Board of Directors
CEMEX, S.A.B. DE C.V.
ING. ROGELIO ZAMBRANO LOZANO
CHAIRMAN

Pursuant to article 43 of the Mexican Securities Market Law (Ley del Mercado de Valores), we hereby submit through you, for consideration of the Board of Directors of Cemex, S.A.B. de C.V., the following activities report that corresponds to the financial year 2017:

(i) The Internal Audit program for 2017, which establishes the coverage in the different countries and opportunities of Cemex, S.A.B. of C.V. and its subsidiaries, and its scope was reviewed.

The Committee reviewed the results of the audits for the financial year 2017.

(ii) The Committee periodically evaluated the operational risks, their potential economic impact and the deficiencies detected in the audits, as well as their relevance and the measures taken by the Administration to correct them.

A report was presented to the Committee regarding the main lawsuits in which Cemex, S.A.B. of C.V. or its subsidiaries are parties to, analyzing the contingencies that they represent.

(iii) The Committee was informed of the functioning of the system for filing complaints in an anonymous and confidential manner, verifying that due attention was paid to the complaints submitted.

(iv) For the financial year ending in December 31, 2016, a material weakness was detected and reported by the Company in its annual report or 20-F form for said financial year, related to unusual significant transactions in the process of generating financial information, indicating that the risk assessment process did not work effectively to implement controls that could avoid, detect and amend the errors resulting from an apparent collusion of certain executives in Colombia and the lack of compliance with controls by management in relation to significant unusual transactions in Colombia in relation with the Maceo case, which is why monitoring controls were insufficient to detect non-compliance with policies related with financial information of significant unusual transactions; the foregoing did not involve the restatement of financial statements in that financial year. Due to this material weakness, a remediation plan was submitted in 2017 to the Committee to correct the deficiencies detected.

Currently, the testing program for the internal control systems is in the process of being reviewed to verify the efficiency of the corresponding controls pursuant to applicable regulations.

(v) The Committee recommended that the Board of Directors continue the services of the External Audit firm KPMG Cárdenas Dosal S.C.; as well as the fee budget submitted by said firm; verifying that services that are not permitted by the applicable law are not provided; the independence of the Audit firm, as well as compliance with the rotation of the responsible partner.

(vi) The external auditors attended the Committee sessions, reporting on their review to the internal control systems and monitoring the implementation of the remediation plan to address the aforementioned material weakness.

The auditors discussed with the Committee the relevant events and their impact on the Financial Statements during the 2017 fiscal year, as well as the main contingencies, the follow-up given during the year, as well as the deficiencies found, which were considered not material.

(vii) The Financial Statements of the Company and its subsidiaries, audited for fiscal year 2017, as well as those of Cemex, S.A.B. of C.V., authorizing them to be submitted to the Board of Directors and, in due course, to the General Shareholders Meeting.

The most significant aspects during 2017 where: (i) on January 31st, the sale by a Cemex, S.A.B. de C.V. subsidiary in the United States relating to the business of concrete pipes to

Quikrete for US$500 million plus a contingent consideration of US$40million based on future performance; (ii) on February 1, the execution by Cemex Holding Philippines, Inc. of a long-term unsecured term loan facility in Philippine pesos with BDO Unibank for approximately US$280 million; (iii) on February 1, the consolidation of Trinidad Cement Limited for purposes of CEMEX's financial reports, resulting from the offer by Sierra Trading, a subsidiary of Cemex, S.A.B. of C.V., to the shareholders of Trinidad Cement Limited by means of which Sierra Trading acquired 113,629,723 shares of Trinidad Cement Limited, which, together with the pre-existing participation of Sierra Trading in such company, represent approximately 69.83% of all outstanding Trinidad Cement Limited shares; (iv) on February 10, the closing of the sale of the cement plant in Fairborn, Ohio and a cement terminal in Columbus, Ohio to Eagle Materials Inc. for US$400 million; (v) on February 13, the public tender offer made by Cemex, S.A.B. of C.V. to acquire up to US$475 million aggregate principal amount of the 7.25% senior secured notes due 2021, the 6.5% senior secured notes due 2019 and the 9.375% senior secured notes due 2022, which resulted in the acquisition of US$385.1 million aggregate principal amount of the 7.25% senior secured notes due 2021 and US$89.9 million aggregate principal amount of the 6.5% senior secured notes due 2019; (vi) on February 15, the sale of 45,000,000 common shares of Grupo Cementos de Chihuahua, S.A.B. of C.V. at a price of $95 pesos per share in a public offering to investors in Mexico authorized by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and in a parallel private placement to eligible investors outside of Mexico; (vii) during March, the renewal of the programs for the sale of trade accounts receivable outstanding in the United States of America, France and the United Kingdom, with the expiration of said programs scheduled for March 2018; (viii) the ordinary annual general meeting of shareholders of Cemex, S.A.B. of C.V. held on March 30, 2017, where, among other things, two increases in the variable portion of the capital stock of Cemex, S.A.B. of C.V. were approved, one for $ 4,684,960.14 M.N. through the issuance of up to 1,687,294,989 nominative common ordinary shares without expression of nominal value and the second for $716,365.38 M.N. through the issuance of up to 258,000,000 nominative common ordinary shares without expression of nominal value, and the appointment of the members of the CEMEX, S.A.B. de C.V.'s Board of Directors including new members Ramiro Gerardo Villarreal Morales and Marcelo Zambrano Lozano; (ix) in relation to the contract entered into with Duna-Dráva

Cement Kft. on August 12, 2015 for the sale of CEMEX's operations in Croatia, the issuance by the European Commission on April 5, 2017 of a decision that does not allow the aforementioned sale to take place, hence the sale cannot be completed and CEMEX maintains its operations in Croatia; (x) on May 31, the amortization by Cemex Finance LLC of the remaining amount of €400 million of the Euro-denominated April 2021 notes; (xi) on June 19, the conversion by some institutional holders of US$325 million of the total amount of the Dollar-denominated optionally convertible subordinated notes due March 2018 in exchange for 43 million of Cemex, S.A.B de C.V.'s American Depositary Shares; (xii) on June 30, the sale by one of the subsidiaries of Cemex, S.A.B. de C.V. in the United States of its construction materials business in the Pacific Northwest of the United States consisting of aggregate, asphalt and concrete operations in Oregon and Washington to Cadman Materials, Inc., part of Lehigh Hanson, Inc. and HeidelbergCement Group's subsidiary in the United States, for approximately US$150 million; (xiii) on July 19, 2017, the closing of the facilities agreement by Cemex, S.A.B. of C.V. and some of its subsidiaries for approximately US$4 billion (in total), whose proceeds were used to refinance the indebtedness incurred under a credit agreement existing at that time; (xiv) on September 20, notification by the Spanish Central Administrative Economic Court (*Tribunal Económico Administrativo Central*) of the adverse resolution in relation to the appeal against the fines imposed by the Spanish tax authorities arising from the challenge of the tax losses reported by Cemex España, S.A. in 2006 to 2009; (xv) on September 25, the purchase of the total amount of US $ 700,618,000 of its 9.375% senior secured notes due 2022 through a cash tender offer; (xvi) on September 27, the sale of 31,483,332 common shares of Grupo Cementos de Chihuahua, S.A.B. de C.V. for approximately US$168 million, which represented 9.47% of the share capital of said company, as well as the signing of forward contracts on the price of the shares of Grupo Cementos de Chihuahua, S.A.B. of C.V. with two financial institutions, which are payable in cash but can be terminated early; (xvii) on November 28, the issuance of € 650 million of Euro-denominated 2.750% senior secured notes due 2024; (xviii) on December 10, amortization by Cemex, S.A.B. of C.V. with respect to its 6.5% senior secured notes due 2019; and (xix) on December 22, the enactment of the largest tax reform in the United States since 1986, which entered into effect on January 1, 2018, which includes significant changes, among which the following stand out: a) reduction of the rate from 35% to 21%, b) repeal of the alternative minimum tax, c) limitation of interest expense, d) use of losses. There are issues within the same reform that have not yet been regulated by the regulatory bodies in that country, the effects of these changes will be evaluated to the extent that they are defined and there is consensus regarding the applicable tax and accounting regulations. The company included the effects of this reform in its determination of the deferred tax of the US entities at the close of the fiscal year of 2017

(viii) The main critical accounting policies during this year considering the type of operations were: income taxes (current and deferred), recognition of income, impairment of long-lived assets and accounting estimates, mainly in accordance with the provisions and contingencies on legal proceedings in progress.

(ix) As to compliance with the provisions of the securities authorities of the United States:

(i) The company's compliance with the securities markets laws to which it is bound was reviewed, following up the process of delivering information to the Securities and Exchange Commission of the United States derived from the investigation they are carrying out in relation to the Maceo case in Colombia.

(ii) As of the date of this report, the Company and the external auditors are in process of finalizing the internal control's tests, mainly in relation to the year's closing controls and certain controls at the entity level. Likewise, after having identified the existence of a material weakness regarding internal controls, as mentioned above, the internal control tests on the remediation plan are currently in the process of being completed in order to correct the control deficiencies since the aforementioned failures were detected.

The Committee made sure that Management properly followed the recommendations and corrective actions suggested by the external auditors with no irregularities or material flaws thereto, and issued their opinion on the various matters within its scope which were submitted to the Board of Directors, the compliance with the resolutions related to Shareholders' Meetings and Board of Directors' Meetings was also reviewed.

The opinion of the external auditors on the company's financial statements both individual and consolidated, is that they reasonably reflect the financial situation and results of the Company and its subsidiaries, that material events have been properly revealed, and that application of the accounting principles and policies has been consistent and adequate.

Monterrey, N.L. on February 1, 2018

By the Audit Committee

C.P. José Manuel Rincón Gallardo	Lic. Roger Saldaña Madero
Chairman	Secretary