

Rugby Holding B.V.

**Financial Statements
for the year ended 31 December 2016**

17 May 2017

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Directors' report

The Board of Managing Directors of Rugby Holding B.V. (the "Company"), hereby present its financial statements for the financial year ended on 31 December 2016.

General information

The Company is a limited liability company (Besloten Vennootschap), having its registered office at World Trade Center, Strawinskylaan 1637, Tower B, 16th floor, 1077 XX Amsterdam, The Netherlands.

On 1 October 2016, the Company changed its registered address from Claude Debussylaan 30, 13th floor, 1082 MD Amsterdam, The Netherlands, to World Trade Center, Strawinskylaan 1637, Tower B, 16th floor, 1077 XX Amsterdam, The Netherlands.

Overview of activities

On 20 December 2016, the shares of the Company were sold from its former sole shareholder, Gillingham Portland Cement Company Limited, to Cemex UK. Then, on 22 December 2016, Cemex UK sold all the shares of the Company to Cemex España, S.A. for an amount of GBP 464,341,390, being as of this date Cemex España, S.A. the sole shareholder of the Company.

Financial information

During the period under review the Company recorded a loss of EUR 6,934,375 (2015: EUR 111,051,342 loss), details of which are set out in the attached profit and loss account.

Balance sheet as at 31 December 2016

(before appropriation of results)

		2016	2015
		EUR	EUR
Fixed assets			
Financial fixed assets	4	<u>345,796,762</u>	<u>327,739,476</u>
		345,796,762	327,739,476
Current assets			
Amounts due to group companies	6	-	22,027,497
Cash at banks	5	<u>1,364</u>	<u>-</u>
		1,364	22,027,497
Current liabilities			
Banks overdraft	5	430,892	399,017
Amounts due to group companies	6	167,207,700	-
Accrued fees		<u>2,505</u>	<u>5,354</u>
		167,641,097	404,371
Current assets less current liabilities		<u>(167,639,733)</u>	<u>21,623,126</u>
Long term liabilities			
Amounts due to group companies	6	<u>-</u>	<u>164,271,198</u>
		-	164,271,198
Net total assets less liabilities		<u><u>178,157,029</u></u>	<u><u>185,091,404</u></u>
Shareholder's equity			
Share capital	7	21,207,000	21,207,000
Share premium		266,716,890	266,716,890
Accumulated results		(102,832,486)	8,218,856
Result for the year		<u>(6,934,375)</u>	<u>(111,051,342)</u>
		<u><u>178,157,029</u></u>	<u><u>185,091,404</u></u>

See accompanying notes to the 2016 financial statements.

Profit and loss account for the year 2016

	2016	2015
	EUR	EUR
Operating expenses		
Recharged expenses	(31,808)	(32,339)
General and administrative expenses	<u>(56,250)</u>	<u>(68,475)</u>
	(88,058)	(100,814)
Financial results		
Other financial expense	(367)	(371)
Financial expense group companies	(5,067,578)	(6,061,053)
Release of provision on investments in group companies	4 30,277,813	16,941,028
Provision on investments in group companies	4 (39,469,295)	(121,830,132)
Financial income group companies	10,573	-
Foreign exchange loss	(274)	-
Dividend	<u>7,402,811</u>	<u>-</u>
	(6,846,317)	(110,950,528)
Result before taxation	(6,934,375)	(111,051,342)
Corporate income tax	<u>-</u>	<u>-</u>
Result for the year	<u><u>(6,934,375)</u></u>	<u><u>(111,051,342)</u></u>

See accompanying notes to the 2016 financial statements.

Notes to the 2016 financial statements

1 Group affiliation and principal activities

The Company, was incorporated on 5 May 1988 in Gorredijk, The Netherlands.

The principal activity of the Company is the holding of interest in, and financing of, group companies. The Company is fully held by Cemex España, S.A., domiciled in Spain, and the ultimate parent company is stated to be CEMEX, S.A.B. de C.V., a company incorporated in Mexico.

2 Basis of presentation

The accompanying financial statements have been prepared under the historical cost convention in accordance with accounting principles generally accepted in The Netherlands. In accordance with Article 408, Title 9, Book 2 of the Dutch Civil Code, consolidated financial statements are not presented. The financial statements of the Company and its subsidiaries are ultimately consolidated in the financial statements of Cemex España, S.A., a copy of which is filed with the Chamber of Commerce in Amsterdam.

3 Significant accounting policies

3.1 Financial fixed assets

The Company carries its investments in participating interests at cost less accumulated impairment losses.

3.2 Financial income and expenses

Interest income and expense are recognised in the profit and loss account on an accrual basis.

3.3 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Euros at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted into Euros at the rates of exchange approximating those in effect on the dates of the transactions.

On 1 January 2016, the Company signed the termination of the Hedge Agreement formerly entered into with Cemex Hungary Kft. on 20 April 2005.

3.4 Other

All assets and liabilities, other than those for which the basis of valuation is indicated on the face of the balance sheet or notes thereto, are shown at their nominal values. Income and expenses are recognised on an accrual basis.

3.5 Taxation

Taxation has been calculated on the basis of the applicable tax rate in The Netherlands.

Notes to the 2016 financial statements, continued

4 Financial fixed assets

Financial fixed assets stated at cost consist of the following:

	2016		2015	
	EUR	%	EUR	%
CEMEX Polska Sp. z o., Poland	177,842,902	100.00	177,842,902	100.00
Cemex Czech Operations S.R.O., Czech Republic	79,695,045	100.00	66,469,167	90.00
CEMEX, SIA, Latvia	199,937,917	100.00	179,937,917	100.00
Cemex Jamaica (formerly Rugby Jamaica Lime & Minerals Ltd., Jamaica)	8,956,588	100.00	8,956,588	100.00
Akmenes Cementas AB, Lithuania	11,026,164	38.00	11,026,164	38.00
Cemex Slavic Holdings B.V., The Netherlands	18,102	100.00	5,995,212	100.00
Rinker Jamaica, Jamaica	7	1.00	7	1.00
Provision CEMEX Polska Sp. z o., Poland	-		(29,637,565)	
Provision CEMEX, SIA, Latvia	(131,661,862)		(92,192,567)	
Provision Cemex Slavic Holdings B.V., The Netherlands	(18,101)		(658,349)	
	<u>345,796,762</u>		<u>327,739,476</u>	

On 25 February 2016, the Company made a capital contribution in its Latvian subsidiary SIA CEMEX for an amount of EUR 20,000,000.

On 15 November 2016, the Company entered into a transfer of shares agreement with Cemex Slavic Holdings B.V., by means of which the Company acquired 10,048 % of the Czech company CEMEX Czech Republic, s.r.o. for a price of USD 14,183,432 (EUR 13,225,878) becoming CEMEX Czech Republic, s.r.o's sole shareholder.

On 15 November 2016, the Company, approved to cancel the share premium reserve it had in its Dutch subsidiary Cemex Slavic Holdings B.V. for an amount of EUR 5,977,110.

Except for the provisions made above, management believes there has not been any diminution in the value of the Company's investments.

5 Cash at banks / bank overdraft

All balances, denominated in various currencies, are available and payable on demand.

6 Amounts due from/to group companies

Accounts receivable from group companies consist of the following:

Short Term	2016	2015
	EUR	EUR
Cemex Hungary, KFT*	-	22,027,497
	<u>-</u>	<u>22,027,497</u>

* This amount is non-interest bearing.

Notes to the 2016 financial statements, continued

6 Amounts due from/to group companies, continued

Accounts payable to group companies consist of the following:

Short Term	2016 EUR	2015 EUR
Cemex Egyptian Investments B.V.*	16,753	-
New Sunward Holding B.V.	(1) <u>167,190,947</u>	<u>-</u>
	<u>167,207,700</u>	<u>-</u>

* This amount is non-interest bearing.

(1) This amount reflects the interest and principal of the short term loan payable to New Sunward Holding B.V. denominated in EUR at the year ended 31 December 2016, as disclosed below:

Principal EUR	Principal Original currency	Interest rate	Maturity date	Interest accrued
167,190,947	167,190,947 EUR	6M Libor + 344 bps	01/07/2017	-

Long Term	2016 EUR	2015 EUR
New Sunward Holding B.V.	<u>-</u>	<u>164,271,198</u>
	<u>-</u>	<u>164,271,198</u>

7 Shareholder's equity

The movement in equity for the year 2015 can be specified as follows:

	Share Capital EUR	Share Premium EUR	Accumulated Results EUR	Result for the year EUR	Total EUR
Balance as at 31 December 2014	21,207,000	266,716,890	(83,181,938)	91,400,794	296,142,746
Transfer of previous year result	-	-	91,400,794	(91,400,794)	-
Movements during the year	-	-	-	-	-
Result for the year	-	-	-	<u>(111,051,342)</u>	<u>(111,051,342)</u>
Balance as at 31 December 2015	<u>21,207,000</u>	<u>266,716,890</u>	<u>8,218,856</u>	<u>(111,051,342)</u>	<u>185,091,404</u>

As per balance sheet date, the Company has an authorised share capital of 45,500 shares of EUR 1,000 each, of which 21,207 shares have been issued and fully paid up.

Notes to the 2016 financial statements, continued

7 Shareholder's equity, continued

	Share Capital	Share Premium	Accumulated Results	Result for the year	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 31 December 2015	21,207,000	266,716,890	8,218,856	(111,051,342)	185,091,404
Transfer of previous year result	-	-	(111,051,342)	111,051,342	-
Movements during the year	-	-	-	-	-
Result for the year	-	-	-	(6,934,375)	(6,934,375)
Balance as at 31 December 2016	<u>21,207,000</u>	<u>266,716,890</u>	<u>(102,832,486)</u>	<u>(6,934,375)</u>	<u>178,157,029</u>

As per balance sheet date, the Company has an authorised share capital of 45,500 shares of EUR 1,000 each, of which 21,207 shares have been issued and fully paid up.

8 Employees

During the year the Company had no employees, and therefore incurred no expenses associated with salaries, social securities or pensions (2015: none).


9 Directors

The Company had one Managing Director at balance sheet date (2015: one), who did not receive any remuneration in that capacity.

Amsterdam, 17 May 2017.

Signed on behalf of the Sole Managing Director: Cemex Egyptian Investments B.V.:


J.G. Cavazos Garza


P.A. Hernández Chávez

Other information

Provisions in the articles of association governing the appropriation of profit

Under article 24 of the Company's articles of association, the profit is at the disposal of the General Meeting of Shareholders.

Proposal for result appropriation

The General Meeting of Shareholders will be asked to approve the following appropriation of the 2016 result after taxation: a loss of EUR 6,934,375 to be added to the accumulated results.