

COVER SHEET

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Form Type

SEC Form 17-Q

Department requiring the report

C F D

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's email Address

Company's Telephone Number/s

849 - 3600

Mobile Number

No. of Stockholders

Annual Meeting (Month / Day)

Fiscal Year (Month / Day)

June 30

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Vincent Paul O. Piedad

Email Address

paul.piedad@cemex.com

Telephone Number/s

(02) 849 3725

Mobile Number

CONTACT PERSON'S ADDRESS

8th Floor, Petron Mega Plaza, 358 Sen. Gil J. Puyat Avenue, Makati City

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2016**
2. SEC Identification Number. **CS201518815**
3. BIR Tax Identification No. **009-133-917-000**
4. Exact name of registrant as specified in its charter. **CEMEX Holdings Philippines, Inc.**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office and postal code **8th Floor, Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Ave., Makati City 1200**
8. Issuer's telephone number, including area code **(02) 849-3600**
9. Former name, former address and former fiscal year, if changed since last report - **NA**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	5,195,395,454

11. Are any or all of the securities listed on a Stock Exchange?

Yes No

Stock Exchange: Philippine Stock Exchange
Securities Listed: Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

(b) has been subject to such filing requirements for the past ninety (90) days. Yes No

FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited condensed consolidated interim financial statements as at and for the six-months and three-months ended June 30, 2016 and the audited consolidated balance sheet as at December 31, 2015 and the related notes to the unaudited condensed consolidated interim financial statements of CEMEX Holdings Philippines, Inc. and its Subsidiaries are filed as part of this Form 17-Q as Appendix I.

The term "Parent Company" used in this report refers to CEMEX Holdings Philippines, Inc. without its Subsidiaries. The term "Company" refers to the Parent Company together with its consolidated Subsidiaries.

The Company does not have comparative figures for unaudited condensed consolidated financial statements for the first six months ended June 30, 2015 because the Company was only incorporated on September 17, 2015. On January 1, 2016 the Parent Company acquired, directly and indirectly through intermediate holding companies, a 100% equity interest in each of Solid Cement Corporation ("Solid") and APO Cement Corporation ("APO"). These companies were already operating during 2015 and at the time of acquisition. Only with respect to cement volumes and prices does the Company provide comparisons on a like-for-like basis (see Item 2).

Material subsequent events affecting our income statement took place after June 30, 2016. On July 18, the total outstanding shares of the Parent Company consisting of 5,195,395,454 common shares were listed in the Philippine Stock Exchange, with 2,337,927,954 shares sold to the public via an initial public offering ("IPO"). The proceeds from the IPO were principally used to (i) pay underwriting and selling fees, commissions and expenses related to the IPO including applicable taxes; (ii) fully repay the Parent Company's short-term loan from BDO Unibank, Inc.; and (iii) repay amounts outstanding under the short-term loan agreement with New Sunward Holding B.V., a subsidiary of CEMEX, S.A.B. de C.V.

Several important operational arrangements will become effective as a result of the consummation of the IPO, as stated in the Parent Company's IPO prospectus and annexes (the "Prospectus"). The effect of these arrangements, which will be applied retroactively to January 1, 2016, will be reflected in and is expected to materially impact the Company's consolidated financial statements beginning the third quarter of 2016 (FOR MORE RELEVANT INFORMATION, SEE NOTE 15 OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS).

Consequently, the attached consolidated interim financial statements as of June 30, 2016 do not yet include any impact from these material subsequent events.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of our consolidated financial condition and results of operations as at and for the six months and three months ended June 30, 2016, and the consolidated financial condition for the year ended December 31, 2015, and certain trends, risks and uncertainties that may affect our business. No comparative interim figures for 2015 were available for the discussion of the Company's financial performance since the Parent Company was only incorporated in September 2015.

Financial Performance

As at and for the Six Months and Three Months ended June 30, 2016

Net Sales

The consolidated net sales for the period ended June 30, 2016 amounted to P12.7 billion of which P6.4 billion were generated during the second quarter of the year. Sales were generated mainly from sale of cement products as a result of the Company's ordinary activities. Amounts were after the elimination of transactions between consolidated entities.

For the six months ended June 30, 2016, our sales volumes of cement increased 5% and our average sales price for cement increased 3% against the same period last year. (See Item 1 for the basis of comparison)

- During the first quarter, our cement sales volumes increased by 10% and our average sales price for cement increased 4%, in each case compared with the same period of the prior year.
- During the second quarter, our cement sales volumes were flat and our average sales price for cement increased 3%, in each case compared with the same period of the prior year. This volume performance proceeds from a high base of growth in 2015 of 25% year-on-year during the second quarter, almost twice the market's growth of 13% during the same period. The cement volumes in the quarter also reflect a temporary slowdown in construction activity associated with the May elections.

Cost of Sales

Consolidated cost of sales for the period ended June 30, 2016, amounted to P6.6 billion of which P3.4 billion were incurred during the second quarter. Cost arises from power and fuel consumption, raw materials and supplies used during production, depreciation and other expenses directly attributable to the manufacturing of finished goods.

Cost of sales as a percentage of sales for the six months ended June 30, 2016 and for the second quarter was 52.2% and 53.4%, respectively. As of June 30, 2016, the scheduled annual maintenance shutdowns at both plants were already completed, the impact of which will be diluted during the course of the year.

During the six months ended June 30, 2016, fuel and power costs included in our cost of sales represented approximately 18.2% and 20.6%, respectively, of our consolidated cost of sales, benefited from improved negotiated costs and production efficiencies.

Gross Profit

As a result of above conditions, consolidated gross profit amounted to P3.0 billion for the second quarter or P6.1 billion cumulatively ending June 30, 2016. Gross profit as a percentage of sales for the six months ended June 30, 2016 and for the second quarter represents 47.8% and 46.6% of net sales, respectively.

Operating Expense

Consolidated Operating Expenses amounted to P5.1 billion for the six months ended June 30, 2016. Operating Expenses were composed of administrative and selling expenses, and distribution expenses. Consolidated administrative and selling expenses amounted to P3.2 billion or 24.9% of net sales for the six month period, mainly attributable to royalties, trademark, and insurance, amounting to P1.6 billion, P18.4 million and P602 million respectively. (FOR MORE RELEVANT INFORMATION, SEE NOTE 15 OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS).

For the second quarter, consolidated operating expenses amounted to P2.6 billion or 40.3% of net sales. Consolidated administrative and selling expenses amounted to P1.6 billion or 25.0% of net sales. Significant portion were attributable to royalties, trademarks and insurance, amounting P796.3 million, P9.3 million and P303.4 million respectively. Other expenses included in Operating Expenses cover administrative services, salaries and wages, utilities and administrative supplies, tax and license, depreciation and amortization, advertising and travel expenses, and others.

Distribution expenses amounted to P2.0 billion for the period ended June 30, 2016 of which P981.4 million were related to the second quarter which accounts for 15.5% and 15.4% of net sales, respectively.

Operating Income before Other Expenses, Net

For the reasons discussed above, consolidated operating income before other income and expense amounted to P937.1 million for the six months ended June 30, 2016 and P404.0 million during the second quarter of 2016. These comprise 7.4% and 6.3% of net sales, respectively.

Financial Expenses, Net

Consolidated net financial expenses for the six months ended June 30, 2016 amounted to P481.7 million of which P463.8 million were incurred during the second quarter. Transactions include financial expenses from short-term (P222.8 million) and long-terms loans (P259.0 million) with related parties and banks.

Subsequent events referred to in Item 1 specify that proceeds from the IPO were used in July and August to fully repay the short-term loan agreement with BDO Unibank, Inc. and majority of the short-term loan agreement with New Sunward Holding B.V.

Foreign Exchange Loss

Loss of P335.4 million was reported for the six months ended June 30, 2016, of which P138.6 million was incurred during the second quarter. Loss arises from the net effect of both realized and unrealized gain/loss from financial position and realized gain/loss from foreign currency denominated transactions.

Other Expenses, Net

For the second quarter, consolidated other expense, net, was P80.3 million (1.3% of net sales) or P74.8 million (0.6% of net sales) cumulatively for the period ended June 30, 2016. Transactions mainly include a one-time filing fee for the registration of the IPO and initial listing fees.

Income Tax

As a result of operations, our consolidated income tax expense for the six months ended June 30, 2016 amounted to P1.5 million. This amount was net of an income tax benefit for the second quarter of P108.1 million. For more relevant information, see Note 15 of the unaudited condensed consolidated financial statements.

Consolidated Net Income (Loss)

As a result of the abovementioned concepts, consolidated net income for the six months ended June 30, 2016 amounted to P43.6 million.

Financial Position

As of December 31, 2015, the Parent Company was still in the process of capitalization and acquisition of the operating entities Solid and APO (See Item 1). The figures as of the aforementioned date are not relevant for comparison purposes.

As at June 30, 2016

The Company's assets and liabilities as at June 30, 2016 were mostly from the assets acquired and liabilities assumed by the Parent Company as a result of the business combination on January 1, 2016.

Cash and Cash Equivalents

The balance of P3.2 billion on June 30, 2016 was mainly due to cash and cash equivalents acquired during business combination and cash inflows from the Company's operations which were offset by the partial settlement of the short-term loan to New Sunward Holding B.V. (NSH), a related party. Cash in banks earn interests at the prevailing bank deposit rates. Cash equivalents are short-term highly liquid investments readily convertible to cash.

Trade and Other Receivables - Net

Accounts receivables, net, mainly pertain to receivables from customers.

Receivable from Related Parties

Related party balances amounting to P141.2 million as at June 30, 2016 resulted primarily from the sale of goods, invoicing of administrative services and rentals, and advances and loans between related parties.

Other Current Accounts Receivable

Other accounts receivables amounting to P97.0 million as at June 30, 2016 which includes, among other concepts, a loan granted by the Company to CEMEX Philippines Foundation, Inc.

Inventories

Inventories amounting to P2.1 billion as at June 30, 2016 primarily consist of cement, clinker, raw materials, spare parts and others which are valued using the lower of cost and net realizable value.

Other Current Assets

Other current assets amounted to P1.0 billion which refers primarily to prepayments for freight, taxes, and rentals, advance payment to suppliers and cash advances given to employees.

Investments in Associates and Other Investments

Investments in Associates cover minority equity investments in Greencrete Inc. and Calabar Aggregates Corporation.

Other Long Term Receivables

Other assets amounting to P328.0 million on June 30, 2016 arises mainly from deposits and long-term prepayments as a result of the Company's ordinary activities.

Property, Machinery and Equipment

Property, machinery and equipment have a balance of P15.3 billion as at June 30, 2016. Out of this amount P148.9 million was used for maintenance capital expenditures and P16.9 million for strategic capital expenditures related to the capacity expansion in Solid Plant. Other movements were related to depreciation.

Goodwill

The Company's goodwill arose from business combinations. For more relevant information, see Note 1 of the unaudited condensed consolidated financial statement.

Deferred Income Tax

The Company's deferred income tax amounted to P207.1 million tax benefit caused by the operating losses and unused tax credits.

Trade Payables

Trade payables as at June 30, 2016 amounted to P2.1 billion which were related to raw materials purchases and outstanding payables to third party suppliers and service providers.

Bank Loan Payable

Balance in Bank Loan Payable as at June 30, 2016 amounted to P7.3 billion and corresponds to the short-term loan with BDO Unibank, Inc. This loan was used to refinance part of the short-term loan with NSH, a related party.

Subsequent events referred to in Item 1 specify that proceeds from the IPO were used in July and August to fully repay the short-term loan agreement with BDO Unibank, Inc.

Payable to Related Parties

Short-term payable to related parties have balance of P18.5 billion as at June 30, 2016. On the other hand, long-term payable to related parties amounted to P17.7 billion. The balance mainly consists of loans with NSH which were used to finance the acquisition of shares from CEMEX Asia B.V., CEMEX Asia Holdings, Ltd. and CEMEX Asia Pacific Investment B.V.

Subsequent events referred to in Item 1 specify that proceeds from the IPO were used in July and August to repay majority of the short-term loan agreement with New Sunward Holding B.V.

Income Tax Payable, Other Accounts Payable and Accrued Expenses, and Provisions

Other payables and accruals which amounted to P1.9 billion pertain mainly to advances from customers, provisions, and tax payables.

Employee Benefits Liability

Employee Benefits Liability amounting to P756.4 million as at June 30, 2016 refers to the costs recognized by the Company that are associated with employees' defined benefit pension plans.

Other Noncurrent Liabilities

Other noncurrent liabilities of P29.6 million mainly include provision for asset retirement obligations.

Common Stock

Total authorized capital stock of the Parent Company consists of 5,195,395,454 shares at a par value of P1 per share. Total subscribed capital stock is 2,857,467,500 shares at a par value of P1 per share. FOR MORE RELEVANT INFORMATION, SEE NOTE 1 AND NOTE 15 OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

Other Equity Reserves

The amount refers to the cumulative effects of items and transactions that are, temporarily or permanently, recognized directly to stockholders' equity which include share-based compensation, remeasurement of retirement benefits liability and cumulative currency translation of a foreign subsidiary.

Retained Earnings

Retained earnings of P23.2 million include the Company's cumulative net results or prior accounting results.

Key Performance Indicators

The Company sets certain performance measures to gauge its operating performance periodically and to assess its overall state of corporate health. Listed below are the major performance measures, which the Company has identified as reliable performance indicators. Analyses are employed by comparisons and measurements on a consolidated basis based on the financial data as at June 30, 2016.

The Key Performance Indicators presented below as at June 30, 2016 do not include any impact from the material subsequent events referred to in Item 1 (FOR MORE RELEVANT INFORMATION, SEE NOTE 15 OF THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS).

The financial impact resulting from these events will only be recorded in the third quarter of 2016 and certain adjustments will have an effect retroactive to January 1, 2016.

Key Financial Indicators	Formula	For the period ended June 30, 2016	For the year ending December 31, 2015
Current Ratio	Current Asset/Current Liabilities	0.3 : 1	25.9 : 1
Solvency Ratio	Profit + Depreciation and Amortization/Total Liabilities	0.0	(0.0)
Net debt to Equity Ratio	Bank Debt/Total Equity	2.5 : 1	0
Asset to Equity Ratio	Total Assets/Total Equity	17.8 : 1	1.0 : 1

Key Financial Indicators	Formula	For the period ended June 30, 2016	For the period ended June 30, 2015
Interest Rate Coverage Ratio	Profit before interest and tax/interest	1.9	N/A
Profitability Ratio	Operating Margin/Net sales	0.1	N/A

Aging of Accounts Receivables

As at June 30, 2016, the aging analysis of various accounts receivable are as follows:

	Neither past due nor impaired	Past due but not impaired			Impaired	Total
		1 to 30 days	31 to 60 days	More than 60 days		
Trade receivables	P 870,632	P 87,758	P 43,013	P 42,203	P 6,778	P 1,050,384
Receivables from related parties	141,170	–	–	–	–	141,170
Other current accounts receivables	96,797	–	–	–	–	96,797
	1,108,599	87,758	43,013	42,203	6,778	1,288,351
Allowance for impairment losses	–	–	–	–	(6,778)	(6,778)
	P1,108,599	P87,758	P43,013	P42,203	P–	P1,281,573

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CEMEX HOLDINGS PHILIPPINES, INC.

By:



PEDRO JOSE PALOMINO

President

11 August 2016



VINCENT PAUL PIEDAD

Treasurer

11 August 2016