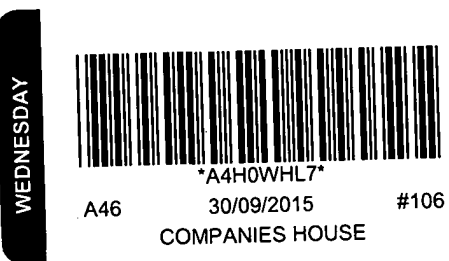


COMPANY NUMBER: 475212

CEMEX UK CEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014



**CEMEX UK CEMENT 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 and future developments

The principal activity of the Company continues to be the manufacture, trade and sale of cement and cementitious 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.

Business review

In 2014 the UK cement market was characterised by a very competitive market place, with importers continuing to push for market share. This was driven by the continued economic difficulties in the Eurozone, and the desire among some manufacturers within the EU to ensure that they retained their full quota of carbon allowances under the EU Emissions Trading Scheme by running their kilns at a minimum of 50%, and thereby producing cement above the needs of their local markets. CEMEX UK Operations Limited's cement operations continued to be the UK cement industry's leading consumer of alternative fuels. CEMEX's South Ferriby cement plant, which suffered serious flooding in December 2013 remained off-line for most of the year whilst repairs were undertaken. Resumption of clinker production began towards the end of the year. Costs resulting from this event have been substantially covered by insurance claims. The plant is expected to be fully operational 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



D.M. Murray
Secretary

CEMEX House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD

28 September 2015

**CEMEX UK CEMENT 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.

Directors

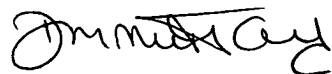
The directors who served during and since the end of the year are shown below:

J. Gonzalez	
I. Madridejos	
D. O'Donnell	(resigned 30 July 2015)
J. Smalley	
C. Uruchurtu	
M. K. Langvad	(appointed 1 January 2015)

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



D.M. Murray
Secretary

CEMEX House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD

28 September 2015

CEMEX UK CEMENT 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 CEMENT LIMITED

We have audited the financial statements of CEMEX UK Cement Limited for the year ended 31 December 2014 set out on pages 5 to 8. 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 3, 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 result 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 SEPT

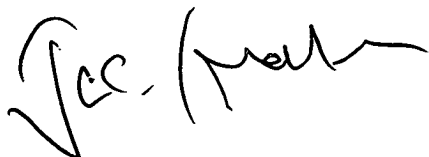
2015

CEMEX UK CEMENT LIMITED
BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £	2013 £
Current assets			
Debtors	4	38,030,055	33,607,630
Creditors: amounts falling due within one year	5	<u>(38,013,100)</u>	<u>(33,590,675)</u>
Net assets		<u>16,955</u>	<u>16,955</u>
Capital and reserves			
Called up share capital	6	10,000	10,000
Other reserves		<u>6,955</u>	<u>6,955</u>
Shareholder's funds		<u>16,955</u>	<u>16,955</u>

There are no recognised gains or losses for the year ended 31 December 2014 or 31 December 2013 and therefore no statement of total recognised gains and losses has been presented.

The 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: 475212

The notes on pages 6 to 8 form part of these financial statements.

CEMEX UK CEMENT 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 8.

2. Profit and loss account

During the financial year and the preceding year, the Company acted as an undisclosed agent and did not record any trade or expenditure. Consequently, during these years, the Company made neither a profit nor a loss.

The remuneration of the auditor stated below was paid by another group undertaking in both years.

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

No remuneration was paid to the directors of the company for their services to the company as directors.

3. 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.

CEMEX UK CEMENT LIMITED
BALANCE SHEET
31 DECEMBER 2014

4. Debtors

	2014	2013
	£	£
Amounts falling due within one year:		
Loan to group undertaking	16,955	16,955
Amounts owed by group undertakings	<u>38,013,100</u>	<u>33,590,675</u>
	<u>38,030,055</u>	<u>33,607,630</u>

These amounts are unsecured, free of interest and payable on demand.

5. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	29,188,906	22,599,514
Other taxation and social security	-	369,527
Accruals and other deferred income	<u>8,824,194</u>	<u>10,621,634</u>
	<u>38,013,100</u>	<u>33,590,675</u>

6. Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid:		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

7. Contingent liabilities

The Company has entered into a joint and several guarantee with certain group companies, in respect of a group overdraft facility up to a maximum of £7,500,000.

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.

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

8. 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 undertaking 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.