UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 10, 2017

Eagle Materials Inc.
(Exact name of registrant as specified in its charter)

Delaware	1-12984	75-2520779
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3811 Turtle Creek Blvd., Suite 1100, Dallas, Texas	75219
(Address of principal executive offices)	(Zip code)

Registrant's telephone number including area code: (214) 432-2000

Not Applicable
(Former name or former address if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

Eagle Materials Inc. (the “Company”, which may be referred to as “we”, “our” or “us”) is filing this Form 8-K/A (Amendment No. 1) in order to file the historical financial statements and pro forma financial information required by paragraphs (a) and (b) of Item 9.01. Financial Statements and Exhibits on Form 8-K, which were omitted as permitted in paragraphs (a)(4) and (b)(2) of such Item from its Current Report on Form 8-K, filed with the Securities and Exchange Commission (the “Commission”) on February 10, 2017 (the “Original 8-K”) in connection with the Acquisition of certain assets of CEMEX Construction Materials Atlantic LLC used in connection with the CEMEX Ohio Business. The financial statements and information filed with this amendment consist of the historical financial statements of the CEMEX Ohio Business specified in Rule 3-05(b) of Regulation S-X and the pro forma financial information required in connection with the Acquisition pursuant to Article 11 of Regulation S-X. Capitalized terms used in this report without definition have the respective meanings given to them in the Original 8-K.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

The CEMEX Ohio Business audited combined financial statements and the accompanying notes to the combined financial statements as of and for the year ended December 31, 2015 are filed herewith as Exhibit 99.1

The CEMEX Ohio Business unaudited combined financial statements and the accompanying notes to the combined financial statements as of September 30, 2016 and for the nine-month periods ended September 30, 2016 and 2015 are filed herewith as Exhibit 99.2.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial information and the notes related thereto of the Company as of September 30, 2016, for the six-month period ended September 30, 2016 and for the fiscal year ended March 31, 2016 are filed herewith as Exhibit 99.3.

(d) Exhibits

Number	Description
23.1	Consent of Independent Auditors
99.1	The CEMEX Ohio Business audited combined financial statements and the accompanying notes to the combined financial statements as of and for the year ended December 31, 2015.
99.2	The CEMEX Ohio Business unaudited combined financial statements and the accompanying notes to the combined financial statements as of September 30, 2016 and for the nine month periods ended September 30, 2016 and 2015.
99.3	Unaudited condensed combined pro forma financial information and the notes related thereto of Eagle Materials Inc. as of September 30, 2016, for the six months ended September 30, 2016 and for the fiscal year ended March 31, 2016.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EAGLE MATERIALS INC.

By: /s/ D. Craig Kesler
D. Craig Kesler
Executive Vice President – Finance and
Administration and Chief Financial Officer

Date: March 24, 2017

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the registration statement (No. 333-206222) on Form S-3 and the registration statements (No. 33-82820, No. 33-82928, No. 33-84394, No. 333-54102, No. 333-163061 and No. 333-190487) on Form S-8 of Eagle Materials Inc. of our report dated December 21, 2016, with respect to the combined balance sheet of the CEMEX Ohio Business as of December 31, 2015, and the related combined statement of income, changes in net parent investment and cash flows for the year then ended which report appears in the Form 8-K/A of Eagle Materials Inc. dated March 24, 2017.

/s/ KPMG LLP

Houston, Texas
March 24, 2017

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Financial Statements

December 31, 2015

(With Independent Auditors' Report Thereon)

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Financial Statements

December 31, 2015

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Independent Auditors' Report

The Board of Directors
CEMEX, Inc.:

We have audited the accompanying combined financial statements of the CEMEX Ohio Business (the carved-out operations of certain assets, liabilities and operations of CEMEX Construction Materials Atlantic, LLC), which comprise the combined balance sheet as of December 31, 2015, and the related combined statement of income, changes in net parent investment, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the CEMEX Ohio Business as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Houston, Texas
December 21, 2016

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Balance Sheet

December 31, 2015

(In thousands)

		2015
Assets		
Current assets:		
Accounts receivable, net (note 4)	$	5,542
Inventories (note 6)		8,033
Other current assets		199
Total current assets		13,774
Property, plant and equipment, net (note 7)		68,355
Goodwill (note 8)		142,650
Other assets		1,562
Total noncurrent assets		212,567
Total assets	$	226,341
Liabilities and Net Parent Investment		
Current liabilities:		
Accounts payable and accrued expenses (note 10)	$	5,965
Total current liabilities		5,965
Deferred income taxes (note 9)		10,309
Other long-term liabilities (note 10)		8,001
Total noncurrent liabilities		18,310
Total liabilities		24,275
Commitments and contingencies (note 13)		
Net parent investement		202,066
Total liabilities and net parent investment	$	226,341

See accompanying notes to the combined financial statements.

CEMEX OHIO BUSINESS
(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Statement of Income

Year ended December 31, 2015

(In thousands)

		2015
Trade revenues	$	71,960
Revenues from affiliates		2,802
Total revenues		74,762
Costs and expenses:		
Operating expenses		42,890
Depreciation and depletion		5,854
Selling, general and administrative		5,554
Loss on sale of assets		97
Total costs and expenses		54,395
Operating income		20,367
Other expenses		(99)
Income before income taxes		20,268
Income tax expense (note 9)		(6,434)
Net income	$	13,834

See accompanying notes to the combined financial statements.

CEMEX OHIO BUSINESS
(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Statement of Changes in Net Parent Investment

Year ended December 31, 2015

(In thousands)

	Net Parent Investment
Balance at January 1, 2015	$ 204,890
Net income	13,834
Net distributions to parent	(16,658)
Balance at December 31, 2015	$ 202,066

See accompanying notes to the combined financial statements.

CEMEX OHIO BUSINESS
(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Statement of Cash Flows

Year ended December 31, 2015

(In thousands)

	2015
Cash flows from operating activities:	
Net income	$ 13,834
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and depletion	5,854
Deferred income tax expense	949
Loss on sale of assets	97
Changes in:	
Accounts receivable, net	1,175
Inventories	(1,338)
Other current assets	(199)
Other assets	(263)
Accounts payable and accrued expenses	1,703
Other long-term liabilities	(83)
Net cash provided by operating activities	21,729
Cash flows from investing activities:	
Purchases of property, plant, and equipment	(5,075)
Proceeds from sale of assets	4
Net cash used in investing activities	(5,071)
Cash flows from financing activities:	
Net distributions to parent	(16,658)
Net cash used in financing activities	(16,658)
Net decrease in cash and cash equivalents	—
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at end of period	$ —
Income taxes paid	—
Interest paid	—

See accompanying notes to the combined financial statements.

(1) Description of Business

CEMEX Ohio Business (the Business) represents the operations of the Fairborn Cement plant and the Columbus terminal, both located in Ohio. The Business' operations are part of CEMEX Construction Materials Atlantic, LLC, which is a wholly owned subsidiary of CEMEX Materials, LLC, which is a direct wholly owned subsidiary of CEMEX, Inc. (CEMEX, Inc.), and an indirect wholly owned subsidiary of CEMEX, S.A.B. de C.V. (CEMEX or Ultimate Parent). CEMEX is a large international company engaged in the production and sale of cement, ready mix concrete, aggregates and other building materials. The Business is engaged in the production, distribution, marketing, and sale of cement.

(2) Basis of Preparation and Presentation

(a) Basis of Preparation

The accompanying combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP). All affiliate transactions within the Business have been eliminated in the combined financial statements.

The combined financial statements are presented in U.S. dollars, which is the Business' functional currency. All financial information is presented in thousands of U.S. dollars, except when otherwise indicated.

The accompanying combined financial statements include the assets, liabilities, revenues, and expenses that are specifically identifiable to the Business. In addition, certain costs related to the Business have been allocated from CEMEX, Inc. These allocated costs are primarily related to management financial systems, information technology, credit, treasury, corporate, and all other administrative support and includes amounts allocated for stock-based compensation, and employee benefits. The Business receives service and support functions from CEMEX, Inc. and its subsidiaries. The Business' operations are dependent upon CEMEX, Inc. and its subsidiaries' ability to perform these services and support functions. The costs associated with these services and support functions have been allocated to the Business using the most meaningful respective allocation methodologies which were primarily based on the services drivers each area provide, including headcount, number of equipment units and number of transactions processed.

The Business utilizes CEMEX, Inc.'s centralized processes and systems for cash management, payroll, purchasing, and distribution. As a result, all cash received by the Business was deposited in and commingled with CEMEX, Inc.'s general corporate funds and is not specifically allocated to the Business and therefore the Business has no cash balance. The net results of the Business' cash transactions between the Business and CEMEX, Inc. are reflected as net distributions to the parent in the accompanying combined balance sheet. In addition, the net parent investment represents CEMEX, Inc.'s interest in the recorded net assets of the Business and represents the cumulative net investment by CEMEX, Inc. in the Business through the date presented, inclusive of cumulative operating results of the Business.

Management believes the assumptions and allocations underlying the combined financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered to be a reasonable reflection of the utilization of services provided to or the benefit received by the Business during the period presented relative to the total costs incurred by CEMEX, Inc. However, the amounts recorded for these transactions and allocations are not necessarily representative of the amount that would have been reflected in the combined financial statements had the Business been an entity that operated independently of CEMEX, Inc. Consequently, future results of operations should the Business be separated from CEMEX, Inc. will include costs and expenses that may be materially different than the Business's historical results of operations, financial position, and cash flows. Accordingly, the combined financial statements for these periods are not indicative of the Business's future results of operations, financial position, and cash flows.

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(b) Use of estimates

The preparation of the Business' combined financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Significant items subject to such estimates by the Business' management include provisions for uncollectible receivables, valuation of long-lived assets and related estimated useful lives, allocation of CEMEX, Inc.'s goodwill and expenses, valuation of goodwill, asset retirement obligations, and reserves for contingencies.

(3) Significant Accounting Policies

(a) Accounts Receivable

Accounts receivable are recorded at the invoiced amount, less allowance for doubtful accounts. The allowance for doubtful accounts is the Business' best estimate of the amount of probable credit losses in the Business' existing accounts receivable. The estimate for allowance is assessed quarterly; the allowance is made for doubtful accounts addressing both individual and general account balances. The collectability of receivables is assessed monthly, where charge-offs are determined, the corresponding account balances are charged off against the allowance.

(b) Inventories

Inventories are recorded at their weighted average cost and are valued at the lower of cost or market. The cost of inventories include expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. The Business capitalizes all direct and certain indirect expenditures incurred in connection with the acquisition or construction of major facilities.

Depreciation and amortization commence when the completed facility is ready for use. Depreciation of fixed assets is recognized as part of cost and operating expenses, and is calculated using the straight-line method over the estimated useful lives of the assets.

As of December 31, 2015, the range of average useful lives by category of fixed assets, were as follows:

	Years
Buildings and improvements	5 to 30
Machinery and equipment	3 to 20
Mobile equipment	3 to 10
Office equipment and other assets	3 to 10
Computer equipment	3 to 5

Costs of improvements that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalized as part of the carrying amount of the related assets. The capitalized costs are depreciated over the remaining useful lives of such fixed assets. Other costs, including periodic maintenance on fixed assets, are expensed as incurred. The depletion of mining reserves is calculated using the units of production method over estimated reserves.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

In accordance with ASC Subtopic 360-10 long lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(d) Repair and Maintenance Activities

The Business incurs regular maintenance costs on its equipment. Repair and maintenance costs are expensed as incurred.

(e) Goodwill

The Business's goodwill was allocated to the Business based on the relative fair value of the Business to the fair value of CEMEX, Inc. Management's estimate of the potential sales price of the Business was used as a basis to determine the fair value of the CEMEX Ohio Business. The fair value of CEMEX, Inc. was derived from the most recent fair value calculation performed by CEMEX, Inc., which was determined by estimating the expected present value of future cash flows, which rely on significant unobservable inputs and are classified within Level 3 of the fair value hierarchy.

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase business combination. Goodwill is not amortized, but instead tested for impairment at least annually in accordance with the provisions of FASB ASC Topic 350 (ASC Topic 350), Intangibles – Goodwill and Other.

Under ASC Topic 350, an impairment loss is recognized to the extent that the carrying amount exceeds its fair value. The impairment determination is made at the reporting unit level and consists of two steps. First, the Business determines the fair value of a reporting unit, which is determined by estimating the expected present value of future cash flows, and compares it with its carrying amount. Second, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The Business performs its annual impairment review of goodwill at the beginning of the fourth quarter, and when a triggering event occurs between annual impairment tests.

(f) Deferred Mining Costs

Preproduction stripping costs, which represent costs of removing overburden to access mineral deposits during the development of a mine, are capitalized as deferred mining costs, presented under property, plant and equipment in the combined balance sheet. These costs are amortized over the productive life of the mining reserves using the units of production method over estimated reserves.

(g) Asset Retirement Obligations

The Business' liability for asset retirement obligations arises from regulatory and contractual requirements to perform certain asset retirement activities at the time that certain facilities cease to operate. In accordance with FASB ASC Subtopic 410-20 (ASC Subtopic 410-20), *Asset Retirement and Environmental Obligations – Assets Retirement Obligations*, the Business records the fair value of an asset retirement obligation as a liability with a corresponding increase in the carrying amount of the tangible long-lived assets in the period in which it incurs a legal obligation associated with the retirement of long-lived assets that result from the acquisition, construction, development, and/or normal use of assets. Subsequent to initial recognition, the liability is increased to reflect the passage of time and adjusted to reflect changes in the timing or the amount of the estimated future cash flows underlying the initial fair value measurement. If the obligation is settled for other than the carrying amount of the liability, the Business recognizes a gain or loss on settlement.

(Continued)

Land and quarries associated with the extraction of aggregate materials, and machinery and equipment for cement operations, are subject to ASC Subtopic 410-20 due to compliance with governmental and contractual obligations.

(h) Commitments and Contingencies

Obligations or losses related to contingencies are recognized as liabilities in the combined balance sheet when present obligations exist resulting from claims, assessments, litigation, fines and penalties that are probable to result in an outflow of resources and the amount can be measured reliably. Relevant commitments are disclosed in the notes to the combined financial statements. Recoveries from third parties that are probable of realization are separately recorded and are not offset against the related liability, in accordance with FASB ASC 210-20 (ASC 210 - 20), *Balance Sheet: Offsetting.*

(i) Income Taxes

The Business is part of CEMEX Holdings, Inc.'s consolidated tax returns and therefore is not a separate legal federal or state taxpayer. The Business accounts for income taxes utilizing the asset and liability method as if on a standalone taxable entity in the combined financial statements. Deferred tax assets and deferred tax liabilities are recognized using enacted statutory income tax rates for the future tax consequences of reversing temporary differences between financial statements carrying amounts and tax bases of existing assets and liabilities. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

For uncertain tax positions, the Business applies the provisions included in FASB ASC Subtopic 740-10 (ASC Subtopic 740-10) – Income Taxes – Overall, which requires the recognition of the effect of income tax positions only when it is more likely than not (likelihood of greater than 50%) that such positions will be sustained by the taxing authorities based on the technical merits of those positions. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

(j) Revenue Recognition

The Business recognizes revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Shipping and other transportation costs charged to buyers are recorded in both revenues and operating expenses. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the combined statement of income.

(k) Environmental Expenditures

The Business bases its estimates of environmental liabilities on the nature or extent of contamination, methods of remediation required, existing technology, presently enacted laws and regulations, and prior Business experience in remediation of contaminated sites. The Business capitalizes environmental expenditures that extend the life, increase the capacity, or improve the safety or efficiency of property owned by the Business, mitigate or prevent environmental contamination that is yet to occur, or that are incurred in anticipation of a sale of property. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. The Business' policy is to accrue environmental and cleanup related costs of a noncapital nature when it is both probable that a liability has been incurred and the amount can be reasonably estimated, whether or not a claim has been asserted, or this coincides with the completion of a remediation investigation/feasibility study or the Business' commitment to a formal plan of action. The Business revises such estimates as additional information becomes known or as circumstances change. Costs of future expenditures for environmental obligations are not discounted to their present value. Recoveries of environmental remediation costs from third parties are recorded as assets when receipt is considered probable.

(Continued)

(l) Fair Value Measurements

The Business applies FASB ASC Topic 820 (ASC Topic 820), *Fair Value Measurement and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the combined financial statements on a recurring and nonrecurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follow:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Business has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (including market corroborated pricing and inputs such as yield curves and indices).
- Level 3 inputs are unobservable inputs for the asset or liability which may include the Business' own assumptions in determining the fair value.

(m) Recently Adopted Accounting Standards

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes, which requires all deferred tax assets and liabilities, and related valuation allowances, to be classified as noncurrent on the combined balance sheet. ASU 2015-17 is effective for annual periods in fiscal years beginning after December 15, 2017, and requires either prospective or retrospective adoption. The Business elected to early adopt the new standard for the current reporting period, which is permitted. Adopting ASU 2015-17 resulted in the reclassification of approximately $259 thousand from current deferred income tax assets to noncurrent deferred income tax liabilities within the combined balance sheet as of December 31, 2015.

(4) Accounts Receivable

A majority of the Business' accounts receivables are from users of Portland cement and construction materials, such as ready mix concrete producers, manufacturers of concrete products, and consumers of block and building materials, such as constructors.

Accounts receivable balances are as follows (in thousands):

		2015
Trade accounts receivable	$	5,771
Allowance for doubtful accounts		(229)
	$	5,542

Other than two customers, there were no sales to any single third party customer which in total were in excess of 10% of the revenues for the year ended December 31, 2015. The two customers in excess of 10% account for 31% of revenues for the year ended December 31, 2015. The four largest customers accounted for 49% of accounts receivable and trade revenues as of and for the year ended December 31, 2015.

(Continued)

The Business is party to an agreement in which, on a recurring basis, it sells all of its accounts receivable to CEMEX, Inc., which in turn sells its qualifying accounts receivable to GROL Enterprises, LLC (GROL), a special purpose consolidated subsidiary of CEMEX, Inc., an affiliate of the Business. GROL has entered into an agreement with an unaffiliated financial institution whereby it sells title and interest in these receivables. The Business retains control over the accounts receivable. Therefore, the Business does not account for the transfer of accounts receivable as sales, and continues to recognize the accounts receivable.

(5) Transactions with Related Parties

In the normal course of business, the Business and its affiliates purchase and/or sell goods and services (including cement, freight and other supplies), and pay expenses for each other. The resulting balances are reflected in the combined balance sheet as net distributions to the parent.

The Business made sales of products to affiliates of $2,802 thousand for the year ended December 31, 2015, which are presented as revenue from affiliates in the combined statement of income.

The Business also received allocations from affiliates for securitization program and support areas expenses (legal, human resources, and administrative services provided by CEMEX, Inc.) in the amount of $2,381 thousand for the year ended December 31, 2015, presented in the statement of income under selling, general and administrative expenses.

(6) Inventories

		2015 (In thousands)
Balance as of:		
Finished goods	$	1,982
Work in progress		3,242
Raw materials		984
Supplies and spare parts		1,825
	$	8,033

The Business charges inventory to operating expenses as it is sold in the case of finished goods, or consumed in the case of materials and parts.

(7) Property, Plant and Equipment

Property, plant and equipment comprise the following (in thousands):

		2015
Balance as of:		
Land and improvements	$	14,517
Buildings		18,882
Quarry reserves		8,145
Plant and equipment		97,745
Construction in progress		2,448
		141,737
Accumulated depreciation and depletion		(73,382)
	$	68,355

(8) Goodwill

The carrying value of goodwill (in thousands):

		2015
Balance as of January 1, 2015	$	142,650
Additions		—
Balance as of December 31, 2015	$	142,650

(9) Income Taxes

(a) Income Taxes Recognized in the Statement of Income

Income tax expense for the year ended December 31, 2015 consists of:

		2015 (In thousands)
Current tax expense	$	5,485
Deferred tax expense		949
Income tax expense	$	6,434

The Business does not file separate U.S. federal income tax returns. Under an intercompany tax allocation policy with CEMEX Holdings, Inc. (CHI), the Business computes its income taxes as if it was filing separate tax returns for the Business.

(b) Reconciliation of Effective Tax Rate

The reconciliation between the income tax expense recognized in the Business' combined statement of income and the income tax expense computed by applying the statutory rate to the income before income tax is provided below:

	2015		
	Amount		Percentage
	(In thousands)		
Income before income taxes	$	20,268	—%
Tax calculated at the statutory tax rate		7,094	35.0%
State tax expense		128	0.6%
Statutory depletion		(644)	(3.2)%
Nondeductible expenses		27	0.1%
Change in recognized deductible temporary differences		(171)	(0.7)%
Income tax expense	$	6,434	31.8%

(Continued)

(c) Recognized Deferred Tax Assets and Liabilities

The tax effects of temporary differences between the combined financial statement carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the net deferred tax liability are presented below (in thousands):

	December 31, 2015
Deferred tax assets:	
Accounts receivable	$ 129
Inventories	44
Employee benefits	86
Other long-term liabilities	2,836
Total gross deferred tax assets	3,095
Valuation allowance	—
Total deferred tax assets, net	3,095
Deferred tax liabilities:	
Property, plant, and equipment, net	(13,404)
Total deferred tax liabilities	(13,404)
Net deferred tax liability	$ (10,309)

The property, plant and equipment deferred tax liability as of December31, 2015 is expected to reverse over the next 20 years. These reversing taxable temporary differences provide sufficient future taxable income to allow for the realization of deductible temporary differences. Based upon the expected reversals of existing taxable temporary differences over the periods in which the deferred tax assets are deductible, management believes it is more likely than not (i.e. greater than 50%) that the Business will realize the benefits of these deductible temporary differences, and therefore no valuation allowance has been recorded.

(d) Uncertain Tax Positions

There were no uncertain tax positions for the Business during 2015.

(10) Accounts Payable, Accrued Expenses and Other Long-Term Liabilities

Accounts payable and accrued expenses balances are comprised as follows (in thousands):

	2015
Suppliers	$ 5,219
Property tax payable	398
Environmental provision	102
Personnel and other	246
	$ 5,965

Other long-term liabilities balances are comprised as follows (in thousands):

	2015
Asset Retirement Obligation	$ 7,666
Environmental provision	335
	$ 8,001

The reconciliation of the beginning and ending asset retirement obligations is as follows, in thousands:

		2015
Beginning balance	$	7,216
Accretion expense		450
Ending balance	$	7,666

Accretion expense is presented in the combined statement of income under operating expenses.

(11) Healthcare, Life Insurance and Other Benefits

The Business offers healthcare and life insurance benefits to active employees and their dependents through a benefit plan sponsored by CEMEX, Inc. Most of the Business' healthcare benefits are self-insured and administered on cost plus fee arrangements with major insurance companies and health maintenance organizations. The Business was charged a proportionate share of the combined CEMEX, Inc. benefit plans made available to their employees based on relative headcounts budgeted at the beginning of the year, which amounted to $884 thousand for the year ended December 31, 2015. Certain retirees are also offered life benefits under the benefit plans sponsored by CEMEX, Inc.

Additionally, certain retirees and their dependents are also offered healthcare and life benefits under benefit plans sponsored by CEMEX, which are essentially the same as benefits available to active employees, which requires participant contributions; however, benefit payments for covered retirees who are age 65 or older are reduced by benefits paid by Medicare. Also, life insurance coverage provided to certain retirees is reduced over time to the minimum specified by the applicable plan in effect. The Business was credited a proportionate share of the combined CEMEX benefits plan benefit based on the relative headcount of retirees budgeted at the beginning of the year, of about $104 thousand for the year ended December 31, 2015.

Certain employees of the Business are covered under the CEMEX, Inc. defined benefit pension plan. Benefits are based on years of service and employee compensation and are integrated with expected social security. The Business' share of the annual cost is $343 thousand for the year ended December 31, 2015.

The related pension and postretirement liability has not been allocated to the Business and has not been presented in the accompanying combined balance sheet since the obligation is and will remain a liability of CEMEX, Inc.

(12) Leases

The Business is obligated under various non-cancelable leases for the lease mobile and office equipment, which require annual rental payments, in addition to the payment of certain operating expenses related to the facilities.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2015 are (in thousands):

		Operating leases
Year ending December 31:		
2016	$	391
2017		389
2018		389
2019		379
2020		368
Thereafter		159
Total minimum lease obligations	$	2,075

Total rent and lease expense for the year ended December 31, 2015 amounted to $783 thousand.

(13) Commitments and Contingencies

(a) Environmental matters

The Business is subject to a wide range of U.S. federal, state, and local laws, regulations, and ordinances dealing with the protection of human health and the environment. These laws are strictly enforced and can lead to significant monetary penalties for noncompliance. These laws regulate water discharges, noise, and air emissions, including dust, as well as the handling, use, and disposal of hazardous and nonhazardous waste materials. These laws also create a shared liability by responsible parties for the cost of cleaning up or correcting releases to the environment of designated hazardous substances. The Business, therefore, may have to remove or mitigate the environmental effects of the disposal or release of these substances at the Business' various operating facilities or elsewhere. The Business believes that its current procedures and practices for handling and managing materials are generally consistent with the industry standards and legal and regulatory requirements, and that the Business takes appropriate precautions to protect employees and others from harmful exposure to hazardous materials.

For purposes of recording a provision, the Business considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries.

Accordingly, the Business had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately $437 thousand as of December 31, 2015. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by the Business regarding the disposal of hazardous substances or wastes, either individually or jointly with other parties.

(b) Litigation matters

The Business has incurred in the regular course of business contingent liabilities including, among other things, (1) personal injury lawsuits, (2) indemnity and other hold harmless agreements, (3) environmental remediation liabilities, (4) product liability claims, (5) commercial disputes and litigation, and (6) claims by disgruntled employees. Loss contingencies and legal provisions are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Loss contingencies and legal provisions are disclosed, but not recorded, if it is not probable that a liability has been incurred or the amount of assessment and/or remediation is not reasonably estimated. Other legal proceedings are disclosed when the resolution could have a material adverse effect on the Business' financial results.

As of December 31, 2015, the Business has no provisions relating to litigation matters.

(c) Guarantees

The Business has various performance guarantees outstanding at December 31, 2015 totaling $344 thousand, which secure performance bonds, and utility deposit bonds.

(Continued)

(14) Disclosures about the Fair Value of Financial Instruments

(a) Fair Value of Financial Instruments

Financial instruments include accounts receivables, other current assets, and accounts payable and accrued expenses. The carrying amount approximates fair value because of the short maturity of these instruments. Accounts receivable, result from a large number of customers, its estimated fair value approximates its carrying value.

(b) Fair Value of Nonfinancial Assets and Liabilities

In accordance with the provisions of ASC Subtopic 410-20, Asset Retirement and Environmental Obligations – Asset Retirement Obligations, asset retirement obligations are calculated based on the present value of estimated removal and other closure costs using our internal risk-free rate of return or appropriate equivalent.

(15) Subsequent Events

On September 11, 2016, CEMEX Construction Materials Atlantic, LLC entered into a definitive agreement to sell certain assets of the CEMEX Ohio Business for approximately $400 million. The closing of this transaction is subject to satisfaction of certain conditions, including approval from regulators.

The Business has evaluated subsequent events from the reporting date through December 21, 2016, the date at which the combined financial statements were available to be issued.

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Financial Statements

As of September 30, 2016 and for the Nine Month Periods Ended September 30, 2016 and 2015

(Unaudited)

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Financial Statements (Unaudited)

For the Nine Months Ended September 30, 2016

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CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Balance Sheets (Unaudited)

September 30, 2016 and December 31, 2015

(In thousands)

		September 30, 2016	December 31, 2015
Assets			
Current assets:			
Accounts receivable, net (note 4)	$	9,044	5,542
Inventories (note 6)		5,202	8,033
Other current assets		141	199
Total current assets		14,387	13,774
Property, plant and equipment (note 7)		66,990	68,355
Goodwill (note 8)		142,650	142,650
Other assets		1,677	1,562
Total noncurrent assets		211,317	212,567
Total assets	$	225,704	226,341
Liabilities and Net Parent Investment			
Current liabilities:			
Accounts payable and accrued expenses (note 10)	$	8,147	5,965
Total current liabilities		8,147	5,965
Deferred income taxes (note 9)		9,826	10,309
Other long-term liabilities (note 10)		8,458	8,001
Total noncurrent liabilities		18,284	18,310
Total liabilities		26,431	24,275
Commitments and contingent liabilities (note 13)			
Net parent investment		199,273	202,066
Total liabilities and net parent investment	$	225,704	226,341

See accompanying notes to the combined financial statements (Unaudited).

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Statements of Income (Unaudited)

Nine months ended September 30, 2016 and 2015

(In thousands)

	2016	2015
Revenues	$ 57,770	51,151
Revenues from affiliates	1,980	2,188
Total revenues	59,750	53,339
Costs and expenses:		
Operating expenses	37,281	32,108
Depreciation and depletion	4,177	4,333
Selling, general and administrative	3,041	4,305
(Gain) loss on sale of assets	(51)	52
Total costs and expenses	44,448	40,798
Operating income	15,302	12,541
Other expenses	(79)	(75)
Income before income taxes	15,223	12,466
Income tax expense (note 9)	(4,889)	(3,987)
Net income	$ 10,334	8,479

See accompanying notes to the combined financial statements (Unaudited).

CEMEX OHIO BUSINESS
(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Statements of Changes in Net Parent Investment (Unaudited)

Nine months ended September 30, 2016 and 2015

(In thousands)

	Net Parent Investment
Balance at January 1, 2015	$ 204,890
Net income	8,479
Net distributions to parent	(5,772)
Balance at September 30, 2015	$ 207,597
Balance at January 1, 2016	$ 202,066
Net income	10,334
Net distributions to parent	(13,127)
Balance at September 30, 2016	$ 199,273

See accompanying notes to the combined financial statements (Unaudited).

CEMEX OHIO BUSINESS

(Carve-out of Certain Operations of CEMEX Construction Materials Atlantic, LLC)

Combined Statements of Cash Flows (Unaudited)

Nine months ended September 30, 2016 and 2015

(In thousands)

	2016	2015
Cash flows from operating activities:		
Net income	$ 10,334	8,479
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and depletion	4,177	4,333
Deferred income tax (benefit) expense	(483)	247
(Gain) loss on sale of assets	(51)	52
Changes in:		
Accounts receivable, net	(3,502)	(2,517)
Inventories	2,831	(1,787)
Other current assets	58	(22)
Deferred charges	(116)	(127)
Accounts payable and accrued expenses	2,606	2,231
Other long-term liabilities	457	264
Net cash provided by operating activities	16,311	11,153
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(3,235)	(5,381)
Proceeds from sale of assets	51	—
Net cash used in investing activities	(3,184)	(5,381)
Cash flows from financing activities:		
Net distributions to parent	(13,127)	(5,772)
Net cash used in financing activities	(13,127)	(5,772)
Net decrease in cash and cash equivalents	—	—
Cash and cash equivalents at beginning of period	—	—
Cash and cash equivalents at end of period	$ —	—
Income taxes paid	—	—
Interest paid	—	—

See accompanying notes to the combined financial statements (Unaudited).

(1) Description of Business

CEMEX Ohio Business (the Business) represents the operations of the Fairborn Cement plant and the Columbus terminal, both located in Ohio. The Business operations are part of CEMEX Construction Materials Atlantic, LLC, which is a wholly owned subsidiary of CEMEX Materials, LLC, which is a direct wholly owned subsidiary of CEMEX, Inc. (CEMEX, Inc.), and an indirect wholly owned subsidiary of CEMEX, S.A.B. de C.V. (CEMEX or Ultimate Parent). CEMEX is a large international company engaged in the production and sale of cement, ready mix concrete, aggregates and other building materials. The Business is engaged in the production, distribution, marketing, and sale of cement.

On September 11, 2016, CEMEX Construction Materials Atlantic, LLC entered into a definitive agreement to sell certain assets of the CEMEX Ohio Business for approximately $400 million. The closing of this transaction is subject to satisfaction of certain conditions, including approval from regulators.

(2) Basis of Preparation and Presentation

(a) Basis of Preparation

The accompanying combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP). All affiliate transactions within the Business have been eliminated in the combined financial statements.

The combined financial statements are presented in U.S. dollars, which is the Business' functional currency. All financial information is presented in thousands of U.S. dollars, except when otherwise indicated.

The accompanying combined financial statements include the assets, liabilities, revenues, and expenses that are specifically identifiable to the Business. In addition, certain costs related to the Business have been allocated from CEMEX, Inc. These allocated costs are primarily related to management financial systems, information technology, credit, treasury, corporate, and all other administrative support and includes amounts allocated for stock-based compensation, and employee benefits. The Business receives service and support functions from CEMEX, Inc. and its subsidiaries. The Business' operations are dependent upon CEMEX, Inc. and its subsidiaries' ability to perform these services and support functions. The costs associated with these services and support functions have been allocated to the Business using the most meaningful respective allocation methodologies which were primarily based on the services drivers each area provide, including headcount, number of equipment units and number of transactions processed.

The Business utilizes CEMEX, Inc.'s centralized processes and systems for cash management, payroll, purchasing, and distribution. As a result, all cash received by the Business was deposited in and commingled with CEMEX, Inc.'s general corporate funds and is not specifically allocated to the Business and therefore the Business has no cash balance. The net results of the Business' cash transactions between the Business and CEMEX, Inc. are reflected as net distributions to the parent in the accompanying combined balance sheet. In addition, the net parent investment represents CEMEX, Inc.'s interest in the recorded net assets of the Business and represents the cumulative net investment by CEMEX, Inc. in the Business through the date presented, inclusive of cumulative operating results of the Business.

Management believes the assumptions and allocations underlying the combined financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered to be a reasonable reflection of the utilization of services provided to or the benefit received by the Business during the period presented relative to the total costs incurred by CEMEX, Inc. However, the amounts recorded for these transactions and allocations are not necessarily representative of the amount that would have been reflected in the combined financial statements had the Business been an entity that operated independently of CEMEX, Inc. Consequently, future results of operations should the Business be separated from CEMEX, Inc. will include costs and expenses that may be materially different than the Business's historical results of operations, financial position, and cash flows. Accordingly, the combined

(Continued)

financial statements for these periods are not indicative of the Business's future results of operations, financial position, and cash flows.

(b) Use of estimates

The preparation of the Business' combined financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Significant items subject to such estimates by the Business' management include provisions for uncollectible receivables, valuation of long-lived assets and related estimated useful lives, allocation of CEMEX, Inc.'s goodwill and expenses, valuation of goodwill, asset retirement obligations, and reserves for contingencies.

(3) Significant Accounting Policies

(a) Accounts Receivable

Accounts receivable are recorded at the invoiced amount, less allowance for doubtful accounts. The allowance for doubtful accounts is the Business' best estimate of the amount of probable credit losses in the Business' existing accounts receivable. The estimate for allowance is assessed quarterly; the allowance is made for doubtful accounts addressing both individual and general account balances. The collectability of receivables is assessed monthly, where charge-offs are determined, the corresponding account balances are charged off against the allowance.

(b) Inventories

Inventories are recorded at their weighted average cost and are valued at the lower of cost or market. The cost of inventories include expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

(c) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. The Business capitalizes all direct and certain indirect expenditures incurred in connection with the acquisition or construction of major facilities.

Depreciation and amortization commence when the completed facility is ready for use. Depreciation of fixed assets is recognized as part of cost and operating expenses, and is calculated using the straight-line method over the estimated useful lives of the assets. As of September 30, 2016, the range of average useful lives by category of fixed assets, were as follows:

	Years
Buildings and improvements	5 to 30
Machinery and equipment	3 to 20
Mobile equipment	3 to 10
Office equipment and other assets	3 to 10
Computer equipment	3 to 5

Costs of improvements that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalized as part of the carrying amount of the related assets. The capitalized costs are depreciated over the remaining useful lives of such fixed assets. Other costs, including periodic maintenance on fixed assets, are expensed as incurred. The depletion of mining reserves is calculated using the units of production method over estimated reserves.

(Continued)

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

In accordance with ASC Subtopic 360-10 long lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(d) Repair and Maintenance Activities

The Business incurs regular maintenance costs on its equipment. Repair and maintenance costs are expensed as incurred.

(e) Goodwill

The Business's goodwill was allocated to the Business based on the relative fair value of the Business to the fair value of CEMEX, Inc. Management's estimate of the potential sales price of the Business was used as a basis to determine the fair value of the CEMEX Ohio Business. The fair value of CEMEX, Inc. was derived from the most recent fair value calculation performed by CEMEX, Inc., which was determined by estimating the expected present value of future cash flows, which rely on significant unobservable inputs and are classified within Level 3 of the fair value hierarchy.

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired in a purchase business combination. Goodwill is not amortized, but instead tested for impairment at least annually in accordance with the provisions of FASB ASC Topic 350 (ASC Topic 350), Intangibles – Goodwill and Other.

Under ASC Topic 350, an impairment loss is recognized to the extent that the carrying amount exceeds its fair value. The impairment determination is made at the reporting unit level and consists of two steps. First, the Business determines the fair value of a reporting unit, which is determined by estimating the expected present value of future cash flows, and compares it with its carrying amount. Second, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill over the implied fair value of that goodwill. The Business performs its annual impairment review of goodwill at the beginning of the fourth quarter, and when a triggering event occurs between annual impairment tests.

(f) Deferred Mining Costs

Preproduction stripping costs, which represent costs of removing overburden to access mineral deposits during the development of a mine, are capitalized as deferred mining costs, presented under property, plant and equipment in the combined balance sheet. These costs are amortized over the productive life of the mining reserves using the units of production method over estimated reserves.

(g) Asset Retirement Obligations

The Business' liability for asset retirement obligations arises from regulatory and contractual requirements to perform certain asset retirement activities at the time that certain facilities cease to operate. In accordance with FASB ASC Subtopic 410-20 (ASC Subtopic 410-20), *Asset Retirement and Environmental Obligations – Assets Retirement Obligations*, the Business records the fair value of an asset retirement obligation as a liability with a corresponding increase in the carrying amount of the tangible long-lived assets in the period in which it incurs a legal obligation associated with the retirement of long-lived assets that result from the acquisition, construction, development, and/or normal use of assets. Subsequent to initial recognition, the liability is increased to reflect the passage of time and adjusted to reflect changes in the timing or the amount of the estimated future cash flows underlying the initial fair value

(Continued)

measurement. If the obligation is settled for other than the carrying amount of the liability, the Business recognizes a gain or loss on settlement.

Land and quarries associated with the extraction of aggregate materials, and machinery and equipment for cement operations, are subject to ASC Subtopic 410-20 due to compliance with governmental and contractual obligations.

(h) Commitments and Contingencies

Obligations or losses related to contingencies are recognized as liabilities in the combined balance sheet when present obligations exist resulting from claims, assessments, litigation, fines and penalties that are probable to result in an outflow of resources and the amount can be measured reliably. Relevant commitments are disclosed in the notes to the combined financial statements. Recoveries from third parties that are probable of realization are separately recorded and are not offset against the related liability, in accordance with FASB ASC 210-20 (ASC 210 - 20), *Balance Sheet: Offsetting.*

(i) Income Taxes

The Business is part of CEMEX Holdings, Inc.'s consolidated tax returns and therefore is not a separate legal federal or state taxpayer. The Business accounts for income taxes utilizing the asset and liability method as if on a standalone taxable entity basis in the combined financial statements. Deferred tax assets and deferred tax liabilities are recognized using enacted statutory income tax rates for the future tax consequences of reversing temporary differences between financial statements carrying amounts and tax bases of existing assets and liabilities. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

For uncertain tax positions, the Business applies the provisions included in FASB ASC Subtopic 740-10 (ASC Subtopic 740-10) – Income Taxes – Overall, which requires the recognition of the effect of income tax positions only when it is more likely than not (likelihood of greater than 50%) that such positions will be sustained by the taxing authorities based on the technical merits of those positions. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

In accordance with ASU 2015-17, Balance Sheet Classification of Deferred Taxes, the Business records deferred income taxes on a net noncurrent basis in the combined balance sheets.

(j) Revenue Recognition

The Business recognizes revenue when products are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Shipping and other transportation costs charged to buyers are recorded in both revenues and operating expenses. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the combined statement of income.

(k) Environmental Expenditures

The Business bases its estimates of environmental liabilities on the nature or extent of contamination, methods of remediation required, existing technology, presently enacted laws and regulations, and prior Business experience in remediation of contaminated sites. The Business capitalizes environmental expenditures that extend the life, increase the capacity, or improve the safety or efficiency of property owned by the Business, mitigate or prevent environmental contamination that is yet to occur, or that are incurred in anticipation of a sale of property. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. The Business' policy is to accrue environmental and cleanup related costs of a noncapital nature when it is both probable that a liability has been incurred and the amount can be reasonably estimated, whether or not a claim has been asserted, or this coincides with the completion of a remediation investigation/feasibility study or the Business' commitment to a formal plan of action. The Business revises such estimates as additional information becomes known or as circumstances change. Costs of future expenditures for environmental obligations are not discounted to their present value. Recoveries of environmental remediation costs from third parties are recorded as assets when receipt is considered probable.

(l) Fair Value Measurements

The Business applies FASB ASC Topic 820 (ASC Topic 820), *Fair Value Measurement and Disclosures*, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the combined financial statements on a recurring and nonrecurring basis. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follow:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Business has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (including market corroborated pricing and inputs such as yield curves and indices).
- Level 3 inputs are unobservable inputs for the asset or liability which may include the Business' own assumptions in determining the fair value.

(4) Accounts Receivable

A majority of the Business' accounts receivables are from users of Portland cement and construction materials, such as ready mix concrete producers, manufacturers of concrete products, and consumers of block and building materials, such as constructors.

Accounts receivable balances are as follows (in thousands):

	September 30, 2016	December 31, 2015
Trade accounts receivable	$ 9,302	5,771
Allowance for doubtful accounts	(258)	(229)
	$ 9,044	5,542

The four largest customers accounted for 46% and 49% of accounts receivable as of September 30, 2016 and December 31, 2015, respectively. Also, the four largest customers accounted for 50% and 48% of revenues for the nine months ended September 30, 2016 and 2015, respectively.

The Business is party to an agreement in which, on a recurring basis, it sells all of its accounts receivable to CEMEX, Inc., which in turn sells its qualifying accounts receivable to GROL Enterprises, LLC (GROL), a special purpose consolidated subsidiary of CEMEX, Inc., an affiliate of the Business. GROL has entered into an agreement with an unaffiliated financial institution whereby it sells title and interest in these receivables. The Business retains control over the accounts receivable.

(Continued)

Therefore, the Business does not account for the transfer of accounts receivable as sales, and continues to recognize the accounts receivable.

(5) Transactions with Related Parties

In the normal course of business, the Business and its affiliates purchase and/or sell goods and services (including cement, freight and other supplies), and pay expenses for each other. The resulting balances are reflected in the combined balance sheets as net distributions to the parent.

The Business made sales of products to affiliates of $1,980 thousand and $2,188 thousand for the nine months ended September 30, 2016 and 2015, respectively, which are presented as revenue from affiliates in the combined statements of income.

The Business also received allocations from affiliates for securitization program and support areas expenses (legal, human resources, and administrative services provided by CEMEX, Inc.) in the amount of $1,930 thousand and $1,804 thousand for the nine months ended September 30, 2016 and 2015, respectively, presented in the statements of income under selling, general and administrative expenses.

(6) Inventories

	September 30, 2016	December 31, 2015
	(In thousands)	
Balance as of:		
Finished goods	$ 1,255	1,982
Work in progress	1,322	3,242
Raw materials	1,199	984
Supplies and spare parts	1,426	1,825
	$ 5,202	8,033

The Business charges inventory to operating expenses as it is sold in the case of finished goods, or consumed in the case of materials and parts.

(7) Property, Plant and Equipment

Property, plant and equipment comprise the following (in thousands):

	September 30, 2016	December 31, 2015
Balance as of:		
Land and improvements	$ 14,517	14,517
Buildings	18,882	18,882
Quarry reserves	8,544	8,145
Plant and equipment	99,195	97,745
Construction in progress	2,875	2,448
	144,013	141,737
Accumulated depreciation and depletion	(77,023)	(73,382)
	$ 66,990	68,355

(8) Goodwill

The carrying value of goodwill (in thousands):

	September 30, 2016	December 31, 2015
Beginning balance	$ 142,650	142,650
Additions	—	—
Ending balance	$ 142,650	142,650

(9) Income Taxes

(a) Income Taxes Recognized in the Statements of Income

Income tax expense for the nine months ended September 30, 2016 and 2015 consists of:

	2016	2015
	(In thousands)	
Current tax expense	$ 5,372	3,740
Deferred tax (benefit) expense	(483)	247
Income tax expense	$ 4,889	3,987

The Business does not file separate U.S. federal income tax returns. Under an intercompany tax allocation policy with CEMEX Holdings, Inc. (CHI), the Business computes its income taxes as if it was filing separate tax returns for the Business.

(b) Reconciliation of Effective Tax Rate

The reconciliation between the income tax expense recognized in the Business' combined statements of income and the income tax expense computed by applying the statutory rate to the income before income tax is provided below:

	Nine months ended September 30,			
	2016		2015	
	Amount	Percentage	Amount	Percentage
	(In thousands)			
Income before income taxes	$ 15,223	—%	$ 12,466	—%
Tax calculated at the statutory tax rate	5,328	35.0%	4,363	35.0%
State tax expense	101	0.7%	90	0.7%
Statutory depletion	(546)	(3.6)%	(483)	(3.9)%
Nondeductible expenses	12	0.1%	21	0.2%
Change in recognized deductible temporary differences	(6)	0.0%	(4)	0.0%
Income tax expense	$ 4,889	32.1%	$ 3,987	32.0%

(c) Recognized Deferred Tax Assets and Liabilities

The tax effects of temporary differences between the combined financial statements carrying amounts and tax bases of assets and liabilities that give rise to significant portions of the net deferred tax liability are presented below (in thousands):

	September 30, 2016	December 31, 2015
Deferred tax assets:		
Accounts receivable	$ 136	129
Inventories	36	44
Other current assets	2	—
Employee benefits	85	86
Other long-term liabilities	3,019	2,836
Total gross deferred tax assets	3,278	3,095
Valuation allowance	—	—
Total deferred tax assets, net	3,278	3,095
Deferred tax liabilities:		
Property, plant, and equipment, net	(13,104)	(13,404)
Total deferred tax liabilities	(13,104)	(13,404)
Net deferred tax liability	$ (9,826)	(10,309)

The property, plant and equipment deferred tax liabilities are expected to reverse over the next 20 years. These reversing taxable temporary differences provide sufficient future taxable income to allow for the realization of deductible temporary differences. Based upon the expected reversals of existing taxable temporary differences over the periods in which the deferred tax assets are deductible, management believes it is more likely than not (i.e. greater than 50%) that the Business will realize the benefits of these deductible temporary differences, and therefore no valuation allowance has been recorded.

(d) Uncertain Tax Positions

There were no uncertain tax positions for the Business during 2016 and 2015.

(10) Accounts Payable, Accrued Expenses and Other Long-Term Liabilities

Accounts payable and accrued expenses balances are comprised as follows (in thousands):

	September 30, 2016	December 31, 2015
Suppliers	$ 7,317	5,219
Property tax payable	373	398
Environmental provision	56	102
Personnel and other	401	246
	$ 8,147	5,965

(Continued)

Other long-term liabilities balances are comprised as follows (in thousands):

	September 30, 2016	December 31, 2015
Asset Retirement Obligation	$ 8,147	7,666
Environmental provision	311	335
	$ 8,458	8,001

The reconciliation of the beginning and ending asset retirement obligations is as follows, in thousands:

	September 30, 2016	December 31, 2015
Beginning balance	$ 7,666	7,216
Accretion expense	481	450
Ending balance	$ 8,147	7,666

Accretion expense is presented in the combined statements of income under operating expenses.

(11) Healthcare, Life Insurance and Other Benefits

The Business offers healthcare and life insurance benefits to active employees and their dependents through a benefit plan sponsored by CEMEX, Inc. Most of the Business' healthcare benefits are self-insured and administered on cost plus fee arrangements with major insurance companies and health maintenance organizations. The Business was charged a proportionate share of the combined CEMEX, Inc. benefit plans made available to their employees based on relative headcounts budgeted at the beginning of the year, which amounted to $663 thousand for each of the nine month periods ended September 30, 2016 and 2015. Certain retirees are also offered life benefits under the benefit plans sponsored by CEMEX, Inc.

Additionally, certain retirees and their dependents are also offered healthcare and life benefits under benefit plans sponsored by CEMEX, which are essentially the same as benefits available to active employees, which requires participant contributions; however, benefit payments for covered retirees who are age 65 or older are reduced by benefits paid by Medicare. Also, life insurance coverage provided to certain retirees is reduced over time to the minimum specified by the applicable plan in effect. The Business was credited a proportionate share of the combined CEMEX benefits plan benefit based on the relative headcount of retirees budgeted at the beginning of the year, of about $16 thousand and $78 thousand for the nine months ended September 30, 2016 and 2015, respectively.

Certain employees of the Business are covered under the CEMEX, Inc. defined benefit pension plan. Benefits are based on years of service and employee compensation and are integrated with expected social security. The Business' share of the annual cost is $345 thousand and $257 thousand for the nine months ended September 30, 2016 and 2015, respectively.

The related pension and postretirement liability has not been allocated to the Business and has not been presented in the accompanying combined balance sheets since the obligation is and will remain a liability of CEMEX, Inc.

(12) Leases

The Business is obligated under various non-cancelable leases for the lease mobile and office equipment, which require annual rental payments, in addition to the payment of certain operating expenses related to the facilities.

(Continued)

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of September 30, 2016 are (in thousands):

	Operating leases
Three months ending December 31:	
2016	$ 109
Year ending December 31:	
2017	438
2018	438
2019	427
2020	416
Thereafter	257
Total minimum lease obligations	$ 2,085

Total rent and lease expense for the nine months ended September 30, 2016 and 2015, amounted to $653 thousand and $605 thousand, respectively.

(13) Commitments and Contingencies

(a) Environmental matters

The Business is subject to a wide range of U.S. federal, state, and local laws, regulations, and ordinances dealing with the protection of human health and the environment. These laws are strictly enforced and can lead to significant monetary penalties for noncompliance. These laws regulate water discharges, noise, and air emissions, including dust, as well as the handling, use, and disposal of hazardous and nonhazardous waste materials. These laws also create a shared liability by responsible parties for the cost of cleaning up or correcting releases to the environment of designated hazardous substances. The Business, therefore, may have to remove or mitigate the environmental effects of the disposal or release of these substances at the Business' various operating facilities or elsewhere. The Business believes that its current procedures and practices for handling and managing materials are generally consistent with the industry standards and legal and regulatory requirements, and that the Business takes appropriate precautions to protect employees and others from harmful exposure to hazardous materials.

For purposes of recording a provision, the Business considers that it is probable that a liability has been incurred and the amount of the liability is reasonably estimable, whether or not claims have been asserted, and without giving effect to any possible future recoveries.

Accordingly, the Business had accrued liabilities specifically relating to environmental matters in the aggregate amount of approximately $367 thousand and $437 thousand as of September 30, 2016 and December 31, 2015, respectively. The environmental matters relate to (i) the disposal of various materials, in accordance with past industry practice, which might be categorized as hazardous substances or wastes, and (ii) the cleanup of sites used or operated by the Business regarding the disposal of hazardous substances or wastes, either individually or jointly with other parties.

(b) Litigation matters

The Business has incurred in the regular course of business contingent liabilities including, among other things, (1) personal injury lawsuits, (2) indemnity and other hold harmless agreements, (3) environmental remediation liabilities, (4) product liability claims, (5) commercial disputes and litigation, and (6) claims by disgruntled employees. Loss contingencies and legal provisions are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Loss contingencies and legal provisions are disclosed, but not recorded, if it is not probable that a liability has been incurred or the amount of assessment and/or remediation is not

(Continued)

reasonably estimated. Other legal proceedings are disclosed when the resolution could have a material adverse effect on the Business' financial results.

As of September 30, 2016 and December 31, 2015, the Business has no provisions relating to litigation matters.

(c) Guarantees

The Business has various performance guarantees outstanding at September 30, 2016, and December 31, 2015, totaling $371 thousand and $344 thousand, respectively, which secure performance bonds, and utility deposit bonds.

(14) Disclosures about the Fair Value of Financial Instruments

(a) Fair Value of Financial Instruments

Financial instruments include accounts receivables, other current assets, and accounts payable and accrued expenses. The carrying amount approximates fair value because of the short maturity of these instruments. Accounts receivable, result from a large number of customers, its estimated fair value approximates its carrying value.

(b) Fair Value of Nonfinancial Assets and Liabilities

In accordance with the provisions of ASC Subtopic 410-20, Asset Retirement and Environmental Obligations – Asset Retirement Obligations, asset retirement obligations are calculated based on the present value of estimated removal and other closure costs using our internal risk-free rate of return or appropriate equivalent.

(15) Subsequent Events

The Business has evaluated subsequent events from the reporting date through December 22, 2016, the date at which the combined financial statements were available to be issued.

Exhibit 99.3

Unaudited Pro Forma Condensed Combined Financial Information

The following unaudited pro forma condensed combined financial information gives effect to the acquisition (the "Acquisition") by a wholly-owned subsidiary of Eagle Materials Inc. (the "Company") of certain assets of the carved-out operations of CEMEX Construction Materials Atlantic, LLC ("CEMEX Ohio Business"), which was consummated on February 10, 2017. The assets acquired in the Acquisition include a cement manufacturing facility and a cement terminal; and certain related assets such as equipment and inventory. The following unaudited pro forma condensed combined financial information is based on the historical financial statements of the Company and the historical combined financial statements of the CEMEX Ohio Business.

The unaudited pro forma condensed combined financial information of the Company gives effect to the Acquisition as if it had occurred (i) on December 31, 2016 for the purposes of the unaudited pro forma condensed combined balance sheet as of December 31, 2016, and (ii) on April 1, 2015 for the purposes of the unaudited pro forma condensed combined statements of earnings for the fiscal year ended March 31, 2016 and for the nine month period ended December 31, 2016. The unaudited pro forma condensed combined statement of earnings for the fiscal year period ended March 31, 2016 is derived by combining the Company's audited consolidated statement of earnings for the fiscal year ended March 31, 2016 with the CEMEX Ohio Business' audited combined statement of income for the fiscal year ended December 31, 2015. The unaudited pro forma condensed combined statement of earnings for the nine month period ended December 31, 2016 is derived by combining the Company's unaudited consolidated statement of earnings for the nine month period ended December 31, 2016 with the CEMEX Ohio Business' unaudited consolidated statement of income for the nine months ended September 30, 2016. The Company's consolidated statement of earnings is derived from our audited financial statements as of and for the year ended March 31, 2016 included in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission (the "Commission") on May 25, 2016. The CEMEX Ohio Business' audited and unaudited combined statements of income are part of the combined financial statements for the CEMEX Ohio Business included in this Current Report on Form 8-K/A. Certain amounts from the historical combined financial statements of the CEMEX Ohio Business have been reclassified to conform to the Company's presentation.

The unaudited pro forma condensed combined financial information is provided for informational purposes only and does not purport to represent what the Company's financial position or results of operations would actually have been had the Acquisition occurred on the assumed dates or to project the Company's financial position or results of operations as of any future date or for any future period. This information should be read in conjunction with, and is qualified in its entirety by reference to:

- the Company's historical audited consolidated financial statements and related notes and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and the Company's unaudited interim financial statements as of and for the nine months ended December 31, 2016 and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2016;

- the CEMEX Ohio Business audited combined financial statements and the accompanying notes to the combined financial statements as of and for the year ended December 31, 2015 included in Exhibit 99.1 to this Current Report on Form 8-K/A; and

- the CEMEX Ohio Business unaudited combined financial statements and the accompanying notes to the combined financial statements as of September 30, 2016, and for the nine month periods ended September 30, 2016 and 2015 included in Exhibit 99.2 to this Current Report on Form 8-K/A.

Eagle Materials Inc. and Subsidiaries
Unaudited Pro Forma Condensed Combined Statement of Earnings
For the Nine Month Period Ended December 31, 2016
(dollars in thousands, except per share data)

	Historical Eagle Materials Inc.	Historical CEMEX Ohio Business	Pro Forma Adjustments	Ref.	Pro forma Combined
Revenues	$ 932,557	$ 59,750	—		$ 992,307
			3,041	g	
			5,688	a	
Cost of Goods Sold	682,012	41,458	500	a	732,699
Gross Profit	250,545	18,292	(9,229)		259,608
Equity in Earnings of Unconsolidated					
Joint Venture	31,371	—	—		31,371
Corporate General and					
Adminstrative Expenses	(27,831)	(3,041)	3,041	g	(27,831)
Other Income (Expense)	2,008	(28)	—		1,980
Interest Expense, Net	(15,755)	—	(3,984)	b	(19,739)
Earnings Before Income Taxes	240,338	15,223	(10,172)		245,389
Income Taxes	(78,370)	(4,889)	3,560	c	(79,699)
Net Earnings	$ 161,968	$ 10,334	$ (6,612)		165,690
Comprehensive Earnings	$ 162,904	$ 10,334	$ (6,612)		166,626
EARNINGS PER SHARE					
Basic	$ 3.38				$ 3.46
Diluted	$ 3.35				$ 3.43
AVERAGE SHARES OUTSTANDING					
Basic	47,901,369				47,901,369
Diluted	48,340,326				48,340,326

See notes to the unaudited pro forma condensed combined financial statements.

Eagle Materials Inc. and Subsidiaries

Unaudited Pro Forma Condensed Combined Statement of Earnings

For the Fiscal Year Ended March 31, 2016

(dollars in thousands, except per share data)

	Historical Eagle Materials Inc.	Historical CEMEX Ohio Business	Pro Forma Adjustments	Ref.	Pro forma Combined
Revenues	$ 1,143,492	$ 74,762	—		$ 1,218,254
			2,045	h	
			7,299	a	
			667	a	
Cost of Goods Sold	911,875	48,744	5,554	g	976,184
Gross Profit	231,617	26,018	(15,565)		242,070
Equity in Earnings of Unconsolidated Joint Venture	39,083	—	—		39,083
Corporate General and Adminstrative Expenses	(37,193)	(5,554)	5,554	g	(37,193)
Other Income (Expense)	2,328	(196)	—		2,132
Interest Expense, Net	(16,583)	—	(5,313)	b	(21,896)
Earnings Before Income Taxes	219,252	20,268	(15,324)		224,196
Income Taxes	(66,660)	(6,434)	5,363	c	(67,731)
Net Earnings	$ 152,592	$ 13,834	$ (9,961)		156,465
Comprehensive Earnings	$ 153,250	$ 13,834	$ (9,961)		157,123
EARNINGS PER SHARE					
Basic	$ 3.08				$ 3.16
Diluted	$ 3.05				$ 3.12
AVERAGE SHARES OUTSTANDING					
Basic	49,471,157				49,471,157
Diluted	50,070,829				50,070,829

See notes to the unaudited pro forma condensed combined financial statements.

Eagle Materials Inc. and Subsidiaries
Unaudited Pro Forma Condensed Combined Balance Sheet
At December 31, 2016
(dollars in thousands, except per share data)

	Historical Eagle Materials Inc.	Historical CEMEX Ohio Business	Purchase Adjustments	Ref.	Pro Forma Adjustments	Ref.	Pro forma Combined
Current Assets -							
Cash	$ 164,665	$ —	$ —		$ (150,488)		$ 14,177
Accounts and Note Receivable	115,278	9,044	(9,044)	d	—		115,278
Inventories	222,783	5,202	5,904	f	—		233,889
Prepaid and Other Assets	5,959	141	(141)	d	—		5,959
Total Current Assets	508,685	14,387	(3,281)		(150,488)		369,303
Property, Plant and Equipment -	2,098,695	144,013	172,768	f	—		2,415,476
Less: Accumulated Depreciation	(870,859)	(77,023)	77,023	f	—		(870,859)
Property, Plant and Equipment, net	1,227,836	66,990	249,791	f	—		1,544,617
Notes Receivable	1,002	—	—		—		1,002
Investment in Joint Venture	47,600	—	—		—		47,600
Goodwill and Intangible Assets	161,765	142,650	(142,650)	d	—		234,366
			72,601	f	—		
Other Assets	27,101	1,677	2,323	f	—		31,101
	$ 1,973,989	$ 225,704	$ 178,784		$ (150,488)		2,227,989
Current Liabilities -							
Accounts Payable	$ 63,847	$ 8,147	$ (8,147)	d	$ —		$ 63,847
Accrued Liabilities	57,649	—	—		—		57,649
Income Tax Payable	5,215	—	—		—		5,215
Current Portion of Long-term Debt	81,214	—	—		—		81,214
Total Current Liabilities	207,925	8,147	(8,147)		—		207,925
Long-Term Debt	380,134	—	—		250,000	b	630,134
Other Long-Term Liabilites	57,514	8,458	(4,458)	f	—		61,514
Deferred Income Taxes	164,841	9,826	(9,826)	i	—		164,841
Total Liabilities	810,414	26,431	(22,431)		250,000		1,064,414
Shareholders' Equity -							
Preferred Stock	—	—	—		—		—
Common Stock	484	—	—		—		484
Capital in Excess of Par Value	143,623	—	—		—		143,623
Accumulated Other Comprehensive Losses	(10,473)	—	—		—		(10,473)
Retained Earnings	1,029,941	199,273	(199,273)	e	—		1,029,941
Total Stockholders' Equity	1,163,575	199,273	(199,273)		—		1,163,575
	$ 1,973,989	$ 225,704	$ (221,704)		$ 250,000		$ 2,227,989

See notes to the unaudited pro forma condensed combined financial statements.

(A) Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial information of the Company gives effect to the Acquisition as if it had occurred (i) on December 31, 2016 for the purposes of the unaudited pro forma condensed combined balance sheet as of December 31, 2016; and (ii) on April 1, 2015 for the purposes of the unaudited pro forma condensed combined statements of earnings for the fiscal year ended March 31, 2016 and for the nine months ended December 31, 2016. The unaudited pro forma condensed combined statement of earnings for the fiscal year period ended March 31, 2016 gives effect to the Acquisition as if it had occurred on April 1, 2015 and is derived by combining the Company's audited consolidated statement of earnings for the fiscal year ended March 31, 2016 and the unaudited consolidated statement of earnings for nine month period ended December 31, 2016 with the CEMEX Ohio Business' audited combined statement of income for the fiscal year ended December 31, 2015 and the unaudited combined statement of income for the nine month period ending September 30, 2016. Certain amounts from the historical combined financial statements of the CEMEX Ohio Business have been reclassified to conform to the Company's presentation.

General

The pro forma adjustments reflecting the Acquisition are based on certain estimates and assumptions which may not prove to be correct in light of information that becomes available in the future. The accuracy of these estimates and assumptions will depend on a number of factors, including future events and uncertainties that are or may be outside of the control of the Company. Therefore, actual results will differ from the estimates and assumptions underlying the pro forma adjustments, and it is possible that the differences may be material. The Company's management believes that its estimates and assumptions provide a reasonable basis for presenting all of the significant effects of the Acquisition and that the pro forma adjustments give appropriate effect to those estimates and assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information does not reflect any cost savings or other financial benefits that may result from operating expense efficiencies or revenue enhancements arising from the Acquisition. Additionally, the Company estimates that it incurred transaction costs of approximately $4.0 million associated with the Acquisition, which are not reflected in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information does not purport to reflect what the Company's results of operations or financial position would actually have been if the Acquisition had been effected on the assumed dates and if the Company and the CEMEX Ohio Business had been managed as one entity during the periods presented. The unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements of the Company included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and Quarterly Report on Form 10-Q for the nine months ended December 31, 2016 and the historical combined financial statements of the CEMEX Ohio Business included in this Current Report on Form 8-K/A.

(B) Purchase Price and Allocation Thereof

On February 10, 2017, the Company completed its previously announced Acquisition of certain assets used in the CEMEX Ohio Business for a purchase price of approximately $400.0 million in cash. Assets acquired in the Acquisition included all property, plant and equipment, permits, mineral reserves and inventory held at the plant site and in the terminals. The purchase price is subject to further adjustment after the closing to reflect the inventory acquired in the Acquisition. The Acquisition was financed through a combination of borrowings under the Company's bank credit facility and cash on hand. The new debt was drawn from our existing credit facility, which was amended in August 2016.

The Acquisition has been accounted for under the acquisition method of accounting. The Company has engaged a third-party valuation firm to perform a valuation of the assets acquired and the liabilities assumed at the closing date of the Acquisition, and the firm used various methodologies to estimate the fair value of acquired assets and liabilities including discounted cash flow analysis. Although substantial progress has been made with respect to this valuation, it is not yet complete. Accordingly, the Company's allocation of the purchase price to the assets acquired and liabilities assumed in the Acquisition is preliminary. The third-party valuation firm's work has been used by the Company to prepare the unaudited pro forma condensed combined statement of earnings and balance sheet; however, it is likely that this valuation may change subsequent to the filing of this Current Report on Form 8-K/A.

The preparation of the valuation of the assets acquired and liabilities assumed in the Acquisition requires the use of significant assumptions and estimates. Critical estimates include, but are not limited to, future expected cash flows, including projected revenues and expenses, and applicable discount rates. These estimates are based on assumptions that the Company believes to be reasonable. However, actual results may significantly differ from these estimates.

Under the acquisition method of accounting, the total estimated purchase price was allocated to the net tangible and intangible assets and assumed liabilities based on their estimated fair values at December 31, 2016. Based on the Company's current estimate of the fair value of tangible and intangible assets acquired and liabilities assumed, which is based on estimates and assumptions and is subject to change, the expected purchase price is allocated as follows:

Estimated purchase price allocation at acquisition date (in thousands)	As of December 31, 2016
Cash and cash equivalents	$ —
Inventories	11,106
Property and Equipment	316,781
Intangible Assets	10,000
Other Assets	4,000
Other Long-term Liabilities	(4,000)
Total Net Assets	337,887
Goodwill	62,601
Total Estimated Purchase Price	$ 400,488

The foregoing allocation is based on a third-party valuation that has not yet been finalized. Until such time as a final valuation report has been received, adjustments may be made to the amount assigned to the assets acquired and liabilities assumed, and such adjustments could be significant.

(C) Reclassifications

The Company classifies all expenses of its operating subsidiaries as cost of goods sold in its statement of earnings. Accordingly, all general and administrative expenses of the CEMEX Ohio Business have been reclassified to cost of goods sold in the pro forma presentation.

(D) Pro Forma Adjustments

a) To record the net increase in depreciation and amortization expense resulting from purchase price accounting adjustments. The increase is based on depreciation of the estimated fair market value of the plant and equipment purchased over the new estimated useful life, less historical depreciation incurred over these periods, plus the amortization of the fair value of intangible assets acquired over those periods, as calculated below:

	Nine Months ended December 31, 2016	
	Property, Plant and Equipment	Intangible Assets
	(dollars in thousands)	
Estimated fair value	$ 316,781	$ 10,000
Estimated fair value of land	(14,265)	—
Depreciable/Amortizable value	302,516	10,000
Average estimated life (in years)	23	15
Estimated annual depreciation/amortization	13,153	667
	x.75	x.75
Estimated nine month depreciation/amortization	9,865	500
Less historical depreciation/amortization	(4,177)	—
	$ 5,688	$ 500

	Fiscal Year ended March 31, 2016	
	Property, Plant and Equipment	Intangible Assets
	(dollars in thousands)	
Estimated fair value	$ 316,781	$ 10,000
Estimated fair value of land	(14,265)	—
Depreciable/Amortizable value	302,516	10,000
Average estimated life (in years)	23	15
Estimated annual depreciation/amortization	13,153	667
Less historical depreciation/amortization	(5,854)	—
	$ 7,299	$ 667

Identifiable intangible assets include permits and customer relationships.

b) Assuming the deal closed on December 31, 2016, we estimate that we would have borrowed approximately $250.0 million to fund the Acquisition. The estimated interest rate on these borrowings is calculated based on the interest rate that would have been charged under the bank credit facility based on the pro forma earnings before interest, taxes, depreciation and amortization and the pro forma debt as of the date of the Acquisition. A one-eighth percent hypothetical change in the interest rate would have increased or decreased pro forma interest expense by $0.3 million and $0.4 million during the nine months ended December 31, 2016 and fiscal year ended March 31, 2016, respectively.

The interest that the Company will ultimately pay on the borrowings under our bank credit facility could vary greatly from what is assumed in the unaudited pro forma condensed combined financial information and will depend on the actual timing and amount of borrowings and repayments, and changes in the variable interest rate, among other factors.

c) To adjust the tax provision to reflect the aggregate pro forma increase in earnings before income taxes at the statutory tax rate of 35%.

d) To eliminate accounts receivable, other asset and accounts payable of the CEMEX Ohio Business that were not assumed in the Acquisition.

e) To eliminate the CEMEX Ohio Business historical shareholders’ equity.

f) To reflect the net impact of the increase in inventories ($5.9 million), property, plant and equipment ($249.8 million), other assets ($2.3 million) intangible assets ($10.0 million) and goodwill ($62.6 million), the decrease of other long-term liabilities ($4.5 million) to fair value, and the elimination of historical goodwill and intangible assets ($142.7 million).

g) General and administrative expenses have been reclassified to cost of goods sold to conform to the Company’s presentation. See Note (C) for more information.

Included in general and administrative expenses for the CEMEX Ohio Business are $1.9 million and $2.4 million of costs for the nine months ended September 30, 2016 and the year ended December 31, 2015. These costs were allocated to the CEMEX Ohio Business from its parent and related to legal, human resources and administrative services provided by the parent company for the CEMEX Ohio Business.

h) To reflect subsequent impact of the fair value adjustment to inventory on earnings.

i) To eliminate the CEMEX Ohio Business deferred taxes.