



# RESULTS 4Q15

February 4, 2016

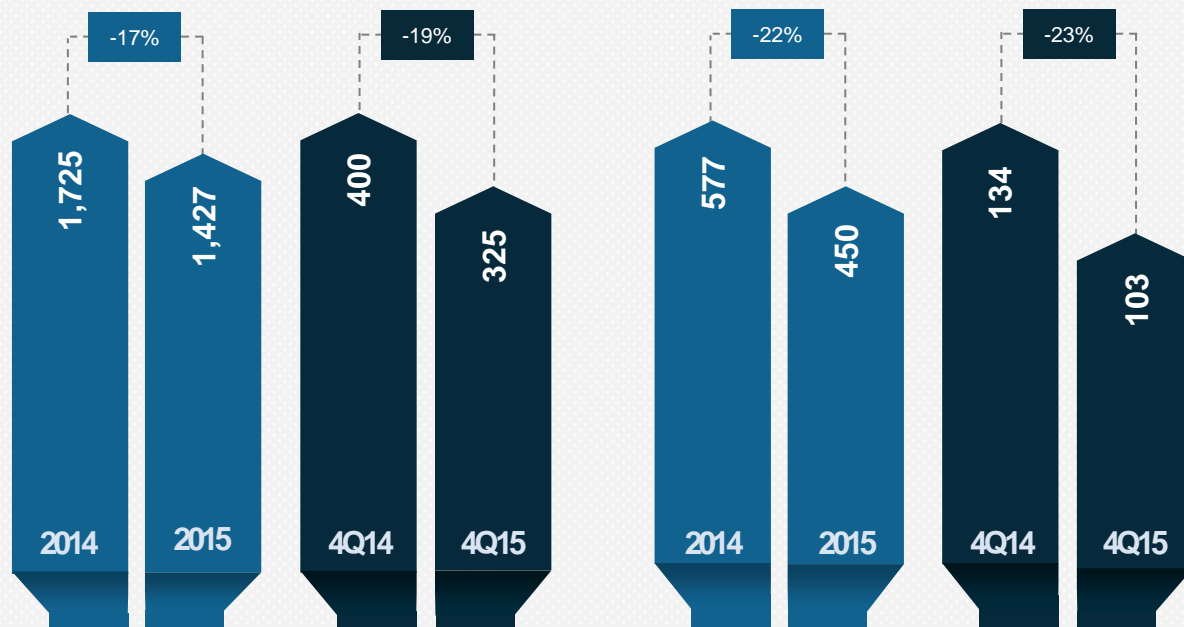
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# Financial Results Summary

Net Sales  
(US\$M)

Operating EBITDA  
(US\$M)



## Significant achievements despite of external factors

New operational records, significant improvements in prices<sup>1</sup> and Working Cap

## Our results continued to be affected by FX

U.S dollar appreciated 37% v.s.COP during 2015 on a year-over-year basis

## Consolidated net sales declined by 1%

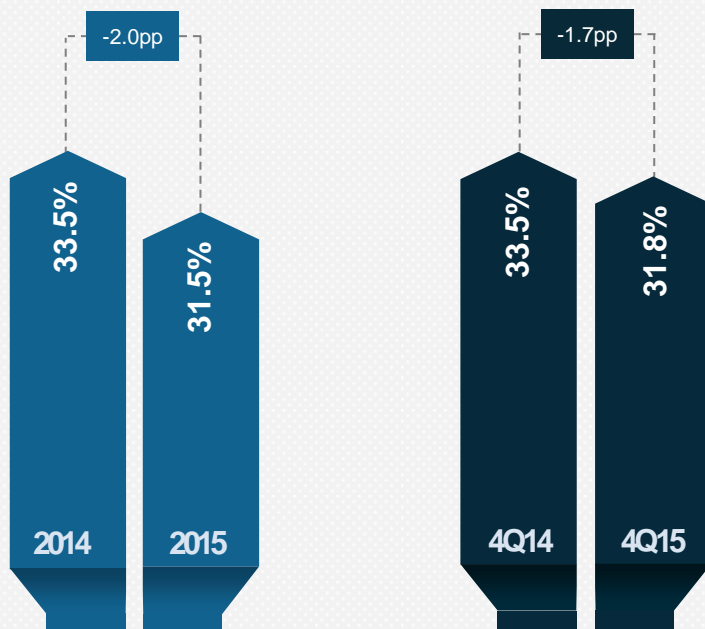
on a like-to-like basis<sup>2</sup> in 2015 and 4Q15 compared with same periods last year

## Consolidated EBITDA declined by 6%

on an like-to-like basis<sup>2</sup> in 2015 and 4Q15 compared with same periods last year

(1) In Local currency terms  
(2) Adjusting for FX fluctuations

## Operating EBITDA Margin (%)



## Consolidated EBITDA margin was impacted

by currency fluctuations and lower volumes in Colombia and Panama

## Consolidated EBITDA margin declined

by 2.0pp during 2015 and by 1.7pp during 4Q15 compared with 2014

# Consolidated Volumes and Prices

## Domestic gray cement

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Volume	(6%)	(8%)	(7%)
Price (USD)	(13%)	(10%)	1%
Price (LtL <sub>1</sub> )	5%	10%	1%

## Ready-mix concrete

Volume	(3%)	(12%)	(12%)
Price (USD)	(17%)	(17%)	(1%)
Price (LtL <sub>1</sub> )	3%	3%	(1%)

## Aggregates

Volume	(3%)	(13%)	(13%)
Price (USD)	(17%)	(16%)	0%
Price (LtL <sub>1</sub> )	4%	5%	1%

## Historic volume records<sup>2</sup>

Cement: Nicaragua

Ready-mix: Guatemala

Aggregates: Costa Rica

## Higher prices in 4Q15 and for the full year

in local-currency terms in our three main products on a year-over-year basis

## Decline in our consolidated cement volumes

reflects our lower volumes in Colombia and Panama

(1) Like-to-like prices adjusted for foreign-exchange fluctuations

(2) Full year volume records



|| We continue to align our organization to a true customer centric culture





# REGIONAL HIGHLIGHTS

Results 4Q15



# Results Highlights Colombia



# Colombia – Results Highlights

## Financial Summary US\$ Million

	2015	2014	% var	4Q15	4Q14	% var
Net Sales	725	993	(27%)	173	225	(23%)
Op. EBITDA	248	363	(32%)	60	82	(27%)
as % net sales	34.2%	36.5%	(2.3pp)	34.4%	36.6%	(2.2pp)

## Volume

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	(9%)	(8%)	(3%)
Ready-mix	(3%)	(11%)	(11%)
Aggregates	(6%)	(16%)	(11%)

## Price (Local Currency)

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	8%	18%	5%
Ready-mix	6%	7%	0%
Aggregates	4%	9%	2%

## Net Sales grew by 7% and EBITDA remained flat

in 4Q15 on a like-to-like basis<sup>1</sup> compared with the same period of last year

## U.S. dollar appreciated 37% versus COP

for the full year compared with 2014

## Higher prices in our three core products

in local currency terms, during 4Q15 and full year compared with 2014

## Cement volumes declined by 9% and 8%

in 2015 and 4Q15, respectively, compared with 2014

(1) Adjusting for FX fluctuations

## || Colombia – Macroeconomic environment

### Economic Outlook 2016

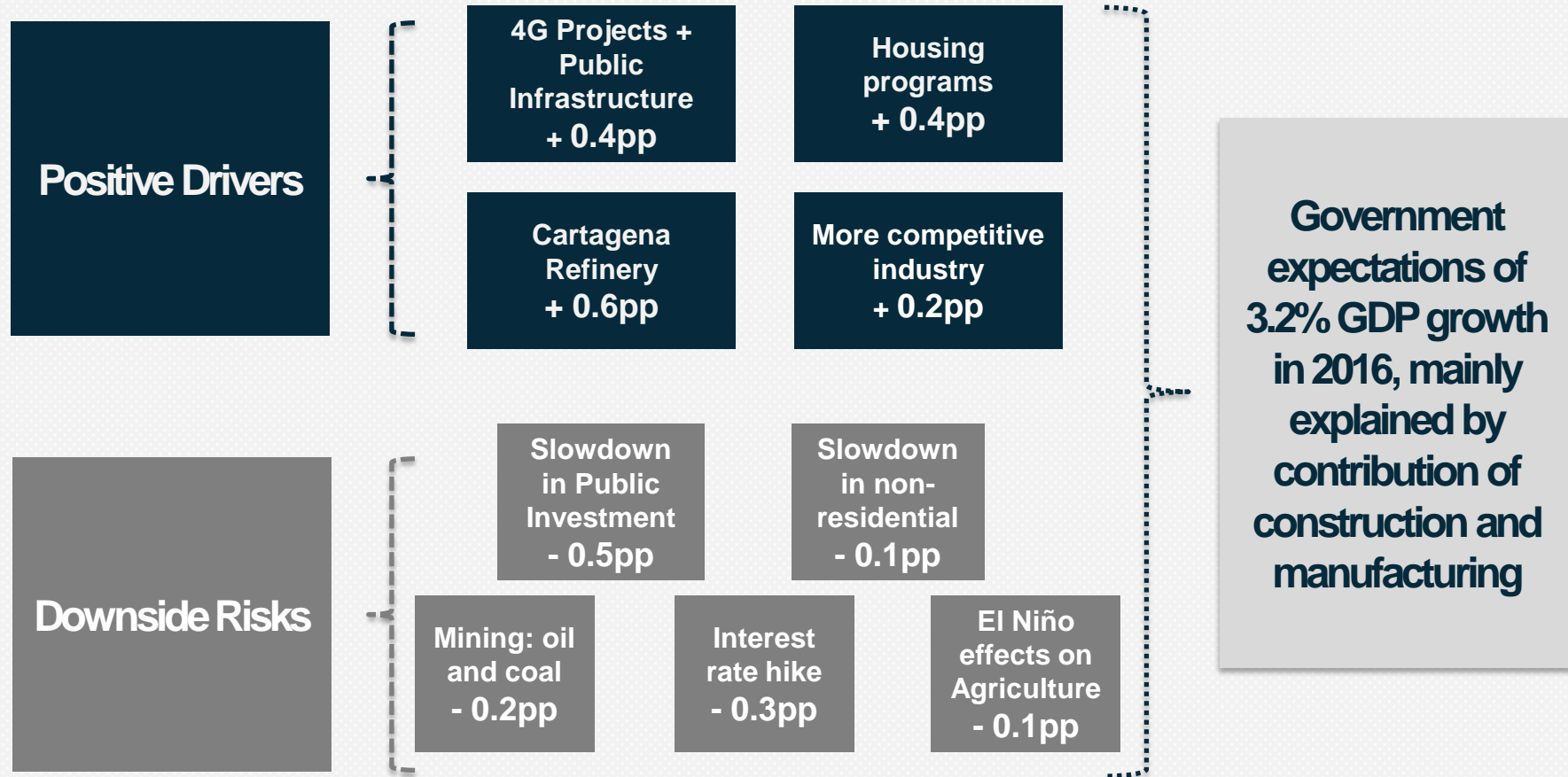
#### Challenges

- Deterioration of oil prices ( US\$ 35 / barrel in Central Budget)
- Current account deficit above 6% of GDP in 2015
- Expected fiscal deficit of 3.6% of GDP in 2016
- Further possible hikes in interest rates
- Fluctuations of COP vs USD
- Structural Tax Reform required

#### Expected Opportunities

- Possible peace agreement
- ISAGEN sale to help fund FDN (infrastructure funding)
- Construction activities through stimulus package (PIPE 2.0)

# Colombia – Key drivers and risks for 2016 GDP



### Government housing initiatives



33,500 social housing subsidies on mortgage rate



37,500 units under “Mi casa ya” subsidy program



51,500 units under “Casa Ahorro” <sup>1</sup> subsidy program



50,000 units under subsidy on middle-income housing on mortgage rate

Source: Housing Ministry



### Government forecasts potential GDP impact of 0.4pp for 2016

with the execution of its housing initiatives

### Housing initiatives now cover a wider social spectrum

increasing the multiplying factor in the economy and making execution easier

### We estimate to participate developing ~10K houses in 2016

under our housing solutions initiatives, including the 4K we started in 2015

### We expect a ~ 3.5% growth for residential sector for 2016

(1) Social Housing for Savers



Infrastructure sector grew by  
**5.7% during 2015**

in terms of cement demand compared  
with 2014

Positive effect is expected from  
**PIPE 2.0 and 4G projects**

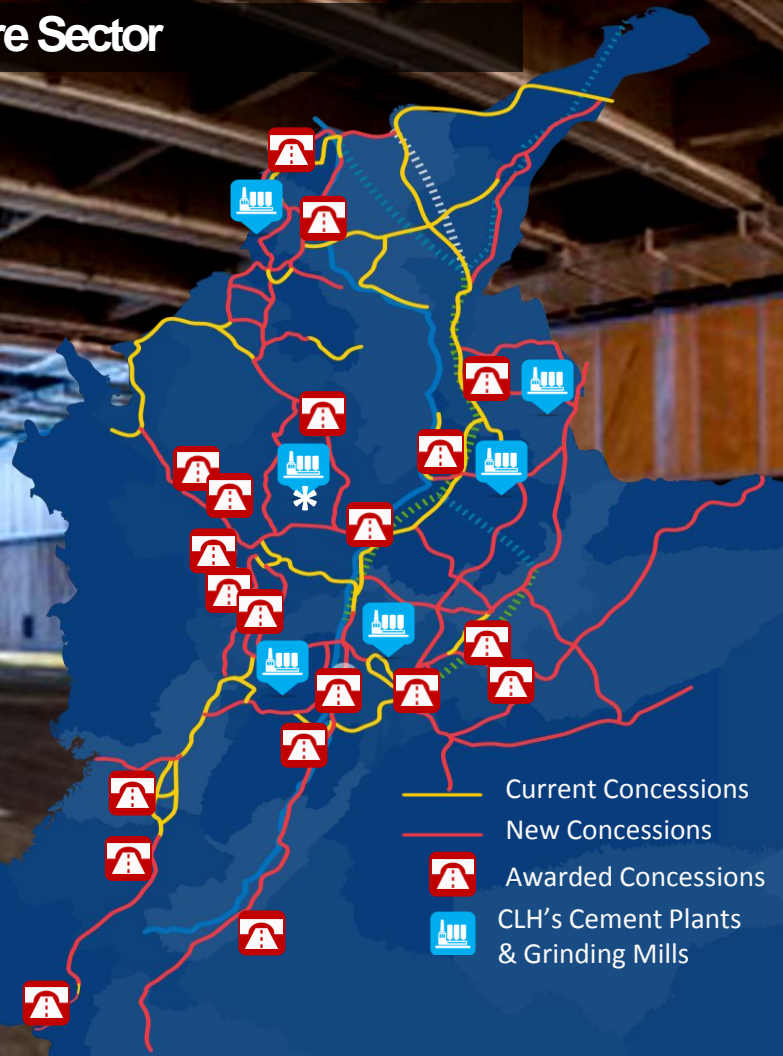
- 57 local and regional roads
- First wave of 4G

Financial closure for the  
projects included in 2nd wave  
should be obtained by 2H16,  
according to infrastructure authorities

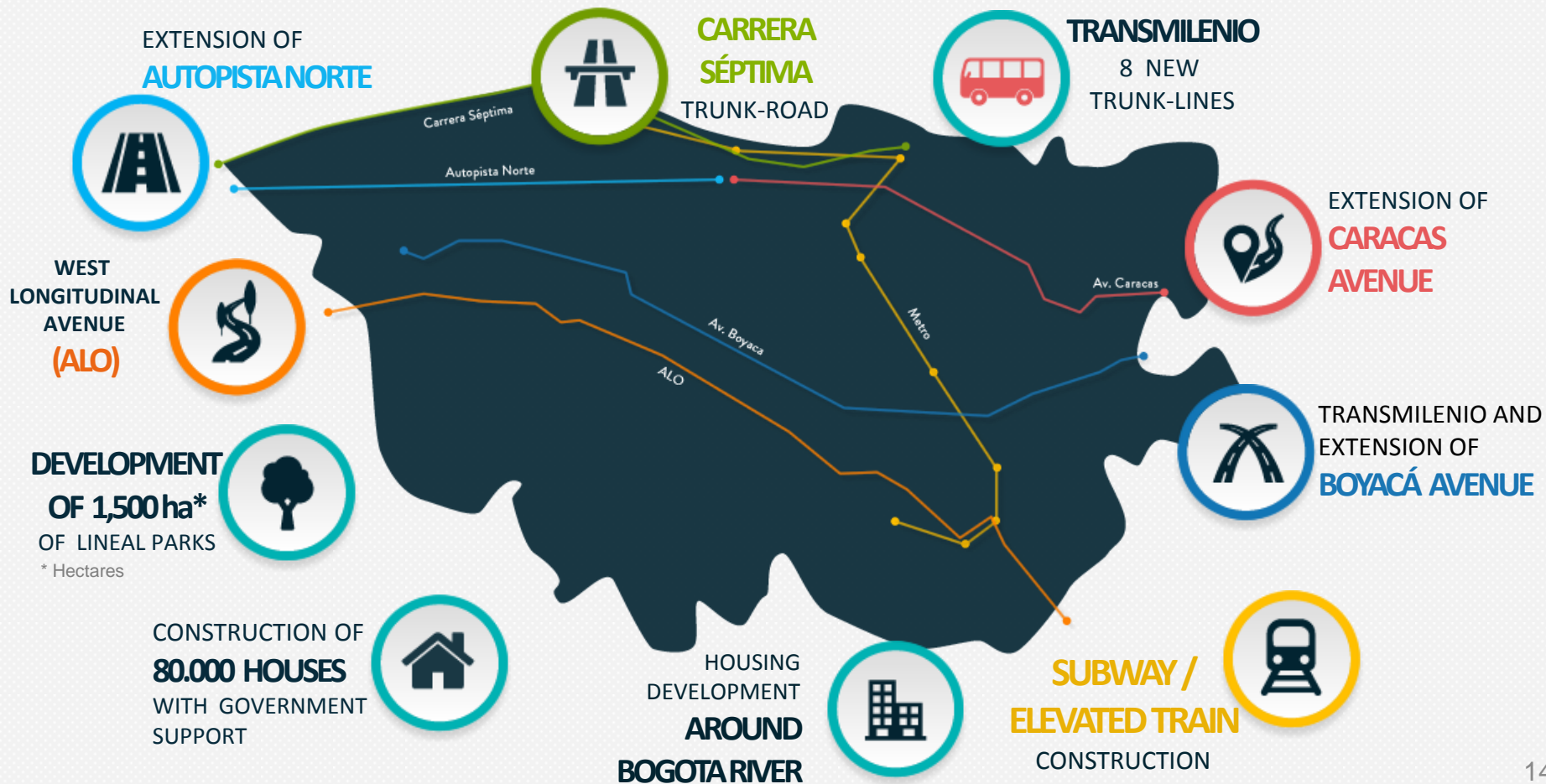
We expect a ~4% growth  
for infrastructure sector for 2016

# 7 Projects

of the first wave of 4G have  
reached financial closure



## | Colombia – Bogota market could represent significant opportunities





# Results Highlights Panama

# || Panama – Results Highlights

## Financial Summary US\$ Million

	2015	2014	% var	4Q15	4Q14	% var
Net Sales	284	315	(10%)	61	74	(18%)
Op. EBITDA	117	140	(16%)	26	31	(18%)
as % net sales	41.2%	44.3%	(3.1pp)	42.4%	42.5%	(0.1pp)

## Volume

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	(9%)	(22%)	(21%)
Ready-mix	(12%)	(24%)	(19%)
Aggregates	0%	19%	(21%)

## Price (Local Currency)

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	4%	5%	(1%)
Ready-mix	(4%)	(6%)	(2%)
Aggregates	3%	2%	2%

## Cement prices increased by 4% and 5%

during 2015 and 4Q15, respectively, reflecting a product mix effect from lower sales to the Canal expansion project

## Our aggregates volumes grew by 19% during 4Q15

compared with 4Q14, and remained flat during the full year versus 2014

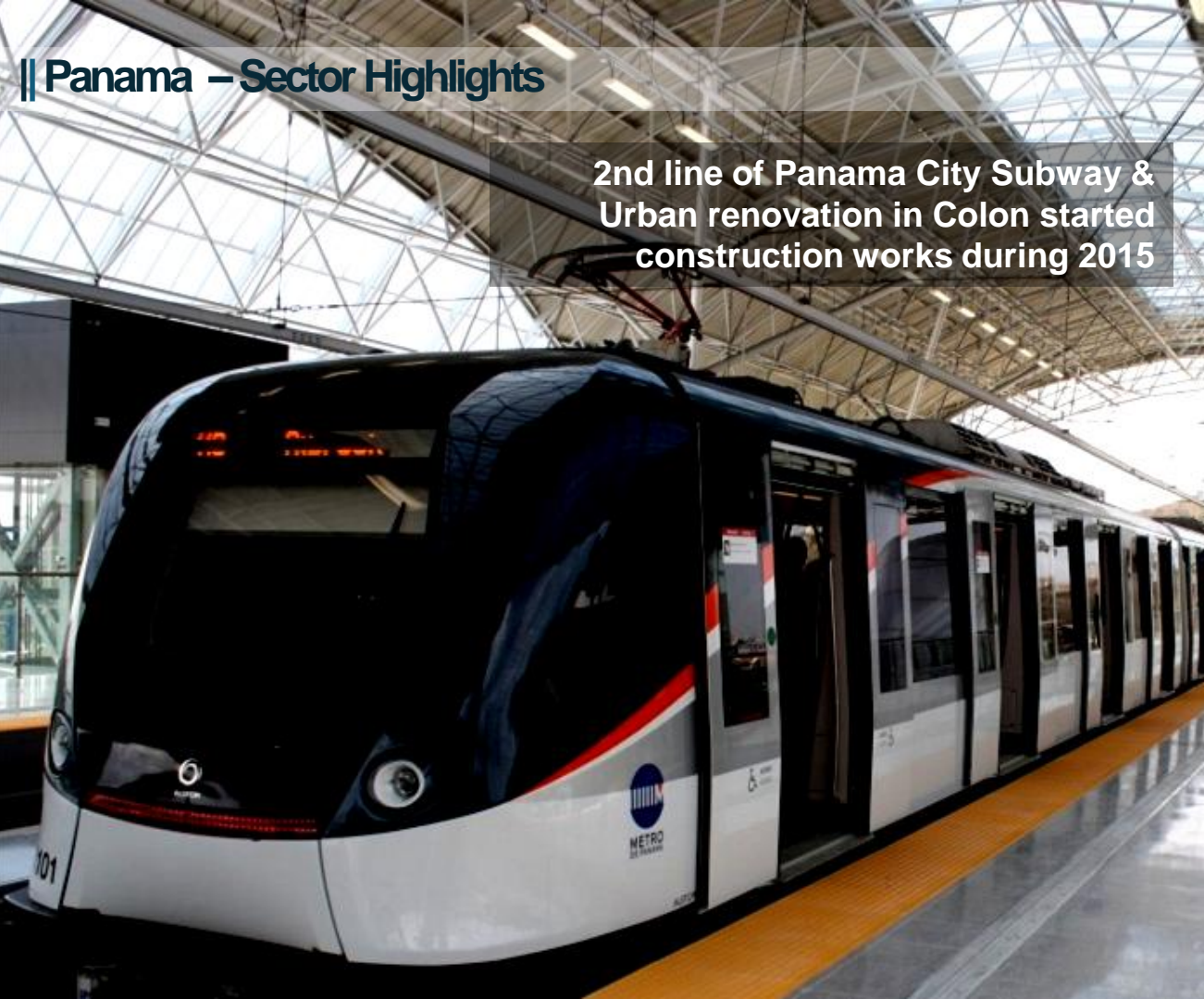
## Cement and ready-mix volumes decline mainly explained by

lower volumes to the Canal expansion project, slowdown of approval for construction licenses, and slow execution of new infrastructure projects

## EBITDA margins declined

3.1pp during the year and remained flat in 4Q15 compared with 2014





## || Panama – Sector Highlights

**2nd line of Panama City Subway & Urban renovation in Colon started construction works during 2015**

### **Positive impact from industrial-and-commercial sector**

in our results during the year, mostly the first half of 2015

### **We expect the slowdown in construction to be temporary**

especially regarding construction licenses and new infrastructure projects

### **We expect the residential sector to remain as the main driver**

of cement consumption during 2016

## Healthy Public Finances

**Government expectations of GDP growth in 2015 and 2016 are 5.9% and 6%, respectively**

## Infrastructure Projects 2016-2018

2016		2017-2018	
	US Million		US Million
2 <sup>nd</sup> Line of Subway	\$357	3 <sup>rd</sup> and 4 <sup>th</sup> Line of Subway	\$4,000
Roads Maintenance	\$258	Hydroelectric Dams Expansions	\$1,300
<i>Darien Highway</i>	\$155	4 <sup>th</sup> bridge over the Canal and Monorail	\$1,000
<i>Ciudad Esperanza</i>	\$137	Mass-transit system of West Panama	\$400
<i>Gonzalillo-Pedregal Road</i>	\$89	Rural Roads Program 200km	\$350
Urban Renov. Colon	\$69	Extension of Tocumen Airport	\$250
4 <sup>th</sup> Bridge over the Canal	\$100		
Public Health	\$113		
<b>Total Investment</b>	<b>\$1,278</b>	<b>Total Investment</b>	<b>\$7,300</b>



# Results Highlights Costa Rica



# Costa Rica – Results Highlights

## Financial Summary US\$ Million

	2015	2014	% var	4Q15	4Q14	% var
Net Sales	167	152	9%	36	39	(7%)
Op. EBITDA	69	69	0%	15	18	(18%)
as % net sales	41.3%	45.4%	(4.1pp)	41.5%	46.9%	(5.4pp)

## Volume

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	7%	(9%)	(19%)
Ready-mix	14%	13%	(3%)
Aggregates	16%	4%	7%

## Price (Local Currency)

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	1%	(2%)	0%
Ready-mix	(3%)	4%	6%
Aggregates	(4%)	(12%)	(11%)

**Records in net sales and aggregates volumes in 2015**

**Higher volumes for our three core products in 2015**

on a year-over-year basis were mainly driven by infrastructure projects

**Operating EBITDA remained flat**  
during 2015 compared with 2014

**EBITDA margin during 4Q15 grew sequentially by 5.7pp**

mainly explained by costs related to maintenance works in 3Q15



## **APM port terminal and Capulín dam should contribute**

for demand of our products in 2016

## **Positive impact from industrial- and-commercial sector**

is expected in our results in 2016, mainly driven by construction of new Hotels

## **Infrastructure sector could be negatively affected in 2016**

by economic and political environment



Results  
Highlights  
Rest of CLH

## || Rest of CLH – Results Highlights

### Financial Summary US\$ Million

	2015	2014	% var	4Q15	4Q14	% var
Net Sales	269	277	(3%)	60	67	(10%)
Op. EBITDA	73	78	(7%)	15	18	(15%)
as % net sales	27.1%	28.3%	(1.2pp)	25.9%	27.5%	(1.6pp)

### Volume

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	(2%)	2%	(4%)
Ready-mix	13%	(8%)	(21%)
Aggregates	13%	29%	(23%)

### Price (Local Currency)

	2015 vs. 2014	4Q15 vs. 4Q14	4Q15 vs. 3Q15
Cement	1%	(1%)	(2%)
Ready-mix	2%	3%	1%
Aggregates	11%	3%	8%

## Historic records in Nicaragua

- EBITDA generation
- Net Sales
- Cement volumes

## Ready-mix volume record in Guatemala

related to private sector investments

## Higher prices for our three main products

during 2015, compared with 2014

## EBITDA and EBITDA Margin decline in 2015 and 4Q15

manly explained by the results in our operations in Brazil



## || Rest of CLH – Sector Highlights

In Guatemala, the industrial-and-commercial sector remained as the main driver during 2015

### Positive volume performance in Nicaragua in 2015

driven mainly by infrastructure and industrial-and-commercial projects

### Private investment supported Construction in Guatemala

during 2015, mostly in residential, and industrial-and-commercial sectors

### Main drivers of cement demand in 2016 expected to remain

Infrastructure in Nicaragua  
Industrial-and-commercial in Guatemala



# FREE CASH FLOW

4Q15 Results



## Free Cash Flow

US\$ Million	2015	2014	% var	4Q15	4Q14	% var
<b>Operating EBITDA</b>	<b>450</b>	<b>577</b>	<b>(22%)</b>	<b>104</b>	<b>134</b>	<b>(22%)</b>
- Net Financial Expense	74	90		16	15	
- Maintenance Capex	52	63		26	25	
- Change in Working Cap	(44)	64		(20)	67	
- Taxes Paid	107	110		20	29	
- Other Cash Items (net)	12	(2)		1	(2)	
<b>Free Cash Flow After Maintenance Capex</b>	<b>249</b>	<b>252</b>	<b>(1%)</b>	<b>61</b>	<b>-</b>	<b>N/A</b>
- Strategic Capex	144	80		34	40	
<b>Free Cash Flow</b>	<b>105</b>	<b>172</b>	<b>(39%)</b>	<b>27</b>	<b>(40)</b>	<b>N/A</b>

### Working capital had a positive contribution

of US\$44MM during 2015 and of US\$20MM in 4Q15

### FCF before strategic Capex relatively flat in 2015

compared with 2014. Lower EBITDA offset by positive contribution of WC, lower financial expenses and lower maintenance capex

### Net debt was reduced

by US\$105 million during 2015 to US\$1,034 million



# GUIDANCE

4Q15 Results

## Volume YoY%

### Colombia

Cement	Ready - Mix	Aggregates
Low to Mid-single-digit growth	High-single-digit growth	High-single-digit growth

### Panama

Cement	Ready - Mix	Aggregates
High-single-digit decline	Flat	Low-teens growth

### Costa Rica

Cement	Ready - Mix	Aggregates
Low-single-digit decline	Low-single-digit decline	Low-single-digit growth

## Consolidated volumes expected to increase in 2016

- + Low-single-digit rate in cement
- + Mid to high-single digit rate in Ready-mix
- + High-single digit rate in Aggregates

## Maintenance capex

is expected to be about US \$57 MM in 2016

## Strategic capex

is expected to reach about US \$136 MM in 2016

## Consolidated Cash taxes

are expected to range between US \$95 MM and US \$105 MM



# APPENDIX

4Q15 Results

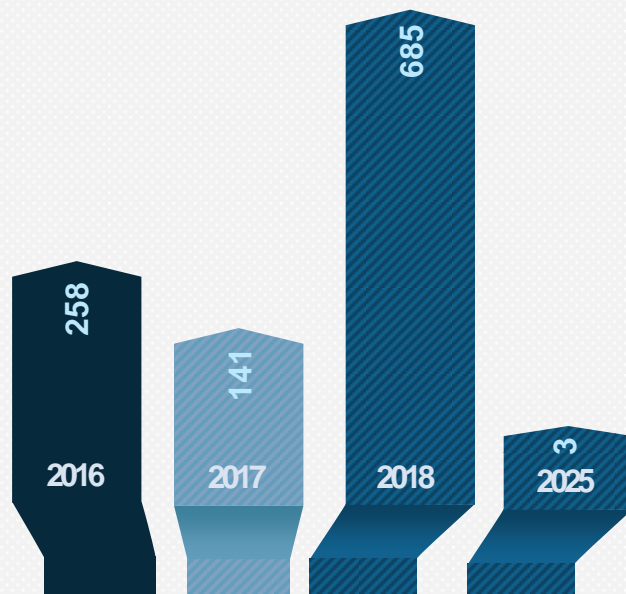


## Consolidated debt maturity profile

**US \$1,088 Million**

Total debt as of December 31, 2015

US\$ Million



**Cement:** When providing cement volume variations, refers to our domestic gray cement operations.

**Operating EBITDA:** Operating earnings before other expenses, net plus depreciation and operating amortization.

**Maintenance capital expenditures:** Investments incurred for the purpose of ensuring CLH' s operational continuity. These include capital expenditures on projects required to replace obsolete assets or maintain current operational levels, and mandatory capital expenditures, which are projects required to comply with governmental regulations or internal policies.

**Strategic capital expenditures:** Investments incurred with the purpose of increasing CLH' s profitability. These include capital expenditures on projects designed to increase profitability by expanding capacity, and margin improvement capital expenditures, which are projects designed to increase profitability by reducing costs.

**LC:** Local currency.

**pp:** Percentage points.

**Like-to-like Percentage Variation (I-t-I%var):** Percentage variations adjusted for investments/divestments and currency fluctuations.

**Rest of CLH:** Includes Brazil, Guatemala, El Salvador and Nicaragua.

## Investor Relations

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## Stock Information

Colombian Stock Exchange  
CLH



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