



**Independent Auditors' Report issued on the
2016
Annual Financial Statements
and Business Report
of Cemex Hungary Kft.**

This is an English translation of the Independent Auditors' Report on the 2016 annual financial statements of Cemex Hungary Kft. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.





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Independent Auditors' Report

To the member of Cemex Hungary Kft.

Opinion

We have audited the 2016 annual financial statements of Cemex Hungary Kft. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2016, which shows total assets of USD 25,385,047,033 and profit after tax for the year of USD 3,625,587,360, and the income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the annual financial statements in Hungary, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the 2016 Business Report of the Company. Management is responsible for the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any. Our opinion on the annual financial statements expressed in the Opinion section of our report does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the business report, based on the Act on Accounting, when reading the business report we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements, if any.

Based on the work undertaken in the course of our audit, in our opinion:

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- the 2016 business report of the Company is consistent with the 2016 annual financial statements of the Company; and

- the business report has been prepared in accordance with the provisions of the Act on Accounting.

Our opinion on the business report does not include an opinion based on Section 156 (5) h) of the Act on Accounting due to the fact that there are no other legal requirements that are applicable to the business report of the Company.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Budapest, 28 April 2017

KPMG Hungária Kft.

Registration number: 000202

Attila Juhász
Director, Professional Accountant
Registration number: 006065

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12542660-6492-113-01

Statistical code

01-09-698135

Company Court registration no.

31 December 2016

CEMEX Hungary Group Financing Limited Liability Company

name of the Company

BALANCE SHEET Assets

data in USD

No.	Description	Previous year	Corr. of prev. years	Current year
a	b	c	d	e
01.	A. Fixed assets (lines 02.+10.+18.)	21 579 041 349		6 262 721 433
02.	I. INTANGIBLE ASSETS (lines 03-09.)			
03.	I/1. Capitalized value of foundation, reorganization			
04.	I/2. Capitalized value of experiment development			
05.	I/3. Rights of pecuniary value			
06.	I/4. Intellectual products			
07.	I/5. Goodwill			
08.	I/6. Prepayments on intangible assets			
09.	I/7. Value correction of intangible assets			
10.	II. TANGIBLE ASSETS (lines 11-17.)	4 324		4 178
11.	II/1. Land and Buildings and related rights of property value			
12.	II/2. Technical equipment, machines, vehicles	4 324		4 178
13.	II/3. Other equipment, machines, vehicles			
14.	II/4. Breeding livestock			
15.	II/5. Investments			
16.	II/6. Prepayments on investments			
17.	II/7. Value correction of tangible assets			
18.	III. FINANCIAL INVESTMENTS (lines 19-26.)	21 579 037 025		6 262 717 255
19.	III/1. Long term equity participation in associated companies	12 394 818 350		0
20.	III/2. Long term loans granted to associated companies	9 184 218 675		6 262 717 255
21.	III/3. Other long term equity participations			
22.	III/4. Long t. loans grant. to comp. in other equity relationship			
23.	III/5. Other long term loans granted			
24.	III/6. Securities representing a long-term credit relationship			
25.	III/7. Value correction of fixed financial assets			
26.	III/8. Valuation difference of financial investments			

Date: Budapest, April 28, 2017



manager of Company
(representative)

12542660-6492-113-01

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01-09-698135

Company Court registration no.

31 December 2016

CEMEX Hungary Group Financing Limited Liability Company

name of the Company

BALANCE SHEET Assets

data in USD

No.	Description	Previous year	Corr. of prev. years	Current year
a	b	c	d	e
27.	B. Current assets (lines 28.+35.+43.+49.)	151 906 080		19 118 138 109
28.	I. STOCKS (lines 29-34.)			
29.	I/1. Materials			
30.	I/2. Unfinished production and semi-finished products			
31.	I/3. Young, fat and other livestock			
32.	I/4. Finished products			
33.	I/5. Goods			
34.	I/6. Prepayments on stock			
35.	II. RECEIVABLES (lines 36-42.)	151 861 737		19 118 127 576
36.	II/1. Receivables from debtors			
37.	II/2. Receivables from associated companies	150 340 728		19 117 841 266
38.	II/3. Receiv. from comp. with other participation relations			
39.	II/4. Receivables on bills			
40.	II/5. Other receivables	1 521 009		286 310
41.	II/6. Valuation difference of receivables			
42.	II/7. Positive valuation difference of derivatives			
43.	III. SECURITIES (lines 44-48.)			
44.	III/1. Participation in associated companies			
45.	III/2. Other participations			
46.	III/3. Own shares, own business quotas			
47.	III/4. Sec. representing credit relations for trading purposes			
48.	III/5. Valuation difference of securities			
49.	IV. FINANCIAL ASSETS (lines 50-51.)	44 343		10 533
50.	IV/1. Petty cash, cheques			
51.	IV/2. Bank deposit	44 343		10 533
52.	C. Accrued income and deferred charges (lines 53-55.)	10 774 985		4 187 491
53.	C/1. Accrued and deferred revenues	10 774 653		4 187 352
54.	C/2. Accrued and deferred costs and expenditures	332		139
55.	C/3. Deferred expenses			
56.	TOTAL ASSETS (lines 01.+27.+52.)	21 741 722 414		25 385 047 033

Date: Budapest, April 28, 2017


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(representative)

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Company Court registration no.

31 December 2016

CEMEX Hungary Group Financing Limited Liability Company

name of the Company

BALANCE SHEET Liabilities

data in USD

No.	Description	Previous year	Corr. of prev. years	Current year
a	b	c	d	e
57	D. Equity (lines 58.-60.+61.± 62.+63.+64.±65.)	21 668 994 693		25 384 584 507
58	I. SHARE CAPITAL	709 485 243		709 485 243
59	from line 58: repurchased proprietary interest on nominal value			
60	II. UNPAID ISSUED CAPITAL (-)			
61	III. CAPITAL RESERVE	17 760 915 222		17 760 915 222
62	IV. RETAINED EARNINGS	4 592 505 771		3 269 313 053
63	V. RESERVES TIED UP	14 387 651		19 283 629
64	VI. VALUATION RESERVE			
65	VII. PROFIT AFTER TAXES	-1 408 299 194		3 625 587 360
66	E. Provisions (lines 67-69.)			
67	E/1 Provision for expected liability			
68	E/2 Provision for future costs			
69	E/3 Other provision			
70	F. Liabilities (lines 71.+75.+84.)	72 635 364		336 329
71	I. SUBORDINATED LIABILITIES (lines 72-74.)			
72	I/1. Subordinated liabilities to associated companies			
73	I/2. Subord. liab. to comp. in other participation relationship			
74	I/3. Subordinated liabilities to other business entities			
75	II. LONG TERM LIABILITIES (lines 76-83.)	392 197		0
76	II/1. Loan received long term			
77	II/2. Convertible bonds			
78	II/3. Debts from the issue of bonds			
79	II/4. Investment and development credits			
80	II/5. Other long term credits			
81	II/6. Long term liabilities to associated companies	392 197		0
82	II/7. Long term liab. to comp. with other particip. relations			
83	II/8. Other long term liabilities			

Date: Budapest, April 28, 2017



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Company Court registration no.

31 December 2016

CEMEX Hungary Group Financing Limited Liability Company


name of the Company

BALANCE SHEET Liabilities

data in USD

No.	Description	Previous year	Corr. of prev. years	Current year
a	b	c	d	e
84	III. SHORT TERM LIABILITIES (lines 85., 87-95.)	72 243 167		336 329
85	III/1. Short term loans			
86	from line 85: convertible loan stock			
87	III/2. Short term credits			
88	III/3. Prepayments from debtors			
89	III/4. Liabilities on transport and services (creditors)	522		1 144
90	III/5. Debts on bills			
91	III/6. Short term liabilities to associated companies	71 519 369		0
92	III/7. Short term liab. to comp. with other particip. relations			
93	III/8. Other short term liabilities	723 276		335 185
94	III/9. Valuation difference of liabilities			
95	III/10. Negative valuation difference of derivatives			
96	G. Deferred income and accrued charges (lines 97-99.)	92 357		126 197
97	G/1. Accrual and deferral of revenues			
98	G/2. Accrual and deferral of costs and expenditure	92 357		126 197
99	G/3. Deferred revenues			
100	TOTAL LIABILITIES (lines 57.+66.+70.+96.)	21 741 722 414		25 385 047 033

Date: Budapest, April 28, 2017



manager of Company
(representative)

12542660-6492-113-01

Statistical code

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2016

Company Court registration no.

CEMEX Hungary Group Financing Limited Liability Company

name of the Company

PROFIT & LOSS STATEMENT

(Total cost method)

data in USD

No.	Description	Previous year	Corr. of prev. years	Current year
a	b	c	d	e
01.	Net revenue of domestic sales	192 426		144 508
02.	Net revenue of export sales	15 585		6 553
I.	Net revenue of sales (01.+02.)	208 011		151 061
03.	Stock-modification of self produced assets			
04.	Capitalized value of self produced assets			
II.	Value of capitalized own performance (±03.+04.)			
III.	Other incomes	3 818 581 164	0	15 675 413
	From line III.: re-written off depreciation			
05.	Material cost	4 004		4 426
06.	Value of utilised services	399 762		303 540
07.	Value of other services	5 862		6 737
08.	Procurement value of goods sold	2 623		0
09.	Value of sold (liaised) services	13 541		0
IV.	Material expenditures (05.+06.+07.+08.+09.)	425 792		314 704
10.	Salary cost	238 144		375 232
11.	Other personal payments	17 974		33 492
12.	Contributions	53 480		76 851
V.	Personnel expenditure (10.+11.+12.)	309 598		485 575
VI.	Depreciation write off	1 619		146
VII.	Other expenditure	3 844 156 887	0	15 000 168
	From line VII.: depreciation			
A.	RESULT OF BUSINESS ACTIVITY (I.±II.+III.-IV.-V.-VI.-VII.)	-26 104 721		25 882

Date: Budapest, April 28, 2017

manager of Company
(representative)

12542660-6492-113-01

Statistical code

01-09-698135

Company Court registration no.

2016

CEMEX Hungary Group Financing Limited Liability Company

name of the Company

PROFIT & LOSS STATEMENT

(Total cost method)

data in USD

No.	Description	Previous year	Corr. of prev. years	Current year
a	b	c	d	e
13.	Dividends and distributions received (due) From line 13: Received from associated company			
14.	Exchange gain on sales of participations From line 14: Received from associated company			4 239 480 515
15.	Interest and exchange gain on invested liquid assets From line 15: Received from associated company	29 810 814		37 363 706
16.	Other interest and interest-type revenue received (due) From line 16: Received from associated company	87		6
17.	Other income on financial operations	380 550 168		655 105 496
VIII.	Income on financial operations (13.+14.+15.+16.+17.)	410 361 069		4 931 949 722
18.	Exchange loss on invested financial assets From line 18: Given to associated company			
19.	Interest and interest-type expenditure payable From line 19: Given to associated company	4 924		0
20.	Devaluation of participations, securities and bank deposits	4 924		0
21.	Other expenditure on financial operations	1 792 391 536		1 306 386 846
IX.	Expenditure on financial operations (18.+19.+20.+21.)	1 792 396 460		1 306 386 846
B.	RESULT OF FINANCIAL OPERATIONS (VIII.-IX.)	-1 382 035 391		3 625 562 876
C.	PRE TAX RESULT (±A.±B.)	-1 408 140 112		3 625 588 758
X.	Tax liability	159 082		1 398
D.	PROFIT AFTER TAXES (±C.-X.)	-1 408 299 194		3 625 587 360

Date: Budapest, April 28, 2017



manager of Company
(representative)

**CEMEX Hungary Group Financing Ltd.
Annual Report**

31 December 2016

CEMEX Hungary Group Financing Ltd.

**Notes to the Financial Statements
2016**

Budapest, April 28, 2017


Managing Director


Managing Director



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

1 THE COMPANY

CEMEX Hungary Group Financing Ltd. was founded by CEMEX España, S.A on 12 October 2000.

Company registration No: 01-09-698135

The Company's share capital is USD 709,485,243 as a cash contribution in full.

Owner structure of the Company changed on 12 September 2016 compared with the previous year. CEMEX España S.A became sole owner after it acquired the quota of the Construction Funding Corporation (Sir Rogerson's Quay 70, Dublin, Ireland). The changes have been registered by the Court of Company Registry as at 11 October 2016.

Name and registered office of the Quota holders	31 December 2016		
	Registered capital (USD)	Quota (Votes)	Votes (%)
CEMEX España, S.A. Hernández de Tejada, 1; 28027 Madrid; Spanyol Királyság	709,485,243	1,333,619	100.0000
Total	709,485,243	1,333,619	100.0000

Primary activities of the Company:

- 6492'08 Other credit granting (main activity)
- 6499'08 Other financial service activities, expect insurance and pension finding n.e.c.
- 6920'08 Accounting, bookkeeping and auditing activities, tax consultancy
- 8299'08 Other business support services activities n.e.c.

Registered office of the Company:
H-1027 Budapest, Kapás utca 6-12., III-IV., Hungary

Managing directors of the Company:

Mr John Alister Neil
Frankel Leó utca 1.
H-1027 Budapest
Hungary

Dr Andor Gellért
Columbus u. 16. III.em. 11.
H-1145 Budapest
Hungary

The Company is subject to compulsory audit by virtue of Act C of 2000 On Accounting.



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

Auditor:

KPMG Hungária Kft.
H-1134 Budapest, Váci út 31.
Chamber registration number: 000202
Attila Juhász
Registered Auditor
Identification number: 006065

Audit fee of year 2016 paid to KPMG Hungária Kft.: net HUF 4,860,000.

Responsible person for carrying out the financial statements:

Mr Attila Kárász
Identification number as auditor: 007072
Bulcsú vezér u. 8.
H-1029 Budapest
Hungary



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

2 ACCOUNTING POLICY

a) Basis of accounting

The Company is required to keep double-entry books. The selected method for preparation of the profit and loss account is the total cost method. The financial statements have been prepared under the historical cost convention in accordance with the Hungarian Act on Accounting. The Company presents its assets, equity and liabilities in USD. The Company shows data in the Financial Statements in US dollars. The date of preparing these Statements is 20 March 2017.

b) Recording of transactions arising in foreign currencies

Assets and liabilities registered in HUF are revalued at the official rate of National Bank of Hungary. Exchange gains or losses arising from the difference between the exchange rates prevailing at the date of payment and the date of the transaction are stated in the profit and loss account.

c) Recording of derivative transactions

The result on the hedging activity was accounted for in the same way as in previous years. As per the Hungarian Tax Authority this type of income/expenditure is considered as a finally received/given asset.

The swap ruling from Ministry of Finance says that all net income or expenditure arising from the commodity swap transaction between the parties should be considered as non-exchange cash transfer and recognized as other income and other expenditure respectively.

The Forward Agreements should be recorded as an off-balance sheet item for Hungarian accounting purpose and any income or expenditure arising from the Forward Agreements should be accounted in the books as other financial income or other financial expenditure as per Accounting Act.

The Premium to be received by the Company should be booked as a finally received asset, as extraordinary income; the potential payments under the Single Barrier Option Agreements should be accounted for as other income, or other expenditure in the books of the Company.



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

d) Corporate tax

The tax charge for the year is based on the profit for the year according to the statutory accounts of the Company as adjusted for relevant taxation regulations. The tax rate in Hungary for the year ended 31 December 2016 was 10% on the first HUF 500 million forint of corporate tax base, and was 19% on the remaining tax base.

e) Fixed assets

Fixed assets are recognized at purchase price as their gross value. Net value is calculated from the gross value decreased by the accumulated depreciation. Depreciation is calculated on the basis of the expected useful life of the assets, using the linear depreciation method (with a residual value of zero). The expected useful life of the assets is as follows:

Office furniture and equipment	3-7 years
Computer	3 years

100 % depreciation is applied to the assets with a purchase price less than 500 USD.

f) Construing errors discovered by audit and self-revision

Errors shall be construed as major in all cases if, in the year when discovered by audit, the aggregate amount of all errors (whether negative or positive) for the same year and the after effects thereof - increasing or decreasing the equity - exceeds 2 (two) per cent of the balance sheet total of the year audited.



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

3. VALUATIONS

a) Fixed assets

	Opening balance 1 January 2016 USD	Increase USD	Decrease USD	Closing balance 31 December 2016 USD
Gross value	54.655	0	-	54.655
Technical equipment, machines, vehicles	54.655	0	-	54.655
Depreciation	50.331	146	-	50.477
Technical equipment, machines, vehicles	50.331	146	-	50.477
Net value	4.324	0	146	4.178

b) Financial investments

The Company does not have any subsidiaries as at 31 December 2016; the Hungarian subsidiary merged into the Company, the other seated in Luxembourg has been sold.

By the merge of the CEMEX Global Funding S.á.r.l. into CEMEX Hungary Kft. on 31 October, 2015 CEMEX Hungary Kft. took over all assets and liabilities held by CEMEX Global Funding S.á.r.l., so it's subsidiary the CEMEX Premium Finance Kft. The latter company has ended its business activity and merged into the Company on 30 September 2016. According to the activity closing financial statements as at 30 September 2016 the taxed result of the subsidiary amounted to USD -106.047 loss, value of the total equity was USD 90,510,599 from which USD 500,000 was recognized as share capital.

On 22 December 2016 the Company sold its subsidiary, the CEMEX Luxembourg Holdings S.á.r.l. acquired in December 2010, to RMC Europe Ltd (A CEMEX Group company). The share capital of the subsidiary was EUR 6,228,420,200 and the investment's value was USD 11,914,481,794 on the transaction date. Exchanging loss on the transaction date amounted to USD 479,836,556.



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

	31 December 2015 USD	31 December 2016 USD
Long term equity participation in associated companies		
CEMEX Luxembourg Holdings S.á.r.l.	12,394,318,350	-
CEMEX Premium Finance Kft.	500,000	-
	<u>12,394,818,350</u>	<u>0</u>
Long term loans granted to associated companies		
New Sunward Holding BV	8,658,519,044	6,262,717,255
APO Cement	20,973,832	-
CEMEX Corp.	504,725,799	-
	<u>9,184,218,675</u>	<u>6,262,717,255</u>
Total financial investments	21,579,037,025	6,262,717,255

The loans above were provided to related/associated companies within the CEMEX Group.

New Sunward Holding B.V. has taken over the role of main in-house bank for the CEMEX Group. Within the frame of this restructuring project, the Company assigned its loan facilities with Apo Cement and CEMEX Corp. to New Sunward Holding B.V. during 2016. Due to the merger of CEMEX Premium Finance Kft. as at 30 September 2016, the Company took over loan receivables with New Sunward Holding BV.

c) Receivables

	31 December 2015 USD	31 December 2016 USD
Receivables from associated companies:		
Hedging receivables	149,647,675	2,265,266
Short-term intercompany loans	-	-
Other short term receivable	693,053	-
Construction Funding Corp.	634,647	-
CEMEX Premium Finance Kft.	57,043	-
CEMEX Polska Sp. Z.o.o.	1,363	-
RMC Europe Limited	-	16,628,000,000
CEMEX España, S.A. interim dividend	-	2,487,576,000
	<u>150,340,728</u>	<u>19,117,841,266</u>



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

Other receivables:

Corporate income and municipal business tax in Luxembourg	1,199,066	-
Corporate income tax receivable	551	1,135
Innovation contribution receivable	3,468	-
Local trade tax	5,577	-
Value Added Tax	138,723	129,260
Deposit linked to office rent guarantee	20,924	-
Other	<u>152,700</u>	<u>155,915</u>
	<u>1,521,009</u>	<u>286,310</u>
Total short-term receivables	151,861,737	19,118,127,576

d) Liquid assets

	31 December 2015 USD	31 December 2016 USD
Head		
Citibank USD	1,848	3,185
Citibank HUF	5,930	5,707
Citibank EUR	165	600
Branch		
Citibank USD	947	-
Citibank EUR	676	1,041
Citibank GBP	1,074	-
Societe Generale EUR	3,489	-
Societe Generale (Deposit linked to credit cards guarantee)	30,214	-
Total	44,343	10,533

The Branch has closed the bankaccounts in USD and GBP at Citibank and Societe Generale during the fiscal year of 2016.



CEMEX Hungary Group Financing Ltd.
Notes to the Financial Statements
1 January - 31 December 2016

e) Accrued income and deferred charges

	31 December 2015 USD	31 December 2016 USD
Interest from associated company	10,717,096	4,187,351
Revenue from associated company	57,554	-
Group life insurance	332	139
Interest from bank	3	1
Total	10,774,985	4,187,491

f) Equity

Changes in the Company's equity:

<i>(data in USD)</i>	Share capital	Capital reserve	Retained earnings	Reserves tied up	Profit for the year	Total
1 January 2016	709,485,243	17,760,915,222	4,592,505,771	14,387,651	-1,408,299,194	21,668,994,693
Distribution of profit 2015			-1,408,299,194		1,408,299,194	-
CPF merger			85,106,476	4,895,978		90,002,454
Profit 2016					3,625,587,360	3,625,587,360
31 December 2016	709,485,243	17,760,915,222	3,269,313,053	19,283,629	3,625,587,360	25,384,584,507

A net wealth tax of 0.5% is levied annually on the total assets of resident companies. This tax may be reduced in whole or in part if the company creates and maintains for five years a specific reserve amounting to five times the amount of net wealth tax reduced. The Company chose to tie up a non-distributable reserve for this purpose in value of USD 19,283,629.

g) Long term liabilities

	31 December 2015 USD	31 December 2016 USD
New Sunward Holding BV	392,197	-
Total	392,197	-



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h) Liabilities

	31 December 2015 USD	31 December 2016 USD
Hedging liabilities to associated companies	71,426,136	-
CEMEX Premium Finance KFT (Lux Branch)	90,323	-
CEMEX Espana-Luxembourg Branch	183	-
CEMEX Luxembourg Holdings S.á.r.l.	2,727	-
<i>Short term intercompany liabilities</i>	<u>71,519,369</u>	<u>0</u>
<i>Trade creditors</i>	<u>522</u>	<u>1,144</u>
Withholding tax in Luxembourg	699,321	262,985
Other	<u>23,955</u>	<u>72,200</u>
<i>Other short term liabilities</i>	<u>723,276</u>	<u>335,185</u>
Total	72,243,167	336,329

i) Deferred income and accrued charges

	31 December 2015 USD	31 December 2016 USD
Accrued bonus payment	28,440	32,218
Accrued charge of other services	63,917	93,979
Total	92,357	126,197



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4. INCOME STATEMENT

Cost and expenditure	2015	2016
	USD	USD
Material cost	4,004	4,426
Travel and accommodation	9,512	5,392
Rental fees	45,143	76,811
Professional services	310,038	184,551
Bank charges	5,862	2,780
Others	35,068	40,744
Procurement value of goods sold	2,623	-
Value of sold (liaised) services	13,541	-
Total material type expenditure	425,791	314,704
Wages and salaries	238,144	375,232
Other	17,974	33,492
Social Security and other taxes	53,480	76,851
Total personnel expenses	309,598	485,575
Book value of assigned original claims	3,342,447,777	-
Hedging expense from group companies	501,458,017	14,976,563
Barred claims	233,609	-
Local tax	2,290	-
Innovation contribution	-	-
Other	15,194	23,605
Other expenses	3,844,156,887	15,000,168
Interest expenditure payable to group companies	4,924	-
CEMEX Sand, s.r.o	1,458,374	-
New Sunward Holding BV	320,165,907	548,521,455
CEMEX Espana SA	-	745,143,694
CEMEX Holding Phils. Inc.	-	1,706,100
Loss on forward deals with associated companies	321,624,281	1,295,371,249
Exchange loss from year-end revaluations	1,211,232,803	11,013,614
Exchange losses financially realized	259,534,452	1,983
Expenditure on financial operations	1,792,396,460	1,306,386,846

There was no litigation case against the Company on 31st of December, 2016.



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Breakdown of revenues

	2015	2016
	USD	USD
Administration services charged to group companies in Luxembourg	15,585	6,553
Treasury and internal control services charged to group companies in Hungary	192,426	144,508
Net revenue of sales	208,011	151,061
Value of the assigned original claims acknowledged by assignee	3,342,447,777	-
Hedging income from group companies	475,977,708	15,142,221
Prescribed tax liabilities	-	530,300
Indemnification of withholding tax	155,572	-
Other	107	2,892
Other incomes	3,818,581,164	15,675,413
Proceeds from sold investments	-	4,239,480,515
Interest income from group companies	29,810,814	37,363,705
Interest income from banks	87	6
CEMEX Sand, s.r.o	129,513	-
New Sunward Holding BV	336,043,087	505,728,196
CEMEX Espana SA	-	127,752,846
CEMEX Central SA de CV	-	9,773,014
CEMEX SA de CV	-	1,706,100
Gain on forward deals with group companies	336,172,600	644,960,156
Exchange gains financially realized	44,377,568	10,145,340
Income on financial operations	410,361,069	4,931,949,722

The Forward Agreement concluded between the Company and a CEMEX subsidiary is a delivery one, whose target is the sale of a fixed sum of currency for another currency from the Company to the client. The aim of the expected Forward Agreement is to cover any potential foreign exchange currency exposure of CEMEX subsidiary in connection with certain liabilities - against a third party - as hedge transaction. This net foreign currency exposure in the balance sheet of CEMEX subsidiary (i.e. the principal amount) is intended to be covered by this Agreement. In other words, the Company will take over the risk arisen from the hedge transaction mentioned above.

In the Agreement, the parties would agree in a forward rate at the time of the conclusion of the Agreement which would be equal to the spot rate as of the inception of the Agreement. At the settlement date the foreign exchange difference would be paid off by the parties, which amount is equal to the excess of the principal amount multiplied by the



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spot exchange rate at settlement less the principal amount multiplied by the spot exchange rate at inception. If this sum is positive, it would be paid to the client by the Company and otherwise it would be paid to the Company by the partner. This foreign exchange difference - gain or loss - should be recorded in the Company's books among the other financial income or other financial expenditure at the time of its financial settlement. The sum paid by the Company should be accounted in USD in the books at book value, and the sum received by the Company should be accounted in USD in the books at the spot FX rate effective on the settlement date as set in the accounting policy of the Company.

The Company's received a ruling from Hungarian Ministry of Finance on the accounting treatment of the commodity swap transactions in accordance with Hungarian Accounting Law. Based on the ruling all income and expenditure arising from the agreement between the parties should be considered as non-exchange cash transfer and recognized as extraordinary income and extraordinary expenditure respectively. This type of expenditure is a tax base-increasing item.

The hedging income is based on the hedge agreements signed between the company and certain group companies. This amount is related to foreign exchange gains or losses realized by the counter parties in respect of the business year 2016. Based on the official opinion of the Hungarian Ministry of Finance, these items are classified as extraordinary items in the income statement. This type of expense is a tax base-increasing item. The transactions are financially settled on demand of any of the parties.

5. THE COMPANIES THAT CONSOLIDATE THE FIRM AS A SUBSIDIARY

Parent company	Name of the company	Registered office	Annual report available
Largest	CEMEX, S.A.B. de C.V.	Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, Garza García, Nuevo León, México 66265	http://archive.cemex.com/InvestorCenter/Reports.aspx
Smallest	CEMEX S.A.	Espana, Hernández de Tejada, 1; 28027 Madrid; Spain	http://www.cemex.es



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6. BRANCH

Name of the Branch:
CEMEX Hungary Kft. (Luxembourg Branch)

The Branch office of the Company:
43-49, rue Ste Zithe, L-2763 Luxembourg

Balance sheet of Branch, which is included in Annual Report completely.

	31 December 2015 USD	31 December 2016 USD
Long term assets	9,183,163,138	6,261,830,244
Receivables from associated companies	150,340,728	2,265,266
Other short term receivables	1,286,926	71,754
- <i>Advance business tax</i>	1,199,066	71,754
Bank deposit	36,401	1,041
Accrued income and deferred charges	10,716,959	4,186,907
Total	9,345,544,152	6,268,355,212
Working capital	9,272,892,554	6,267,968,263
- <i>Non-distributable NWT reserve</i>	14,387,651	19,283,629
- <i>Taxed result</i>	5,215,698	- 607,818,674
Long term liabilities to associated companies	392,197	-
Short term liabilities to associated companies	71,519,369	-
Other short term liabilities	708,050	316,000
- <i>Withholding tax payable</i>	699,321	-
Deferred income and accrued charges	31,982	70,949
Total	9,345,544,152	6,268,355,212



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Tax expenditure payable in Luxembourg (USD)

	2015	2016
Corporate income tax	3,510	1,398
Net wealth tax	-	-
Withholding tax deducted	155,572	-

7. NUMBER OF EMPLOYEES

In 2016, the company had 2.80 employees on average. They all are intellectual worker.

The company does not have a Supervisory Board.

The Managing Directors performed their managerial services for the Company without any consideration.

8. TAXATION

Calculation of the corporate tax liability is as follows:

	2015 data in USD	2016 data in USD
Profit before tax	-1,408,140,112	3,625,588,758
Decreasing items:		
Received dividend	-	-
Reported participation gain on sale	-	4,239,480,515
Deprecation	1,619	146
Increasing items:		
Hedge loss	501,458,017	14,976,563
Forward loss	321,624,281	1,295,371,249
Deferred unrealized forex gain added back	61,000,914	-
Barred claims	233,609	0
Deprecation	1,619	146
Default interest for municipality	4	41



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Lux income exempted	889,457,992	702,530,536
Hungarian tax base (USD)	-1,413,282,898	-6,074,441
Hungarian tax base (thousand HUF)	-405,089,277	-1,784,003
Rate of duty	10 / 19 %	10 / 19 %
Corporate Income Tax (USD)	-	-

9. RATIOS

	31 December 2015	31 December 2016
Liquidity Ratio (short term assets / short term liabilities)	2.10	56,846.56
Ratio of long term assets (long term assets / total assets)	99.3%	24.7%
Equity Ratio (equity / total liabilities and equity)	99.7%	100%
Profitability (profit for the period / registered capital)	-198.5%	511.02%

CEMEX Hungary Group Financing Ltd.

BUSINESS REPORT

During the summer of 2008, the Company restructured its operations. As a result, the agreements (Forward and Hedge) are currently in the hands of the Lux Branch in relation to which, the Branch performs day-to-day management, while the Head Office carries out only oversight and control with regard to all transactions arising from these agreements.

The Company currently renders treasury services and has forward agreements with related companies, to cover risks arising from foreign exchange fluctuations.

New Sunward Holding B.V. ("NSH") has taken over the role of main in-house bank for the CEMEX Group. Within the frame of this restructuring project, the Company assigned its loan facilities with Apo Cement and CEMEX Corp. to NSH during 2016.

CEMEX Premium Finance Ltd. merged into CEMEX Hungary Kft on 30 September 2016. As a result of this CEMEX Hungary Kft. has taken over all assets and liabilities held by CEMEX Premium Finance Ltd. and the latter is dissolved.

On 22 December 2016 the Company sold its subsidiary, CEMEX Luxembourg Holdings S.á.r.l. acquired in December 2010, to RMC Europe Ltd (A CEMEX Group company). This transaction generated a gain of USD 4,239,480,515.

It is planned that - within the frame of the restructuring project - the Company will merge into its mother company, CEMEX España, S.A. in 2017 and therefore dissolved.

No significant event has occurred after the balance sheet date. The company has got the minimal number of employees. The Company has not repurchased any of its shares, has not performed any research and development activities, and does not have any liabilities related to environmental protection.

Budapest, 28 April 2017



Managing Director



Managing Director

