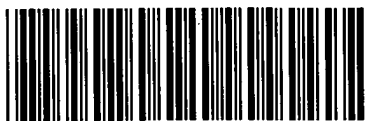


COMPANY NUMBER: 4895833

CEMEX UK MATERIALS LIMITED
DIRECTORS' REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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**CEMEX UK MATERIALS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present the strategic report for the year ended 31 December 2014.

Principal activity, business review and future developments

The principal activity of the Company continues to be the production of aggregates, manufacture of ready mixed concrete and other concrete and specialist products and packing and marketing of dry packed building products as agent for and on behalf of CEMEX UK Operations Limited, which indemnifies the company against all losses and liabilities it may incur in pursuing that activity as agent.

The directors do not expect any material changes in the Company's affairs in the foreseeable future.

Aggregates

The Aggregates business successfully focused on margin improvement based on a 'value before volume' approach to pricing and continuing to minimise production costs. Prices and margins improved compared to 2013 coupled with increases in total volumes. The business also successfully completed the sale of a number of under-utilised quarry assets.

Readymixed concrete

During 2014 the CEMEX UK Operations Limited's readymix concrete business achieved improved selling prices and volumes as the business continued to focus in price lead margin growth including introducing new pricing practices into the sector. The readymix concrete business also introduced a number of new products for specific construction applications. The business continued to be involved in a number of large scale infrastructure projects across the UK.

Building Products

The Building Products business focused on managing its cost base, expanding its capacity in the South East of England key market, and the introduction of 'Ready Brick' a concrete brick solution developed to help address the shortage of clay bricks in the market place. A new block factory at Rochester was developed in 2014 and is being commissioned. The Rail Products division continued to be the market leader, although plans for the development of the HS2 line introduced a degree of uncertainty as the principal manufacturing site Washwood Heath in Birmingham has been designated as the site of a marshalling yard for the new line. Discussions commenced with both HS2 Ltd and Network Rail (the site owner and principal customer) about relocation. Talks are ongoing and a satisfactory resolution is expected to be agreed in 2015.

Market conditions

The construction market continued its path to recovery during 2014, having started its journey after Q1 in 2013. Over the year growth across the sector reached almost 5%. In particular the recovery was driven by growth in the house building sector which saw an increase of some 18% over the year. This growth was concentrated in the first three quarters with a decline in Q4 as mortgage approvals slowed. Private commercial, the largest sector of the market, also grew in 2014 by around 4% driven by an improving economy. Construction is forecast to grow by 5.3% over 2015 according to the Construction Products Association, but with a broader base with strong growth in the housing, commercial and infrastructure sectors of the market.

Key performance indicators

The high level key financial indicators used by management to measure the performance of the business are CVA (Cash Value Added) and ROCE (Return On Capital Employed), supplemented by sales volumes, turnover, margin, profit and net cash flow. The Company also uses non-financial key performance indicators to monitor employee engagement, sustainability and environmental compliance and health and safety performance, including tracking the number of Lost Time Injuries (LTIs) and HSE reportable incidents. In 2014 the company suffered 9 LTIs with 98% of our operations being LTI free for the year and 94% of our operations achieving five years LTI free. CEMEX UK Operations Limited achieved zero Category 1 and Category 2 environmental incidents in 2014.

By order of the board



J.A. Smalley
Director

CEMEX House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD

28 September 2015

**CEMEX UK MATERIALS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and audited financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year was £832,931 (2013: £2,377,474 profit), which was transferred to reserves. The directors do not recommend payment of a dividend (2013: Nil).

Directors

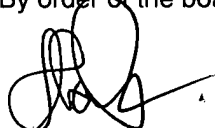
The directors who served during and since the end of the year are shown below:

J. Gonzalez
C.A. Leese
I. Madridejos
D. O'Donnell (resigned 30 July 2015)
L.H. Russell
J.A. Smalley

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board



V. Puri
Secretary

CEMEX House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD

28 September 2015

CEMEX UK MATERIALS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
STRATEGIC REPORT AND THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the strategic report and the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMEX UK MATERIALS LIMITED

We have audited the financial statements of CEMEX UK Materials Limited for the year ended 31 December 2014 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditor.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

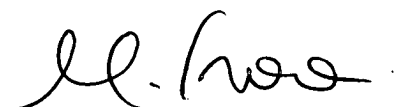
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Michael Froom (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 SEP

September 2015

CEMEX UK MATERIALS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Interest receivable and similar income	2	<u>832,931</u>	<u>2,377,474</u>
Profit on ordinary activities before taxation	3	832,931	2,377,474
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit for the financial year	9	<u><u>832,931</u></u>	<u><u>2,377,474</u></u>

The results are derived wholly from continuing operations. The Company had no recognised gains or losses other than the profit for the financial year, and therefore no statement of total recognised gains and losses has been presented.

The notes on pages 8 to 11 form part of these financial statements.

CEMEX UK MATERIALS LIMITED
BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £	2013 £
Current assets			
Debtors	5	177,548,549	164,997,738
Creditors: amounts falling due within one year	6	<u>(122,638,130)</u>	<u>(110,905,634)</u>
Total assets less current liabilities		54,910,419	54,092,104
Creditors: amounts falling due after more than one year	7	<u>(399,957)</u>	<u>(414,573)</u>
Net assets		<u>54,510,462</u>	<u>53,677,531</u>
Capital and reserves			
Called up share capital	8	45,000,001	45,000,001
Profit and loss account	9	<u>9,510,461</u>	<u>8,677,530</u>
Shareholder's funds	10	<u>54,510,462</u>	<u>53,677,531</u>

These financial statements were approved by the board of directors on 28 September 2015 and were signed on its behalf by:



J.A. Smalley
Director

COMPANY NUMBER: 4895833

The notes on pages 8 to 11 form part of these financial statements.

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing these financial statements.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Related parties

As 100% of the Company's voting rights are controlled within the group headed by CEMEX, S.A.B. de C.V., the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of CEMEX, S.A.B. de C.V., within which this Company is included, can be obtained from the address given in note 12.

Turnover

Turnover represents values invoiced to third parties where the Company acts as principal, or commissions received where the Company acts as agent. During the current and previous periods, no transactions were entered into as principal, nor were any commissions received on trading as agent of CEMEX UK Operations Limited.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2. Interest receivable and similar income

	2014	2013
	£	£
Interest receivable on loan to parent company	<u>832,931</u>	<u>2,377,474</u>

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

3. Profit on ordinary activities before taxation

During the financial year and the preceding year, the Company acted as an undisclosed agent and did not record any trade or expenditure.

	2014 £	2013 £
Auditor remuneration – for audit of these financial statements	<u>5,000</u>	<u>5,000</u>

The remuneration of the auditor stated above was paid by another group undertaking in both years. No remuneration was paid to the directors of the company for their services to the company as directors.

4. Tax on profit on ordinary activities

	2014 £	2013 £
United Kingdom corporation tax: Current tax on the profits of the year at 21.5% (2013: 23.25%)	<u>-</u>	<u>-</u>
Reconciliation of current tax charge for the year: The current tax charge is lower (2013: lower) than the standard rate of corporation tax in the United Kingdom of 21.5% (2013: 23.25%). The difference is as follows:		
Profit on ordinary activities before tax	<u>832,931</u>	<u>2,377,474</u>
Current tax at 21.5% (2013: 23.25%)	(179,080)	(552,763)
Effects of Group relief claimed, not paid for	<u>179,080</u>	<u>552,763</u>
Total current tax charge	<u>-</u>	<u>-</u>

There were no unrecognised deferred tax assets or liabilities.

The 2014 Budget on 8 July 2015 announced that the UK corporation tax rate will reduce to 18% by 2020. This will reduce the company's future current tax charge accordingly.

A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012.

Further reductions to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

The current corporation tax rate for the calendar year 2013 is 21.5% (2013: 23.25%).

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

5. Debtors

	2014 £	2013 £
Amounts falling due within one year		
Loan to parent company		1
Amounts owed by group undertakings	<u>130,346,528</u>	<u>118,824,008</u>
	<u>130,346,528</u>	<u>118,824,009</u>
Amounts falling due after more than one year		
Loan to parent company	<u>47,202,021</u>	<u>46,173,729</u>
Total debtors	<u>177,548,549</u>	<u>164,997,738</u>

The amounts falling due within one year are unsecured, free of interest, and have no fixed date of repayment.

The loan falling due after more than one year is repayable in March 2016 and bears interest at a rate based on Libor.

6. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	74,702,281	67,675,820
Capital creditors	179,397	96,576
Other creditors	30,846	2,078
Other taxation & social security	21,894,243	19,435,795
Accruals & deferred income	<u>25,831,363</u>	<u>23,695,365</u>
	<u>122,638,130</u>	<u>110,905,634</u>

7. Creditors: amounts falling due after more than one year

	2014 £	2013 £
Payments received on account	-	14,616
Accruals & deferred income	<u>399,957</u>	<u>399,957</u>
	<u>399,957</u>	<u>414,573</u>

8. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid		
45,000,001 Ordinary shares of £1	<u>45,000,001</u>	<u>45,000,001</u>

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

9. Profit and loss account

	2014 £	2013 £
At 1 January	8,677,530	6,300,056
Profit for the financial year	<u>832,931</u>	<u>2,377,474</u>
At 31 December	<u>9,510,461</u>	<u>8,677,530</u>

10. Reconciliation of movements in shareholder's funds

	2014 £	2013 £
Profit for the financial year	<u>832,931</u>	<u>2,377,474</u>
Net movement in shareholder's funds	832,931	2,377,474
Shareholder's funds at 1 January	<u>53,677,531</u>	<u>51,300,057</u>
Shareholder's funds at 31 December	<u>54,510,462</u>	<u>53,677,531</u>

11. Contingent liabilities

The Company is registered with H M Revenue & Customs as a member of the CEMEX Investments Limited group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

12. Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company's immediate parent undertaking and controlling party is CEMEX Investments Limited, which is incorporated in Great Britain.

The largest group in which the results of the Company are consolidated is that headed by CEMEX, S.A.B. de C.V., the ultimate parent company and controlling party, which is incorporated in Mexico. Its address is Av. Ricardo Margain Zozaya 325, CP 66265, San Pedro Garza Garcia, N.L., Mexico.

The smallest group in which the results of the Company are consolidated is that headed by CEMEX España S.A., incorporated in Spain. Its address is Hernandez de Tejada 1, Madrid 28027, Spain.

The consolidated financial statements of these groups are available to the public and can be obtained from the above addresses.