



2014

FIRST QUARTER RESULTS



- **Stock Listing Information**
Colombian Stock Exchange S.A.
Ticker: CLH
- **Investor Relations**
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	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Consolidated cement volume (thousand of metric tons)	1,967	1,691	16%	1,967	1,691	16%
Consolidated domestic gray cement volume (thousand of metric tons)	1,734	1,505	15%	1,734	1,505	15%
Consolidated ready-mix volume (thousand of cubic meters)	819	708	16%	819	708	16%
Consolidated aggregates volume (thousand of metric tons)	1,947	1,547	26%	1,947	1,547	26%
Net sales	423	383	10%	423	383	10%
Gross profit	208	213	(2%)	208	213	(2%)
Gross profit margin	49.2%	55.6%	(6.4pp)	49.2%	55.6%	(6.4pp)
Operating earnings before other expenses, net	118	118	0%	118	118	0%
Operating earnings before other expenses, net, margin	27.9%	30.7%	(2.8pp)	27.9%	30.7%	(2.8pp)
Controlling interest net income	55	26	108%	55	26	108%
Operating EBITDA	141	141	0%	141	141	0%
Operating EBITDA margin	33.4%	36.7%	(3.3pp)	33.4%	36.7%	(3.3pp)
Free cash flow after maintenance capital expenditures	80	51	57%	80	51	57%
Free cash flow	75	40	86%	75	40	86%
Net debt	1,234	1,514	(18%)	1,234	1,514	(18%)
Total debt	1,292	1,582	(18%)	1,292	1,582	(18%)
Earnings per share	0.10	0.05	107%	0.10	0.05	107%
Shares outstanding at end of period	556	556	0%	556	556	0%
Employees	4,382	3,561	23%	4,382	3,561	23%

In millions of US dollars, except percentages, employees, and per-share amounts. Shares outstanding at the end of period are presented in millions.

Consolidated net sales in the first quarter of 2014 increased to US\$423 million, representing a 10% growth when compared to the first quarter of 2013. The increase in net sales is mainly explained by higher construction activity driving volume growth in several of our markets. Adjusting for additional working days and foreign exchange fluctuations in 1Q14, net sales increased by 15% compared to 1Q13.

Cost of sales as a percentage of net sales increased by 6.4pp during the first quarter of 2014 compared to the same period last year, from 44.4% to 50.8%. This increase is explained by higher maintenance costs in Colombia, Panama and Costa Rica. In addition, operating expenses in 1Q13 included distribution expenses related to cement and aggregates sales to our ready-mix business, which in 1Q14 are presented as cost of sales.

Operating expenses as a percentage of net sales during the first quarter of 2014 declined by 3.6pp from 24.9% to 21.3% compared to the same period a year ago. This decline is explained by lower

distribution expenses as well as by the effect of the reclassification of distribution expenses related to cement and aggregates sales to our ready-mix concrete unit, from operating expenses to cost of sales.

Operating EBITDA during the first quarter reached US\$141 million, remaining flat compared to the first quarter of 2013. Adjusting for additional working days and foreign exchange fluctuations in 1Q14, operating EBITDA increased by 5%.

Operating EBITDA margin during the first quarter of 2014 declined by 3.3pp, compared to the first quarter of 2013. This decline is explained mainly by higher maintenance costs in Colombia, Panama and Costa Rica.

Controlling interest net income during the first quarter of 2014 reached US\$54.6 million, increasing by 108% compared to the first quarter of 2013.

Total debt at the end of the first quarter of 2014 was US\$1,292 million.

Colombia

	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	242	209	16%	242	209	16%
Operating EBITDA	93	87	6%	93	87	6%
Operating EBITDA margin	38.2%	41.7%	(3.5pp)	38.2%	41.7%	(3.5pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014
Volume	34%	34%	23%	23%	38%	38%
Price (USD)	(12%)	(12%)	(9%)	(9%)	(11%)	(11%)
Price (local currency)	(2%)	(2%)	2%	2%	(1%)	(1%)

In Colombia, during the first quarter our domestic gray cement, ready-mix and aggregates volumes increased by 34%, 23% and 38%, respectively, compared to the first quarter of 2013.

Construction activity in the first quarter was driven by formal housing, benefiting from the government-sponsored subsidy program for middle-income housing and the 100-thousand free-home program. Infrastructure was also an important driver for demand of our products with several ongoing projects that were awarded in past years.

Panama

	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	76	72	5%	76	72	5%
Operating EBITDA	32	34	(5%)	32	34	(5%)
Operating EBITDA margin	42.5%	46.8%	(4.3pp)	42.5%	46.8%	(4.3pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014
Volume	(17%)	(17%)	7%	7%	6%	6%
Price (USD)	16%	16%	2%	2%	0%	0%
Price (local currency)	16%	16%	2%	2%	0%	0%

In Panama during the first quarter our ready-mix and aggregates volumes increased by 7% and 6%, respectively, while our cement volumes declined by 17%, on a year-over-year basis.

The residential sector, along with several commercial and ongoing infrastructure projects like *Corredor Norte*, supported demand of our products during the quarter. Our cement volume decline was attributed to lower consumption from the Panama Canal expansion project.

Costa Rica

	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	35	35	2%	35	35	2%
Operating EBITDA	15	15	(3%)	15	15	(3%)
Operating EBITDA margin	41.6%	43.7%	(2.1pp)	41.6%	43.7%	(2.1pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014
Volume	14%	14%	(17%)	(17%)	(11%)	(11%)
Price (USD)	(2%)	(2%)	2%	2%	(2%)	(2%)
Price (local currency)	5%	5%	9%	9%	5%	5%

In Costa Rica, our cement volumes in the quarter increased by 14%, while our ready-mix and aggregates volumes decreased by 17% and 11%, respectively, on a year-over-year basis.

During the first quarter our cement volumes continued with a solid performance driven by highway infrastructure projects. Our ready-mix and aggregates volumes in the quarter were affected by the conclusion of several projects.

Rest of CLH

	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	70	71	(2%)	70	71	(2%)
Operating EBITDA	19	19	(3%)	19	19	(3%)
Operating EBITDA margin	27.1%	27.3%	(0.2pp)	27.1%	27.3%	(0.2pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014	January – March 2014	First Quarter 2014
Volume	3%	3%	(2%)	(2%)	(2%)	(2%)
Price (USD)	(6%)	(6%)	2%	2%	(1%)	(1%)
Price (local currency)	(1%)	(1%)	3%	3%	4%	4%

In the Rest of CLH region, which includes our operations in Nicaragua, Guatemala, El Salvador and Brazil, during the first quarter of 2014 our domestic gray cement volumes increased by 3%, while both our ready-mix and aggregates volumes declined by 2%, compared to the first quarter of 2013.

The positive performance in our cement volumes in Nicaragua, Guatemala and El Salvador compensated weak demand conditions in Brazil. The infrastructure and the industrial-and-commercial sectors remained the main drivers for demand of our products.

OPERATING EBITDA, FREE CASH FLOW AND DEBT RELATED INFORMATION



Operating EBITDA and free cash flow

Operating earnings before other expenses, net

+ Depreciation and operating amortization

Operating EBITDA

- Net financial expense

- Capital expenditures for maintenance

- Change in working capital

- Taxes paid

- Other cash items (net)

Free cash flow after maintenance capital expenditures

- Strategic capital expenditures

Free cash flow

January – March			First Quarter		
2014	2013	% Var	2014	2013	% Var
118	118	0%	118	118	0%
23	23		23	23	
141	141	0%	141	141	0%
24	29		24	29	
9	3		9	3	
7	40		7	40	
21	18		21	18	
0	(0)		0	(0)	
80	51	57%	80	51	57%
5	11		5	11	
75	40	86%	75	40	86%

In millions of US dollars.

The free cash flow generated during the quarter was used to reduce debt.

Information on Debt

	First Quarter			Fourth Quarter		First Quarter	
	2014	2013	% Var	2013		2014	2013
Total debt ⁽¹⁾⁽²⁾	1,292	1,582	(18%)	1,381	Currency denomination		
Short-term	27%	13%		19%		98%	95%
Long-term	73%	87%		81%		2%	5%
Cash and cash equivalents	58	68	(15%)	77	Interest rate		
Net debt	1,234	1,514	(18%)	1,304		80%	80%
						20%	20%

In millions of US dollars, except percentages.

⁽¹⁾ Includes capital leases, in accordance with International Financial Reporting Standards (IFRS).

⁽²⁾ Represents the consolidated balances of CLH and subsidiaries.

Income statement & balance sheet

CEMEX Latam Holdings, S.A. and Subsidiaries
(Thousands of U.S. Dollars, except per share amounts)

	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
INCOME STATEMENT						
Net Sales	422,753	383,342	10%	422,753	383,342	10%
Cost of Sales	(214,748)	(170,330)	(26%)	(214,748)	(170,330)	(26%)
Gross Profit	208,006	213,012	(2%)	208,006	213,012	(2%)
Operating Expenses	(89,939)	(95,504)	6%	(89,939)	(95,504)	6%
Operating Earnings Before Other Expenses, Net	118,067	117,508	0%	118,067	117,508	0%
Other expenses, Net	(224)	(2,432)	91%	(224)	(2,432)	91%
Operating Earnings	117,843	115,076	2%	117,843	115,076	2%
Financial Expenses	(24,403)	(29,400)	17%	(24,403)	(29,400)	17%
Other Income (Expenses), Net	854	(2,437)	NA	854	(2,437)	NA
Net Income Before Income Taxes	94,294	83,239	13%	94,294	83,239	13%
Income Tax	(39,474)	(56,724)	30%	(39,474)	(56,724)	30%
Consolidated Net Income	54,820	26,515	107%	54,820	26,515	107%
Non-controlling Interest Net Income	200	233	(14%)	200	233	(14%)
CONTROLLING INTEREST NET INCOME	54,620	26,282	108%	54,620	26,282	108%
Operating EBITDA	140,999	140,736	0%	140,999	140,736	0%
Earnings per share	0.10	0.05	107%	0.10	0.05	107%

	As of March 31	As of March 31
	2014	2013
BALANCE SHEET		
Total Assets	3,812,871	3,935,352
Cash and Temporary Investments	57,906	67,880
Trade Accounts Receivables	172,965	107,883
Other Receivables	92,248	79,000
Inventories	113,215	93,398
Other Current Assets	29,553	32,001
Current Assets	465,887	380,162
Fixed Assets	1,182,463	1,209,858
Other Assets	2,164,521	2,345,332
Total Liabilities	2,454,102	2,666,545
Current Liabilities	686,128	522,469
Long-Term Liabilities	1,755,529	2,125,096
Other Liabilities	12,446	18,980
Consolidated Stockholders' Equity	1,358,769	1,268,807
Non-controlling Interest	5,660	5,702
Stockholders' Equity Attributable to Controlling Interest	1,353,109	1,263,105

Please refer to definition of terms and disclosure for presentation of financial information.

Income statement & balance sheet

CEMEX Latam Holdings, S.A. and Subsidiaries

(Millions of Colombian Pesos in nominal terms, except per share amounts)

INCOME STATEMENT	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net Sales	849,516	692,809	23%	849,516	692,809	23%
Cost of Sales	(431,532)	(307,835)	(40%)	(431,532)	(307,835)	(40%)
Gross Profit	417,984	384,974	9%	417,984	384,974	9%
Operating Expenses, net	(180,731)	(172,603)	(5%)	(180,731)	(172,603)	(5%)
Operating Earnings Before Other Expenses, Net	237,253	212,371	12%	237,253	212,371	12%
Other Expenses, Net	(449)	(4,395)	90%	(449)	(4,395)	90%
Operating Earnings	236,804	207,975	14%	236,804	207,975	14%
Financial Expenses	(49,038)	(53,134)	8%	(49,038)	(53,134)	8%
Other Income (Expenses) Financial, net	1,716	(4,405)	NA	1,716	(4,405)	NA
Net Income Before Income Taxes	189,482	150,437	26%	189,482	150,437	26%
Income Tax	(79,322)	(102,517)	23%	(79,322)	(102,517)	23%
Consolidated Net Income	110,161	47,920	130%	110,161	47,920	130%
Non-controlling Interest Net Income	402	421	(4%)	402	421	(4%)
CONTROLLING INTEREST NET INCOME	109,759	47,499	131%	109,759	47,499	131%
Operating EBITDA	283,335	254,350	11%	283,335	254,350	11%
Earnings per share	198.11	86.18	130%	198.11	86.18	130%

BALANCE SHEET	As of March 31 2014	As of March 31 2013
Total Assets	7,493,512	7,210,352
Cash and Temporary Investments	113,805	124,369
Trade Accounts Receivables	339,931	197,664
Other Receivables	181,298	144,744
Inventories	222,503	171,124
Other Current Assets	58,081	58,631
Current Assets	915,617	696,532
Fixed Assets	2,323,918	2,216,703
Other Assets	4,253,977	4,297,117
Total Liabilities	4,823,096	4,885,643
Current Liabilities	1,348,461	957,267
Long-Term Liabilities	3,450,176	3,893,601
Other Liabilities	24,459	34,775
Consolidated Stockholders' Equity	2,670,416	2,324,709
Non-controlling Interest	11,125	10,447
Stockholders' Equity Attributable to Controlling Interest	2,659,292	2,314,262

Please refer to definition of terms and disclosure for presentation of financial information.

Operating Summary per Country

In thousands of U.S. dollars. EBITDA margin as a percentage of net sales.

NET SALES	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Colombia	242,394	208,897	16%	242,394	208,897	16%
Panama	76,115	72,453	5%	76,115	72,453	5%
Costa Rica	35,467	34,890	2%	35,467	34,890	2%
Rest of CLH	69,830	71,129	(2%)	69,830	71,129	(2%)
<i>Others and intercompany eliminations</i>	(1,051)	(4,026)	(74%)	(1,051)	(4,026)	(74%)
TOTAL	422,754	383,343	10%	422,754	383,343	10%

GROSS PROFIT

Colombia	127,598	130,897	(3%)	127,598	130,897	(3%)
Panama	35,269	37,070	(5%)	35,269	37,070	(5%)
Costa Rica	18,124	18,798	(4%)	18,124	18,798	(4%)
Rest of CLH	23,972	24,040	(0%)	23,972	24,040	(0%)
<i>Others and intercompany eliminations</i>	3,043	2,207	38%	3,043	2,207	38%
TOTAL	208,006	213,012	(2%)	208,006	213,012	(2%)

OPERATING EARNINGS BEFORE OTHER EXPENSES, NET

Colombia	84,550	79,426	6%	84,550	79,426	6%
Panama	28,142	29,450	(4%)	28,142	29,450	(4%)
Costa Rica	13,006	13,395	(3%)	13,006	13,395	(3%)
Rest of CLH	17,814	18,167	(2%)	17,814	18,167	(2%)
<i>Others and intercompany eliminations</i>	(25,446)	(22,930)	(11%)	(25,446)	(22,930)	(11%)
TOTAL	118,066	117,508	0%	118,066	117,508	0%

OPERATING EBITDA

Colombia	92,617	87,202	6%	92,617	87,202	6%
Panama	32,344	33,912	(5%)	32,344	33,912	(5%)
Costa Rica	14,748	15,263	(3%)	14,748	15,263	(3%)
Rest of CLH	18,890	19,402	(3%)	18,890	19,402	(3%)
<i>Others and intercompany eliminations</i>	(17,600)	(15,043)	(17%)	(17,600)	(15,043)	(17%)
TOTAL	140,999	140,736	0%	140,999	140,736	0%

OPERATING EBITDA MARGIN

Colombia	38.2%	41.7%		38.2%	41.7%	
Panama	42.5%	46.8%		42.5%	46.8%	
Costa Rica	41.6%	43.7%		41.6%	43.7%	
Rest of CLH	27.1%	27.3%		27.1%	27.3%	
TOTAL	33.4%	36.7%		33.4%	36.7%	

Please refer to definition of terms and disclosure for presentation of financial information.

Volume Summary

CLH volume summary

Cement and aggregates: Thousands of metric tons.

Ready-mix: Thousands of cubic meters.

	January – March			First Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Total cement volume ¹	1,967	1,691	16%	1,967	1,691	16%
Total domestic gray cement volume	1,734	1,505	15%	1,734	1,505	15%
Total ready-mix volume	819	708	16%	819	708	16%
Total aggregates volume	1,947	1,547	26%	1,947	1,547	26%

Per-country volume summary

DOMESTIC GRAY CEMENT VOLUME	January - March		First Quarter		First Quarter 2014 Vs.
	2014 Vs. 2013		2014 Vs. 2013		Fourth Quarter 2013
Colombia	34%		34%		4%
Panama	(17%)		(17%)		(16%)
Costa Rica	14%		14%		(4%)
Rest of CLH	3%		3%		7%

READY-MIX VOLUME

Colombia	23%		23%		3%
Panama	7%		7%		8%
Costa Rica	(17%)		(17%)		(10%)
Rest of CLH	(2%)		(2%)		(3%)

AGGREGATES VOLUME

Colombia	38%		38%		(0%)
Panama	6%		6%		9%
Costa Rica	(11%)		(11%)		(3%)
Rest of CLH	(2%)		(2%)		11%

¹ Consolidated cement volume includes domestic and export volume of gray cement, white cement, special cement, mortar and clinker. Please refer to definition of terms and disclosure for presentation of operating results.

Price Summary

Variation in U.S. Dollars

DOMESTIC GRAY CEMENT PRICE	January - March		First Quarter		First Quarter 2014 Vs.
	2014 Vs. 2013		2014 Vs. 2013		Fourth Quarter 2013
Colombia	(12%)		(12%)		(6%)
Panama	16%		16%		15%
Costa Rica	(2%)		(2%)		(0%)
Rest of CLH (*)	(6%)		(6%)		0%

READY-MIX PRICE

Colombia	(9%)		(9%)		(4%)
Panama	2%		2%		2%
Costa Rica	2%		2%		(6%)
Rest of CLH (*)	2%		2%		6%

AGGREGATES PRICE

Colombia	(11%)		(11%)		2%
Panama	0%		0%		1%
Costa Rica	(2%)		(2%)		(5%)
Rest of CLH (*)	(1%)		(1%)		14%

Variation in Local Currency

DOMESTIC GRAY CEMENT PRICE	January - March		First Quarter		First Quarter 2014 Vs.
	2014 Vs. 2013		2014 Vs. 2013		Fourth Quarter 2013
Colombia	(2%)		(2%)		(1%)
Panama	16%		16%		15%
Costa Rica	5%		5%		7%
Rest of CLH (*)	(1%)		(1%)		1%

READY-MIX PRICE

Colombia	2%		2%		1%
Panama	2%		2%		2%
Costa Rica	9%		9%		1%
Rest of CLH (*)	3%		3%		5%

AGGREGATES PRICE

Colombia	(1%)		(1%)		7%
Panama	0%		0%		1%
Costa Rica	5%		5%		2%
Rest of CLH (*)	4%		4%		16%

(*) Volume weighted-average price.

Please refer to definition of terms and disclosure for presentation of operating results.

Tax Regime

In accordance with article 118 of the Royal Legislative Decree 4/2004 of March 5, which approves the consolidated text of the Corporate Income Tax Law, CEMEX Latam Holdings, S.A. ("CLH" or the "Company") notifies its shareholders that as of March 31, 2014, the Company maintains its status as an Entity Holding Foreign Securities (*Entidad de Tenencia de Valores Extranjeros*), therefore being subject to the special tax regime regulated in Chapter XIV of said Law which was adopted by the Company on November 28, 2012.

Additionally and in accordance with the provisions of paragraph 3 of the abovementioned article, if requested, the Company will provide its shareholders with any information that is necessary for them to comply with the tax obligations set out in said article.

CLH to participate in the construction of 12,000 houses

On April 7, 2014, CLH announced it expects to participate in the construction of approximately 12,000 sustainable housing units in Latin America during 2014, as part of its continuous effort to strengthen its solutions-based commercial offer.

CLH will use innovative construction systems and specialty concrete products that contribute to increase energy efficiency translating into reduced energy costs for the families living in these houses. Additionally, these specialty concrete products help to optimize the use of natural resources by reducing water consumption in the construction process. The company will also continue working on its social programs focused on sustainable self-construction like Patrimonio Hoy and Bloqueras Solidarias.

Carlos Jacks, CEO of CLH, said: "We are committed with the development of our region and are convinced that by promoting the construction of sustainable housing we are fostering well-being and creating value for all of our stakeholders".

CLH offers sustainable building solutions with a strategy focused on addressing the demands from society. With a solid commercial offer that combines innovative construction systems with specialty concrete products and an extensive experience in the industry, CLH has participated in important infrastructure and housing projects in the region, promoting the well-being of communities.

Methodology for translation and presentation of results

Under IFRS, CLH reports its consolidated results in its functional currency, which is the US Dollar, by translating the financial statements of foreign subsidiaries using the corresponding exchange rate at the reporting date for the balance sheet and the corresponding exchange rates at the end of each month for the income statement.

For the reader's convenience, Colombian peso amounts for the consolidated entity are calculated by converting the US dollar amounts using the closing COP/US\$ exchange rate at the reporting date for balance sheet purposes, and the average COP/US\$ exchange rate for the corresponding period for income statement purposes. The exchange rates used to convert: (i) the balance sheet as of March 31, 2014 and March 31, 2013 was \$1,965.32 and \$1,832.20 Colombian pesos per US dollar, respectively, and (ii) the consolidated results for the first quarter of 2014 and for the first quarter of 2013 were \$2,009.48 and \$1,807.29 Colombian pesos per US dollar, respectively.

Per-country/region selected financial information of the income statement is presented before corporate charges and royalties which are included under "other and intercompany eliminations."

Consolidated financial information

When reference is made to consolidated financial information means the financial information of CLH together with its consolidated subsidiaries.

Presentation of financial and operating information

Individual information is provided for Colombia, Panama and Costa Rica.

Countries in Rest of CLH include Nicaragua, Guatemala, El Salvador and Brazil.

Exchange rates	January – March		January – March		First quarter	
	2014	2013	2014	2013	2014	2013
	Closing	Closing	Average	Average	Average	Average
Colombian peso	1,965.32	1,832.20	2,009.48	1,807.29	2,009.48	1,807.29
Panama balboa	1	1	1	1	1	1
Costa Rica colon	553.63	504.65	542.27	506.16	542.27	506.16
Euro	0.7259	0.7795	0.7310	0.7589	0.7310	0.7589

Amounts provided in units of local currency per US dollar.

Definition of terms

Free cash flow equals operating EBITDA minus net interest expense, maintenance and strategic capital expenditures, change in working capital, taxes paid, and other cash items (net other expenses less proceeds from the disposal of obsolete and/or substantially depleted operating fixed assets that are no longer in operation).

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.

Net debt equals total debt minus cash and cash equivalents.

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

pp equals percentage points.

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.

Working capital equals operating accounts receivable (including other current assets received as payment in kind) plus historical inventories minus operating payables.