CARLOS JACKS:
Good day to everyone. Thank you for joining us for our second quarter 2016 call and webcast.
Our initial discussion of the results will be in English. These remarks as well as the results presentation are being transmitted live in our webcast at www.cemexlatam.com. Afterwards, I will be more than happy to take your questions. For the benefit of the person asking, I will answer the question in the language in which it is asked. And now let me discuss our results.

I am glad to share with you that during the second quarter, despite being negatively affected by a very strong US Dollar as well as a very high comparison basis in Panama and Costa Rica, we were able to obtain significant achievements, such as:

- Highest consolidated EBITDA margin in the last 7 quarters
- Record low average working capital days
- Highest EBITDA margin in Panamá in the last 3 years
- Record Cement volumes in Nicaragua and Guatemala, resulting in a historic high consolidated cement volume in the Rest of CLH
- Record EBITDA margin in Nicaragua and Guatemala also driving a record EBITDA margin in the Rest of CLH
The encouraging market fundamentals in the countries in which CLH operates remain, and we consider that they present significant opportunities for favorable demand of our products.

Year-over-year, during the second quarter, our EBITDA was practically flat despite of a 10% decline in our consolidated net sales.

Our better performance this quarter in Colombia, both in cement prices and volumes, a very strong demand environment in Nicaragua and Guatemala, and a significant improvement in EBITDA margins in Panama were negatively offset by the double digit decline in the demand for our products in Panama and Costa Rica, and by the severe appreciation of the USD against local currencies.

Our consolidated EBITDA in 2Q16 increased by 8%, adjusting for exchange rate effects, on a year over year basis, in spite of a decline of 1% in our consolidated Net Sales during the same period.

**SLIDE #4 – FINANCIAL RESULTS SUMMARY #2**

Our consolidated EBITDA margin increased by 2.9 percentage points during 2Q16 and by 2 percentage points during the first six months this year, compared with the same periods in 2015. Additionally, our EBITDA margin increased in 2Q16 on a sequential basis by 1.7 percentage points.

This performance was driven mainly by a significant EBITDA margin improvement in Panama, which relates mostly to operational efficiencies, cost reduction initiatives, lower maintenance activities, non recurring costs and expenses last year; as well as by significantly higher cement volumes in our Nicaragua and Guatemala operations and operational efficiencies in the rest of CLH.
The EBITDA margin expansion we achieved during the first and second quarters this year has partially helped us compensate for the negative effect of currency exchange fluctuations, which for the first half of the year totaled 29 million dollars in EBITDA. During the second quarter alone the negative effect in EBITDA was of 12 million dollars.

SLIDE #5 – CONSOLIDATED VOLUMES AND PRICES

In terms of our consolidated volumes, our total cement volumes increased by 3% during 2Q16, while our domestic gray cement, ready-mix and aggregates volumes declined by 1%, 9% and 14 %, respectively, compared to the same period in 2015.

The increase in total cement volumes relates mostly to the increase in clinker sales in Panama, as well as the increase in export volumes from Costa Rica.

During the second quarter, we improved our cement market position in Colombia after the implementation of our value before volume strategy in 2015. We also had an outstanding performance in cement volumes in our operations in Nicaragua and Guatemala. However, the decrease in our consolidated domestic cement volumes is mainly due to a double digit volume decline in Costa Rica and Panama, which we will explain later.

The decrease in our ready mix and aggregates volumes is mainly explained by the effect of our value before volume strategy in Colombia, as well as a high comparison base in Panama and Costa Rica related to a much higher execution of Infrastructure projects in 2015.
On a consolidated basis and in local currency terms, during the second quarter our cement, ready-mix and aggregates prices grew by 4%, 3% and 10%, respectively, compared to the same period a year ago.

On a sequential basis, again in local currency terms, our consolidated cement prices remained flat, our aggregates prices increased by 5% and our ready-mix prices declined by 1%.

As we mentioned earlier, in USD terms and on a consolidated basis, our prices continue being affected by the depreciation and volatility of the COP.

Nonetheless, during the second quarter our prices in US dollar terms for cement, ready-mix and aggregates increased by 4%, 5% and 11% respectively, compared with 1Q16, partially explained by a slight appreciation of the Colombian Peso versus the dollar.

SLIDE #6 – CLH – CUSTOMER CENTRIC STRATEGY

During the past quarters we have made significant progress with regard to our customer centric strategy and our tailor made solutions for our different customer segments with four main objectives in mind:

1) Help enhance our distributors' business with first in class service and through tangible efficiencies in inventories, sales and logistics
2) Provide our clients in the builders segment with customized building solutions and services that meet specific cost, durability and aesthetic requirements
3) Achieve preferred partner status of our industrial customers by offering value added solutions that increase productivity and profitability
4) Work closely with local government officials to make construction projects a reality given tight budgetary constraints
Success stories of this customer centric approach can already be seen in our operations. One example of this is the following in Colombia.

Through the flexibility obtained by being the only cement producer in the country that manufactures its own admixtures, we have developed what we consider to be a differentiated value offer to the segment comprised of our industrial clients, meaning those who use our products as inputs in producing other value added products like prefabs, tiles or even ready-mix.

We have instilled in the mind of our employees what we consider to be the three top priorities of these customers:

1) Profitability
2) Recognition
3) Support

With this in mind we have created “MIX3R”. A value offer that provides not only a tailor-made mix of cement, additives, and aggregates designed with our customers’ needs in mind, but also state of the art technical and operational support.

Through this offer, plus other products and services, such as dry mortar and a certified demolition and debris-disposal service, during the second quarter, compared with 2Q15, we have been able to:

- Increase our cement volumes in this sector by 44%
- We have more than doubled the number of customers that we serve each month in this segment
- We have increased our EBITDA from industrial customers by over 50%
Now, let me review the main operating and financial results in our markets.

In our operations in Colombia, our cement strategy continues to deliver results as we continue to strengthen our market presence compared with 2015.

Our cement volumes during the second quarter increased by 2% on a year-over-year basis, and by 4% on a sequential basis, even in light of the negative effect related to the national transportation strike that started in June.

Our cement volumes during the first half of the year have increased by 5% compared with the same period a year ago in a relatively flat market.

We have been able to achieve these volume increases together with higher year-over-year cement prices, in local currency terms. Cement prices in 2Q16 are up by 10% compared with 2Q15, although they are 2% lower compared with 1Q16. This sequential decline is mainly explained by a mix effect related to our different regional prices, as well as more complex competitive dynamics in the country. We will continue observing the development of our micro markets closely and will make prudent and rational decisions accordingly.
In contrast, we estimate that our value before volume strategy for ready-mix and aggregates hasn’t yet shown its full potential, due to the much more fragmented industry dynamics in these two products.

Our ready-mix and aggregates volumes during the second quarter decreased by 7% and 14%, respectively, compared with the same period a year ago. Sequentially, however, we observed a significant volume increase of 13% for ready mix, and of 12% for aggregates.

Additionally, it is relevant to mention that as of 2Q16 we have been able to increase our Ready-mix and aggregates prices by about 10% and 20%, in local currency terms, since we started with our value before volume strategy at the beginning of 2015.

We estimate that in the same way that we have been able to improve our market position in cement, market share in ready-mix and aggregates should revert back by means of our customer-centric strategy, and our differentiated construction solutions.

On a year-over-year basis, we continued to observe the effect of the appreciation of the U.S. dollar versus the COP, which reached 18% for the second quarter, and 23% for the first half of the year, compared with the same periods in 2015.

Net sales and EBITDA in the country declined by 8% and 11%, respectively, during the quarter mainly due to the effect of the weaker COP. However, adjusting for foreign exchange rate fluctuations, net sales and EBITDA increased by 8% and 5%, respectively, on a year-over-year basis, and by 7% and 2%, respectively, sequentially.

Our EBITDA margin in Colombia declined by 1 percentage point during the quarter, compared with the same period a year ago and by 1.4
percentage points sequentially. This decline is mostly explained by scheduled kiln maintenance in our Ibagué plant in April.

**SLIDE #11 – COLOMBIA – RESIDENTIAL SECTOR**

Regarding the residential sector in Colombia, recent indicators point to a divergent effect.

On one hand, we observe a deceleration in social income housing, while on the other we see an increasingly active middle income sector, even though this has not been reflected yet in significantly higher levels of cement dispatches.

- According to official figures, production of ready mix for middle income housing projects increased close to 8% YTD to April, while volumes for social income housing decreased 3.7% during the same period
- During 2H16 we expect residential activity to be more dynamic, driven by middle income mortgage interest rates subsidies
  - As of today 25 thousand out of 50 thousand subsidies available have already been approved for this year
  - Recent figures for middle income housing permits and home sales reinforce this idea
- We consider that the decline we have seen in social income housing figures is a reflection of the structural changes of the government housing projects, which increasingly focus on middle income segments as well as some delays in the execution of existing subsidies
- However, we expect the social income segment to be positively impacted by the recently approved 30 thousand free-home
subsidies, and the execution of other programs that have taken longer than originally thought

SLIDE #12 – COLOMBIA – INFRASTRUCTURE

With respect to the infrastructure sector, new and significant developments took place during 2Q16.

As of today, four out of the nine projects of the first wave with closed preliminary project finance stage have secured disbursements from financial institutions.

Additionally, one project of the second wave and one private initiative PPP have proved financial closure at the project finance stage with the National Infrastructure Agency.

We are glad to share with you that we have already signed over a dozen contracts to supply different functional units of the first wave of the fourth generation of concessions.

Respecting locally and regionally sponsored infrastructure projects, we have seen a slowdown in execution so far this year. This is mainly explained by high level of construction activities prior to the elections in 4Q15.

Remember that new majors and governors took office in January this year, and they are in process of approving their respective development plans.

We expect a better performance for infrastructure sector during 2H16, driven by initiation of works related to 4G projects.
In terms of volume demand, we expect a 0.5% growth in the infrastructure sector in 2016, as initiation works related to the 4Gs in the 2H16 compensate the fall in public works.

With respect to the industrial and commercial sector, we have seen a deceleration in terms of building permits after a very strong 2015.

However, execution of projects that started in 2015 continued in 2Q16. Ready mix volumes for the Industrial and Commercial sector showed an increase of 6% YTD April, according to DANE, after growing over 20% during the full year 2015.

We estimate cement volume for Industrial and Commercial to slightly decrease during 2016, due to the termination of some projects during the second half of the year.

**SLIDE #13 – [TITLE SLIDE] PANAMA**

**SLIDE #14 – PANAMA RESULTS HIGHLIGHTS**

In our operations in Panama, regardless of the fact that during the second quarter we continued to be negatively affected by the high comparison base related to the construction of the Panama Canal expansion project in 2015, and by a less dynamic market in general, we were able to achieve significant operational and financial results.

Cement volumes decreased 21% during 2Q16 and 1H16. Dispatches to the Canal expansion project declined by almost 90% during the second quarter compared with the same period in 2015.

Remember that close to 80 percent of the dispatches to the canal expansion project in 2015 took part during the first half of the year.
Our cement volumes excluding volumes to the Canal expansion project decreased by 16% during the second quarter, mostly explained by a slow-down in the approval process of construction licenses, slow execution of infrastructure projects, and a basis effect related to very high activity in the Industrial and Commercial sector in 2Q15.

Also, during the second quarter our ready-mix and aggregates volumes decreased by 8% and 6%, respectively, compared to the same period a year ago, but grew by 7% and 18% on a sequential basis.

On a year-over-year basis, our cement prices increased by 2% during the quarter, reflecting mainly a mix effect, from lower volumes to the Canal expansion project. This effect is also seen sequentially, with prices 1% higher compared with the first quarter.

Regarding our ready-mix and aggregates prices, during the quarter we see decreases of 3% and 5%, respectively, year over year mainly explained by mix effects related to sales of lower strength formulations.

Even though our Net Sales in 2Q16 declined by 15% compared with 2Q15, our EBITDA during the quarter increased by 2% compared with 2Q15, and by 35% sequentially.

With respect to our EBITDA margin, the significant increase experienced during the second quarter, both on a year over year and on a sequential basis, is mainly explained by the fact that we had no maintenance in our operations during 2Q16, and by operational efficiencies, successful initiatives to reduce our costs, such as renegotiation of contracts with suppliers, and to a lesser extent due to non recurring costs and expenses incurred in 2015.

**SLIDE #15 – PANAMA – SECTOR HIGHLIGHTS**
The main driver for cement demand in Panama continues to be the residential sector.

Year to date, residential permits have started to show positive signs, showing double digit increases compared with 2015.

Even though we expect this sector to slow down after very strong demand in recent years, dispatches should continue to be strong since both government and private housing developers are working on residential projects totaling $265 million dollars.

Regarding the industrial and commercial sector, we have seen an important decline in consumption of our products this year after a very strong 2015. We expect volumes for this sector to suffer a double digit decline during this year.

With regard to the infrastructure sector, after weak demand related to slow execution of new projects, the government has publicly committed to expedite the construction of new infrastructure works as a means to boost economic growth. We estimate that with the construction of the fourth bridge over the Canal, and its adjacent projects, demand would pick up considerably, and we believe this project is among the main priorities of the current administration.

Works related to the second line of the subway and the urban renovation of the City of Colon continue, having a positive impact on our results. These projects have shown progress in execution of 15% and 12%, respectively.

Overall, we remain confident that over the medium to long term, construction activity in the country should remain strong.
SLIDE #17 – COSTA RICA – RESULTS HIGHLIGHTS

In Costa Rica, we continue to be affected by a tough comparison base in 2015 related to our high exposure to infrastructure projects and a tougher competitive environment in the country.

Cement and ready-mix volumes during the quarter decreased by 14% and 18%, respectively, year over year, and by 15% and 8% during the first half of the year, compared to the same periods a year ago. (Don’t forget that 2Q15 was the highest quarter in the history of CLH in terms of cement volumes).

This decline is related to the significant exposure we had in the first half of 2015 to projects such as the Northern “Interamericana” and “La Abundancia” roads, and the Hydroelectric projects “Chucás” and “Capulín”.

Our aggregates volumes however, grew in 2Q16 and 1H16 by 4% and 6% respectively, mainly due to higher sales of value added products for the Moin port terminal.

In local currency terms, ready-mix and aggregates prices during the quarter increased by 6% and 9%, respectively, compared to 2Q15, reflecting higher volumes of value added products for two projects.

Our cement prices declined by 2% during 2Q16 versus 2Q15 due to a more complex competitive environment in the country.

Compared with 2Q15, during 2Q16 net sales declined by 8% while EBITDA decreased by 10%. During the first half of the year, Net sales and EBITDA decreased by 9%, and 12% on a year-over-year basis.
The decline of EBITDA margin during the quarter is mostly explained by the drop in cement volumes and the slight decrease in cement prices, compared with the same period in 2015.

**SLIDE #18 – COSTA RICA – SECTOR HIGHLIGHTS**

Private consumption is expected to be the main driver of our products this year, demand both at the industrial and commercial, and in the housing sectors, is expected to remain at the same levels of 2015.

However, infrastructure should continue to decelerate, given the execution difficulties by the current administration and the high comparison base of this sector last year. Currently the only significant infrastructure ongoing project is the Moin port terminal, which is executed with private funds.

With regard to the financial constraints faced by the government, in recent weeks we have seen positive signs concerning the much needed public deficit management. We believe that in the short term some unprecedented amendments will be made to public expenditure.

Moreover, we estimate that as elections approach, public spending in infrastructure could gradually pick up. The pipeline of projects that should be executed in the midterm in the country is substantial. The most significant projects will be the new section of the "Interamerican" road Cañas - Limonal (25km), the "Circunvalación Norte overpass" (4km), and the new Route 32 that connects with the Caribbean ports.

**SLIDE #19 – [TITLE PAGE] REST OF CLH**

**SLIDE #20 – REST OF CLH – RESULTS HIGHLIGHTS**
In our Rest of CLH region, which includes Nicaragua, Guatemala, El Salvador and Manaus in Brazil, our commercial and operational strategy continued to show significant results during the quarter, mostly driven by the outstanding market performance in Nicaragua and Guatemala, where we achieved record EBITDA margin and new historic cement volume records.

Our cement volumes increased in the double digits in the Rest of CLH, during both the quarter and the first half of the year, compared with the same periods in 2015.

Sequentially, our quarterly ready mix volumes increased 20% while our aggregates volumes declined 4%. However, we had double digit decreases year over year, explained mostly by the scale of our businesses in these markets, and the effect that the termination of big projects implies for them.

This was the case in projects like the refinery in Nicaragua, the Izapa Nejapa highway, and the “Calles para el Pueblo” which ended construction phase last year.

Additionally, we remain focused on maximizing the profitability of our portfolio and improving our cost base in our operations.

During the second quarter, our EBITDA for the rest of CLH increased 26%, despite of a 7% decline in net sales. This implied an increase in our EBITDA margin of over 9 percentage points, compared with the same period last year.

Sequentially, EBITDA and EBITDA margin in 2Q16 grew by 28% and 3.9 percentage points, respectively.
The significant EBITDA margin expansion is mainly explained by our double digit increase in cement volumes in Guatemala and Nicaragua, operational efficiencies in these two countries, higher utilization rates in Guatemala and in our new grinding mill in Nicaragua, as well as a mix effect reflecting higher proportion of cement sales.

**SLIDE #21 – REST OF CLH – SECTOR EXPECTATIONS**

Volume growth in Nicaragua for the second quarter is explained mainly by increased consumption from the infrastructure sector, from projects such as the Rio Blanco-Mulukukú highway, and the new national baseball stadium.

Regarding Guatemala, the economic environment seems to have picked up significantly, after a turbulent 2015. We have observed that industrial and commercial sector remained the main driver during 2Q16. Public investment continues to be weak.

We expect to continue observing strong demand for our products in Nicaragua and Guatemala in the quarters to come. However, we are cautious given current macroeconomic uncertainties in these two countries.

**SLIDE #22 – [TITLE PAGE] – FCF AND DEBT**

I would now like to discuss our free cash flow generation

**SLIDE #23 – Working Capital**

Before discussing our Free Cash Flow, I want to give you an update on our working capital management initiatives and share with you one of our most significant accomplishments.
As we shared with you earlier this year, one of our main objectives for 2016 is to continue improving our investment in working capital.

For the first time in CLH’s history, our management team has been able to obtain a negative working capital figure, resulting in a recovery of close to 100 million dollars in working capital investment since the beginning of 2015 and contributing in a significant manner to CLH’s Free Cash Flow.

I want to congratulate all of the CLH team for such an important milestone and encourage them to keep on with the good work since we estimate there is still room to improve.

SLIDE #24 – FCF GENERATION

During the quarter, our free cash flow after maintenance capex reached US $70M, increasing 1% compared with the same period last year.

As I just explained, during the quarter we continued reducing our working capital requirements. In 2Q16 there was a reversal of our working capital investment of 32 million dollars.

During the second quarter, Strategic CAPEX reached US $45M, and is mainly related to our investment in our new Maceo plant in Colombia.

Net debt was reduced during 2Q16 to US$984 million

SLIDE #25 – [TITLE SLIDE] - GUIDANCE
I would now like to discuss our expectations for this year

SLIDE #26 – GUIDANCE
In light of the delay in execution of new infrastructure projects in Panama and Costa Rica, as well as some exogenous factors in the Colombian market, we are adjusting our full year’s expectations.

On a consolidated basis, we now expect for 2016 our ready-mix volumes to increase in the low single digits while our cement and aggregates volumes are expected to remain flat.

In Colombia, given the effects of the transportation strike and the slower than expected execution of housing subsidies and 4G’s, for 2016 we now expect our cement and ready-mix volumes to grow in the low single digits and our aggregates volumes are expected to remain flat.

In Panama in light of the low execution of new infrastructure projects and the delays in approval of construction permits, we now expect volumes to decline by a low double digit figure, while ready mix and aggregates volumes should remain flat.

In Costa Rica we now expect our cement and ready-mix volumes to decrease by high-single digit and low-single digit figures, respectively, whereas our aggregates volumes are expected to increase in the low single digits.

Our guidance for CAPEX and Cash taxes remains unchanged.

[RETURN TO SLIDE #2] [TITLE SLIDE] – LEGAL DISCLAIMER

Before we go into our Q&A session, I would like to remind you that any forward-looking statements we make today are based on our current knowledge of the markets in which we operate and could change in the future due to a variety of factors beyond our control.

Unless the context otherwise requires it, all references to prices means our prices for our products.
And now I will be happy to take your questions. As I mentioned earlier, for the benefit of the person making a question, I will be answering in the language asked.

Pasaremos ahora a la sesión de preguntas y respuestas. Para el beneficio de la persona que hace la pregunta, se responderá en el mismo idioma en que se planteé.

Operator...

Thank you very much.

In closing, I would like to thank you all for you time and attention. We look forward to your continued participation in CEMEX Latam Holdings. Please feel free to contact us directly or visit our website www.cemexlatam.com at any time.