



# RESULTS 3Q14

October 22, 2014

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Unless the context otherwise requires it, all references to prices in this document means our prices for our products.

UNLESS OTHERWISE NOTED, ALL CONSOLIDATED FIGURES ARE PRESENTED IN DOLLARS AND ARE BASED ON THE FINANCIAL STATEMENTS OF EACH COUNTRY PREPARED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS.

# Financial Results Summary

### Net Sales (US\$M)



### Operating EBITDA (US\$M)



## High growth in net sales

of 6% in 3Q14 and 5% in 9M14, compared to last year, adjusting for the effect of lower revenue in our housing solutions projects this year

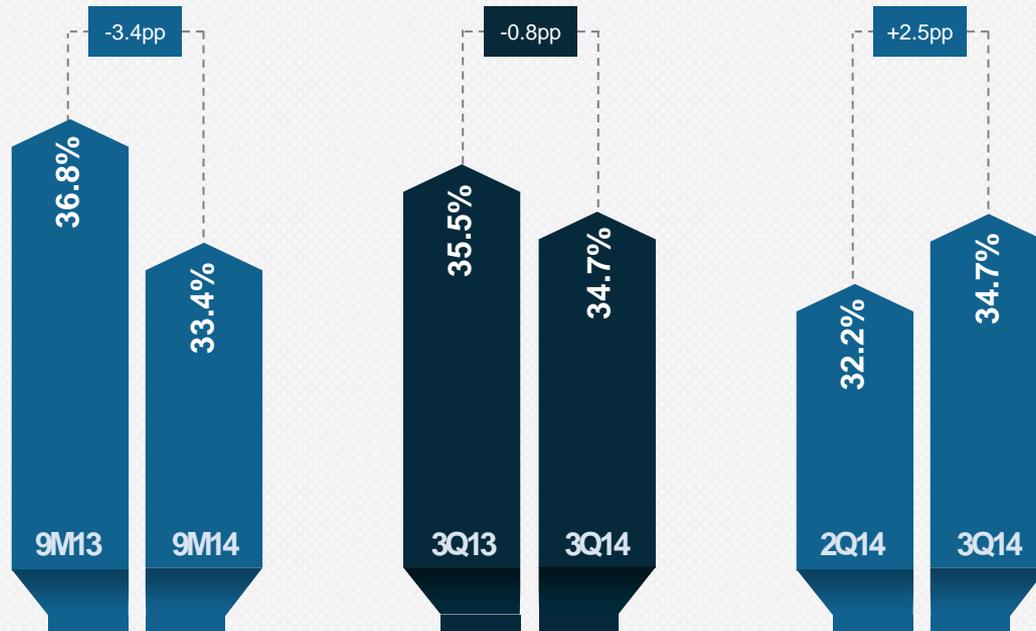
## Sequential EBITDA growth

in 3Q14 of 12%, driven by Colombia and Panama, with higher volumes and lower maintenance works, compared to 2Q14

## EBITDA decline YoY

in 3Q14 mainly due to one scheduled maintenance work, lower prices in our products, and a lower EBITDA contribution from our housing solutions projects

## Operating EBITDA Margin (%)



## Sequential increase

in EBITDA margins in most of our markets

## Sequential margin growth

of 2.5pp during 3Q14 vs. 2Q14 mainly explained by less scheduled maintenance

## Lower EBITDA margin

in 3Q14 YoY due to one scheduled maintenance and the effect of lower prices in our products

# || Consolidated Volumes and Prices

## Domestic gray cement

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Volume	7%	5%	3%
Price (USD)	(3%)	(2%)	(2%)
Price (LtL <sub>1</sub> )	1%	(1%)	(3%)

## Ready-mix concrete

Volume	7%	5%	12%
Price (USD)	(2%)	(1%)	0%
Price (LtL <sub>1</sub> )	1%	0%	(1%)

## Aggregates

Volume	19%	13%	7%
Price (USD)	(5%)	(4%)	(3%)
Price (LtL <sub>1</sub> )	(1%)	(2%)	(3%)

## Continued growth trend

in consolidated volumes in all of our three products

## Record sales volumes

in all three products in Colombia, and in aggregates and ready-mix in Panama, over the past four years

## 6<sup>th</sup> consecutive quarter

with new record cement volume sales in our operations in Colombia

## Higher prices in 3Q14

in local currency terms YoY in our cement operations throughout our markets, were offset by lower prices in Colombia

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



# CAPACITY EXPANSION PROJECTS

3Q14 Results

# Capacity Expansion Project - Colombia



## New greenfield project in Colombia

increasing our cement capacity in the country from 4.5 to close to 5.5 million tons per year with an investment of about US\$340 million

## Cement production to start in 2Q15

with the completion of the grinding phase; clinker production line to start operations in 2H16

## Strategically located in Antioquia

a region that will benefit from the construction of highway infrastructure projects

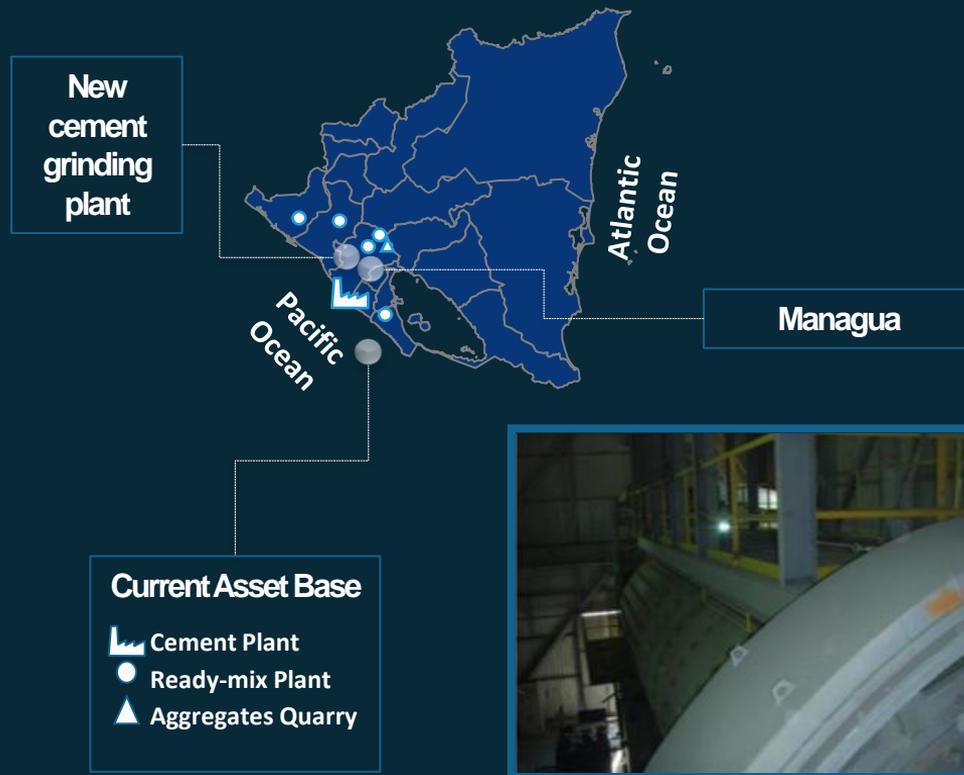
## Higher operating efficiencies

Fuel and electricity costs at this new plant are expected to be 15% and 10% lower than our current cement operation

## Lower distribution expenses

are expected in our cement network once we start operations

# Capacity Expansion Project - Nicaragua



## New cement grinding plant

to increase cement production capacity in Nicaragua by 440 thousand tons reaching 860 thousand tons per year in 2017, with a total investment of US\$55 million in Ciudad Sandino, Managua

## Construction in two phases

with first phase including a 220 thousand ton mill and representing an investment of US\$30 million; second phase includes a second 220 thousand ton mill with an investment of US\$25 million

## First phase to be completed in 2Q15

and the second phase of construction is expected to finalize in 2017; construction is progressing according to schedule

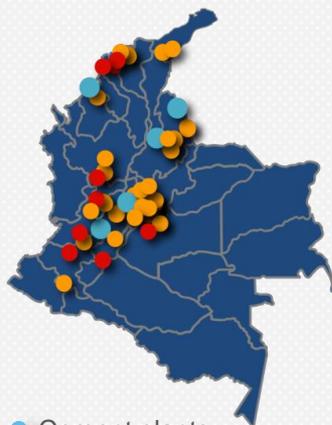
## New capacity to support growth

and allow CLH to continue participating in the development of Nicaragua

## ENHANCED ASSET FOOTPRINT

### In Colombia since 2010 we have

- More than doubled the number of ready-mix plants
- Expanded our ready-mix operation from 11 cities to 30
- Doubled our distribution centers
- Opened grinding mill in Caribbean coast last year
- Started construction of a new cement plant



- Cement plants
- Ready-mix plants
- Distribution centers

## ROBUST COMMERCIAL OFFERINGS

### Portfolio of Infrastructure Solutions

- Design and construction of urban and highway pavement
- Pre-cast concrete elements for bridges
- Project analysis, financial planning, structuring and management
- Use of specialty products



# REGIONAL HIGHLIGHTS

3Q14 Results



# Results Highlights Colombia

# Colombia – Results Highlights

## Financial Summary US\$ Million

	9M14	9M13	% var	3Q14	3Q13	% var
Net Sales	768.6	734.7	5%	266.7	287.3	(7%)
Op. EBITDA	280.7	304.7	(8%)	99.9	114.8	(13%)
as % net sales	36.5%	41.5%	(5.0pp)	37.5%	40.0%	(2.5pp)

## Volume

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	18%	14%	6%
Ready mix	14%	8%	8%
Aggregates	24%	12%	6%

## Price (Local Currency)

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	(3%)	(6%)	(3%)
Ready mix	1%	0%	(1%)
Aggregates	(1%)	(1%)	(3%)

## Double-digit growth

in volumes in all of our three products during 9M14 compared to 9M13

## High growth in net sales

of 8% in 3Q14 vs. 3Q13, and 9% in 9M14 vs. 9M13, when adjusting for the effect of lower revenue in our housing solutions projects this year

## Double-digit growth

in EBITDA in 3Q14 vs. 2Q14, with a margin expansion of 3.5pp

## Lower EBITDA in 3Q14

driven by one scheduled maintenance, lower prices in our products and a lower contribution from our housing solutions projects this year, vs. 3Q13

Continued positive trend in residential sector supported by government-sponsored initiatives and a favorable performance in self-construction

In the January to August 2014 period, permitted area for non-social housing increased by 11%, on a year-over-year basis

### Subsidies program

for social housing should start construction soon and will continue supporting activity in the sector

### Expect to build ~700 houses

in 4Q14, under our housing solutions projects, after delays in the execution of the subsidies program; construction is expected to continue in 2015 and 2016

### New free-home program

expected to be announced before end of year

### Our volumes

to the residential sector are expected to grow by about 13% in 2014



Activity in the infrastructure sector continues to be supported by ongoing projects awarded in past years like *Ruta del Sol* and *Corredores de la Prosperidad*

### US\$ 1.7 B allocated

for infrastructure under the *Royalty Fund*; about 80% of these projects have been awarded

### 7 highway projects of 4G

have already been awarded; the remaining 2 under the first wave of projects are expected to be awarded during the remainder of the year

### Other projects awarded

include the Río Magdalena project to improve its navigability, as well as four airport concessions

### Our volumes

to infrastructure sector are expected to grow by about 16% in 2014

## || Colombia – Industrial and Commercial Sector

Activity in the industrial and commercial sectors has accelerated in 2014

### Building permits

for the industrial and commercial sector have increased by 30% in the January to August period, on a year-over-year basis

### High activity levels

of office and commercial buildings with permits growing by close to 80% and 40%, respectively in the January to August period, compared to last year

### Our volumes

to this sector are now expected to increase by a double-digit rate in 2014, in light of the recent strong performance



# Results Highlights Panama

# || Panama – Results Highlights

## Financial Summary US\$ Million

	9M14	9M13	% var	3Q14	3Q13	% var
Net Sales	241.3	237.7	2%	92.6	84.1	10%
Op. EBITDA	108.3	113.9	(5%)	42.3	39.6	7%
as % net sales	44.9%	47.9%	(3.0pp)	45.7%	47.1%	(1.4pp)

## Volume

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	(14%)	(6%)	21%
Ready mix	(4%)	4%	40%
Aggregates	(1%)	7%	25%

## Price (Local Currency)

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	12%	11%	0%
Ready mix	0%	(1%)	2%
Aggregates	(2%)	(2%)	2%

## 8% volume growth in 3Q14

in our cement daily sales, compared to 3Q13, adjusting for the effect of lower cement consumption in the Canal expansion project this year

## New volume record in 3Q14

in our aggregates, and also new volume record in our ready-mix volumes, over the past four years

## New sales and EBITDA record

during 3Q14

## EBITDA margin in 3Q14

declined by 1.4pp vs. 3Q13 due to higher revenue from our paving solutions initiatives

## || Panama – Sector Highlights

The residential sector continued to be the main driver for demand of our products during the quarter

### Infrastructure in 3Q14

also had a favorable performance with ongoing projects like “Corredor Norte” and a wind farm project in the central region of Panama

### Industrial & commercial

building permits increased by 28.5% in the January to August period, compared to last year; this is expected to translate into higher demand going forward

### Ongoing & new projects

in infrastructure should support construction activity going forward



# Results Highlights Costa Rica

# || Costa Rica – Results Highlights

## Financial Summary US\$ Million

	9M14	9M13	% var	3Q14	3Q13	% var
Net Sales	113.7	117.2	(3%)	37.7	40.2	(6%)
Op. EBITDA	51.1	51.9	(1%)	17.8	17.3	2%
as % net sales	44.9%	44.3%	0.6pp	47.1%	43.1%	4.0pp

## Volume

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	1%	(10%)	(9%)
Ready mix	(24%)	(32%)	(11%)
Aggregates	0%	7%	12%

## Price (Local Currency)

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	5%	5%	1%
Ready mix	4%	1%	1%
Aggregates	(3%)	(4%)	(2%)

## Cement and ready-mix vols.

in 3Q14 were affected by a slowdown in construction activity and delays in new projects

## Double-digit growth rate

in our total cement volumes in 3Q14, including exports, compared to 3Q13

## Higher prices in 3Q14

in our cement and ready-mix, in local currency terms, compared to 3Q13

## EBITDA margin expansion

of 4pp in 3Q14 vs. 3Q13

Ongoing infrastructure projects, like the Cañas-Liberia highway, continued driving cement demand in 3Q14

### Government is committed

to continue supporting investment in infrastructure but still has to present infrastructure plan for the following years

### Infrastructure

is expected to continue driving cement demand

### New expected projects

like the Chucás hydroelectric dam, the Guacamaya overpass, the Circunvalación Norte in San José, and the APM container port terminal project in Moín, expected to be approved shortly



Results  
Highlights  
Rest of CLH

## Rest of CLH – Results Highlights

### Financial Summary US\$ Million

	9M14	9M13	% var	3Q14	3Q13	% var
Net Sales	210.2	210.6	(0%)	66.9	65.5	2%
Op. EBITDA	60.0	59.1	1%	20.0	18.4	9%
as % net sales	28.6%	28.1%	0.5pp	29.8%	28.0%	1.8pp

### Volume

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	0%	(2%)	(10%)
Ready mix	0%	6%	9%
Aggregates	57%	81%	(13%)

### Price (Local Currency)

	9M14 vs. 9M13	3Q14 vs. 3Q13	3Q14 vs. 2Q14
Cement	1%	3%	0%
Ready mix	7%	11%	2%
Aggregates	(4%)	2%	7%

### Double-digit volume growth

in all of our three products in Nicaragua in 3Q14 vs. 3Q13, driven by infrastructure and housing

### Cement and ready-mix vols.

in our operations in Guatemala during the quarter were affected by delays in construction due to heavy rain conditions

### Higher prices in 3Q14

in local currency terms in all of our three products compared to 3Q13

### EBITDA margin in 3Q14

increased by 1.8pp vs. 3Q13

## || Rest of CLH – Sector Highlights

Infrastructure remains the main driver for cement demand in Nicaragua

Housing also contributed to demand growth in 3Q14

### In Nicaragua

Infrastructure is expected to continue its positive trend

We are also participating in the housing developments for the population affected by the earthquake in April of this year

### In Guatemala

we expect to see a recovery in construction activity after the rainy season





# FREE CASH FLOW

3Q14 Results

US\$ Million	9M14	9M13	% var	3Q14	3Q13	% var
<b>Operating EBITDA</b>	<b>443</b>	<b>474</b>	<b>(7%)</b>	<b>160</b>	<b>168</b>	<b>(5%)</b>
- Net Financial Expense	75	87		28	28	
- Maintenance Capex	38	22		12	14	
- Change in Working Cap	(3)	43		(13)	13	
- Taxes Paid	81	85		22	20	
- Other Cash Items (net)	(0)	5		0	2	
<b>Free Cash Flow</b> After Maintenance Capex	<b>253</b>	<b>232</b>	<b>9%</b>	<b>111</b>	<b>91</b>	<b>22%</b>
- Strategic Capex	40	31		28	15	
<b>Free Cash Flow</b>	<b>213</b>	<b>201</b>	<b>6%</b>	<b>83</b>	<b>76</b>	<b>8%</b>

## FCF generation in 3Q14

reached US\$83 million and was used to reduce debt

## Strong FCF conversion rate

during the first nine months of 2014, reaching 74%, before strategic capex and financial expense

## Net debt was reduced by

by about US\$89 million during 3Q14 to US\$1,088 million



# GUIDANCE

3Q14 Results

## Volume YoY%

### Colombia

Cement	Ready - Mix	Aggregates
15%	13%	18%

### Panama

Cement	Ready - Mix	Aggregates
(13%)	(4%)	(3%)

### Costa Rica

Cement	Ready - Mix	Aggregates
2%	(15%)	1%

## On a consolidated basis

we expect our cement, ready-mix and aggregates volumes to increase by 6%, 8% and 13%, respectively in 2014, compared to 2013

## Maintenance capex

is expected to reach US\$52 million in 2014

## Strategic capex

is expected to reach US\$120 million in 2014

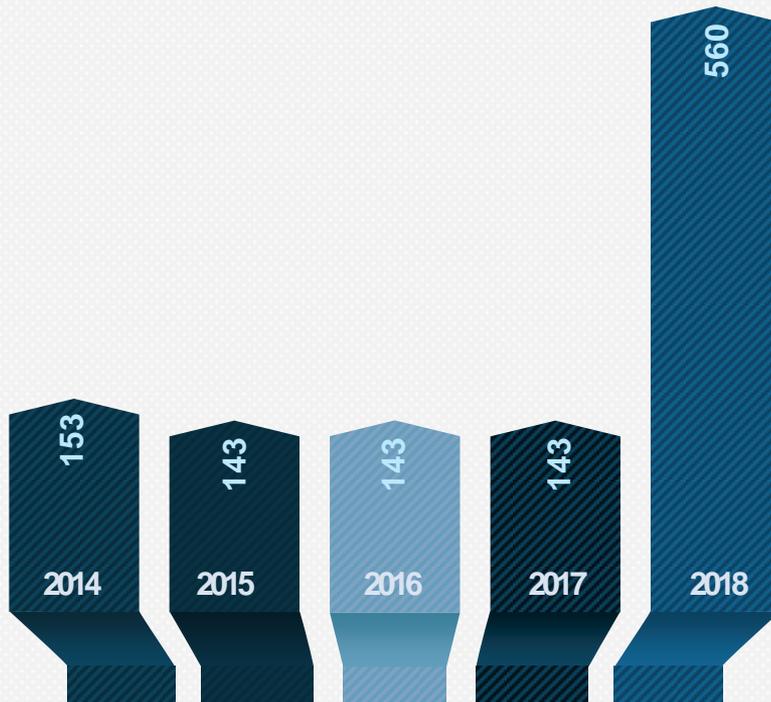


# APPENDIX

3Q14 Results

## || Consolidated debt maturity profile

US\$ Million



**US\$1,142 million**

Total debt as of September 30, 2014

<b>9M14 / 9M13:</b>	Results for the first nine months of the years 2014 and 2013, respectively
<b>Cement:</b>	When providing cement volume variations, refers to our domestic gray cement operations.
<b>Operating EBITDA:</b>	Operating earnings before other expenses, net plus depreciation and operating amortization.
<b>Maintenance capital expenditures:</b>	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.
<b>Strategic capital expenditures:</b>	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.
<b>LC:</b>	Local currency.
<b>pp:</b>	Percentage points.
<b>Like-to-like Percentage Variation (I-t-I%var):</b>	Percentage variations adjusted for investments/divestments and currency fluctuations.
<b>Rest of CLH:</b>	Includes Brazil, Guatemala, El Salvador and Nicaragua.

## **Investor Relations**

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## **Stock Information**

Colombian Stock Exchange  
CLH

## **Calendar of Events**

4 – Feb – 2015  
4Q14 Earnings Report and Conference Call



# RESULTS 3Q14

October 22, 2014