2Q17 - 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 second 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

- This second quarter was very challenging. Our results were negatively affected by the important deterioration in prices as a result of intense competitive dynamics and weaker demand in Colombia; by the calendar effect of Easter; by higher fuel costs; by unusually rainy weather; by above average maintenance costs; and by a one-off in Colombia related to a dispute of an electricity contract from 2015.

- An increase in our daily cement volumes in Panama, record cement volumes in our Rest of CLH operations, record aggregates volumes in

Costa Rica, and the significant efforts in operational efficiency and cost containment throughout our operations, were not enough to mitigate these negative effects.

- In Colombia, as a result of the intense competitive environment, cement prices continued the downward trend during the quarter, reaching levels that we estimate are below import parity in most of the markets across the country. During this period, cement and ready mix concrete demand in Colombia also remained subdued.

- In addition, we accounted for higher quarterly maintenance costs, on a year over year basis, given the scope of the two annual mayor shut-downs we undertook this quarter, and the maintenance of our two grinding lines in Costa Rica.

- Furthermore, during the second quarter, we had to account for a provision of 1.8 million dollars, which negatively affected our EBITDA by 1.2 million, as a result of an unfavorable arbitration decision in Colombia, following a dispute on an electricity contract from 2015. Although smaller than that of the April-June period, we also expect a negative effect from this dispute during the third quarter.

- As a consequence, on a year over year basis, our net sales and EBITDA declined 12% and 39%, respectively, during the second quarter, while our EBITDA margin contracted 10.5 percentage points.

SLIDE #4 – CONSOLIDATED VOLUMES AND PRICES

- During this quarter, the consolidated volumes for our three core products decreased compared to those of the second quarter of 2016, mainly as a result of the calendar effect related to the Easter holidays, and weaker demand for our products in Colombia.

- During the second quarter, our daily consolidated cement dispatches grew by 1.5%, while those of Ready Mix and Aggregates declined by 8% and 4%, respectively, compared to those of the second quarter of last year. Adjusted by working days, during this period, daily cement dispatches improved in all of our operations with the exception of Colombia and Nicaragua.

- With respect to our consolidated prices, during the second quarter, adjusted by exchange rate fluctuations, while ready-mix prices remained flat, consolidated cement and aggregates prices declined by 11% and 9%, respectively, on a year over year basis.

- Compared to those of the first quarter, also adjusted by exchange rate fluctuations, during the April - June period, our consolidated prices for cement, ready-mix and aggregates declined by 3%, 1%, and 6%, respectively, mainly as a result of tougher competitive dynamics in Colombia.

SLIDE #5 – YEAR TO DATE FINANCIAL RESULTS

- During the January–June period, the effects of the deteriorating market conditions in Colombia have more than offset the positive market dynamics in most of our Central America operations, and the effects of our cost containment efforts, such as increasing the usage of alternative fuels, improving labor productivity, reducing costs along the supply chain, and optimizing our asset base in Colombia.

- The cement price reduction in Colombia explains 50 million out of the 58 million dollars decline in our EBITDA during the first half of the year; the rest is mostly explained by lower volumes, also in Colombia.

- As I have told you before, 2017 will be a very difficult year for CLH. However, it should be a transition year for a much stronger 2018-2022 period. I am moderately optimistic about the mid term construction outlook across the CLH portfolio, which should drive demand from 2018 onwards.

- I also think that cement prices in Colombia are bottoming out, and believe that, as soon as demand begins to grow, we might have the opportunity to resume our value before volume strategy.

- The combination of better demand dynamics and the successful execution our value before volume strategy in Colombia, should allow CLH to increase EBITDA in the mid term.

- I can assure you that we will continue doing our best to maximize our EBITDA while the headwinds prevail, and to play a significant role in the development opportunities that arise.

- I am confident that we have the right commercial strategy, a very talented team, and a strong footprint to create value for all our shareholders.

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 in Colombia was negatively affected this quarter by macro challenges, fewer working days, and adverse weather conditions.

- According to our estimates, daily national cement consumption declined by 2.6% and 2.4% during the second quarter and first half of the year, respectively, compared to that of the same periods in 2016. As a result, cement demand in the country dropped by 6.5% during the quarter, and by 3% during the first semester of this year, on a year over year basis.

- Furthermore, the competitive dynamics intensified during the quarter. Cement prices declined significantly across the country in the April – June period, and as I said before, we estimate them to be already below cement import price parity levels in most of the country's regions.

- As we have explained to you in the past, under the current circumstances we aim at responsibly maintaining our cement market position, while affecting our prices the least possible. We consider that this decision allows us to avoid further amplifications of this downward spiral, that otherwise, could lead to more value erosion for CLH.

- In light of these considerable headwinds, I believe that, so far, we have successfully weathered the storm. Since cement prices started to decline in the second half of last year, we have been able to maintain our cement market presence practically intact.

- Year over year, our daily dispatches of cement, ready mix and aggregates declined by 5%, 19%, and 23%, respectively, during the second quarter of 2017.

- On a year over year basis, and in local currency terms, during the second quarter, our cement and ready mix prices declined by 23%, and 2%, respectively, while our aggregates prices grew by 4%.

- On a sequential basis, also in local currency terms, quarterly cement and ready mix prices fell by 8%, and 3%, respectively, while aggregates prices increased by 3%, compared to those of 1Q17.

- Regarding our financial results in Colombia this quarter, while our net sales declined by 26%, our EBITDA decreased by 63%, resulting in a margin decline of 16.8 percentage points, compared to those of the second quarter of 2016.

- The deterioration in EBITDA margin during this quarter relates mainly to lower cement prices, which accounted for 10 percentage points; lower volumes, which accounted for 1.5 percentage points; a product-mix effect, which accounted for 1.8 percentage points; higher distribution costs, due to the closure of our Bucaramanga plant which accounted for about 2.5 percentage points; as well as a one-off effect related to the aforementioned adverse arbitration decision of an electricity contract, which accounted for 1.1 percentage points of margin erosion.

- These effects were partially offset by a reduction in variable and fixed costs, which accounted for an improvement in EBITDA margin of 4.8 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 of some ready mix and aggregates assets.

SLIDE #9 – COLOMBIA – Residential sector

- With regards to the residential sector, cement dispatches for housing projects continued to weaken, especially for middle and high income developments, where sales of new homes declined by 26% during the January – May period, on a year over year basis.

- In contrast, social interest housing sales increased by 11% during this same period, supported by government sponsored programs.

- These trends are also evident in the construction of new houses. While initiation of works for middle, and high income homes decreased by 26%, despite a 15% increase in permits, initiation of works for social income housing projects increased by 14% during the January – May period, on a year over year basis.

- As proof of these dynamics, in recent months we finished the casting of over 1000 social income ready mix concrete homes, and are currently advancing works for 4000 more concrete dwellings.

- Finally, in order to accelerate economic growth in the country, and in an effort to boost middle income housing construction, the government recently increased the number of subsidies for the 2017-2019 period, and expanded the range of applicability to homes that are worth up to 100 thousand dollars.

- Cement demand for this sector is expected to decrease by low single digits in 2017.

SLIDE #10 – COLOMBIA – INFRASTRUCTURE

- After a weak 2016, we expect public works to be the main driver of demand for our products in 2017.

- It is already evident that mayors and governors are executing their budgets in a more meaningful way this year. Disbursements for transportation-related works increased by 12% in the January – March period, versus those of the same period in 2016.

- Additionally, it is expected that disbursements from the royalties fund to be applied to these types of projects will more than double during the full year, versus those of 2016.

- In this regard, we estimate that the tertiary road program called "*50 - 51*" could play a relevant role in terms of demand for our products in upcoming quarters.

- We are currently testing cement and ready mix intensive solutions, as part of our technical proposal for this program, and expect a final decision to be made by the authorities with regards to the final specs in the upcoming months.

- If any of the cement or ready-mix intensive solutions that are being proposed ends up being the preferred design choice, this program alone could imply additional cement demand of between 250 and 300 thousand tons of cement during its execution.

- In relation to the 4G concessions, we continue to expect dispatches to begin during the second half of 2017, although at low levels, and gradually grow in significance from 2018 onwards.

- From what we know, while only 8 projects from the first wave have secured disbursements and have started construction works, a number of other projects have already started very early works in advance of securing their financial closures.

- According to recent figures from the National Infrastructure Agency, as of today 17 projects have officially started construction works, and 5 more are already in the pre-construction phase.

- With regards to the delays in securing funding for the second wave of the 4Gs and some private initiative PPP’s, which resulted from the ongoing investigations of the Odebrecht case, the Financiera de Desarrollo Nacional (the financial development institution that promotes the participation of private firms in Colombia´s infrastructure projects) estimates that by December two additional projects should secure financial disbursements, and that eight more should do the same during 2018.

- I am glad to share with you that during the second quarter we made significant progress towards our objective to be the provider of choice of between 40% and 50% of the cement volumes in the pipeline of infrastructure projects in the country.

- According to our estimates, as of June 30th we secured the supply of 39% of the total functional units, both from 4G's and PPP's, which have contracted cement and ready mix so far. Cement consumption from these projects accounts for 34% of the total cement volume contracted as of today.

- In terms of cement demand, we expect the infrastructure sector to grow around 4% in 2017

Industrial and commercial **(no slide)**

- Finally: We have observed a much weaker performance in the Industrial and commercial sector than we previously anticipated. We now expect cement volumes from industrial and commercial works to decrease by 8% in 2017.

SLIDE #11 – [TITLE SLIDE] PANAMA

SLIDE #12 – PANAMA RESULTS HIGHLIGHTS

- Regarding Panama, we are very pleased with our year-to-date performance. Demand dynamics in the country remain strong, and have helped us partially offset the weakness in the Colombian market.

- During the second quarter, however, while net sales increased by 6%, our EBITDA declined 19%, on a year over year basis.

- Our margin decline of almost twelve percentage points during the quarter is mostly explained by: first, the effect of maintenance activities in the kiln #2, which last year took place during the first quarter; second, a product-mix effect reflecting more sales of admixtures, and a double digit volume growth from ready mix and aggregates; and third, an increase in our fuel costs.

- The significant volume increase in our three core products is a consequence of the favorable comparison base reflecting the low level of construction activity during the first half of last year.

- Regarding our cement, ready mix and aggregates prices, they remained practically flat during the second quarter, both sequentially and on a year over year basis.

SLIDE #13 – PANAMA – SECTOR HIGHLIGHTS

- During the April – June period, execution of infrastructure works and housing projects continued to fuel demand for our products.

- National cement consumption has benefited from the government efforts to enhance infrastructure for transportation and logistics, as well as to reduce the housing deficit in the country.

- Demand from social and middle income housing developments has remained strong, and has offset the decline in high income residential developments.

- Additionally, recent indicators for construction permits and mortgages make us feel optimistic with regards to the short term perspectives of this demand sector.

- We expect cement demand for residential works to grow by low single digits during 2017.

- Regarding demand for our products for public works, it has remained strong due to our participation in projects like the second line of the Subway, the AES energy project, the Santiago–Vigui road, Minera Panamá, and the urban renovation of Colon city.

- We expect cement dispatches for infrastructure works to grow by double digits in 2017, and to remain strong in the mid-term. Tender offers for the fourth bridge over the Canal have been presented and it is likely that execution for the project could start in early 2018.

- We expect this demand sector to play an important role in the economic growth of the country in years to come. The healthy fiscal situation of the country and increasing revenues from the Canal expansion would allow for a significant level of execution of projects which are already in the pipeline.

- Regarding cement dispatches to the Industrial and Commercial sector, we estimate that cement demand should remain flat in 2017.

SLIDE #14 – [TITLE PAGE] – COSTA RICA

SLIDE #15 – COSTA RICA – RESULTS HIGHLIGHTS

- In our operations in Costa Rica, during the second quarter, our net sales and EBITDA declined by 8% and 16%, respectively, on a year over year basis, mostly as a result of fewer working days, lower cement prices, and lower sales of value added ready mix and aggregates products.

- Daily dispatches for our three core products increased during the quarter. While daily cement and ready mix volumes increased by 2% and 4%, respectively, aggregates volumes increased by more than 60%, over 2Q16 levels.

- Despite the fewer working days, our cement, ready mix and aggregates volumes increased on a sequential basis, reinforcing our expectations of stronger demand conditions for the rest of the year.

- With regards to our local-currency prices, our cement, ready mix, and aggregates prices declined by 4%, 12% and 61%, respectively, during the quarter, on a year over year basis.

- The year over year decline in cement prices is explained by tougher competitive dynamics, while those of ready mix and aggregates are a result of a product-mix effect reflecting higher sales of value added products in the second quarter of 2016, related to two specific projects that were completed last year, and much higher dispatches of low margin aggregates to a specific project this year.

- It is relevant to mention that the price increase for bagged cement for our retail customers, which became effective in May, has been successful. However, we expect the effects of this adjustment to be more visible in our results from the third quarter onwards.

- Year to date, our operations in Costa Rica have had the highest alternative fuels substitution rate in our portfolio, and have been successful in offsetting the increase in fuel cost in the country.

SLIDE #16 – COSTA RICA – SECTOR HIGHLIGHTS

- Regarding our demand sectors, we expect public works to be the main driver of demand for our products during this year.

- We have seen a more dynamic infrastructure sector during the first half of the year, with the execution of the Capulín hydroelectric plant and the APM port terminal. However, the execution of some macro projects such as the Northern Beltway, the Sixaola Bridge, and Route 32, has presented some delays.

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

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

- According to our current estimates, the *Oxigeno* project as well as the development of hotels, warehouses and big box retailers should play a relevant role in boosting demand for our products during the third and fourth quarters of this year.

- Regarding the residential sector, although advanced indicators like mortgages and building permits reveal confidence among homebuilders, they have not been reflected yet in higher consumption of our products.

SLIDE #17 – [TITLE PAGE] REST OF CLH

SLIDE #18 – REST OF CLH – RESULTS HIGHLIGHTS

- Despite the Easter holidays and adverse weather conditions, this quarter was the highest ever in terms of cement volumes for our operations in the Rest of CLH region, which includes Nicaragua, Guatemala, El Salvador, and Manaus, in Brazil.

- Nevertheless, during this period, while our net sales increased by 6%, our EBITDA declined by 9%, resulting in a margin contraction of 4.9 percentage points.

- The EBITDA margin decline is explained by:

  - Lower cement volumes in Nicaragua as a result of heavy rain and fewer working days
  - Lower cement prices in Nicaragua resulting from a customer-mix effect, with higher dispatches to large ready-mix concrete road projects
  - Higher than average maintenance costs in Nicaragua
  - Higher volumes of imported cement in El Salvador and Brazil
  - And, a product-mix effect reflecting a 32% increase in Ready mix volumes, and a 128% increase in aggregates volumes

SLIDE #19 – NICARAGUA Highlights

- In Nicaragua, national cement demand during the second quarter was negatively affected by strong rains, and a deceleration in the residential sector.

- Although housing developments continue to demand our products, construction activity for new projects has slowed down.

- We estimate that construction of roads, especially those that will connect the Pacific and Atlantic coasts of the country, as well as some hospitals, will be the main drivers of demand for our products during this year.

- Furthermore, we are confident that construction activities at the local and regional level should continue with a strong performance, in anticipation of local elections in November and in preparation of the Central American Games in December.

- Regarding the industrial and commercial sector, as we have mentioned in previous conference calls, cement demand from hotels, supermarkets, and warehouses remains strong.

- As we have discussed in the past, although we are very pleased with our performance in Nicaragua, we remain cautious about the short term construction prospects given some perceived vulnerability of external accounts, and by the so called NICA Act.

SLIDE #20 – Guatemala Highlights

- With regards to our operations in Guatemala, we continue delivering strong results. Despite lower cement, ready mix and aggregates volumes on a year over year basis, during the second quarter, our net sales and EBITDA remained practically flat.

- Our daily cement dispatches increased by 2% during the second quarter, on a year-over-year basis, fueled by strong activity in the industrial and commercial sector, and a resilient private consumption backed by remittances.

- Regarding construction from public works, cement consumption remains stagnant and with very low levels of disbursements. We are confident that sooner or later there will be an upside potential once the government takes more action in addressing the significant infrastructure gaps of the country.

SLIDE #21 – [TITLE PAGE] – Free Cash Flow

I would now like to discuss our free cash flow generation

SLIDE #22 – WORKING CAPITAL

- For the fifth consecutive quarter, during the April-June period, our working capital investment remained in negative territory.

- Our average working capital was minus 9 days; 8 fewer days than in the same period in 2016.

- During this period, we were able to reduce our quarterly working capital needs by 27 million dollars, versus 2Q16 levels.

- During the quarter we achieved significant reductions in working capital in Panama and Costa Rica, and, for the first time, reached a negative working capital in our operations in Panama in June.

- Sequentially though, we had two more days in working capital investment, mostly as a consequence of a reduction in accounts payable related to lower CAPEX for the Maceo cement plant.

- The contribution to Free Cash Flow of our variation in working capital this quarter was three million dollars higher than that of the second quarter last year.

- Although I am very satisfied with our performance in terms of Working Capital management, my next personal objective will be to reach negative trade working capital across all our operations.

SLIDE #23 – FCF GENERATION

- During the second quarter, in spite of the 39% decline in EBITDA, our free cash flow after total capex increased 12%, reaching 28 million dollars.

- The negative effect from the EBITDA variation was more than offset by:
    - Lower maintenance and strategic capex
    - The positive variation of working capital that I just explained
    - A positive contribution in other cash items, mostly as a result of sales of idle and non-core fixed assets
    - And, lower cash taxes, which compensated the higher installments paid in Colombia during the first quarter

- During the second quarter our financial expenses were practically flat on a year over year basis. However, we estimate that the savings resulting from our debt refinancing, which we signed at the end of February this year, will be more evident starting this third quarter.

- As you might remember, during the past conference call I explained that during the first six months of 2016 we capitalized certain interests, as per IFRS requirements, which were 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 these capitalized interests, our financial expenses during the first half of this year would have been 6 million dollars lower than those of the first half of 2016.

- Before discussing our guidance, I want to tell you that in spite of the operational headwinds we are currently facing, we expect to be able to maintain a strong Free Cash Flow generation, especially as our intensive cycle of Strategic Capex comes to an end.

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, while our expectations for our consolidated cement volumes remain unchanged, we now expect ready mix volumes to grow between zero and two percent, while aggregates volumes should grow between one and three percent, from last year´s levels.

- In Colombia we now expect cement volumes to decline within the zero to minus three percent range, while ready mix and aggregates volumes should decrease between 1 and 3 percent, compared to those of 2016.

- In the case of Panama, our guidance remains intact. 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 now expect our cement and ready mix volumes to grow between 1 and 3 percent, while aggregates volumes should grow between 7 and 9 percent, from 2016 levels.

- Our guidance for cash taxes remains unchanged. We expect them to be between 100 and 110 Million US dollars.

- Finally, we have reduced our full year CAPEX expectations by 16 million dollars. Our maintenance capex in 2017 should be 51 million dollars, while our strategic capex is expected to reach 29 million dollars, 111 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.