1Q17 - TALKING POINTS

SLIDE #1 – [TITLE PAGE] COVER PAGE

JAIME MUGUIRO:

Good morning, everyone. Thank you for your continued support of CLH and for joining us for our first quarter 2017 call and webcast.

As usual, 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, either English or Spanish.

And now let me discuss our results.

SLIDE #2 – [TITLE PAGE] LEGAL DISCLAIMER

SLIDE #3 – FINANCIAL SUMMARY

- During the first quarter of 2017, despite significant efforts in operational efficiency and cost containment, and major achievements in our operations in Panama, Nicaragua, and Guatemala, our results were negatively affected by those of our operations in Colombia and Costa Rica.

- As a result of our value before volume strategy, as well as higher cement dispatches during the January – March period, we were able to achieve the highest quarterly EBITDA ever in Nicaragua, and the highest EBITDA during a first quarter in our operations in Guatemala. In fact, our first quarter EBITDA in these two operations has increased around 60% in the past four years

- However, in Colombia, national cement consumption remained negatively affected by the macro challenges that the country is facing, leading to worse competitive dynamics, and a further deterioration of cement prices.

- Additionally, in Costa Rica, our results were negatively affected mostly by the annual major maintenance of our kiln, which we didn't have last year, and to a lesser extent, by lower cement prices and a weaker exchange rate.

- As a consequence, on a year over year basis, despite a 4% increase in net sales, EBITDA declined 10%, while our EBITDA margin decreased by 4.6 percentage points

- We currently estimate that the challenging market conditions in Colombia would remain for most part of the year. For that reason, we have reinforced our commitment to work relentlessly in managing those variables that we control.

- We will carry on with cost containment efforts across all our operations, such as increasing the usage of alternative fuels, improving labor productivity, reducing costs along the supply chain, and optimizing our asset base in Colombia

- Additionally, we will continue strengthening our market position through our customer centric strategy by means of differentiated value added offers per customer segment, with the objective of being the supplier of choice in the countries where we operate.

- I believe that 2017 should be a transition year for CLH. Despite the tough market environment we are currently facing in Colombia, the medium and long term potential of the country, as well the positive construction outlook of the other markets where we are present, make me feel optimistic. For the 2018-2020 period, we have identified construction projects with potential investments of over 15 Billion dollars in Colombia, and of over 10 Billion dollars in the rest of our operations.

- We will do everything within our reach to play a significant role in the development opportunities that arise, and are confident that we have the right commercial strategy and a strong footprint to continue creating value for all our shareholders.

SLIDE #4 – CONSOLIDATED VOLUMES AND PRICES

- During this quarter, volumes for our three core products increased compared to those of the first and fourth quarters of 2016, reflecting a positive contribution from our operations in Panama, Nicaragua and Guatemala, and as a result of a favorable comparison base in terms of working days.

- With respect to our consolidated prices, during the first quarter, adjusted by exchange rate fluctuations, while ready-mix and aggregates prices grew by 1%, consolidated cement prices declined by 8%, on a year over year basis, mainly as a result of tougher competitive dynamics in Colombia.

- Compared to those of the fourth quarter last year, also adjusted by exchange rate fluctuations, during the January – March period, our consolidated prices for cement, ready-mix and aggregates declined by 5%, 4%, and 3% respectively

SLIDE #5 – EBITDA VARIATION

- In summary, the effects from lower prices in Colombia and higher transportation costs, which accounted for 8 and 1 percentage points of margin erosion, respectively, were only partially offset by our higher cement volumes in Panama, Nicaragua and Guatemala, which accounted for about

2.5 percentage points of incremental margin contribution, and by the reductions in fixed and variable costs, which jointly accounted for a positive impact in margin of close to 3 percentage points.

SLIDE #6 – REGIONAL HIGHLIGHTS – [TITLE PAGE]

- Now, let me review the main operating and financial results in our markets

SLIDE #7 – RESULTS HIGHLIGHTS COLOMBIA [TITLE PAGE]

SLIDE #8 – COLOMBIA – RESULTS HIGHLIGHTS

- As I mentioned earlier, cement consumption was negatively affected this quarter by the macro challenges that the country is facing.

- Recent indicators of economic activity, such as retail sales, non-performing loans, and industrial production, suggest that the tax reform is indeed affecting available income and household consumption, at least for the time being.

- Proof of this negative sentiment is the consumer confidence index, which reached historic low levels in January and February of this year.

- According to our estimates, in spite of flattish industry cement volumes on a year over year basis, due to the difference in working days, during the first quarter daily national cement consumption declined by close to 3%, compared to that of the first quarter 2016.

- Additionally, the decline in cement demand, together with very fragmented supply conditions, led to a further deterioration in competitive dynamics. As a consequence, cement prices continued their downward trend across the country. In some regions, price levels have gradually contracted to such an extent that they already are below import price parity levels.

- However, in spite of this decline in cement demand and the difficult market dynamics in the quarter, we were able to maintain our market position practically unchanged versus those of the first and fourth quarters of 2016.

- Let me remind you that under the current market conditions, value before volume efforts would most likely be futile. As a consequence, we aim at responsibly maintaining our cement market position in Colombia through our differentiated value added offers and customer centric strategy. Nevertheless we will resume our value before volume strategy as soon as the market recovers.

- Year over year, our daily sales of cement, ready mix and aggregates declined by 4%, 6% and 8%, respectively, during the first quarter of 2016.

- On a year over year basis, and in local currency terms, during the first quarter, our cement prices declined by 18%, while our ready mix and aggregates prices grew by 1% and 5%, respectively.

- During this same period, also in local currency terms, cement prices fell by 4%, ready mix prices remained flat, and aggregates prices increased by 5%, compared to those of 4Q16.

- Regarding our financial results in Colombia this quarter, while our net sales remained almost flat, our EBITDA decreased by 31%, resulting in a margin decline of 10.6 percentage points, compared with those of the first quarter of 2016

- The deterioration in EBITDA margin during this quarter relates mainly to lower cement prices, which accounted for 6.5 percentage points, a mix effect reflecting higher sales from our housing solutions and admixtures businesses, which accounted for 3.2 percentage points, as well as higher distribution costs, due to the closure of our Bucaramanga plant which accounted for about 1.6 percentage points of margin erosion.

- These effects were partially offset by an 8% reduction in cement variable costs, and a double digit decline in fixed costs in our three core products, which accounted for an improvement in EBITDA margin of close to 3 percentage points. These cost reductions are explained by our operational optimization efforts, record efficiency levels in the Ibagué cement plant, right-sizing efforts in Ready mix concrete operations, as well as by the closure of the Bucaramanga cement plant, and some ready mix and aggregates assets.

- Finally, it is relevant to mention that this quarter our results were positively affected by 2 more working days related to the Holy week, which this year took place in April, and by a more favorable exchange rate. The Colombian Peso appreciated 9% in the January – March period, on a year over year basis.

- Prior to discussing our different demand sectors, I want to emphasize the relevance that construction has for the national government as a countercyclical measure to achieve higher GDP growth, especially in light of the current difficulties that the country is facing.

- According to the Ministry of Finance, assuming 100 percent execution of the government programs, infrastructure and housing output could grow close to 8 and 4 percent, respectively, over 2016 levels.

SLIDE #9 – COLOMBIA – Residential sector

- During the first quarter, we observed clear indications that the current economic environment and the recently approved tax reform have negatively affected the residential sector, particularly in high income housing and in retail sales for informal housing.

- Nevertheless, recent indicators of sales, initiations, and launches, for social and middle income housing, started to show early signals of potential recovery towards the second half of the year.

- We estimate that the positive impact of government subsidies in low and middle income housing could help offset the fall in demand of our products from high income residential developments, and from self construction activities.

- If the Housing Ministry is able to execute its investment budget of around 1.3 billion dollars, which is 18% higher than that of 2016, to fund over one hundred thousand subsidies, we might observe a slight improvement in demand for our products from the residential sector.

SLIDE #10 – COLOMBIA – INFRASTRUCTURE

- After an 8% decline in cement demand for the infrastructure sector in 2016, we believe this year public works could be the main driver of demand for our products.

- This increase in demand should be driven by higher execution of works from local mayors and governors after a lackluster execution of their budgets in 2016, and by the initiation of 4G projects.

- In relation to the 4G concessions, we continue to expect dispatches to begin during the second half of 2017. From what we know, 8 projects from the first wave have secured disbursements and have started construction works. According to our current estimate there could be demand for close to 500 thousand cubic meters of ready mix concrete from these 4G projects this year; this would imply dispatches of cement for between 150 to 200 thousand tons for these projects.

- In addition to the dispatches related to highway concessions, according to official estimates there could be investments in infrastructure related to Schools and over 3000 kilometers of tertiary roads. The total potential investment for these two programs surpasses 1.5 billion dollars.

- As I have told you in previous occasions, going forward, in order to grow our volumes in the country, one of our goals is to be the provider of choice of between 40% and 50% of the cement volumes currently in the pipeline of infrastructure projects in the country.

- With regards to the funding for the second wave of the 4Gs, and some private initiative PPP’s, it remains to be seen whether there is a temporary delay in disbursements from financial institutions as a result of the ongoing investigations of the Odebrecht case. Nonetheless, we currently estimate demand from these projects to positively affect our results from 2018 onwards.

- In terms of cement demand, we expect the infrastructure sector to grow around 3% in 2017

Industrial and commercial **(no slide)**

- Finally: Our estimates remain unchanged with regards to the Industrial and commercial sector. Cement volumes from industrial and commercial works are expected to decrease in 2017 by 3%, compared to those of 2016.

SLIDE #11 – [TITLE SLIDE] PANAMA

SLIDE #12 – PANAMA RESULTS HIGHLIGHTS

- Regarding Panama, we are glad with our performance during this quarter.

- During 1Q17, while net sales increased by 11%, our EBITDA grew 25%, over 1Q16 levels.

- Our margin increase of almost five percentage points during the quarter is explained by the effect of maintenance activities in the kiln #2 in March 2016, which we did not have this quarter, higher volumes from the positive demand dynamics that have persisted in the market since 3Q16, and as a consequence of the favorable comparison base reflecting the low level of construction activity during the first half of last year.

- This quarter, our ready mix and aggregates volumes increased by 29%, compared to those of the same period last year, as a result of higher demand from public works and social housing projects, and due to a better performance in our aggregates assets.

- Adjusted by the cement dispatches to the canal expansion project in 1Q16, on a year over year basis, our cement volumes in the first quarter grew by 13%.

- Regarding our cement, ready mix and aggregates prices, they remained practically flat during 1Q17, compared to those of the same period a year ago. On a sequential basis, while cement prices remained flat, our ready mix and aggregates prices increased by 1% and 3%, respectively.

SLIDE #13 – PANAMA – SECTOR HIGHLIGHTS

- As you might remember, demand during the first half of 2016 was weak, with very little execution of infrastructure projects, and with a very low rate of construction permits approval.

- This situation started to change around August last year, and since then, execution of infrastructure works and housing projects have fueled demand for our products.

- Our participation in projects like Minera Panamá, the second line of the Subway, the AES energy project, the Santiago–Vigui road, and the urban renovation of the city of Colon have been driving demand for our products.

- Adjusted by the dispatches to the Panama Canal expansion project, which practically came to an end during the first quarter of 2016, demand from the Infrastructure sector during the first quarter grew by a double digit rate, on a year over year basis.

- Although this significant growth is mainly explained by the very low level of execution of projects during the same period a year ago, demand outlook from this sector for the rest of the year and in the midterm should remain strong.

- The potential investment for the next 5 years from the infrastructure project pipeline surpasses 10 Billion dollars. We expect this demand sector to play an important role in the economic growth of the country in years to come.

- Adjusted by the effect of the cement volumes for the Panama Canal Expansion last year, dispatches of cement for infrastructure projects should grow by close to 10% in 2017.

- With regards to the housing sector, the government continues exerting significant efforts to reduce the housing deficit in the country. We now estimate that volumes for this sector will increase by a low single digit during 2017.

- Housing projects sponsored by the government, as well as middle income housing developments in the outskirts of Panama city should more than offset a decline in demand from high income housing.

- Regarding cement dispatches to the Industrial and Commercial sector, after the 40% decline seen in 2016, resulting from a very high execution levels in 2015, we estimate that cement demand to this sector will remain flat in 2017.

SLIDE #14 – [TITLE PAGE] – COSTA RICA

SLIDE #15 – COSTA RICA – RESULTS HIGHLIGHTS

- In our operations in Costa Rica, we have started to see positive signs with regards to demand for our products. Actually, March was the first month showing year-over-year growth in national cement consumption since May 2016.

- Daily national cement consumption increased by close to 9% versus that of March last year.

- We believe this could be an early indicator of a positive change in trends of construction activities in the country.

- After five consecutive quarters of year over year declines in our cement volumes, during the first quarter these increased by 1% compared to those of 1Q16. However, during this period, also on a year over year comparison, our Ready mix and aggregates volumes declined by 11% and 6%, respectively.

- In contrast, compared to those of the fourth quarter 2016, our cement, ready mix, and aggregates volumes increased by double digit rates during the first quarter.

- With regards to our prices in local currency, during the quarter our cement, ready mix, and aggregates prices declined by 4%, 14% and 29%, respectively, on a year over year basis. The decrease in cement prices is explained by tougher competitive dynamics, while those of ready mix and aggregates are a result of a mix effect reflecting higher sales of value added products in the first quarter 2016, related to two specific projects that were completed last year.

- It is important to mention that after several months of price pressure in the cement market, we recently announced a price increase in our bagged cement for all of our retail customers, effective as of May first.

- Our EBITDA margin during the first quarter decreased by 11 percentage points, on year over year basis. This decline is mostly explained by lower prices in our three core products, and a major maintenance in our kiln that lasted for the most part of February. This effect alone accounted for over five percentage points of margin erosion.

- We strongly believe we will be able to improve our margins in the quarters to come, not only because of the positive signs in terms of demand for our products, but also as a result of higher operational efficiency, and possibly better pricing dynamics.

- During the first quarter, we achieved a new quarterly record in our substitution rate of alternative fuels, reaching 27%. Additionally, after undergoing some minor changes in our cement production lines, we have been able to improve our utilization rates, and reduce our electricity consumption per ton of cement produced.

SLIDE #16 – COSTA RICA – SECTOR HIGHLIGHTS

- In terms of the different demand sectors, we are happy with our performance during the quarter, having participated in significant projects, and are optimistic given the promising outlook for the rest of the year.

- After a 27% drop in cement demand in 2016, infrastructure projects are expected to drive demand for our products during this year.

- In 2017 cement demand for public works should increase by about 13%, as the government resumes some projects in advance of the presidential elections scheduled for February 2018.

- Roads such as Hernán Solís, Route 32, San José – San Ramón, or San José – Limonal, as well as the Capulín hydroelectric plant, the APM port terminal, and the Sixaola Bridge, should be among the main drivers of demand for our products this year.

- Cement dispatches for both the Industrial and commercial, and the residential sectors are expected to increase by 1% in 2017, on a year over year basis.

- The *Oxigeno* project, which is expected to start in the third quarter, and which includes residential and commercial developments, should play a relevant role in boosting demand for our products.

- Additionally, as we have mentioned in previous conference calls, cement demand from hotels, supermarkets, big-box retailers, and warehouses remains strong.

- Regarding demand for our products from the residential sector, we have seen positive signs from residential loans and increasing building permits, revealing confidence among homebuilders.

- Construction permits for housing purposes increased by 43% in the October 2016 to February 2017 period, on a year over year basis.

- Cement dispatches to our retail segment during the first quarter were quite strong, and support our expectations of a stronger residential sector during 2017.

- Lastly, through our housing solutions business we are currently working in four residential projects, and we expect to participate in a few more during the next months, positively contributing to the EBITDA of the country this year.

SLIDE #17 – [TITLE PAGE] REST OF CLH

SLIDE #18 – REST OF CLH – RESULTS HIGHLIGHTS

- Once again, this quarter was very good for our Rest of CLH region, which includes Nicaragua, Guatemala, El Salvador, and Manaus, in Brazil.

- In 1Q17 we reached the highest quarterly EBITDA in the history of our operations in Nicaragua, and our highest EBITDA during a first quarter in our operations in Guatemala. Additionally, we achieved all time high cement and ready mix volumes in Nicaragua, and the highest cement volumes during a first quarter in Guatemala.

- During the quarter, while our net sales increased by 17%, our EBITDA grew by 23%, on a year over year basis. As a consequence, our EBITDA margin improved by 1.7 percentage points over 1Q16 levels.

- The margin expansion was fueled by a double digit increases in volumes for our three core products versus those of the first quarter 2016.

- Specifically, in Guatemala, EBITDA margin increased by over 5 percentage points, during 1Q17, compared to that of the same period in 2016.

SLIDE #19 – NICARAGUA Highlights

- In Nicaragua we observed a robust demand for our products during the quarter, leading to exceptional results for our operations.

- This quarter was the highest ever in terms of cement and ready mix volumes for our operations in the country, fueled by an outstanding month of March, which also reached a new all time high in monthly cement demand.

- Housing developments and infrastructure works continue to drive demand for our products in the country. We expect that construction of roads, especially those that will connect the Pacific and Atlantic coasts of the country, will play an important role in our performance for the full year 2017.

- Additionally, we see a robust pipeline of construction projects related to social housing, offices, and hospitals.

- Even though we are very pleased with the performance we have had in Nicaragua since our IPO, we remain cautious about the performance in the short term given some perceived vulnerability of external accounts that would affect public spending, and by the so called NICA Act, which has very recently regained momentum in the US political arena.

SLIDE #20 – Guatemala Highlights

- With regards to our operations in Guatemala, we continue delivering strong results. Our quarterly EBITDA has grown at double digit rates for the past five quarters.

- Demand dynamics during the quarter were quite positive, mainly as a consequence of a strong activity in the industrial and commercial sector, and a resilient private consumption backed by remittances.

- With regards to demand for our products from public works, cement consumption remains sluggish, and with little to no contribution to our results. However, the necessities of the country with regards to infrastructure projects make us believe that there could be an upside potential in the medium term if public construction is better than that of the recent past.

- We are confident that the recent investments in cement production and dispatching capacity will allow us to continue taking full advantage of the current positive construction outlook, and to improve customer service levels.

SLIDE #21 – [TITLE PAGE] – Free Cash Flow
I would now like to discuss our free cash flow generation

SLIDE #22 – WORKING CAPITAL

During the first quarter, our working capital investment continued to be in negative territory.

- Our average working capital in days was negative 11; 13 days less than in the same period in 2016. On a year over year basis, we were able to reduce our quarterly working capital needs by 47 million dollars.

- Sequentially though, we only had three more days in working capital investment, mostly as a consequence of higher accounts receivable resulting from higher sales of residential solutions in Colombia and Costa Rica, and as a consequence of higher sales of our products in Panama and Guatemala.

- It is relevant to stress that despite the significant improvement we had versus 1Q16 levels, this quarter we had a negative impact on our free cash flow as a consequence of the variation in working capital. Such variation was 13 million dollars higher than that of the same period of 2016.

- This difference is mainly explained by a reduction in accounts payable related to the Maceo cement plant, as the project advanced during 2016, and by higher accounts receivable related to an increase in sales this quarter.

SLIDE #23 – FCF GENERATION

- During the first quarter, our free cash flow after maintenance capex declined seventy percent, to 17 million dollars.

- This reduction is mainly explained by:
  - The negative variation of working capital that I just explained
  - Lower EBITDA from our operations
  - Higher cash taxes, as a consequence of

  First: a higher first installment in Colombia this quarter, which should be partially compensated in the second quarter, and that results from variations in the basis considered for the calculations in each year;

And second: as a result of a withholding tax that we did not have last year

- Higher maintenance CAPEX allocated to this quarter, related to the acquisition of over one hundred new ready mix trucks in Colombia, and
- Higher financial expenses explained by the capitalization of certain interests in 2016, as per IFRS requirements, which are related to the construction of the Maceo cement plant. This capitalization ceased in June 2016 after the plant achieved a significant completion stage. Adjusted by the capitalized interests, our financial expenses in 1Q17 would have been 2.4 million dollars lower than those of the first quarter of 2016.

- During the first quarter, our strategic capex was 16 million dollars, fifteen million dollars less than that of the first quarter of 2016; and was mostly related to our Maceo cement project in Antioquia.

SLIDE #24 – [TITLE SLIDE] - GUIDANCE

- Now I would like to discuss our guidance for 2017

SLIDE #25 – GUIDANCE

- With regards to our full year volume outlook, we now are a bit more optimistic. We expect consolidated volume growth in our products: cement, between 1 and 2 percent, ready mix, between 5 and 7 percent, and aggregates, between 4 and 6 percent, above last year levels.

- In Colombia we expect cement volumes to be flat, while ready mix and aggregates volumes should grow between 1 and 3 percent, compared with 2016 levels.

- In the case of Panama, cement volumes are expected to increase within the 4 to 6 percent range; whereas ready mix and aggregates volumes are expected to grow between 7 and 9 percent, over 2016 levels.

- In Costa Rica, we expect our cement and ready mix volumes to grow between 1% and 3%, above 2016 levels, while aggregates volumes should remain flat, compared with 2016 levels.

- Our guidance for cash taxes and maintenance CAPEX remain unchanged, despite the temporary hikes observed in the first quarter.

- We expect cash taxes for 2017 to remain between 100 and 110 Million US dollars.

- Our maintenance capex in 2017 should remain flat, compared with that of last year at around 56 million dollars, while our strategic capex is expected to reach 40 million dollars, which is 100 million dollars lower than that of last year.

[RETURN TO SLIDE #2]

[TITLE SLIDE] – LEGAL DISCLAIMER

Now, 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.

[RETURN TO SLIDE #1 - COVER PAGE]

[TITLE SLIDE – Q&A]

And now I will be happy to take your questions. As I mentioned earlier, for the benefit of the person asking, I will answer the question in the language in which it is asked, either English or Spanish.

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 plantee, ya sea en inglés o en español.

Operator…

[Final comments after Q&A]

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. Thank you, and good day.