



# RESULTS 2Q14

July 17, 2014

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

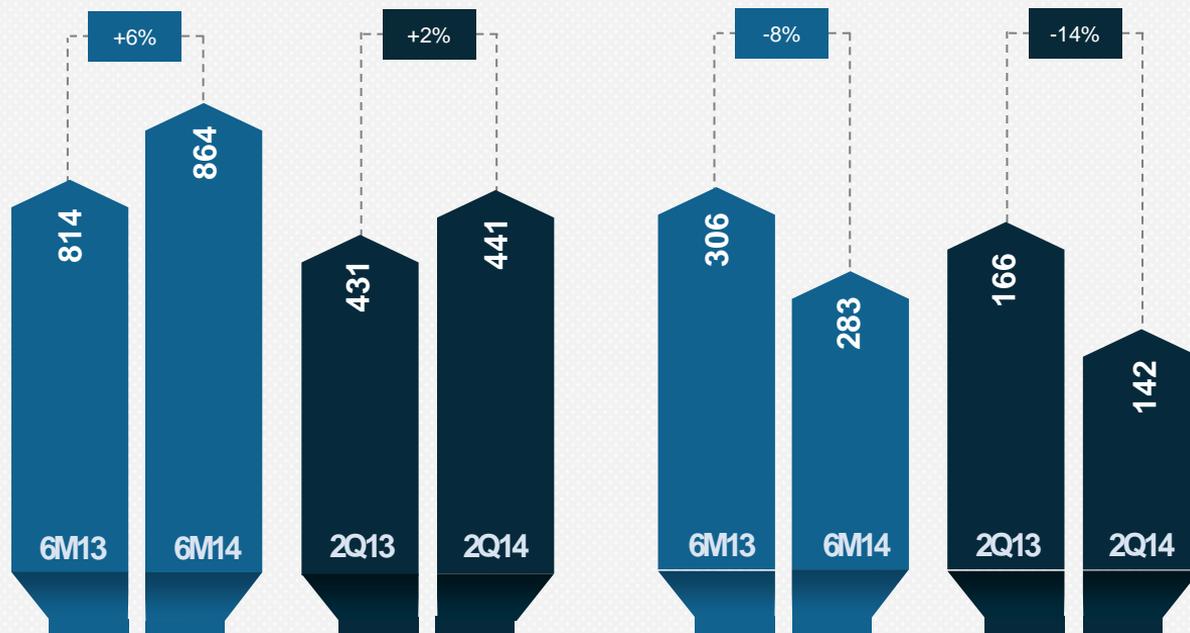
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# Financial Results Summary

Net Sales  
(US\$M)

Operating EBITDA  
(US\$M)



## Net sales growing by 6%

during 6M14, and by 2% during 2Q14, on a year-over-year basis

## Colombia is driving growth

with four consecutive quarter of double-digit growth rates in net sales, adjusting for calendar effects

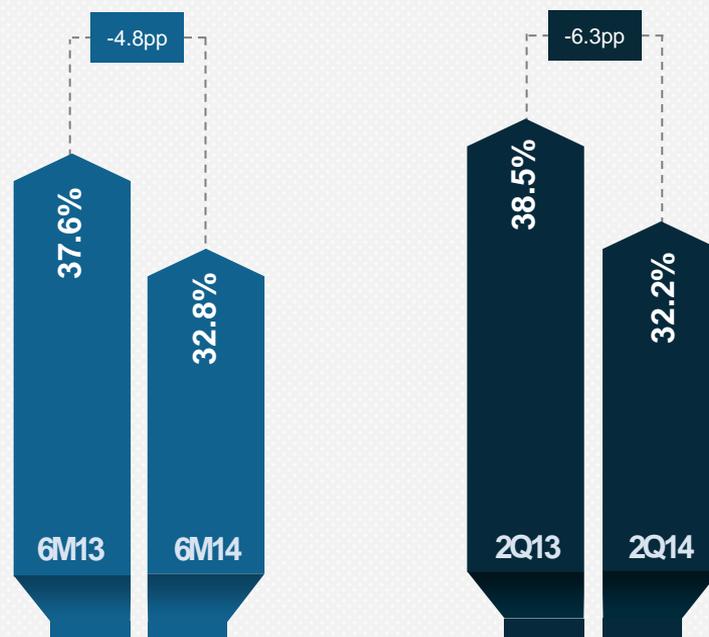
## Operating EBITDA

in 6M14 and 2Q14 declined on a year-over-year basis due mainly to scheduled maintenance works

## During 6M14

we carried out routine maintenance in most of our kilns; we execute this activity every 12 to 18 months

## Operating EBITDA Margin (%)



## Sequential increase

in EBITDA margins in Panama and Costa Rica of 3.9pp and 4.3pp, respectively in 2Q14 vs. 1Q14

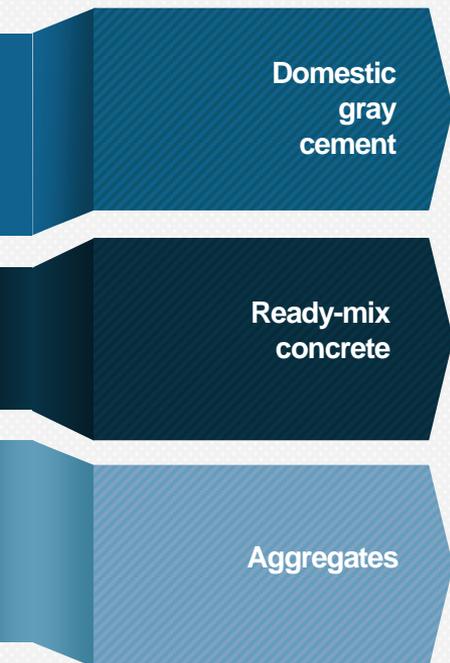
## Scheduled maintenance

explains close to 4pp of the decline of consolidated EBITDA margin during the first half of 2014, compared to last year

## Expect improvement

in our consolidated EBITDA margin during the second half of the year

# Consolidated Volumes and Prices



	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
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Domestic gray cement	7%	1%	2%
Volume	7%	1%	2%
Price (USD)	(3%)	(1%)	1%
Price (LtL <sub>1</sub> )	2%	1%	(4%)

Ready-mix concrete	9%	3%	4%
Volume	9%	3%	4%
Price (USD)	(3%)	(1%)	3%
Price (LtL <sub>1</sub> )	1%	1%	(3%)

Aggregates	23%	20%	13%
Volume	23%	20%	13%
Price (USD)	(5%)	(3%)	3%
Price (LtL <sub>1</sub> )	(1%)	(2%)	(4%)

## Continued growth trend

in consolidated volumes in all of our three products

## Record sales volumes

in our cement and aggregates operations in Colombia and Nicaragua in 2Q14

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

with new record cement sales in our operations in Colombia

## Higher prices in 2Q14

in local currency terms in our cement and ready-mix operations compared to 2Q13

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



### New energy company in Colombia

to support and increase our electricity generation for our consumption allowing us to participate in the electricity market and optimize our electricity costs

### Goal to increase generation to 80%

of our electricity needs in Colombia by 2017, from a current level of 62%

### New projects

in a co-investment scheme have been identified and should contribute to strengthen our energy strategy



# BUILDING SOLUTIONS

2Q14 Results



## || Building Solutions - Housing Projects



### About 12,000 houses

are expected to be built by CLH during 2014 mainly in Colombia, under the government-sponsored subsidy program for social housing

### Housing projects in Colombia

have already been awarded and construction is expected to take place mainly in the second half of 2014

### Additional housing projects

in Panama and Costa Rica in 2014



# REGIONAL HIGHLIGHTS

2Q14 Results



# Results Highlights Colombia

# Colombia – Results Highlights

## Financial Summary US\$ Million

	6M14	6M13	% var	2Q14	2Q13	% var
Net Sales	502	447	12%	260	238	9%
Op. EBITDA	181	190	(5%)	88	103	(14%)
as % net sales	36.0%	42.4%	(6.4pp)	34.0%	43.1%	(9.1pp)

## Volume

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	20%	9%	1%
Ready mix	17%	13%	9%
Aggregates	32%	27%	11%

## Price (Local Currency)

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

## Strong volume growth

in all 3 products in 2Q14 vs. 2Q13 driven by housing and infrastructure

## Higher prices in 2Q14

in local currency terms, vs. 2Q13, in our ready-mix and aggregates

## Double-digit growth

in net sales in 2Q14 adjusting for fewer working days vs. 2Q13

## EBITDA margin in 2Q14

declined by 9.1pp on a year-over-year basis, out of which approx. 6pp are explained by scheduled maintenance works

Residential sector is benefiting from the government-sponsored initiatives

In the January to April 2014 period, permitted area for non-social housing increased by 17%, on a year-over-year basis

2014

### Subsidies programs

for social and middle-income housing to continue supporting construction activity

### New housing initiatives

for the next four years have been announced by the government and include new free-home and subsidies programs

### Our volumes

to the residential sector are expected to grow by about 12% 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*

2014

### New infrastructure law

is improving execution of projects

### US\$ 1.3 B allocated

for infrastructure under the *Fondo de Regalías* (Fee System); 78% of these projects have already been awarded

### Our volumes

to infrastructure sector are expected to grow by about 15% in 2014



The industrial and commercial sector continued its positive performance during 2Q14

2014

### **Building permits**

for the industrial and commercial sector have increased by 11% in the January to April period, on a year-over-year basis

### **High construction levels**

of office and industrial buildings is expected to continue in 2014

### **Our volumes**

to this sector are expected to increase by a low-to-mid-single digit rate in 2014



# Results Highlights Panama

# || Panama – Results Highlights

## Financial Summary US\$ Million

	6M14	6M13	% var	2Q14	2Q13	% var
Net Sales	149	154	(3%)	73	81	(11%)
Op. EBITDA	66	74	(11%)	34	40	(17%)
as % net sales	44.4%	48.4%	(4.0pp)	46.4%	49.8%	(3.4pp)

## Volume

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	(19%)	(20%)	6%
Ready mix	(8%)	(22%)	(17%)
Aggregates	(6%)	(16%)	(9%)

## Price (Local Currency)

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	13%	10%	(5%)
Ready mix	0%	(2%)	(1%)
Aggregates	(2%)	(5%)	(6%)

## Our cement volumes in 2Q14

declined on a year-over-year basis due to lower demand from the Canal expansion project and the effect of the strike of construction workers

## Our cement prices in 2Q14

increased by 10% compared to 2Q13 reflecting our price increase earlier in the year as well a mix effect

## EBITDA margin in 2Q14

increased by 3.9pp vs. 1Q14 and declined by 3.4pp vs. 2Q13

## || Panama – Sector Highlights

The residential and the commercial sectors continued to be the main drivers of demand in the quarter

In the January to April 2014 period, building permits for non-residential increased by 72% compared to the same period last year

2014

### Positive trend in housing

expected to continue; we anticipate our volumes to the sector to grow by a low-single-digit rate in 2014

### Industrial & commercial

are expected to grow slightly, with our volumes increasing by a low-single-digit rate in 2014

### Ongoing & new projects

in infrastructure, like the *Corredor Norte* should support demand going forward



Results  
Highlights  
Costa Rica

# || Costa Rica – Results Highlights

## Financial Summary US\$ Million

	6M14	6M13	% var	2Q14	2Q13	% var
Net Sales	76	77	(1%)	41	42	(4%)
Op. EBITDA	33	35	(3%)	19	19	(4%)
as % net sales	43.9%	44.9%	(1.0pp)	45.9%	45.8%	0.1pp

## Volume

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	7%	1%	1%
Ready mix	(19%)	(21%)	11%
Aggregates	(4%)	2%	21%

## Price (Local Currency)

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	4%	3%	1%
Ready mix	6%	3%	(2%)
Aggregates	(3%)	(10%)	(1%)

## Continued positive trend

in our cement volumes driven mainly by highway infrastructure

## Sequential volume growth

in ready-mix and aggregates in 2Q14 vs. 1Q14

## Higher prices in 2Q14

in our cement and ready-mix, in local currency terms, compared to 2Q13

## EBITDA margin in 2Q14

increased by 4.3pp vs. 1Q14 and by 0.1pp vs. 2Q13

Infrastructure remained the main driver of demand in 2Q14 with projects like the Cañas-Liberia highway

## 2014

### Infrastructure projects

are expected to continue driving cement demand; we anticipate our cement volume to the sector to increase by 10% in 2014

### Permits for vertical housing

have increased by about 40% in the January to May period, compared to last year

### Housing and commercial

projects expected for 2014 should support ready-mix and aggregates demand



Results  
Highlights  
Rest of CLH

## Rest of CLH – Results Highlights

### Financial Summary US\$ Million

	6M14	6M13	% var	2Q14	2Q13	% var
Net Sales	143	145	(1%)	73	74	(1%)
Op. EBITDA	40	41	(2%)	21	21	(1%)
as % net sales	28.0%	28.1%	(0.1pp)	28.8%	28.9%	(0.1pp)

### Volume

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	1%	(1%)	2%
Ready mix	(3%)	(5%)	0%
Aggregates	46%	88%	117%

### Price (Local Currency)

	6M14 vs. 6M13	2Q14 vs. 2Q13	2Q14 vs. 1Q14
Cement	0%	1%	(1%)
Ready mix	5%	6%	4%
Aggregates	(7%)	(12%)	(17%)

### Cement volume growth

in 2Q14 vs. 2Q13 in Nicaragua was offset by weak demand conditions in other markets

### Record aggregates volumes

in Nicaragua in 2Q14

### Continued positive trend

in ready-mix volumes in Guatemala

### EBITDA margin in 2Q14

increased by 1.7pp vs. 1Q14 and remained relatively stable vs. 2Q13



## Rest of CLH – Sector Highlights

Cement volumes in Nicaragua were driven mainly by infrastructure

In Guatemala, our volume performance was supported by commercial projects



2014

### In Nicaragua

infrastructure is expected to continue its positive trend

### In Guatemala

commercial projects in Guatemala City are expected to support demand for our products during 2014

### In Brazil

we are supplying cement to the government-sponsored social housing program



LATAM  
HOLDINGS

# FREE CASH FLOW

2Q14 Results

## Free Cash Flow

US\$ Million	6M14	6M13	% var	2Q14	2Q13	% var
<b>Operating EBITDA</b>	<b>283</b>	<b>306</b>	<b>(8%)</b>	<b>142</b>	<b>166</b>	<b>(14%)</b>
- Net Financial Expense	48	59		23	30	
- Maintenance Capex	26	8		17	5	
- Change in Working Cap	9	30		2	(10)	
- Taxes Paid	59	65		38	47	
- Other Cash Items (net)	0	3		(1)	3	
<b>Free Cash Flow</b> After Maintenance Capex	<b>142</b>	<b>141</b>	<b>0%</b>	<b>62</b>	<b>90</b>	<b>(32%)</b>
- Strategic Capex	12	16		7	5	
<b>Free Cash Flow</b>	<b>130</b>	<b>125</b>	<b>4%</b>	<b>55</b>	<b>85</b>	<b>(35%)</b>

### FCF generation in 2Q14

reached US\$55 million

### Reduced net debt

by about US\$56 million during 2Q14 to US\$1,178 million



# GUIDANCE

2Q14 Results

## Volume YoY%

### Colombia

Cement	Ready - Mix	Aggregates
12%	12%	15%

### Panama

Cement	Ready - Mix	Aggregates
(12%)	(5%)	(5%)

### Costa Rica

Cement	Ready - Mix	Aggregates
6%	0%	4%

## On a consolidated basis

we expect our cement, ready-mix and aggregates volumes to increase by 5%, 8% and 10%, respectively in 2014, compared to 2013

## Maintenance capex

is expected to reach US\$44 million in 2014

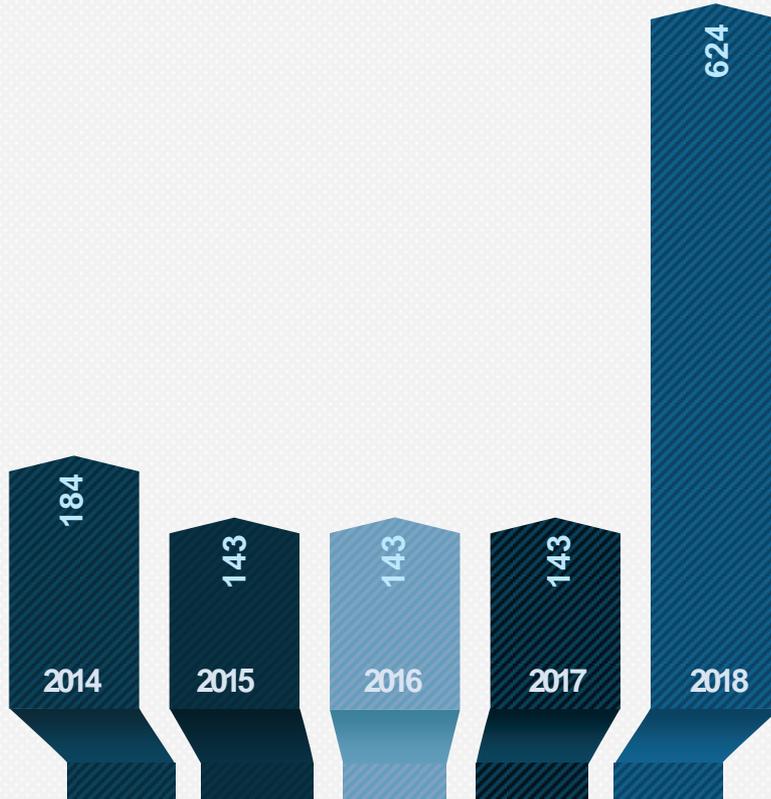


# APPENDIX

2Q14 Results

## || Consolidated debt maturity profile

US\$ Million



**US\$1,237 million**

Total debt as of June 30, 2014

**6M14 / 6M13:** Results for the first six months of the years 2014 and 2013, respectively

**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

## **Calendar of Events**

22 – Oct – 14  
3Q14 Earnings Report and Conference Call



# RESULTS 2Q14

July 17, 2014

