



# 2012

FOURTH QUARTER RESULTS



- **Stock Listing Information**  
NYSE (ADS)  
Ticker: CX  
Mexican Stock Exchange  
Ticker: CEMEXCPO  
Ratio of CEMEXCPO to CX = 10:1
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	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Consolidated cement volume (thousand of metric tons)	65,841	66,812	(1%)		15,764	16,328	(3%)	
Consolidated ready-mix volume (thousand of cubic meters)	54,931	54,940	(0%)		13,732	13,991	(2%)	
Consolidated aggregates volume (thousand of metric tons)	159,385	159,987	(0%)		40,511	39,008	4%	
Net sales	14,984	15,215	(2%)	1%	3,709	3,709	0%	(1%)
Gross profit	4,435	4,305	3%	6%	1,135	1,019	11%	9%
Gross profit margin	29.6%	28.3%	1.3pp		30.6%	27.5%	3.1pp	
Operating earnings before other expenses, net	1,308	967	35%	43%	285	227	26%	19%
Operating earnings before other expenses, net margin	8.7%	6.4%	2.3pp		7.7%	6.1%	1.6pp	
Consolidated net income (loss)	(853)	(1,984)	57%		(450)	(761)	41%	
Controlling interest net income (loss)	(904)	(1,986)	55%		(489)	(761)	36%	
Operating EBITDA	2,615	2,372	10%	14%	611	540	13%	10%
Operating EBITDA margin	17.5%	15.6%	1.9pp		16.5%	14.5%	2.0pp	
Free cash flow after maintenance capital expenditures	169	191	(11%)		228	379	(40%)	
Free cash flow	(8)	42	N/A		143	312	(54%)	
Net debt plus perpetual notes	15,674	16,830	(7%)		15,674	16,830	(7%)	
Total debt	16,171	17,048	(5%)		16,171	17,048	(5%)	
Total debt plus perpetual notes	16,644	17,986	(7%)		16,644	17,986	(7%)	
Earnings (loss) per ADS	(0.80)	(1.78)	55%		(0.43)	(0.68)	37%	
Fully diluted earnings per ADS	(0.80)	(1.78)	55%		(0.43)	(0.68)	37%	
Average ADSs outstanding	1,117.0	1,108.5	1%		1,123.9	1,110.8	1%	
Employees	43,905	44,104	(0%)		43,905	44,104	(0%)	

In millions of US dollars, except percentages, employees, and per-ADS amounts. Average ADSs outstanding are presented in millions. Please refer to page 8 for end-of quarter CPO-equivalent units outstanding.

\*Like-to-like ("I-t-I") percentage variations adjusted for investments/divestments and currency fluctuations.

<sup>(1)</sup>For 2012 and 2011, the effects on the denominator and numerator of potential dilutive shares generate anti-dilution; therefore, there is no change between the reported basic and diluted loss per share.

**Consolidated net sales** in the fourth quarter of 2012 remained flat to US\$3,709 million compared with the fourth quarter of 2011, or a decrease of 1% on a like-to-like basis for the ongoing operations and for foreign exchange fluctuations. The like-to-like decrease in consolidated net sales was due to lower volumes in Northern Europe and Mediterranean operations partially offset by higher prices in local currency terms in all our regions.

**Cost of sales** as a percentage of net sales decreased by 3.1pp during the fourth quarter of 2012 compared to the same period last year. The decrease was mainly the result of savings from our cost reduction initiatives and lower fuel costs. **Selling, general and administrative (SG&A)** expenses as a percentage of net sales increased by 1.5pp during the fourth quarter of 2012 compared with the same period last year, from 21.4% to 22.9%. The increase in SG&A expenses during the quarter was due to an increase in variable compensation expenses as well as higher distribution expenses due to increased volumes in the U.S. and the South, Central America and the Caribbean region.

**Operating EBITDA** increased by 13% to US\$611 million during the fourth quarter of 2012 compared with the same period last year. The increase was due to higher contributions from the U.S., and the South, Central America and the Caribbean, and Asia regions. On a like-to-like basis for the ongoing operations and adjusting for foreign-exchange

fluctuations, operating EBITDA increased by 10% in the fourth quarter of 2012 compared with the same period last year. **Operating EBITDA margin** increased by 2.0pp from 14.5% in the fourth quarter of 2011 to 16.5% this quarter, mainly as a result of higher prices in local currency terms in all our regions, partially mitigated by lower volumes in Northern Europe and the Mediterranean operations.

**Other expenses, net**, for the quarter were US\$231 million, which mainly included severance payments, impairments of fixed assets and goodwill and a loss in sales of fixed assets.

**Gain (loss) on financial instruments** for the quarter was a loss of US\$18 million, resulting mainly from options embedded in our convertible securities.

**Controlling interest net income (loss)** was a loss of US\$489 million in the fourth quarter of 2012 versus a loss of US\$761 million in the same quarter of 2011. The smaller quarterly loss primarily reflects higher operating earnings before other expenses, net, an exchange gain and lower income taxes, partially offset by higher financial expenses and other income and expenses, net.

**Total debt plus perpetual notes** decreased by US\$1,007 million during the quarter.

# OPERATING RESULTS



## Mexico

	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Net sales	3,377	3,474	(3%)	2%	832	818	2%	(3%)
Operating EBITDA	1,208	1,207	0%	5%	297	309	(4%)	(9%)
Operating EBITDA margin	35.8%	34.8%	1.0pp		35.7%	37.8%	(2.1pp)	

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January - December	Fourth Quarter	January - December	Fourth Quarter	January - December	Fourth Quarter
Volume	(1%)	(4%)	(2%)	3%	2%	12%
Price (USD)	(3%)	8%	(1%)	7%	(3%)	9%
Price (local currency)	3%	2%	5%	2%	3%	3%

Our Mexican operations' domestic gray cement volumes decreased by 4% during the quarter versus the same period last year, while ready-mix volumes increased by 3% during the same period. For the full year, domestic gray cement and ready-mix volumes decreased by 1% and 2%, respectively, versus the full year 2011.

Homebuilders continued facing working-capital financing constraints and high levels of inventories which translated into weak cement volumes in the formal residential sector. A decline in remittances moderated the activity in the informal residential sector. Private consumption and manufacturing activity were the main drivers in the industrial and commercial sector. In addition, volumes for our products during the quarter were affected by 1 less working day.

## United States

	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Net sales	3,062	2,616	17%	14%	756	682	11%	11%
Operating EBITDA	43	(89)	N/A	N/A	13	(16)	N/A	N/A
Operating EBITDA margin	1.4%	(3.4%)	4.8pp		1.7%	(2.3%)	4.0pp	

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January - December	Fourth Quarter	January - December	Fourth Quarter	January - December	Fourth Quarter
Volume	14%	9%	20%	10%	13%	20%
Price (USD)	1%	3%	4%	6%	(0%)	(3%)
Price (local currency)	1%	3%	4%	6%	(0%)	(3%)

Domestic gray cement, ready-mix and aggregates volumes for CEMEX's operations in the United States increased by 9%, 10% and 20%, respectively, during the fourth quarter of 2012 versus the same period last year. For the full year, domestic gray cement, ready-mix and aggregates increased by 14%, 20% and 13%, respectively, versus the full year 2011. On a like-to-like basis for the ongoing operations, ready-mix and aggregates volumes increased by 14% and by 12%, respectively, for the full year versus the full year 2011. Sales volumes for the quarter reflect improved demand in most of our markets. Record high affordability, low interest rates and a return to low levels of inventories led to higher activity in the residential sector which continued to gain momentum during the quarter. The industrial-and-commercial sector showed a strong performance while demand from infrastructure improved marginally.

## Northern Europe

	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Net sales	4,100	4,728	(13%)	(8%)	1,014	1,099	(8%)	(7%)
Operating EBITDA	404	413	(2%)	4%	80	81	(2%)	(0%)
Operating EBITDA margin	9.9%	8.7%	1.2pp		7.9%	7.4%	0.5pp	

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January - December	Fourth Quarter	January - December	Fourth Quarter	January - December	Fourth Quarter
Volume	(13%)	(13%)	(8%)	(7%)	(6%)	(3%)
Price (USD)	(5%)	1%	(5%)	(1%)	(4%)	(0%)
Price (local currency)	2%	1%	2%	2%	2%	2%

Our domestic gray cement volumes in the Northern Europe region decreased by 13% during the fourth quarter of 2012 and decreased by 13% for the full year versus the full year 2011.

In the United Kingdom, during the quarter and on a year-over-year basis, volumes for domestic gray cement, ready-mix and aggregates decreased by 2%, 3% and 4%, respectively. For the full year our domestic gray cement volumes, ready-mix and aggregates declined by 7%, 12% and 11%, respectively, versus the comparable period in the previous year. The economic recession and cuts in public spending resulted in lower construction levels during the quarter. Tight credit conditions restricted the activity in the residential sector. The performance of the industrial-and-commercial sector remained weak.

In our operations in France, domestic ready-mix volumes decreased by 8% and our aggregates volumes remained flat during the fourth quarter of 2012 versus the comparable period last year. For the full year, ready-mix volumes and aggregates declined by 5% and 3%, respectively, versus the same period last year. Construction activity during the quarter reflected the economic slowdown. The decline in the residential sector was mainly attributable to the elimination of tax incentives and tight credit availability. Despite deteriorated market conditions, the residential sector continued to be the main driver of consumption.

In Germany, our domestic gray cement volumes remained flat during the fourth quarter and decreased by 10% for the full year versus the same period last year. A slowdown in the economic environment affected our volumes during the quarter. Demand for building materials during 2012 was driven by the residential sector which maintained its favorable momentum with low mortgage rates and low levels of unemployment. Bottlenecks in the construction industry and adverse weather conditions continued to restrict construction work and increase the backlog of projects.

Domestic gray cement volumes of our operations in Poland decreased by 27% during the quarter and declined by 15% for the full year versus the comparable periods in 2011. Construction activity for the quarter was affected by harsh weather conditions and the deterioration of the economy with low levels of investment and consumption. The financial constraints faced by construction companies and the high base of consumption in 2011 explained the weak performance of the infrastructure sector. The residential sector also showed a slowdown during the quarter.

# OPERATING RESULTS



## Mediterranean

	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Net sales	1,457	1,719	(15%)	(10%)	354	384	(8%)	(6%)
Operating EBITDA	375	438	(14%)	(10%)	82	94	(12%)	(9%)
Operating EBITDA margin	25.7%	25.5%	0.2pp		23.3%	24.3%	(1.0pp)	

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January - December	Fourth Quarter	January - December	Fourth Quarter	January - December	Fourth Quarter
Volume	(19%)	(14%)	(9%)	(1%)	(15%)	(10%)
Price (USD)	(6%)	(1%)	(3%)	1%	(4%)	4%
Price (local currency)	(1%)	2%	4%	3%	4%	7%

Our domestic gray cement volumes in the Mediterranean region decreased by 14% during the fourth quarter and decreased by 19% for the full year versus the same periods in 2011.

Domestic gray cement volumes for our operations in Spain decreased by 30% and our ready-mix volumes declined by 30% on a year-over-year basis during the quarter. For the full year, domestic gray cement and ready-mix volumes decreased by 40% and 43%, respectively, compared to the previous year. The decrease in volumes for building materials during the quarter reflects the adverse economic situation. The performance of the residential sector remained affected by high inventories and limited credit availability. The continued fiscal austerity measures kept infrastructure spending at very low levels.

In Egypt, our domestic gray cement volumes decreased by 9% during the fourth quarter of 2012 and declined by 10% for the full year versus the same period last year. The informal residential sector continued to be the main driver of demand. An effort from developers to complete unfinished projects increased the activity in the residential sector during the quarter. Investments in projects from the infrastructure sector remained on hold.

## South, Central America and the Caribbean

	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Net sales	2,093	1,747	20%	20%	520	449	16%	14%
Operating EBITDA	703	492	43%	42%	159	116	37%	32%
Operating EBITDA margin	33.6%	28.2%	5.4pp		30.6%	25.9%	4.7pp	

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January - December	Fourth Quarter	January - December	Fourth Quarter	January - December	Fourth Quarter
Volume	6%	6%	5%	2%	6%	2%
Price (USD)	10%	8%	16%	12%	13%	19%
Price (local currency)	10%	7%	15%	9%	12%	15%

Our domestic gray cement volumes in the region increased by 6% during the fourth quarter of 2012 and increased by 6% for the full year versus the comparable periods last year.

Domestic gray cement volumes for our operations in Colombia increased by 2% during the fourth quarter and increased by 5% for the full year versus the same period last year. Construction activity during the fourth quarter was driven by the infrastructure sector, which benefited from ongoing projects and the initiation of new road projects towards the end of the year. During the same period, the residential sector showed a recovery mainly in the low income housing due to the start of a government program aimed at providing 100,000 homes for free. Higher confidence levels and favorable expectations for new trade agreements resulted in higher investment levels favoring the performance of the industrial and commercial sector primarily in warehouses and commercial buildings.

## Asia

	January - December				Fourth Quarter			
	2012	2011	% Var.	I-t-I % Var.*	2012	2011	% Var.	I-t-I % Var.*
Net sales	542	505	7%	6%	139	124	12%	8%
Operating EBITDA	99	81	21%	20%	28	18	55%	49%
Operating EBITDA margin	18.2%	16.1%	2.1pp		20.4%	14.8%	5.6pp	

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January - December	Fourth Quarter	January - December	Fourth Quarter	January - December	Fourth Quarter
Volume	12%	8%	(18%)	(16%)	(54%)	(53%)
Price (USD)	9%	19%	0%	3%	(9%)	(4%)
Price (local currency)	8%	14%	0%	1%	(8%)	(7%)

Our domestic gray cement volumes in the region increased by 8% during the fourth quarter and increased by 12% for the full year versus the same period last year.

In the Philippines, our domestic gray cement volumes increased by 13% during the fourth quarter of 2012 and increased by 15% for the full year versus the comparable periods of last year. Volumes for the quarter benefited from the increase in public and private spending activities. Stable levels of inflation and mortgage rates as well as healthy remittances inflows during the quarter also contributed to the growth in the residential sector. The industrial-and-commercial sector continued with its positive trend during the same period.

# OPERATING EBITDA, FREE CASH FLOW AND DEBT-RELATED INFORMATION



## Operating EBITDA and free cash flow

	January - December			Fourth Quarter		
	2012	2011	% Var	2012	2011	% Var
<b>Operating earnings before other expenses, net</b>	1,308	967	35%	285	227	26%
+ Depreciation and operating amortization	1,307	1,405		325	313	
<b>Operating EBITDA</b>	2,615	2,372	10%	611	540	13%
- Net financial expense	1,388	1,339		362	337	
- Maintenance capital expenditures	431	336		214	166	
- Change in working capital	211	174		(309)	(408)	
- Taxes paid	393	287		95	113	
- Other cash items (net)	23	45		21	(47)	
<b>Free cash flow after maintenance capital expenditures</b>	169	191	(11%)	228	379	(40%)
- Strategic capital expenditures	178	149		85	67	
<b>Free cash flow</b>	(8)	42	N/A	143	312	(54%)

In millions of US dollars, except percentages.

The free cash flow during the quarter plus the proceeds received from CLH in connection with their initial share offering were used to pay debt and to replenish our cash balance.

Our debt during the quarter reflects a negative foreign-exchange conversion effect of US\$65 million.

## Information on Debt and Perpetual Notes

	Fourth Quarter			Third Quarter		Fourth Quarter	
	2012	2011	% Var	2012		2012	2011
Total debt <sup>(1)</sup>	16,171	17,048	(5%)	17,180	<b>Currency denomination</b>		
Short-term	1%	2%		1%	US dollar	83%	78%
Long-term	99%	98%		99%	Euro	15%	19%
Perpetual notes	473	938	(50%)	471	Mexican peso	2%	3%
Cash and cash equivalents	971	1,155	(16%)	785	Other	0%	0%
Net debt plus perpetual notes	15,674	16,830	(7%)	16,866	<b>Interest rate</b>		
Consolidated funded debt <sup>(2)</sup> /EBITDA <sup>(3)</sup>	5.44			5.98	Fixed	69%	56%
Interest coverage <sup>(3)</sup> <sup>(4)</sup>	2.10			2.03	Variable	31%	44%

In millions of US dollars, except percentages and ratios.

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

<sup>(2)</sup> Consolidated funded debt as of December 31, 2012 was US\$14,195 million, in accordance with our contractual obligations under the Facilities Agreement.

<sup>(3)</sup> EBITDA calculated in accordance with IFRS.

<sup>(4)</sup> Interest expense calculated in accordance with our contractual obligations under the Facilities Agreement.

## Equity-related information

One CEMEX ADS represents ten CEMEX CPOs. The following amounts are expressed in CPO terms.

<b>Beginning-of-quarter CPO-equivalent units outstanding</b>	10,917,209,744
Stock-based compensation	909,535
<b>End-of-quarter CPO-equivalent units outstanding</b>	10,918,119,279

Outstanding units equal total CPOs issued by CEMEX less CPOs held in subsidiaries. CEMEX has outstanding mandatory convertible notes which, upon conversion, will increase the number of CPOs outstanding by approximately 194 million, subject to antidilution adjustments.

### Employee long-term compensation plans

As of December 31, 2012, executives had outstanding options on a total of 11,600,189 CPOs, with a weighted-average strike price of approximately US\$1.40 per CPO (equivalent to US\$14.02 per ADS). Starting in 2005, CEMEX began offering executives a restricted stock-ownership program. As of December 31, 2012, our executives held 30,921,769 restricted CPOs, representing 0.3% of our total CPOs outstanding as of such date.

## Derivative instruments

The following table shows the notional amount for each type of derivative instrument and the aggregate fair market value for all of CEMEX's derivative instruments as of the last day of each quarter presented.

	Fourth Quarter		Third Quarter
	2012	2011	2012
Notional amounts of equity related derivatives <sup>(1) (2)</sup>	2,775	2,794	2,774
Estimated aggregate fair market value <sup>(1) (3) (4)</sup>	(138)	12	(57)

In millions of US dollars.

The estimated aggregate fair market value represents the approximate settlement result as of the valuation date, based upon quoted market prices and estimated settlement costs, which fluctuate over time. Fair market values and notional amounts do not represent amounts of cash currently exchanged between the parties; cash amounts will be determined upon termination of the contracts considering the notional amounts and quoted market prices as well as other derivative items as of the settlement date. Fair market values should not be viewed in isolation, but rather in relation to the fair market values of the underlying hedge transactions and the overall reduction in CEMEX's exposure to the risks being hedged.

**Note:** Under IFRS, companies are required to recognize all derivative financial instruments on the balance sheet as assets or liabilities, at their estimated fair market value, with changes in such fair market values recorded in the income statement, except when transactions are entered into for cash-flow-hedging purposes, in which case changes in the fair market value of the related derivative instruments are recognized temporarily in equity and then reclassified into earnings as the inverse effects of the underlying hedged items flow through the income statement. As of December 31, 2012, in connection with the fair market value recognition of its derivatives portfolio, CEMEX recognized increases in its assets and liabilities resulting in a net a liability of US\$89 million, including a liability of US\$365 million corresponding to an equity embedded derivative related to our convertible notes, which according to our debt agreements, is presented net of the assets associated with the derivative instruments. The notional amounts of derivatives substantially match the amounts of underlying assets, liabilities, or equity transactions on which the derivatives are being entered into.

- (1) Excludes an interest-rate swap related to our long-term energy contracts. As of December 31, 2012, the notional amount of this derivative was US\$181 million, with a positive fair market value of approximately US\$49 million.
- (2) Includes a notional amount of US\$360 million in connection with a guarantee by CEMEX of a financial transaction entered into by its employees' pension fund trust. As of December 31, 2012, the fair value of this financial guarantee represented a liability of US\$58 million, which is net of a collateral deposit of US\$76 million.
- (3) Net of a cash collateral deposited under open positions. Cash collateral was US\$91 million as of December 31, 2012.
- (4) Includes, as required by IFRS, the fair value of conversion call options embedded in CEMEX's convertible notes, representing as of December 31, 2012 and 2011 US\$365 million and US\$66 million, respectively.



## Consolidated Income Statement & Balance Sheet

CEMEX, S.A.B. de C.V. and Subsidiaries  
(Thousands of U.S. Dollars, except per ADS amounts)

INCOME STATEMENT	January - December				Fourth Quarter			
	2012	2011	% Var.	like-to-like % Var.*	2012	2011	% Var.	like-to-like % Var.*
Net Sales	14,983,754	15,215,332	(2%)	1%	3,709,291	3,708,636	0%	(1%)
Cost of Sales	(10,548,382)	(10,910,787)	3%		(2,574,452)	(2,689,164)	4%	
<b>Gross Profit</b>	<b>4,435,372</b>	<b>4,304,546</b>	<b>3%</b>	<b>6%</b>	<b>1,134,839</b>	<b>1,019,472</b>	<b>11%</b>	<b>9%</b>
Selling, General and Administrative Expenses	(3,127,406)	(3,337,833)	6%		(849,428)	(792,791)	(7%)	
<b>Operating Earnings before Other Expenses, Net</b>	<b>1,307,966</b>	<b>966,712</b>	<b>35%</b>	<b>43%</b>	<b>285,412</b>	<b>226,681</b>	<b>26%</b>	<b>19%</b>
Other Expenses, Net	(432,872)	(436,616)	1%		(231,086)	(149,233)	(55%)	
<b>Operating Earnings</b>	<b>875,087</b>	<b>530,096</b>	<b>65%</b>		<b>54,319</b>	<b>77,448</b>	<b>(30%)</b>	
Financial Expenses	(1,467,586)	(1,389,153)	(6%)		(388,809)	(353,672)	(10%)	
Financial Income	47,191	39,315	20%		12,878	12,670	2%	
Exchange Gain (loss), Net	86,868	(153,731)	N/A		66,261	(48,151)	N/A	
Gain (loss) on Financial Instruments	13,536	(6,106)	N/A		(18,209)	26,006	N/A	
Total Comprehensive Financing (cost) Income	(1,319,990)	(1,509,675)	13%		(327,880)	(363,147)	10%	
<b>Net Income Before Income Taxes</b>	<b>(444,902)</b>	<b>(979,579)</b>	<b>55%</b>		<b>(273,560)</b>	<b>(285,699)</b>	<b>4%</b>	
Income Tax	(463,668)	(978,159)	53%		(199,318)	(481,163)	59%	
<b>Net Income Before Participation of Uncons. Subs.</b>	<b>(908,570)</b>	<b>(1,957,738)</b>	<b>54%</b>		<b>(472,878)</b>	<b>(766,862)</b>	<b>38%</b>	
Participation in Unconsolidated Subsidiaries	55,358	(26,752)	N/A		22,952	5,590	311%	
<b>Consolidated Net Income (loss)</b>	<b>(853,206)</b>	<b>(1,984,490)</b>	<b>57%</b>		<b>(449,919)</b>	<b>(761,272)</b>	<b>41%</b>	
Non-controlling Interest Net Income (loss)	50,310	1,711	2841%		38,666	(433)	N/A	
<b>CONTROLLING INTEREST NET INCOME (LOSS)</b>	<b>(903,516)</b>	<b>(1,986,201)</b>	<b>55%</b>		<b>(488,585)</b>	<b>(760,839)</b>	<b>36%</b>	
<b>Operating EBITDA</b>	<b>2,614,746</b>	<b>2,371,766</b>	<b>10%</b>	<b>14%</b>	<b>610,817</b>	<b>539,543</b>	<b>13%</b>	<b>10%</b>
<b>Earnings (loss) per ADS</b>	<b>(0.80)</b>	<b>(1.78)</b>	<b>55%</b>		<b>(0.43)</b>	<b>(0.68)</b>	<b>37%</b>	

BALANCE SHEET	As of December 31		
	2012	2011	% Var.
<b>Total Assets</b>	<b>37,258,266</b>	<b>38,800,217</b>	<b>(4%)</b>
Cash and Temporary Investments	971,027	1,155,332	(16%)
Trade Accounts Receivables	1,844,177	1,877,136	(2%)
Other Receivables	485,563	376,648	29%
Inventories	1,282,883	1,264,589	1%
Other Current Assets	344,014	283,166	21%
Current Assets	4,927,665	4,956,870	(1%)
Fixed Assets	16,521,491	16,741,312	(1%)
Other Assets	15,809,110	17,102,035	(8%)
<b>Total Liabilities</b>	<b>25,149,388</b>	<b>26,500,622</b>	<b>(5%)</b>
Current Liabilities	4,186,240	4,622,782	(9%)
Long-Term Liabilities	13,816,289	14,598,711	(5%)
Other Liabilities	7,146,859	7,279,129	(2%)
<b>Consolidated Stockholders' Equity</b>	<b>12,108,880</b>	<b>12,299,595</b>	<b>(2%)</b>
Non-controlling Interest and Perpetual Instruments	1,127,454	1,189,217	(5%)
Stockholders' Equity Attributable to Controlling Interest	10,981,427	11,110,378	(1%)

## Consolidated Income Statement & Balance Sheet

### CEMEX, S.A.B. de C.V. and Subsidiaries

(Thousands of Mexican Pesos in nominal terms, except per ADS amounts)

INCOME STATEMENT	January - December			Fourth Quarter		
	2012	2011	% Var.	2012	2011	% Var.
Net Sales	197,036,359	189,887,346	4%	48,109,508	50,585,791	(5%)
Cost of Sales	(138,711,217)	(136,166,618)	(2%)	(33,390,640)	(36,680,195)	9%
<b>Gross Profit</b>	<b>58,325,142</b>	<b>53,720,728</b>	<b>9%</b>	<b>14,718,867</b>	<b>13,905,596</b>	<b>6%</b>
Selling, General and Administrative Expenses	(41,125,394)	(41,656,161)	1%	(11,017,077)	(10,813,667)	(2%)
<b>Operating Earnings before Other Expenses, Net</b>	<b>17,199,748</b>	<b>12,064,567</b>	<b>43%</b>	<b>3,701,791</b>	<b>3,091,929</b>	<b>20%</b>
Other Expenses, Net	(5,692,262)	(5,448,965)	(4%)	(2,997,185)	(2,035,544)	(47%)
<b>Operating Earnings</b>	<b>11,507,401</b>	<b>6,615,603</b>	<b>74%</b>	<b>704,521</b>	<b>1,056,386</b>	<b>(33%)</b>
Financial Expenses	(19,298,750)	(17,336,626)	(11%)	(5,042,859)	(4,824,083)	(5%)
Financial Income	620,567	490,646	26%	167,024	172,820	(3%)
Exchange Gain (loss), Net	1,142,317	(1,918,568)	N/A	859,404	(656,774)	N/A
Gain (loss) on Financial Instruments	177,998	(76,201)	N/A	(236,166)	354,717	N/A
Total Comprehensive Financing (cost) Income	(17,357,868)	(18,840,749)	8%	(4,252,598)	(4,953,320)	14%
<b>Net Income Before Income Taxes</b>	<b>(5,850,467)</b>	<b>(12,225,146)</b>	<b>52%</b>	<b>(3,548,077)</b>	<b>(3,896,934)</b>	<b>9%</b>
Income Tax	(6,097,231)	(12,207,423)	50%	(2,585,150)	(6,563,066)	61%
<b>Net Income Before Participation of Uncons. Subs.</b>	<b>(11,947,699)</b>	<b>(24,432,569)</b>	<b>51%</b>	<b>(6,133,227)</b>	<b>(10,460,000)</b>	<b>41%</b>
Participation in Unconsolidated Subsidiaries	727,952	(333,870)	N/A	297,691	76,250	290%
<b>Consolidated Net Income (loss)</b>	<b>(11,219,660)</b>	<b>(24,766,440)</b>	<b>55%</b>	<b>(5,835,451)</b>	<b>(10,383,751)</b>	<b>44%</b>
Non-controlling Interest Net Income (loss)	661,581	21,351	2999%	501,501	(5,903)	N/A
<b>CONTROLLING INTEREST NET INCOME (LOSS)</b>	<b>(11,881,241)</b>	<b>(24,787,791)</b>	<b>52%</b>	<b>(6,336,953)</b>	<b>(10,377,848)</b>	<b>39%</b>
<b>Operating EBITDA</b>	<b>34,383,915</b>	<b>29,599,638</b>	<b>16%</b>	<b>7,922,302</b>	<b>7,359,366</b>	<b>8%</b>
<b>Earnings (loss) per ADS</b>	<b>(10.46)</b>	<b>(22.17)</b>	<b>53%</b>	<b>(5.59)</b>	<b>(9.29)</b>	<b>40%</b>

BALANCE SHEET	As of December 31		
	2012	2011	% Var.
<b>Total Assets</b>	<b>478,768,716</b>	<b>541,651,024</b>	<b>(12%)</b>
Cash and Temporary Investments	12,477,703	16,128,431	(23%)
Trade Accounts Receivables	23,697,672	26,204,817	(10%)
Other Receivables	6,239,481	5,258,000	19%
Inventories	16,485,053	17,653,656	(7%)
Other Current Assets	4,420,586	3,953,000	12%
Current Assets	63,320,496	69,197,905	(8%)
Fixed Assets	212,301,154	233,708,710	(9%)
Other Assets	203,147,066	238,744,409	(15%)
<b>Total Liabilities</b>	<b>323,169,638</b>	<b>369,948,683</b>	<b>(13%)</b>
Current Liabilities	53,793,196	64,534,040	(17%)
Long-Term Liabilities	177,539,310	203,798,000	(13%)
Other Liabilities	91,837,132	101,616,643	(10%)
<b>Consolidated Stockholders' Equity</b>	<b>155,599,113</b>	<b>171,702,342</b>	<b>(9%)</b>
Non-controlling Interest and Perpetual Instruments	14,487,781	16,601,467	(13%)
Stockholders' Equity Attributable to Controlling Interest	141,111,332	155,100,874	(9%)

## Operating Summary per Country

In thousands of U.S. dollars

	January - December				Fourth Quarter			
	2012	2011	% Var.	like-to-like % Var. *	2012	2011	% Var.	like-to-like % Var. *
<b>NET SALES</b>								
Mexico	3,377,353	3,474,439	(3%)	2%	831,933	818,010	2%	(3%)
U.S.A.	3,061,704	2,616,257	17%	14%	756,327	682,145	11%	11%
Northern Europe	4,100,169	4,728,139	(13%)	(8%)	1,014,440	1,099,495	(8%)	(7%)
Mediterranean	1,456,844	1,719,375	(15%)	(10%)	353,703	384,311	(8%)	(6%)
South, Central America and the Caribbean	2,093,419	1,747,105	20%	20%	519,533	448,595	16%	14%
Asia	541,926	505,486	7%	6%	139,306	124,212	12%	8%
<i>Others and intercompany eliminations</i>	<i>352,338</i>	<i>424,531</i>	<i>(17%)</i>	<i>(17%)</i>	<i>94,048</i>	<i>151,868</i>	<i>(38%)</i>	<i>(38%)</i>
<b>TOTAL</b>	<b>14,983,754</b>	<b>15,215,332</b>	<b>(2%)</b>	<b>1%</b>	<b>3,709,291</b>	<b>3,708,636</b>	<b>0%</b>	<b>(1%)</b>

### GROSS PROFIT

Mexico	1,694,993	1,714,493	(1%)	4%	438,133	439,705	(0%)	(5%)
U.S.A.	256,113	(11,825)	N/A	802%	81,400	10,791	654%	654%
Northern Europe	1,031,572	1,171,363	(12%)	(7%)	272,539	287,517	(5%)	(5%)
Mediterranean	479,572	586,771	(18%)	(14%)	109,638	127,683	(14%)	(12%)
South, Central America and the Caribbean	972,118	698,559	39%	38%	234,400	195,132	20%	17%
Asia	137,100	130,133	5%	4%	39,267	29,859	32%	25%
<i>Others and intercompany eliminations</i>	<i>(136,097)</i>	<i>15,051</i>	<i>N/A</i>	<i>N/A</i>	<i>(40,539)</i>	<i>(71,214)</i>	<i>43%</i>	<i>43%</i>
<b>TOTAL</b>	<b>4,435,372</b>	<b>4,304,546</b>	<b>3%</b>	<b>6%</b>	<b>1,134,839</b>	<b>1,019,472</b>	<b>11%</b>	<b>9%</b>

### OPERATING EARNINGS BEFORE OTHER EXPENSES, NET

Mexico	1,010,274	1,017,868	(1%)	5%	248,834	267,225	(7%)	(12%)
U.S.A.	(441,571)	(635,519)	31%	33%	(94,208)	(148,630)	37%	37%
Northern Europe	153,394	112,105	37%	45%	14,351	7,606	89%	92%
Mediterranean	258,428	317,049	(18%)	(15%)	52,338	64,083	(18%)	(16%)
South, Central America and the Caribbean	617,632	393,655	57%	56%	136,319	94,842	44%	39%
Asia	69,659	52,280	33%	32%	20,785	10,959	90%	83%
<i>Others and intercompany eliminations</i>	<i>(359,851)</i>	<i>(290,725)</i>	<i>(24%)</i>	<i>(33%)</i>	<i>(93,008)</i>	<i>(69,403)</i>	<i>(34%)</i>	<i>(31%)</i>
<b>TOTAL</b>	<b>1,307,966</b>	<b>966,712</b>	<b>35%</b>	<b>43%</b>	<b>285,412</b>	<b>226,681</b>	<b>26%</b>	<b>19%</b>

## Operating Summary per Country

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

	January - December				Fourth Quarter			
	2012	2011	% Var.	like-to-like % Var. *	2012	2011	% Var.	like-to-like % Var. *
<b>OPERATING EBITDA</b>								
Mexico	1,207,552	1,207,416	0%	5%	297,335	309,030	(4%)	(9%)
U.S.A.	42,753	(89,310)	N/A	N/A	12,989	(15,526)	N/A	N/A
Northern Europe	404,322	413,222	(2%)	4%	80,033	81,291	(2%)	(0%)
Mediterranean	374,937	438,159	(14%)	(10%)	82,350	93,549	(12%)	(9%)
South, Central America and the Caribbean	702,682	492,124	43%	42%	158,823	116,199	37%	32%
Asia	98,530	81,363	21%	20%	28,477	18,338	55%	49%
<i>Others and intercompany eliminations</i>	<i>(216,030)</i>	<i>(171,208)</i>	<i>(26%)</i>	<i>(43%)</i>	<i>(49,190)</i>	<i>(63,338)</i>	<i>22%</i>	<i>26%</i>
<b>TOTAL</b>	<b>2,614,746</b>	<b>2,371,766</b>	<b>10%</b>	<b>14%</b>	<b>610,817</b>	<b>539,543</b>	<b>13%</b>	<b>10%</b>

### OPERATING EBITDA MARGIN

Mexico	35.8%	34.8%		35.7%	37.8%
U.S.A.	1.4%	(3.4%)		1.7%	(2.3%)
Northern Europe	9.9%	8.7%		7.9%	7.4%
Mediterranean	25.7%	25.5%		23.3%	24.3%
South, Central America and the Caribbean	33.6%	28.2%		30.6%	25.9%
Asia	18.2%	16.1%		20.4%	14.8%
<b>TOTAL</b>	<b>17.5%</b>	<b>15.6%</b>		<b>16.5%</b>	<b>14.5%</b>

## Volume Summary

### Consolidated volume summary

Cement and aggregates: Thousands of metric tons.

Ready-mix: Thousands of cubic meters.

	January - December			Fourth Quarter		
	2012	2011	% Var.	2012	2011	% Var.
Consolidated cement volume <sup>1</sup>	65,841	66,812	(1%)	15,764	16,328	(3%)
Consolidated ready-mix volume <sup>2</sup>	54,931	54,940	(0%)	13,732	13,991	(2%)
Consolidated aggregates volume <sup>2</sup>	159,385	159,987	(0%)	40,511	39,008	4%

### Per-country volume summary

DOMESTIC GRAY CEMENT VOLUME	January - December		Fourth Quarter		Fourth Quarter 2012 Vs.
	2012 Vs. 2011		2012 Vs. 2011		Third Quarter 2012
Mexico	(1%)		(4%)		(9%)
U.S.A.	14%		9%		(9%)
Northern Europe	(13%)		(13%)		(20%)
Mediterranean	(19%)		(14%)		(0%)
South, Central America and the Caribbean	6%		6%		0%
Asia	12%		8%		0%

#### READY-MIX VOLUME

Mexico	(2%)		3%		(1%)
U.S.A.	20%		10%		(7%)
Northern Europe	(8%)		(7%)		(12%)
Mediterranean	(9%)		(1%)		8%
South, Central America and the Caribbean	5%		2%		(6%)
Asia	(18%)		(16%)		7%

#### AGGREGATES VOLUME

Mexico	2%		12%		1%
U.S.A.	13%		20%		(8%)
Northern Europe	(6%)		(3%)		(12%)
Mediterranean	(15%)		(10%)		(4%)
South, Central America and the Caribbean	6%		2%		(8%)
Asia	(54%)		(53%)		26%

<sup>1</sup> Consolidated cement volume includes domestic and export volume of gray cement, white cement, special cement, mortar and clinker.

<sup>2</sup> The 2011 consolidated volumes do not include the Ready Mix USA's volumes from April 1, 2011 to July 31, 2011 due to the IFRS migration which changed Ready Mix consolidation date from August 1, 2011 to March 31, 2011.

## Price Summary

### Variation in U.S. Dollars

DOMESTIC GRAY CEMENT PRICE	January - December		Fourth Quarter		Fourth Quarter 2012 Vs.
	2012 Vs. 2011		2012 Vs. 2011		Third Quarter 2012
Mexico	(3%)		8%		3%
U.S.A.	1%		3%		1%
Northern Europe (*)	(5%)		1%		4%
Mediterranean (*)	(6%)		(1%)		(1%)
South, Central America and the Caribbean (*)	10%		8%		(0%)
Asia (*)	9%		19%		3%

### READY-MIX PRICE

Mexico	(1%)		7%		2%
U.S.A.	4%		6%		1%
Northern Europe (*)	(5%)		(1%)		5%
Mediterranean (*)	(3%)		1%		3%
South, Central America and the Caribbean (*)	16%		12%		0%
Asia (*)	0%		3%		3%

### AGGREGATES PRICE

Mexico	(3%)		9%		2%
U.S.A.	(0%)		(3%)		1%
Northern Europe (*)	(4%)		(0%)		5%
Mediterranean (*)	(4%)		4%		7%
South, Central America and the Caribbean (*)	13%		19%		1%
Asia (*)	(9%)		(4%)		7%

(\*) Volume weighted-average price.

## Price Summary

### Variation in Local Currency

DOMESTIC GRAY CEMENT PRICE	January - December		Fourth Quarter		Fourth Quarter 2012 Vs.
	2012 Vs. 2011		2012 Vs. 2011		Third Quarter 2012
Mexico	3%		2%		2%
U.S.A.	1%		3%		1%
Northern Europe (*)	2%		1%		0%
Mediterranean (*)	(1%)		2%		(2%)
South, Central America and the Caribbean (*)	10%		7%		(0%)
Asia (*)	8%		14%		2%

### READY-MIX PRICE

Mexico	5%		2%		1%
U.S.A.	4%		6%		1%
Northern Europe (*)	2%		2%		2%
Mediterranean (*)	4%		3%		(1%)
South, Central America and the Caribbean (*)	15%		9%		1%
Asia (*)	0%		1%		1%

### AGGREGATES PRICE

Mexico	3%		3%		1%
U.S.A.	(0%)		(3%)		1%
Northern Europe (*)	2%		2%		1%
Mediterranean (*)	4%		7%		2%
South, Central America and the Caribbean (*)	12%		15%		1%
Asia (*)	(8%)		(7%)		5%

(\*) Volume weighted-average price.

### CEMEX presents “Water Project” to standardize its operations’ water management

On January 10, 2013, CEMEX announced that it has developed a methodology to standardize water measurement and management across all of the company’s operations. Starting this year, this methodology will be rolled out to all of the businesses in the countries in which CEMEX operates in order to minimize the company’s water footprint and increase its water efficiency. This “Water Project” is the result of a three-year partnership between CEMEX and the International Union for Conservation of Nature (IUCN) on the improvement and efficiency of water management in the cement, ready-mix concrete, and aggregates sectors of the building materials industry. The roll out of this methodology will start in 2013, and will focus initially on measuring the company’s water footprint, and secondly on defining actions to increase its water efficiency and reduce its water usage. This three-year partnership has so far leveraged important findings from data collection to minimize CEMEX’s water footprint and increase efficiency. The CEMEX-IUCN “Water Project” was presented to members of the European Commission in Brussels, Belgium, on December 12, 2012. During the one-day conference, CEMEX and IUCN shared lessons learned and ways forward towards improved sustainability of water resources.

### CEMEX successfully completes financial plan for 2012

On December 17, 2012, CEMEX announced the completion of its financial plan for 2012, which included several transactions to refinance and/or prepay debt scheduled to mature through 2014, thereby increasing the company’s financial flexibility and significantly reducing its refinancing risk. Under that year’s financial plan, CEMEX reduced the amount of debt maturing through March 2015 to about U.S.\$650 million, at currently prevailing foreign-exchange rates, of which approximately U.S.\$600 million matures during the first quarter of 2014. In addition, the average life of debt increased to 5.6 years, from 3.8 years at the beginning of that year, with no significant change in yearly interest expense. The execution of the 2012 financial plan included various transactions, among others:

- Refinancing of close to U.S.\$6.7 billion of debt under the Financing Agreement dated as of August 14, 2009, as amended (the “Financing Agreement”), into a new Facilities Agreement (the “New Facilities Agreement”) with a final maturity in 2017 and U.S.\$500 million of new senior secured notes due 2018. The New Facilities Agreement provides CEMEX with more flexible operating and financial covenants.
- Issuance of U.S.\$940 million in new senior secured notes maturing in 2019 in exchange for approximately U.S.\$452 million in perpetual debentures and U.S.\$619 million in 2014 Eurobonds, resulting in a reduction of CEMEX’s overall indebtedness of U.S.\$131 million.
- Issuance of U.S.\$1.5 billion of new senior secured notes due 2022 (the “2022 Notes”).
- Initial share offering of a 26.65% minority position in CEMEX Latam Holdings, S.A. (“CLH”), resulting in net proceeds of about U.S.\$960 million.

Proceeds from the 2022 Notes and CLH’s initial share offering were used to prepay debt under the New Facilities Agreement and the Financing Agreement. As a result of these prepayments, the spread over 3-month LIBOR on the New Facilities Agreement was reduced to 450 basis points, the same spread CEMEX had under the original Financing Agreement while, as a result of the refinancing of this agreement, the final maturity of this debt was extended by three years.

### CEMEX announces pricing of the initial offering of its subsidiary, CEMEX Latam Holdings, S.A. and subsequently announces exercise of put option related to initial purchasers’ stabilization activities

On November 6, 2012, CEMEX announced that CLH, a wholly-owned subsidiary of CEMEX España, S.A., priced its initial offering of 170,388,000 new common shares, at a price of 12,250 Colombian Pesos per common share. The common shares offered by CLH included (a) 148,164,000 new common shares offered in a public offering to investors in Colombia and in a concurrent private placement to eligible investors outside of Colombia, and (b) an additional 22,224,000 new common shares offered in such private placement that were subject to a put option granted to the initial purchasers of the private placement during the 30-day period following closing of the offering. CLH’s assets included substantially all of CEMEX’s cement and ready-mix assets in Colombia, Panama, Costa Rica, Brazil, Guatemala, Nicaragua and El Salvador. CLH expected to use the net proceeds to repay indebtedness owed to CEMEX, who, in turn, expected to apply its net proceeds to general corporate purposes, including the repayment of existing indebtedness.

On December 12, 2012, CEMEX announced that, in connection with the initial offering of 170,388,000 common shares of its subsidiary, CLH, completed on November 15, 2012, the initial purchasers notified CLH that they intend to exercise the put option they were granted. As a result, CLH repurchased 22,224,000 of its common shares from the initial purchasers at a price of U.S.\$6.75 per common share, the U.S. Dollar equivalent of the initial offering price of 12,250 Colombian Pesos per common share. These shares represented approximately 13% of all shares sold in the initial share offering and 100% of the shares subject to the put option. CLH used cash proceeds from the initial share offering to repurchase the common shares from the initial purchasers and will hold the repurchased shares in treasury. After giving effect to the exercise of the put option, CEMEX España, S.A., owned approximately 73.35% of CLH’s outstanding common shares, excluding shares held in treasury.

CLH’s common shares are listed on the Colombian Stock Exchange (Bolsa de Valores de Colombia S.A.) under the ticker CLH.

### CEMEX to provide industry-leading expertise for projects to be developed by Clean Energy Fund

On October 30, 2012, CEMEX announced that it will participate in a Clean Energy Fund that is expected to raise approximately U.S.\$300 million through a public offer of Certificados de Capital de Desarrollo (CKDs, or Capital Development Certificates) in the Bolsa Mexicana de Valores (Mexican stock exchange) which proceeds will be invested in a series of clean energy projects in Mexico. CEMEX will provide its industry-leading technical expertise in clean energy generation to all of the fund’s projects. CEMEX’s participation in the Clean Energy Fund will be limited to the management and advisory activities under the guidance of a technical committee and the certificate holders meeting of the projects authorized by the fund, not exercising control, and limiting its participation to a minority equity stake not exceeding 10% in the sponsored projects. Therefore, neither the fund nor the sponsored projects will be consolidated into the CEMEX balance sheet. CEMEX will offer its experience in energy projects, from initial planning to development and ongoing operation. As part of its responsibilities, CEMEX will provide a team of professionals with experience in energy related projects, an extensive network of contacts, assistance in negotiating and closing these type of transactions, proficiency in optimizing capital structures, and knowledge of the different stages of a project’s life cycle.



### Significant tax proceedings

In connection with the previously publicly disclosed 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 of the agreement 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.

### Assiut annulment matter

On September 13, 2012, Assiut Cement Company (“ACC”), CEMEX’s subsidiary 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 (“MIC”) 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 and October 20, 2012, ACC and MIC, respectively, filed appeals of the decision with the Assiut Court of Appeals. The first hearings were held on December 19, 2012 and January 22, 2013 with such Court of Appeals, and a third hearing is scheduled for April 16, 2013.

### Mexican Tax Reform 2010

In November 2009, the Mexican Congress approved amendments to the income tax law that became effective on January 1, 2010. The new law included changes to the tax consolidation regime that require CEMEX to, among other things, determine income taxes as if the tax consolidation provisions in Mexico did not exist from 1999 onward. These changes also required the payment of taxes on dividends between entities of the consolidated tax group (specifically, dividends paid from profits that were not taxed in the past), certain special items in the tax consolidation, as well as tax loss carryforwards generated by entities within the consolidated tax group that should have been recovered by such individual entities over the succeeding 10 years. These amendments increased the statutory income tax rate from 28% to 30% for the years 2010 to 2012, 29% for 2013, and decreased it to 28% for 2014 and future years. Pursuant to these amendments, the parent company was required to pay in 2010 (at the 30% tax rate) 25% of the tax resulting from eliminating the tax consolidation effects from 1999 to 2004, and to pay an additional 25% in 2011. The remaining 50% is required to be paid as follows: 20% in 2012\*, 15% in 2013, and 15% in 2014. With respect to the consolidation effects originated after 2004, these should be considered during the sixth fiscal year following their origination and are payable over the succeeding five years in the same proportions (25%, 25%, 20%, 15%, and 15%), and, in relation to this, the consolidation effect for 2005 has already been notified to CEMEX and considered. Applicable taxes payable as a result of the changes to the tax consolidation regime will be increased by inflation, as required by the Mexican income tax law. As of December 31, 2009, based on Interpretation 18, the parent company recognized the nominal value of estimated taxes payable in connection with these amendments of approximately US\$799 million. This amount was recognized by the parent company as a tax payable on its balance sheet against “Other non-current assets” for approximately US\$628 million, in connection with the net liability recognized before the new tax law and that the parent company expects to realize in connection with the payment of this tax liability; and approximately US\$171 million against “Retained earnings” for the portion, according to the new law, related to: a) the difference between the sum of the equity of the controlled entities for tax purposes and the equity for tax purposes of the consolidated entity; b) dividends from the controlled entities for tax purposes to CEMEX, S.A.B. de C.V.; and c) other transactions between the companies included in the tax consolidation that represented the transfer of resources within the group. In December 2010, pursuant to additional rules, the tax authorities eliminated certain aspects of the law related to the taxable amount for the difference between the sum of the equity of the controlled entities for tax purposes and the equity for tax purposes of the consolidated entity. As a result, the parent company reduced its estimated tax payable by approximately US\$235 million against a credit to “Retained earnings.” In 2012, changes in the parent company’s tax payable associated with the tax consolidation in Mexico are as follows (approximate US\$ Millions):

	2012
Balance at the beginning of the period	\$966
Income tax received from subsidiaries	\$179
Restatement for the period	\$41
Payments during the period	(\$54)
Balance at the end of the period	<u>\$1,132</u>

In December 2012, the Federal Revenue Law (Ley Federal de Ingresos) applicable in 2013, established that the statutory income tax rate remained at 30% in 2013, then lowered it to 29% for 2014 and 28% for 2015 and future years.

As of December 31, 2012, the balance of tax loss carryforwards that have not been considered in the tax consolidation was approximately US\$625 million. As of December 31, 2012, the estimated payment schedule of taxes payable resulting from these changes in the tax consolidation regime in Mexico were as follows (approximate amounts in millions of US dollars):

2013	\$157
2014	\$200
2015	\$209
2016	\$173
2017	\$176
2018 and thereafter	<u>\$217</u>
	<u>\$1,132</u>

### Nationalization of CEMEX Venezuela

On August 18, 2008, the Government of Venezuela expropriated all business, assets and shares of 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 (“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 receive any compensation and no public purpose was proven. On November 30, 2011, following negotiations with the Government of Venezuela and its affiliate 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 US\$240 million; and (ii) notes issued by Petróleos de Venezuela, S.A. (“PDVSA”), with nominal value and interest income to maturity totaling approximately US\$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 US\$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 US\$503 million and recognized a settlement gain in the statement of operations of approximately US\$25 million, which includes the write-off of estimated currency translation effects accrued in equity.

### Most significant reconciliation items from MFRS to IFRS in 2011

Considering the disclosure requirements of IFRS 1 and IAS 34, the following tables present the reconciliation from MFRS to IFRS of the main accounts of the consolidated balance sheet as of December 31, 2011 and the statements of operations for the twelve-month and the three-month periods ended December 31, 2011.

#### Reconciliation of statements of operations for the twelve-month period ended December 31, 2011

Millions of US dollars	Reconciling notes	MFRS	Adjustment	IFRS
Net sales	(m)	15,139	76	15,215
Cost of sales	(d, e, f, m)	(10,823)	(88)	(10,911)
<b>Gross profit</b>		<b>4,316</b>	<b>(12)</b>	<b>4,304</b>
Operating expenses	(e, f, m)	(3,356)	18	(3,338)
<b>Operating earnings before other expenses, net</b>		<b>960</b>	<b>6</b>	<b>966</b>
Other expenses, net	(e, m)	(340)	(97)	(437)
<b>Operating earnings</b>		<b>620</b>	<b>(91)</b>	<b>529</b>
Comprehensive financing cost, net	(b, g, m)	(1,859)	349	(1,510)
Equity in loss of associates	(m)	(33)	8	(25)
<b>Loss before income taxes</b>		<b>(1,272)</b>	<b>266</b>	<b>(1,006)</b>
Income tax	(k, l, m)	(264)	(714)	(978)
<b>Consolidated net loss</b>		<b>(1,536)</b>	<b>(448)</b>	<b>(1,984)</b>
Non-controlling interest net income (loss)		(3)	5	2
<b>Controlling interest net loss</b>		<b>(1,533)</b>	<b>(453)</b>	<b>(1,986)</b>

#### Reconciliation of statements of operations for the three-month period ended December 31, 2011

Millions of US dollars	Reconciling notes	MFRS	Adjustment	IFRS
Net sales		3,706	3	3,709
Cost of sales	(d, e, f)	(2,687)	(2)	(2,689)
<b>Gross profit</b>		<b>1,019</b>	<b>1</b>	<b>1,020</b>
SG&A expenses	(e, f)	(795)	2	(793)
<b>Operating earnings before other expenses, net</b>		<b>224</b>	<b>3</b>	<b>227</b>
Other expenses, net	(e)	13	(162)	(149)
<b>Operating earnings</b>		<b>237</b>	<b>(159)</b>	<b>78</b>
Comprehensive financing cost, net	(b, g)	(319)	(44)	(363)
Equity in loss of associates		6	(1)	5
<b>Loss before income taxes</b>		<b>(76)</b>	<b>(204)</b>	<b>(280)</b>
Income tax	(k, l)	(71)	(410)	(481)
<b>Consolidated net loss</b>		<b>(147)</b>	<b>(614)</b>	<b>(761)</b>
Non-controlling interest net income		(1)	1	-
<b>Controlling interest net loss</b>		<b>(146)</b>	<b>(615)</b>	<b>(761)</b>

### Balance sheet reconciliation as of December 31, 2011

Millions of US dollars	Reconciling notes	MFRS	Adjustment	IFRS
<b>Total Assets</b>		<b>39,276</b>	<b>(476)</b>	<b>38,800</b>
Cash and Investments		1,155	-	1,155
Trade receivables less allowance for doubtful accounts	(a)	965	912	1,877
Other accounts receivables and other current assets	(a, b, c)	846	(186)	660
Inventories, net	(d, e)	1,256	8	1,265
Property, machinery and equipment	(c, e)	17,605	(863)	16,741
Other non-current assets	(c, f, g, k,)	17,449	(347)	17,102
<b>Total Liabilities</b>		<b>24,396</b>	<b>2,105</b>	<b>26,501</b>
Current Liabilities	(a, c, i, j)	4,059	563	4,623
Long-term liabilities	(b, c, h)	16,756	(2,157)	14,599
Other liabilities	(a, b, c, i, j, k, l)	3,580	3,699	7,279
<b>Total stockholders' equity</b>		<b>14,881</b>	<b>(2581)</b>	<b>12,300</b>
<b>Total liabilities and stockholders' equity</b>		<b>39,276</b>	<b>(476)</b>	<b>38,800</b>

#### Notes to the reconciliations from MFRS to IFRS

##### a) Derecognition of financial assets and liabilities

CEMEX has securitization programs in several countries with various financial institutions under which, in accordance with MFRS and considering that CEMEX surrenders control associated with the trade receivables sold and that there is no guarantee or obligation to reacquire the assets, the accounts receivable were removed from the balance sheet at the moment of the sale, except for the unfunded amounts that were reclassified to other short-term accounts receivable. IAS 39 under IFRS does not permit many securitizations to qualify for derecognition due to some ongoing involvement that causes entities to retain some of the risks and rewards related to the transferred assets. Hence, under IFRS, except for non-recourse factoring transactions, CEMEX's securitization programs of trade accounts receivable under IFRS did not qualify for derecognition, and the funded amount is recognized against a corresponding liability. As of December 31, 2011 there was a net increase in short-term assets of approximately US\$684 million.

##### b) Fair value of derivative financial instruments

IAS 39 under IFRS requires that the fair value of derivative financial instruments should reflect the credit risk of the counterparties, in comparison with MFRS that does not provide any related guidance. As of December 31, 2011, the effect of including the credit risk to CEMEX's derivative financial instruments represented a net increase of US\$21 million in the net liability under IFRS. The corresponding effect for the twelve-month and the three-month periods ended December 31, 2011 represented an approximately loss of US\$29 million and a loss of US\$7million, respectively.

Under IFRS, due to the functional currency of the issuer, the conversion options embedded in CEMEX's convertible notes are recognized at fair value through the statements of operations. Under MFRS, these options represented the equity components of such notes and were not subsequently valued after initial recognition. For the twelve-month and the three-month periods ended December 31, 2011, changes in fair value under IFRS of the aforementioned options resulted in gain, net of credit risk, of approximately US\$376 million and a loss, net of credit risk, of US\$41 million, respectively.

### c) Others

As of December 31, 2011, in order to comply with IFRS presentation requirements that differ from MFRS, there are certain reclassifications between line items in the balance sheet, the most significant are as follows: a) Approximately US\$210 million of extraction rights and rights for using rented quarries were reclassified from fixed assets under MFRS to intangible assets under IFRS; and b) Approximately US\$82 million of deferred financing costs under MFRS were reclassified to debt under IFRS.

### d) Storage costs

According to IAS 2 under IFRS, storage costs that are incurred during the production process should be excluded from the cost of inventories and are required to be expensed as incurred. Under MFRS, storage costs were recognized within inventories. As of December 31, 2011, this adjustment represented a reduction in inventory under IFRS of approximately US\$1 million. The corresponding effects during the twelve-month and the three-month periods ended December 31, 2011 represented immaterial decreases in cost of sales against inventories.

### e) Property, machinery and equipment

As of December 31, 2011, resulting from the valuation of mineral reserves, certain buildings and major machinery and equipment located in several countries at fair value as deemed cost upon transition to IFRS, this line item decreased approximately US\$102 million under IFRS as compared to the carrying amount that such assets had under MFRS.

Under MFRS, in order to restate certain components of the financial statements by inflation, several CEMEX's operations were considered as operating in highly-inflationary environments considering that the accumulated inflation rate over the last three years exceeded 26%. Upon transition to IFRS as of January 1, 2010 and as of December 31, 2011, the threshold to consider whether an economy is hyperinflationary presented when the accumulated inflation rate over the last three years is approaching, or exceeds 100% was not reached in any country in which CEMEX operates. Consequently, as of December 31, 2011, the elimination under IFRS of inflation restatement effects of property, machinery and equipment and intangible assets recognized under MFRS resulted in a net decrease in this line item for approximately US\$551 million.

For the twelve-month period ended December 31, 2011, the different depreciable amounts of property, machinery and equipment under IFRS resulting from the reconciling adjustments described above, resulted from increases in the depreciation expense under IFRS for approximately US\$57 million, as compared to the amounts recognized under MFRS.

### f) Intangible assets

Resulting from the identification and separation as intangible assets upon transition to IFRS of certain extraction permits in the cement and ready mix sectors that were recognized within goodwill under MFRS, for the twelve-month and the three-month periods ended December 31, 2011, the amortization expense associated with extraction permits under IFRS decreased by approximately US\$24 million and US\$8 million, respectively, as compared to the amounts recognized under MFRS.

### g) Deferred financing costs

Upon transition to IFRS, deferred financing costs under MFRS associated with CEMEX's Financing Agreement for approximately US\$514 million did not meet all the requirements for capitalization and deferral under IAS 39 and were immediately recognized upon transition against retained earnings, decreasing CEMEX's deferred charges under IFRS. In connection with this adjustment, for the twelve-month and the three-month periods ended December 31, 2011, the amortization of deferred financing costs under IFRS recognized in the statements of operations decreased for approximately US\$160 million and US\$35 million, respectively, as compared to the amounts recognized under MFRS.

### h) Amortized cost of debt under the Financing Agreement

As of December 31, 2011, resulting from differences in the amortized cost of a portion of the debt included in CEMEX's Financing Agreement upon transition to IFRS, the balance of debt under IFRS decreased for approximately US\$5 million. For the twelve-month and the three-month periods ended December 31, 2011, the accretion expense of this debt (interest expense) associated with changes in its amortized cost was approximately US\$3 million and US\$1 million, respectively.

### i) Pensions and postretirement benefits

Upon transition to IFRS, CEMEX elected to reset to zero all cumulative net actuarial losses pending for amortization under MFRS against retained earnings. As of December 31, 2011, in connection with this adjustment, the employee benefits' liability increased for approximately US\$525 million as compared to the amount recognized under MFRS.

Under IFRS, termination benefits are expensed as incurred, whereas under MFRS, such termination benefits were accrued based on actuarial calculations of the estimated obligation. Upon transition to IFRS, the provision under MFRS was cancelled against retained earnings. As a result of this adjustment, as of December 31, 2011, the employee benefits liability under IFRS decreased for approximately US\$32 million.

### j) Asset retirement obligations (decommissioning costs)

Upon transition to IFRS, there were certain differences between CEMEX's liabilities for asset retirement obligations under MFRS and those determined under IFRS, which resulted in an increase in the liability under IFRS against the related assets. As of December 31, 2011 as a result of this adjustment, the liabilities for asset retirement obligations under IFRS increased by approximately US\$36 million.

### k) Deferred income taxes

The different amounts of assets and liabilities under IFRS generate changes in the deferred tax assets and liabilities under IFRS as compared to those previously recognized under MFRS. As of December 31, 2011, the net deferred tax asset under IFRS (deferred tax assets less deferred tax liabilities) increased for approximately US\$176 million, as compared to the net deferred tax asset previously recorded under MFRS.

### l) Uncertain tax positions

Under MFRS, the income tax effects from an uncertain tax position were recognized following a cumulative probability model; meanwhile, under IFRS, the tax effects of a position are measured using either an expected value approach or a single best estimate of the most likely outcome only if it is "more-likely-than-not" to be sustained based on its technical merits as of the reporting date. In making this assessment, CEMEX has assumed that the tax authorities will examine each position and have full knowledge of all relevant information. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The more-likely-than-not threshold represents a positive assertion by management that CEMEX is entitled to the economic benefits of a tax position. If a tax position is not considered more-likely-than-not to be sustained, no benefits of the position are to be recognized. As of December 31, 2011, resulting from the difference in the measurement and recognition of the effects related to uncertain tax positions between MFRS and IFRS, the provision for uncertain tax positions recorded under IFRS increased for approximately US\$579 million as compared to the amounts recorded under MFRS. For the twelve-month and the three-month periods ended December 31, 2011, the income tax effects from the uncertain tax positions under IFRS resulted in increase in the income tax expense for approximately US\$197 million and US\$69million respectively, as compared to the amounts recorded under MFRS.

**m) Ready Mix Consolidation**

Considering certain potential voting rights, under IFRS, the acquisition date of Ready Mix USA, LLC was March 31, 2011, whereas under MFRS, CEMEX acquired Ready Mix USA, LLC on August 1, 2011 date in which CEMEX assumed effective control. As a result of this difference, CEMEX's statement of operations under IFRS for the twelve-month period ended December 31, 2011, include results of operations of Ready Mix USA, LLC for the same period.

### Methodology for translation, consolidation, and presentation of results

Under IFRS, beginning January 1, 2008, CEMEX translates the financial statements of foreign subsidiaries using exchange rates at the reporting date for the balance sheet and the exchange rates at the end of each month for the income statement. CEMEX reports its consolidated results in Mexican pesos.

For the reader's convenience, beginning June 30, 2008, US dollar amounts for the consolidated entity are calculated by converting the nominal Mexican peso amounts at the end of each quarter using the average MXN/US\$ exchange rate for each quarter. The exchange rates used to convert results for the fourth quarter of 2012 and the fourth quarter of 2011 are 12.97 and 13.64 Mexican pesos per US dollar, respectively.

Per-country/region figures are presented in US dollars for the reader's convenience. Figures presented in US dollars for Mexico, as of December 31, 2012, and December 31, 2011, can be converted into their original local currency amount by multiplying the US-dollar figure by the corresponding average exchange rates for 2012 and 2011, provided below.

### Breakdown of regions

Northern Europe includes operations in Austria, the Czech Republic, France, Germany, Hungary, Ireland, Latvia, Poland, and the United Kingdom, as well as trading operations in several Nordic countries.

The Mediterranean region includes operations in Croatia, Egypt, Israel, Spain, and the United Arab Emirates.

The South, Central America and the Caribbean region includes CEMEX's operations in Argentina, Bahamas, Brazil, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, Jamaica, Nicaragua, Panama, Peru, and Puerto Rico, as well as trading operations in the Caribbean region.

The Asia region includes operations in Bangladesh, China, Malaysia, the Philippines, Taiwan, and Thailand.

### Definition of terms

**Free cash flow** equals operating EBITDA minus net interest expense, maintenance and strategic capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation and coupon payments on our perpetual notes).

**Maintenance capital expenditures** investments incurred for the purpose of ensuring the company's operational continuity. These include capital expenditures on projects required to replace obsolete assets or maintain current operational levels, and mandatory capital expenditures, which are projects required to comply with governmental regulations or company policies.

**Net debt** equals total debt (debt plus convertible bonds and financial leases) minus cash and cash equivalents.

**Operating EBITDA** equals operating earnings before other expenses, net, plus depreciation and operating amortization.

**pp** equals percentage points

**Strategic capital expenditures** investments incurred with the purpose of increasing the company's profitability. These include capital expenditures on projects designed to increase profitability by expanding capacity, and margin improvement capital expenditures, which are projects designed to increase profitability by reducing costs.

**Working capital** equals operating accounts receivable (including other current assets received as payment in kind) plus historical inventories minus operating payables.

### Earnings per ADS

The number of average ADSs outstanding used for the calculation of earnings per ADS was 1,123.9 million for the fourth quarter of 2012; 1,117.0 million for year-to-date 2012; 1,110.8 million for the fourth quarter of 2011; and 1,108.5 million for year-to-date 2011.

According to the IAS 33 Earnings per share, the weighted-average number of common shares outstanding is determined considering the number of days during the accounting period in which the shares have been outstanding, including shares derived from corporate events that have modified the stockholder's equity structure during the period, such as increases in the number of shares by a public offering and the distribution of shares from stock dividends or recapitalizations of retained earnings and the potential diluted shares (Stock options, Restricted Stock Options and Mandatory Convertible Shares). The shares issued as a result of share dividends, recapitalizations and potential diluted shares are considered as issued at the beginning of the period.

### Exchange rates

	January - December		Fourth Quarter	
	2012 Average	2011 Average	2012 Average	2011 Average
Mexican peso	13.15	12.48	12.97	13.64
Euro	0.775	0.7164	0.7665	0.7425
British pound	0.6281	0.623	0.6202	0.6348

Amounts provided in units of local currency per US dollar.