(6)	(14)	5
South America and the Caribbean									
Colombia	5,646	—	5,646	2,397	200	2,197	(25)	(89)	(173)
Rest of South America and the Caribbean 3	7,678	(926)	6,752	2,527	335	2,192	(34)	(29)	16
Asia									
Philippines	2,587	—	2,587	535	163	372	4	(1)	58
Rest of Asia 4	1,256	—	1,256	89	41	48	120	(7)	12
Others 5	7,551	(3,707)	3,844	204	113	91	(89)	(8,488)	782
Total	Ps 98,775	(6,297)	92,478	15,803	7,086	8,717	(1,580)	(9,237)	567

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	Net sales (including related parties)	Less: Related parties	Net sales	Operating EBITDA	Less: depreciation and amortization	Operating earnings before other expenses, net	Other expenses, net	Financial expense	Other financing items, net
2012									
Mexico	Ps 22,130	(667)	21,463	7,831	1,353	6,478	53	(261)	24
United States	19,646	(69)	19,577	(196)	3,414	(3,610)	(145)	(314)	(30)
Northern Europe									
United Kingdom	7,347	—	7,347	1,172	508	664	(236)	(168)	(44)
Germany	6,627	(489)	6,138	(37)	512	(549)	41	(80)	(3)
France	7,043	—	7,043	724	253	471	—	(38)	(3)
Rest of Northern Europe 1	5,761	(306)	5,455	542	439	103	26	(24)	(5)
Mediterranean									
Spain	2,709	(95)	2,614	610	355	255	(130)	(287)	(424)
Egypt	3,393	(115)	3,278	1,353	280	1,073	(101)	(3)	(6)
Rest of Mediterranean 2	4,108	(10)	4,098	531	155	376	16	(17)	9
South America and the Caribbean									
Colombia	5,866	—	5,866	2,347	181	2,166	(5)	(155)	471
Rest of South America and the Caribbean 3	8,837	(1,024)	7,813	2,686	391	2,295	(59)	(30)	(24)
Asia									
Philippines	2,334	—	2,334	361	147	214	2	(4)	(39)
Rest of Asia 4	1,252	—	1,252	56	38	18	(10)	(7)	(1)
Others 5	6,909	(3,493)	3,416	(1,115)	802	(1,917)	180	(7,781)	479
Total	<u>Ps 103,962</u>	<u>(6,268)</u>	<u>97,694</u>	<u>16,865</u>	<u>8,828</u>	<u>8,037</u>	<u>(368)</u>	<u>(9,169)</u>	<u>404</u>

As of June 30, 2013 and December 31, 2012 selected segment information of condensed balance sheet by geographic operating segment was as follows:

	Investments in associates	Other segment assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets
June 30, 2013						
Mexico	Ps 834	74,676	75,510	14,823	60,687	354
United States	203	207,203	207,406	12,184	195,222	641
Northern Europe						
United Kingdom	166	26,869	27,035	11,460	15,575	131
Germany	85	12,505	12,590	6,753	5,837	189
France	524	13,751	14,275	5,541	8,734	100
Rest of Northern Europe 1	78	17,165	17,243	3,852	13,391	184
Mediterranean						
Spain	17	23,903	23,920	2,273	21,647	41
Egypt	—	7,060	7,060	3,044	4,016	60
Rest of Mediterranean 2	7	10,104	10,111	3,459	6,652	111
South America and the Caribbean						
Colombia	—	16,089	16,089	9,253	6,836	211
Rest of South America and the Caribbean 3	23	16,558	16,581	3,029	13,552	107
Asia						
Philippines	3	7,544	7,547	1,395	6,152	121
Rest of Asia 4	—	2,614	2,614	851	1,763	21
Others 5	5,960	30,181	36,141	242,649	(206,508)	48
Total	<u>Ps 7,900</u>	<u>466,222</u>	<u>474,122</u>	<u>320,566</u>	<u>153,556</u>	<u>2,319</u>

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December 31, 2012	Investments in associates	Other segment assets	Total assets	Total liabilities	Net assets by segment	Additions to fixed assets
Mexico	Ps 834	78,233	79,067	18,484	60,583	2,154
United States	187	207,723	207,910	10,179	197,731	2,609
Northern Europe						
United Kingdom	496	28,408	28,904	11,684	17,220	558
Germany	86	12,498	12,584	6,725	5,859	459
France	526	13,427	13,953	4,984	8,969	268
Rest of Northern Europe 1	78	17,656	17,734	4,109	13,625	657
Mediterranean						
Spain	56	22,366	22,422	2,868	19,554	347
Egypt	—	7,216	7,216	3,549	3,667	277
Rest of Mediterranean 2	7	10,084	10,091	3,275	6,816	315
South America and the Caribbean						
Colombia	—	16,160	16,160	9,252	6,908	1,456
Rest of South America and the Caribbean 3	23	16,782	16,805	3,865	12,940	500
Asia						
Philippines	3	7,758	7,761	1,382	6,379	246
Rest of Asia 4	—	2,801	2,801	865	1,936	77
Others 5	<u>5,683</u>	<u>29,954</u>	<u>35,637</u>	<u>242,131</u>	<u>(206,494)</u>	<u>103</u>
Total	<u>Ps 7,979</u>	<u>471,066</u>	<u>479,045</u>	<u>323,352</u>	<u>155,693</u>	<u>10,026</u>

Net sales by product and geographic operating segment for the six-month period ended June 30, 2013 and 2012 were as follows:

2013	Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps13,494	5,861	1,190	4,761	(5,560)	19,746
United States	7,239	8,922	4,244	5,113	(5,368)	20,150
Northern Europe						
United Kingdom	1,590	2,624	2,250	3,273	(3,033)	6,704
Germany	1,865	2,598	1,642	1,203	(1,971)	5,337
France	—	5,376	2,075	105	(1,142)	6,414
Rest of Northern Europe 1	1,935	2,313	817	239	(631)	4,673
Mediterranean						
Spain	1,466	343	92	193	(287)	1,807
Egypt	2,832	222	11	62	(62)	3,065
Rest of Mediterranean 2	973	2,971	687	487	(621)	4,497
South America and the Caribbean						
Colombia	4,139	2,066	605	278	(1,442)	5,646
Rest of South America and the Caribbean 3	6,386	1,547	320	237	(1,738)	6,752
Asia						
Philippines	2,579	—	—	9	(1)	2,587
Rest of Asia 4	519	649	60	49	(21)	1,256
Others 5	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,550</u>	<u>(3,706)</u>	<u>3,844</u>
Total	<u>Ps45,017</u>	<u>35,492</u>	<u>13,993</u>	<u>23,559</u>	<u>(25,583)</u>	<u>92,478</u>

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2012	Cement	Concrete	Aggregates	Others	Eliminations	Net sales
Mexico	Ps14,726	6,170	1,139	5,134	(5,706)	21,463
United States	7,112	8,011	3,977	5,415	(4,938)	19,577
Northern Europe						
United Kingdom	1,713	2,763	2,482	3,820	(3,431)	7,347
Germany	2,137	2,856	1,763	1,530	(2,148)	6,138
France		5,938	2,117	147	(1,159)	7,043
Rest of Northern Europe 1	1,911	2,751	933	393	(533)	5,455
Mediterranean						
Spain	2,176	579	194	148	(483)	2,614
Egypt	2,863	252	13	475	(325)	3,278
Rest of Mediterranean 2	956	2,574	577	540	(549)	4,098
South America and the Caribbean						
Colombia	4,424	1,946	645	471	(1,620)	5,866
Rest of South America and the Caribbean 3	6,517	1,836	318	331	(1,189)	7,813
Asia						
Philippines	2,334	—	—		—	2,334
Rest of Asia 4	510	669	49	38	(14)	1,252
Others 5	—	—	—	7,188	(3,772)	3,416
Total	<u>Ps47,379</u>	<u>36,345</u>	<u>14,207</u>	<u>25,630</u>	<u>(25,867)</u>	<u>97,694</u>

Footnotes to the geographic operating segment tables presented above:

- 1 The segment "Rest of Northern Europe" refers primarily to operations in Ireland, the Czech Republic, Austria, Poland, Hungary and Latvia, as well as trading activities in Scandinavia and Finland.
- 2 The segment "Rest of Mediterranean" includes mainly the operations in Croatia, the United Arab Emirates and Israel.
- 3 The segment "Rest of South America and the Caribbean" includes CEMEX's operations in Costa Rica, Panama, Puerto Rico, the Dominican Republic, Nicaragua, Jamaica and other countries in the Caribbean, Guatemala, and small ready-mix concrete operations in Argentina.
- 4 The segment "Rest of Asia" includes the operations in Thailand, Bangladesh, China and Malaysia.
- 5 This segment refers to: 1) cement trade maritime operations, 2) the subsidiary involved in the development of information technology solutions (Neoris, N.V.), 3) the Parent Company and other corporate entities, and 4) other minor subsidiaries with different lines of business.

4. ADMINISTRATIVE AND SELLING EXPENSES

For the periods ended June 30, 2013 and 2012, selling expenses included as part of the selling and administrative expenses line item amounted to Ps3,969 and Ps4,234, respectively.

5. OTHER EXPENSES, NET

Other expenses, net for the six-month period ended in June 30, 2013 and 2012, consisted of the following:

	2013	2012
Restructuring costs	Ps 328	238
Impairment losses	693	124
Charitable contributions	10	49
Results from the sale of assets and others, net	549	(43)
	<u>Ps1,580</u>	<u>368</u>

6. OTHER FINANCIAL INCOME, NET

Other financial income, net for the six-month period ended in June 30, 2013 and 2012, is detailed as follows:

	<u>2013</u>	<u>2012</u>
Financial income	Ps 207	314
Results from financial instruments (note 12C)	902	161
Foreign exchange results	(205)	326
Effects of net present value on assets and liabilities and others, net	(337)	(397)
	<u>Ps 567</u>	<u>404</u>

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7. CASH AND CASH EQUIVALENTS

Consolidated cash and cash equivalents as of June 30, 2013 and December 31, 2012, consisted of:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Cash and bank accounts	Ps 6,774	7,581
Fixed-income securities and other cash equivalents	2,898	4,897
	<u>Ps 9,672</u>	<u>12,478</u>

Based on net settlement agreements, as of June 30, 2013 and December 31, 2012 the balance of cash and cash equivalents excludes deposits in margin accounts that guarantee several obligations of CEMEX for approximately Ps560 and Ps1,782 which are offset against the corresponding CEMEX's obligations with the counterparties.

8. TRADE ACCOUNTS RECEIVABLE

Consolidated trade accounts receivable consisted of:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Trade accounts receivable	Ps 29,992	25,464
Allowances for doubtful accounts	(1,759)	(1,766)
	<u>Ps 28,233</u>	<u>23,698</u>

As of June 30, 2013 and December 31, 2012, trade accounts receivable include receivables of Ps12,118 (US\$935), and Ps10,792 (US\$840), respectively, that were sold under securitization programs for the sale of trade accounts receivable established in Mexico, the United States, France and the United Kingdom. Under these programs, CEMEX effectively surrenders control associated with the trade accounts receivable sold and there is no guarantee or obligation to reacquire the assets. However, CEMEX retains certain residual interest in the programs and/or maintains continuing involvement with the accounts receivable; therefore, the amounts received are recognized within "Other financial obligations." Trade accounts receivable qualifying for sale exclude amounts over certain days past due or concentrations over certain limits to any one customer, according to the terms of the programs. The portion of the accounts receivable sold maintained as reserves amounted to Ps2,497 as of June 30, 2013 and Ps2,280 as of December 31, 2012. The discount granted to the acquirers of the trade accounts receivable is recorded as financial expense and amounted to approximately Ps157 (US\$12) and Ps174 (US\$13) for the six-month period ended June 30, 2013 and 2012. CEMEX's securitization programs are negotiated for specific periods and should be renewed at their maturity.

9. OTHER CURRENT ASSETS

Consolidated other current assets consisted of:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Advance payments	Ps 2,959	2,203
Assets held for sale	2,233	2,193
	<u>Ps 5,192</u>	<u>4,396</u>

Assets held for sale are stated at their estimated realizable value and include real estate properties received in payment of trade receivables as well as other assets held for sale.

10. OTHER INVESTMENTS AND NON-CURRENT ACCOUNTS RECEIVABLE

As of June 30, 2013 and December 31, 2012, consolidated other investments and non-current accounts receivable were summarized as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Non-current portion of valuation of derivative financial instruments	Ps 5,050	4,279
Non-current accounts receivable and other investments	4,902	3,554
Investments available-for-sale	326	211
Investments held for trading	383	366
	<u>Ps 10,661</u>	<u>8,410</u>

Investments available-for-sale includes an investment in CPOs of Axtel, S.A.B. de C.V. ("Axtel"). For the six-month period ended June 30, 2013 and 2012, changes in valuation of these investments generated gains of approximately Ps114 and losses of approximately Ps106, respectively, recognized as part of other comprehensive loss within other equity reserves. As of June 30, 2012, CEMEX recognized a net gain of approximately Ps107, as part of other comprehensive loss within other equity reserves, generated by the changes in valuation of the Petróleos de Venezuela, S.A. ("PDVSA") notes which were sold as of December 31, 2012.

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11. PROPERTY, MACHINERY AND EQUIPMENT

Consolidated property, machinery and equipment consisted of:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Land and mineral reserves	Ps 74,364	76,619
Buildings	39,788	40,316
Machinery and equipment	175,646	176,720
Construction in progress	11,130	14,276
Accumulated depreciation and depletion	<u>(97,315)</u>	<u>(94,608)</u>
	<u>Ps 203,613</u>	<u>213,323</u>

Depreciation for the six-month period ended June 30, 2013 and 2012 is detailed as follows:

	<u>2013</u>	<u>2012</u>
Depreciation expense related to assets used in the production process	Ps6,093	6,812
Depreciation expense related to assets used in administrative and selling activities	370	415
	<u>Ps6,463</u>	<u>7,227</u>

12. FINANCIAL INSTRUMENTS

12A) SHORT-TERM AND LONG-TERM DEBT

Consolidated debt by interest rates, currencies and type of instrument was summarized as follows:

	<u>June 30, 2013</u>			<u>December 31, 2012</u>		
	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>
Floating rate debt	Ps 120	62,940	63,060	Ps 81	62,664	62,745
Fixed rate debt	4,380	116,008	120,388	515	114,875	115,390
	<u>Ps 4,500</u>	<u>178,948</u>	<u>183,448</u>	<u>Ps 596</u>	<u>177,539</u>	<u>178,135</u>
Effective rate 1						
Floating rate	3.6%	5.1%		5.5%	5.2%	
Fixed rate	<u>4.7%</u>	<u>9.1%</u>		<u>4.7%</u>	<u>9.0%</u>	

Currency	<u>June 30, 2013</u>				<u>December 31, 2012</u>			
	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>	<u>Effective rate 1</u>	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>	<u>Effective rate 1</u>
Dollars	Ps 530	153,118	153,648	7.7%	Ps 486	144,582	145,068	7.8%
Euros	3,906	23,356	27,262	6.6%	46	30,461	30,507	5.9%
Pesos	—	2,401	2,401	8.5%	15	2,392	2,407	8.8%
Other currencies	64	73	137	4.5%	49	104	153	4.6%
	<u>Ps 4,500</u>	<u>178,948</u>	<u>183,448</u>		<u>Ps 596</u>	<u>177,539</u>	<u>178,135</u>	

1 Represents the weighted average effective interest rate.

June 30, 2013	Short-term	Long-term	December 31, 2012	Short-term	Long-term
Bank loans			Bank loans		
Loans in Mexico, 2013 to 2014	Ps —	1,082	Loans in Mexico, 2013 to 2014	Ps —	1,088
Loans in foreign countries, 2013 to 2018	20	3,145	Loans in foreign countries, 2013 to 2018	2	3,770
Syndicated loans, 2013 to 2017	—	50,298	Syndicated loans, 2013 to 2017	—	49,972
	<u>20</u>	<u>54,525</u>		<u>2</u>	<u>54,830</u>
Notes payable			Notes payable		
Notes payable in Mexico, 2013 to 2017	—	577	Notes payable in Mexico, 2013 to 2017	—	568
Medium-term notes, 2013 to 2022	—	126,051	Medium-term notes, 2013 to 2022	—	120,535
Other notes payable, 2013 to 2025	148	2,127	Other notes payable, 2013 to 2025	80	2,120
	<u>148</u>	<u>128,755</u>		<u>80</u>	<u>123,223</u>
Total bank loans and notes payable	168	183,280	Total bank loans and notes payable	82	178,053
Current maturities	4,332	(4,332)	Current maturities	514	(514)
	<u>Ps 4,500</u>	<u>178,948</u>		<u>Ps 596</u>	<u>177,539</u>

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The most representative exchange rates for the financial debt are as follows:

	<u>September 23, 2013</u>	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Mexican pesos per dollar	12.82	12.96	12.85
Euros per dollar	0.7411	0.7685	0.7576

The maturities of consolidated long-term debt as of June 30, 2013, were as follows:

	<u>June 30, 2013</u>
2014	Ps 87
2015	9,916
2016	22,620
2017	62,369
2018 and thereafter	83,956
	<u>Ps 178,948</u>

Relevant debt transactions during 2013

On March 28, 2013, CEMEX purchased €183 aggregate principal amount of Eurobonds through a cash tender offer using a portion of the proceeds from the issuance of the March 2013 Notes, which Eurobonds were immediately cancelled.

On March 25, 2013, CEMEX, S.A.B. de C.V. issued US\$600 aggregate principal amount of its 5.875% Senior Secured Notes due 2019 (the "March 2013 Notes"). The net proceeds from the offering of approximately US\$596 were used for the repayment in full of the remaining indebtedness under the 2009 Financing Agreement of approximately US\$55 and the remainder for general corporate purposes, including the purchase of Eurobonds in the Eurobond Tender Offer.

12B) OTHER FINANCIAL OBLIGATIONS

Other financial obligations in the consolidated balance sheet are detailed as follows:

	<u>June 30, 2013</u>			<u>December 31, 2012</u>		
	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>	<u>Short-term</u>	<u>Long-term</u>	<u>Total</u>
I. Convertible subordinated notes due 2018	Ps —	7,295	7,295	Ps —	7,100	7,100
I. Convertible subordinated notes due 2016	—	11,093	11,093	—	10,768	10,768
II. Convertible subordinated notes due 2015	—	8,619	8,619	—	8,397	8,397
III. Convertible securities due 2019	164	1,479	1,643	152	1,561	1,713
IV. Liabilities secured with accounts receivable	7,114	2,500	9,614	6,013	2,500	8,513
V. Capital leases	929	2,139	3,068	813	2,587	3,400
	<u>Ps8,207</u>	<u>33,125</u>	<u>41,332</u>	<u>Ps6,978</u>	<u>32,913</u>	<u>39,891</u>

12C) DERIVATIVE FINANCIAL INSTRUMENTS

During the reported periods, CEMEX held interest rate swaps, as well as forward contracts and other derivative instruments on CEMEX, S.A.B. de C.V.'s own shares and third parties' shares, with the objective of, as the case may be: a) changing the risk profile associated with the price of raw materials and other energy projects; and b) other corporate purposes. The notional amounts and fair values of CEMEX's derivative instruments were as follows:

(U.S. dollars millions)	June 30, 2013		December 31, 2012	
	Notional amount	Fair Value	Notional amount	Fair Value
I. Interest rate swaps	US\$ 177	37	181	49
II. Equity forwards on third party shares	27	3	27	—
III. Forward instruments over indexes	—	—	5	—
IV. Options on CEMEX's own shares	2,383	317	2,743	(138)
	<u>US\$2,587</u>	<u>357</u>	<u>2,956</u>	<u>(89)</u>

The caption "Other financial income, net" includes gains and losses related to the recognition of changes in fair values of the derivative instruments during the applicable period which, for the six-month period ended June 30, 2013 and June 30, 2012, represented a net gain of approximately Ps947 (US\$75) and a net gain of approximately Ps146 (US\$11), respectively. As of June 30, 2013 and December 31, 2012, pursuant to net balance settlement agreements, cash deposits in margin accounts that guaranteed obligations through derivative financial instruments were offset with the fair value of the derivative instruments for approximately US\$10 (Ps130) and US\$91 (Ps1,168), respectively.

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As of June 30, 2013 and December 31, 2012, the main exposure of CEMEX was related to changes in the prices of its CPOs and third party shares. A significant decrease in the market price of CEMEX's CPOs and third party shares would negatively affect CEMEX's liquidity and financial position.

The estimated fair value of derivative instruments fluctuates over time and is determined by measuring the effect of future relevant economic variables according to the yield curves shown in the market as of the reporting date. These values should be analyzed in relation to the fair values of the underlying transactions and as part of CEMEX's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not represent amounts exchanged by the parties, and consequently, there is no direct measure of CEMEX's exposure to the use of these derivatives. The amounts exchanged are determined based on the basis of the notional amounts and other terms included in the derivative instruments.

I. Interest rate swap contracts

As of June 30, 2013 and December 31, 2012, CEMEX had an interest rate swap maturing in September 2022 associated with agreements entered into by CEMEX for the acquisition of electric energy in Mexico, which fair value represented assets of approximately US\$37 and US\$49, respectively. Pursuant to this instrument, during the tenure of the swap and based on its notional amount, CEMEX will receive a fixed rate of 5.4% and will pay LIBOR, which is the international reference rate for debt denominated in U.S. dollars. As of June 30, 2013 and December 31, 2012, LIBOR was 0.415% and 0.513% respectively.

II. Equity forwards in third party shares

As of June 30, 2013 and December 31, 2012, CEMEX had forward contracts to be settled in cash over the price of 59.5 million CPOs of Axtel. In March 2012, CEMEX renewed the forward contract to be settled in cash over the price of such CPOs of Axtel extended until October 2013. These transactions were intended to maintain the exposure to changes in the price of such entity's after the sale by CEMEX of 119 million CPOs of Axtel in March 2008.

III. Forward instruments over indexes

As of December 31, 2012, CEMEX held forward derivative instruments over the TRI (Total Return Index) of the Mexican Stock Exchange, which matured in October 2012 and were extended until April 2013. By means of these instruments, CEMEX maintained exposure to increases or decreases of such index. TRI expresses the market return on stocks based on market capitalization of the issuers comprising the index. As of June 30, 2013, a portion of this derivative was early terminated during 2013 and the other portion was terminated upon maturity.

IV. Options on CEMEX's own shares

As of December 31, 2012, CEMEX had granted a guarantee for a notional amount of approximately US\$360, in connection with put option transactions on CEMEX's CPOs entered into by Citibank with a Mexican trust that CEMEX established on behalf of its Mexican pension fund and certain of CEMEX's directors and current and former employees in April 2008, which fair value, net of deposits in margin accounts, represented a net liability of approximately US\$58 (Ps740) as of December 31, 2012. Changes in fair value for the six-month period ended June 30, 2013 and 2012 were recognized in the statements of operations within "Other financial income, net," representing a gain of approximately US\$21 (Ps262) and US\$33 (Ps435), respectively. As of June 30, 2013, this derivative was terminated.

12D) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

CEMEX's carrying amounts of cash, trade accounts receivable, other accounts receivable, trade accounts payable, other accounts payable and accrued expenses, as well as short-term debt, approximate their corresponding estimated fair values due to the short-term maturity and revolving nature of these financial assets and liabilities. Cash equivalents and certain long-term investments are recognized at fair value, considering to the extent available, quoted market prices for the same or similar instruments. The estimated fair value of long-term debt is either based on estimated market prices for such or similar instruments, considering interest rates currently available for CEMEX to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to CEMEX. As of June 30, 2013 and December 31, 2012, the carrying amounts of financial assets and liabilities and their respective fair values were as follows:

	<u>June 30, 2013</u>		<u>December 31, 2012</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Financial assets				
Derivative instruments (note 12C)	Ps 5,050	5,050	Ps 4,279	4,279
Other investments and non-current accounts receivable	5,611	5,609	4,131	3,931
	<u>Ps 10,661</u>	<u>10,659</u>	<u>Ps 8,410</u>	<u>8,210</u>
Financial liabilities				
Long-term debt (note 12A)	178,948	188,252	177,539	188,128
Other financial obligations (note 12B)	33,125	46,171	32,913	42,651
Derivative instruments (note 12C)	432	432	5,451	5,451
	<u>Ps212,505</u>	<u>234,855</u>	<u>Ps215,903</u>	<u>236,230</u>

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Fair Value Hierarchy

CEMEX applies IFRS 13 for fair value measurements of financial assets and financial liabilities recognized or disclosed at fair value. Assets and liabilities carried at fair value in the consolidated balance sheets as of June 30, 2013 and December 31, 2012, are included in the following fair value hierarchy categories:

June 30, 2013	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivative instruments (note 12C)	Ps —	5,050	—	5,050
Investments available-for-sale	326	—	—	326
Investments held for trading	—	383	—	383
	<u>Ps 326</u>	<u>5,433</u>	<u>—</u>	<u>5,759</u>
Liabilities measured at fair value				
Derivative instruments (note 12C)	Ps —	432	—	432
	<u>Ps —</u>	<u>432</u>	<u>—</u>	<u>432</u>
December 31, 2012				
Assets measured at fair value				
Derivative instruments (note 12C)	Ps —	4,279	—	4,279
Investments available-for-sale	211	—	—	211
Investments held for trading	—	366	—	366
	<u>Ps 211</u>	<u>4,645</u>	<u>—</u>	<u>4,856</u>
Liabilities measured at fair value				
Derivative instruments (note 12C)	Ps —	5,451	—	5,451
	<u>Ps —</u>	<u>5,451</u>	<u>—</u>	<u>5,451</u>

13. OTHER CURRENT LIABILITIES

As of June 30, 2013 and December 31, 2012, consolidated other current accounts payable and accrued expenses were as follows:

	June 30, 2013	December 31, 2012
Provisions	Ps 8,877	9,496
Other accounts payable and accrued expenses	3,780	4,174
Advances from customers	1,562	1,641
Interest payable	2,857	3,003
Current liabilities for valuation of derivative instruments	—	623
Dividends payable	54	30
	<u>Ps 17,130</u>	<u>18,967</u>

Current provisions primarily consist of employee benefits accrued at the balance sheet 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.

14. NON-CURRENT LIABILITIES

Consolidated other non-current liabilities, were as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Asset retirement obligations	Ps 6,764	7,062
Environmental liabilities	498	520
Accruals for legal assessments and other responsibilities	3,155	7,412
Non-current liabilities for valuation of derivative instruments	432	4,828
Other non-current liabilities and provisions	<u>15,392</u>	<u>12,782</u>
	<u>Ps 26,241</u>	<u>32,604</u>

As of June 30, 2013 includes approximately Ps12,511, of the non-current portion of taxes payable recognized in 2009 as a result of changes to the tax consolidation regime in Mexico.

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15. PENSIONS AND POSTRETIREMENT EMPLOYEE BENEFITS

For the six-month periods ended June 30, 2013 and 2012, the effects of pension plans and other postretirement benefits are summarized as follows:

	<u>Pensions</u>		<u>Other benefits</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net period cost:						
Recorded in operating costs and expenses	Ps 48	64	34	28	82	92
Recorded in other financial income (expenses), net	337	341	48	48	385	389
	<u>Ps385</u>	<u>405</u>	<u>82</u>	<u>76</u>	<u>467</u>	<u>481</u>

16. INCOME TAXES

Consolidated income tax expense is recognized based on Management's best estimate of the weight average annual effective income tax rate expected for the full year applied to the pre-tax income (loss) for the six-month periods ended June 30, 2013 and June 30, 2012, respectively.

In connection with the tax proceeding related to the taxes payable in Mexico from passive income generated by foreign investments for the years 2005 and 2006 and the transitory amnesty provision, on January 31, 2013, CEMEX, S.A.B. de C.V. was notified that an agreement had been reached with the Mexican tax authorities regarding the settlement of such tax proceeding pursuant to a final payment according to the rules of the transitory provision. CEMEX paid the amount on February 1, 2013.

On March 27, 2013, CEMEX paid Ps2,035 regarding the Additional Consolidation taxes. This payment, together with the amounts paid in 2010, 2011 and 2012 represented 85% of the Additional Consolidation Taxes for the "1999- 2004" period, 70% of the Additional Consolidation Taxes for the "2005" period, 50% of the Additional Consolidation Taxes for the "2006" period and 25% of the Additional Consolidation Taxes for the "2007" period. As of June 30, 2013, we have paid an aggregate amount of approximately Ps3,565 of Additional Consolidation Taxes.

In relation to the controlled foreign corporation tax rules in effect in Mexico for tax years 2005 to 2007 that resulted from amendments to the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), which became effective on January 1, 2005, and the self-assessments of taxes due through amended tax returns filed on March 1, 2012, for the taxes corresponding to the 2005 tax year, and on July 5, 2012, for the taxes corresponding to the 2006 tax year, CEMEX, S.A.B. de C.V. opted to enter the transitory amnesty provision published on December 17, 2012, by the Mexican authorities in the decree of the Federation Revenues Law for the 2013 tax year. The decree contains a transitory amnesty provision (the "Amnesty Provision") that grants tax amnesty of up to 80% of certain tax proceedings originated before the 2007 tax period and 100% of interest and penalties of tax proceedings originated in the 2007 tax period and thereafter. As a result, during 2013, CEMEX, S.A.B. de C.V. settled these assessments and as of June 30, 2013, there are no longer any tax liabilities in connection to this matter. For the 2007 tax year, there is no tax due. The Mexican Income Tax Law was again amended in 2008, as a result of which we do not expect any material adverse effect from the controlled foreign corporation tax rules for years subsequent to 2007. Regarding the tax assessment that was notified by the Mexican tax authorities to CEMEX, S.A.B. de C.V. on January 21, 2011, pertaining to the 2005 tax year as it relates to the corporate income tax in connection with the tax consolidation regime, during May 2013 we settled this tax assessment based on the Amnesty Provision. Further to the tax assessments that on November 16, 2011, were notified by the Mexican tax authorities to Centro Distribuidor de Cemento, S.A. de C.V. and Mexcement Holdings, S.A. de C.V., both indirect subsidiaries of CEMEX, S.A.B. de C.V., related to direct and indirect investments in entities considered to be preferential tax regimens for tax years 2003 and 2004, during May 2013 we settled these tax assessments based on the Amnesty Provision.

During the second quarter of 2013, CEMEX Colombia, reached a settlement with the Colombian Tax Authority (*Dirección de Impuestos*) regarding its 2007 and 2008 year-end tax returns. The amount paid in connection with the settlement regarding the 2007 and 2008 year-end tax returns was 47,111 million Colombian Pesos. CEMEX is currently waiting for the resolution regarding the settlement to be fully signed.

17. STOCKHOLDERS' EQUITY

17A) COMMON STOCK AND ADDITIONAL PAID-IN CAPITAL

As of June 30, 2013 and December 31, 2012 the breakdown of common stock and additional paid-in capital was as follows:

	<u>June 30, 2013</u>	<u>December 31, 2012</u>
Common stock	Ps 4,142	4,139
Additional paid-in capital	120,179	113,929
	<u>Ps 124,321</u>	<u>118,068</u>

On March 21, 2013, stockholders at the annual ordinary shareholders' meeting approved resolutions to: (i) increase the variable common stock through the capitalization of retained earnings by issuing up to 1,312.3 million shares (437.4 million CPOs), which shares were issued, representing an increase in common stock of approximately Ps3, considering a nominal value of Ps0.00833 per CPO; (ii) increase the variable common stock by issuing up to 369 million shares (123 million CPOs), which will be kept in CEMEX's treasury to be used to preserve the anti-dilutive rights of note holders pursuant CEMEX's convertible securities. On April, 2013, upon delivery of the shares, an additional paid-in capital of approximately Ps5,987 was recognized within the stockholders' equity against retained earnings.

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17B) NON-CONTROLLING INTEREST AND PERPETUAL DEBENTURES

Non-controlling interest

Non-controlling interest represents the share of non-controlling stockholders in the results and equity of consolidated subsidiaries. As of June 30, 2013 and December 31, 2012 non-controlling interest in equity amounted to approximately Ps7,969 and Ps8,410.

Perpetual debentures

As of June 30, 2013 and December 31, 2012, the balances of the non-controlling interest included approximately US\$472 (Ps6,118), and US\$473 (Ps6,078), respectively, representing the notional amount of perpetual debentures. Interest expense on the perpetual debentures, which is accrued based on the principal amount, was included within "Other equity reserves" and represented expenses of approximately Ps217 for the six-month period ended June 30, 2013 and Ps294 for the six-month period ended June 30, 2012.

18. CONTINGENCIES

CEMEX is involved in various legal proceedings which have not required the recognition of accruals, as CEMEX believes that the probability of loss is less than probable or remote after considering all the elements of such proceedings, as well as proceedings in which a negative resolution for CEMEX may represent, among other things, the revocation of operating licenses or the assessment of fines, whereby CEMEX may experience a decrease in future revenues, an increase in operating costs or a loss. As of June 30, 2013, the details of the most significant updates events in relation to the most important contingencies as well as the quantification of the potential loss, when it is determinable, were as follows:

- During the court hearing regarding the appeal filed by CEMEX Polska held on February 27, 2013, in reference to the antitrust proceeding against Cemex Polska, the judge presiding over the case confirmed the court's decision to combine the separate appeals of six Polish cement producers in one joint case, as per the motion presented by CEMEX Polska, and reviewed the witness list proposed by CEMEX Polska. The next joint court hearing for all appeals is scheduled for September 18, 2013.
- Regarding the class action suit against one CEMEX's subsidiary in Israel, as of June 30, 2013 our Israel subsidiary has submitted a formal response to the corresponding court. At this stage, CEMEX believes the application is vexatious and should be dismissed without any expense to CEMEX. As of June 30, 2013, CEMEX is analyzing the legal strategy to be employed and is also not able to assess the likelihood of the class action application being approved, of an adverse result, but if adversely resolved, CEMEX does not believe the final resolution would be a material adverse impact on its financial results. A hearing regarding this claim, has been scheduled for September, 2013.
- As of June 30, 2013, CEMEX subsidiary in the United States has complied with the Office of the Florida Attorney General with respect to the documents and information requested by the Antitrust Civil Investigate Demand, At this stage its unclear whether any formal proceeding will be initiated by the Office of the Florida Attorney General.
- In connection with the Antitrust Investigations in one of the CEMEX's subsidiaries in Mexico, on February 12, 2013, CEMEX filed an appeal against the new resolution before both the CFC and the Monterrey Circuit Court. As of June 30, 2013, a resolution regarding this constitutional challenge had not yet been issued.
- In connection with Strabag Arbitration, on February 20, 2013, the Swiss Federal Court has rejected the annulment action brought by Strabag and has ordered this bear to the Court costs amounting to 100 thousands Swiss francs (106 thousand dollars) and to compensate RMC Holdings B.V. with an amount of 200 thousands Swiss francs (211 thousand dollars) for costs incurred in the proceedings. As a result, the pledge made in favor of Strabag was cancelled on March 4, 2013.
- In connection to the Antitrust Investigations in Europe by the European Commission proceedings, a hearing with respect to the proceedings against CEMEX, S.A.B. de C.V. and several of its affiliates in Europe was held on February 6, 2013, with the hearings for all other companies being investigated expected to be held during April 2013. CEMEX, S.A.B. de C.V. estimates a judgment could be issued during September 2013.
- As of December 31, 2012, we had granted a guarantee for a notional amount of approximately US\$360 in connection with put option transactions on CEMEX's CPOs entered into by Citibank with a Mexican trust that we established on behalf of our Mexican pension fund and certain of our directors and current and former employees in April 2008. The fair value of such guarantee, net of deposits in margin accounts, represented liabilities of approximately US\$58 (Ps740) in 2012. As of December 31, 2012, cash deposits in margin accounts were approximately US\$76 (Ps975). As of April 17, 2013, the notional amount of the guarantee was completely closed as a result of the unwinding of 100% of the original underlying amount of put options over CPOs of CEMEX, S.A.B. de C.V. Cash and cash deposits in margin accounts, after deducting the proceeds from the sale of securities that track the performance of the Mexican Stock Exchange and CEMEX's CPOs held by the Mexican trust in an aggregate amount of approximately US\$112, were used to settle the unwinding of these put options.
- In connection with the Egypt Share Purchase Agreement proceeding, in which CEMEX acquired a controlling interest in ACC, at the June 16, 2013 hearing, the court decided to postpone the session to September 16, 2013.

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As of June 30, 2013, CEMEX is involved in various legal proceedings of minor impact that have arisen in the ordinary course of business. These proceedings involve: 1) product warranty claims; 2) claims for environmental damages; 3) indemnification claims relating to acquisitions; 4) claims to revoke permits and/or concessions; and 5) other diverse civil actions. CEMEX considers that in those instances in which obligations have been incurred, CEMEX has accrued adequate provisions to cover the related risks. CEMEX believes these matters will be resolved without any significant effect on its business, financial position or results of operations. In addition, in relation to certain ongoing legal proceedings, CEMEX is sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss, but for a limited number of ongoing legal proceedings, CEMEX may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believes that disclosure of such information on a case-by-case basis would seriously prejudice CEMEX's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, CEMEX has disclosed qualitative information with respect to the nature and characteristics of the contingency, but has not disclosed the estimate of the range of potential loss.

19. SUBSEQUENT EVENTS

On August 5, 2013, CEMEX announced the issuance of US\$1.0 billion of senior secured notes (the "Notes") denominated in U.S. dollars. The Notes will bear interest at an annual rate of 6.5% and mature on December, 2019. The Notes were issued at par and will be callable commencing on December 10, 2017. CEMEX used approximately US\$995 of net proceeds from the offering to purchase a portion of the 9.50% Senior Secured Notes due 2016 (the "2016 Notes") issued by CEMEX Finance LLC, and the remainder, if any, for general corporate purposes, including the repayment of other indebtedness.

On August 5, 2013, CEMEX announced that it has commenced a tender offer to purchase up to US\$925 of the outstanding 2016 Notes. On August 19, 2013, CEMEX announced that holders of approximately US\$1.33 billion of the outstanding 2016 Notes, pursuant to CEMEX's previously announced cash tender offer to purchase up to US\$925 of the outstanding 2016 Notes.

On August 28, 2013, CEMEX announced that reached an agreement with Holcim to conduct a series of transactions that will improve CEMEX's strategic footprint in Europe. CEMEX will acquire all of Holcim's assets in the Czech Republic, which include one cement plant, four aggregates quarries and 17 ready-mix plants. CEMEX will divest its assets in the western part of Germany to Holcim, which include one cement plant and two grinding mills, one slag granulator, 22 aggregates quarries and 79 ready-mix plants. In Spain, CEMEX and Holcim will combine all their cement, ready-mix and aggregates operations. CEMEX will have a 75% controlling interest over the combined operational assets in this country. As part of these transactions, Holcim will pay CEMEX €70 in cash.