“CEMEX USA STRIVES FOR EXCELLENCE IN EVERYTHING WE DO, AND THIS YEAR IS NO EXCEPTION. MOVING FORWARD, WE’LL CONTINUE TO BUILD ON OUR SUCCESSES BY RECOMMITTING OURSELVES TO THE HEALTH AND SAFETY OF OUR PEOPLE, PROVIDING SUPERIOR CUSTOMER EXPERIENCES, RETURNING OUR COMPANY TO INVESTMENT GRADE AND RELENTLESSLY PURSUING OPERATIONAL EXCELLENCE AS ONE GLOBAL CEMEX.”

IGNACIO MADRIDEJOS, USA PRESIDENT

USA RESULTS

In the United States, our domestic gray cement and ready-mix volumes increased by 9% and 8%, respectively, while our aggregates volumes decreased by 1%, during the second quarter of 2018 on a year-over-year basis. Quarterly cement, ready-mix and aggregates prices increased by 3%, 3% and 6%, respectively, on a year-over-year basis.

During the second quarter, we experienced the strongest cement volume growth in 12 quarters, supported by expanding underlying demand conditions coupled with recovery from poor weather conditions in the prior quarter.

Residential activity continued to drive the market in the second quarter, with housing starts up 8% year-over-year. In the industrial-and-commercial sector, construction spending is up 3%, as of the month of May year-to-date, with strength in lodging and commercial. In infrastructure, street-and highway spending has been increasing this year, up 3%, as of May year-to-date on the back of increased state spending.

Ignacio.Madridejos@cemex.com

2Q18 vs. 2Q17 2Q18 vs. 1Q18

<table>
<thead>
<tr>
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<th>2Q18</th>
<th>2Q17</th>
<th>%var</th>
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<tbody>
<tr>
<td>Net Sales</td>
<td>989</td>
<td>916</td>
<td>8%</td>
</tr>
<tr>
<td>Op. EBITDA</td>
<td>189</td>
<td>170</td>
<td>11%</td>
</tr>
<tr>
<td>as % net sales</td>
<td>19.1%</td>
<td>18.6%</td>
<td>0.5pp</td>
</tr>
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Millions of U.S. dollars

**OUR RESULTS**

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<tr>
<th></th>
<th>2Q18 vs. 2Q17</th>
<th>2Q18 vs. 1Q18</th>
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<tbody>
<tr>
<td>Cement</td>
<td>9%</td>
<td>17%</td>
</tr>
<tr>
<td>Volume</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Aggregates</td>
<td>(1%)</td>
<td>10%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>2Q18 vs. 2Q17</th>
<th>2Q18 vs. 1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Price (LC)</td>
<td>3%</td>
<td>(0%)</td>
</tr>
<tr>
<td>Aggregates</td>
<td>6%</td>
<td>0%</td>
</tr>
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USA PRIORITIES

**HEALTH & SAFETY**
Our ultimate goals for Health and Safety are Fit4Life and Zero4Life. We’ll achieve these goals by reducing our LTI rate and holding supervisors accountable for implementing the Health & Safety Management System. We need to make health a top priority, as we do safety.

**CUSTOMER CENTRICITY**
Our ongoing vision is to establish value for our company and our customers through exceptional quality and service. We will achieve this goal by becoming the most recommended company in the industry and improving our prices while maintaining market share within the target range.

**RETURN TO INVESTMENT GRADE**
We will return our company to investment grade by improving our EBITDA. We will improve operating leverage and reduce costs through maintenance and labor productivity increases, improve our number of working capital days and our CVA.

**WORK AS ONE GLOBAL CEMEX & PURSUE OPERATIONAL EXCELLENCE**
We will strive to have EBITDA improvement from Operational Excellence projects and become a leader in CEMEX global networks. We will identify the issues that affect our communities, identify our stakeholders, and develop community outreach action plans to address the issues to ensure we become a desired neighbor and an essential part of the community.

EBITDA= Earnings Before Interest, Taxes, Depreciation and Amortization
CVA= Net operating profit less adjusted taxes - net assets x WACC

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www.youtube.com/CEMEXUSA
www.instagram.com/CEMEX_USA
www.CEMEXUSA.com

www.CEMEXUSA.com
September 9th – 15th is National Truck Driver Appreciation Week and it is a great opportunity to thank all our drivers for delivering our products to our internal and external customers. Truck drivers have a dangerous job, which requires them to stay alert, adapt to the constantly changing road and traffic environments, share the roads with other drivers, all while doing it safely. Our drivers literally drive our business, and we wouldn’t be CEMEX without them.

Take the time during this week to reach out to as many drivers as you can and tell them Thank You and to reinforce the importance of doing their jobs safely, as our families count on them. Watch for information on ways to thank our drivers from your local safety and HR managers.

---

**SAFETY DRIVER APPRECIATION WEEK**

Take the time during this week to reach out to as many drivers as you can and tell them Thank You and to reinforce the importance of doing their jobs safely, as our families count on them. Watch for information on ways to thank our drivers from your local safety and HR managers.

---

**Join the Million Steps Challenge!**

**BOOST YOUR ACTIVITY LEVEL TO IMPROVE YOUR WELL-BEING.**

Track your activity, participate in mini challenges to win prizes, connect with your co-workers and unlock badges along the way.

Visit cemex.staywell.com to join the fun.

---

**HEALTH ESSENTIALS**

**JULY: CHECK YOUR HEALTH**

Take part in regular health checks that are available. Act on the results to help you have a better lifestyle.

**AUGUST: KEEP VACCINATIONS UP TO DATE**

Are your vaccinations up-to-date? They can save your life. Remember, when traveling abroad, you may need additional vaccinations.

**SEPTEMBER: CARE FOR YOUR BACK**

Are you sitting comfortably? Is your workstation or driving seat properly adjusted? Assess an object before lifting or moving it. Get help if required.

---

**TO AVOID THE SURCHARGE, YOU AND YOUR COVERED SPOUSE NEED TO COMPLETE THREE STEPS:**

1. Complete your annual physical exam with your doctor and get your required health screening values (height, weight, blood pressure, total cholesterol and glucose).
   **Deadline: Nov. 15, 2018**

2. Complete the online Health Assessment questionnaire and include your required health screening values.
   **Deadline: Nov. 15, 2018**

3. Achieve at least one health screening value in the healthy range, or complete one alternative activity.
   **Deadline: Jan. 31, 2019**

---

**Your alternative activity options:**

- Telephonic health coaching: Complete at least three calls with a health coach.
- Self-Directed Coaching: Complete one cycle of recommended activities.
- Million Steps Challenge: Track one million steps.
- Digital workshops: Complete three of your choice.
- Weight Management Learning Series: Complete all four topics included.

---

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---

**SAFETY DRIVER APPRECIATION WEEK**

Congratulations to our Clinchfield Cement Plant for leading the way in safety, achieving 1,340 consecutive days without a single employee reportable or lost-time injury, and recently earning 2nd place - Best Performance in Cement at our CEMEX Global Health & Safety Awards!
The Cement Commercial team met for their 2018 annual meeting, hosted at Houston Corporate on June 19th. Led by Frank Craddock, Executive Vice President Commercial Cement, the day was spent tackling multiple fronts including anti-trust, safety, current market conditions, challenges and opportunities, as well as setting goals for the upcoming year 2019. The attendees also had the opportunity to have interactive activities such as role-playing, and open-floor discussions to share best practices.

Additionally, some team members were recognized for years of service at CEMEX, including:
- 35 years: Dave Burris
- 30 years: Rick Locke, Lynn Rasco, and Jack Tobin
- 25 years: Eduardo Caballero
- 20 Years: Kenneth Bontrager, and Tom Green
- 15 years: Jose Dominguez, Hamid Farzam, David Rumsey, Kelly Mayo
- 10 years: Amador Bueno, Tim Kaiser, Michael Seal, Clayton Wessels, Dennis Wheeler, Corey Zollinger

We have come a long way regarding our priority of returning to investment grade; but getting closer isn’t good enough. In order to accelerate our path to investment grade and secure our place as a global industry leader, CEMEX’s management team has decided to take decisive steps by launching “A Stronger CEMEX” program.

It includes:
- Implement a US$150 million of cost reductions and operational efficiencies. After performing a thorough analysis of our operations, we have identified opportunities to further improve our profitability, obtain higher returns and deliver more value.
- Optimize our portfolio by focusing on markets with greatest long-term growth potential and divesting between US$1.5 and 2 billion. This should accelerate our growth in coming years.
- Reduce our total debt by another US$3.5 billion, or an additional 35%, from current levels by the end of 2020, which should result into regaining our investment grade rating.
- Implement a US$150 million cash dividend to shareholders starting in 2019. This will make our stock more attractive to shareholders.

With the implementation of “A Stronger CEMEX” program, we expect to reduce our debt faster through our increased generation of cash flow, proceeds from divestment of assets and operational efficiencies, while also giving us flexibility to invest in our business and grow smarter.

“I am confident that we are moving in the right direction, and that with the contribution of all of us we will build a stronger CEMEX”, Fernando A. González, Our CEO
LEAD for Front Line Managers

Front-line managers have the biggest influence on employee engagement, retention, productivity and satisfaction and are the largest group of leaders in CEMEX. We are pleased to share that 97 front-line managers have successfully completed our program so far this year! Special thanks to all our internal facilitators who did a phenomenal job delivering a great learning experience.

2018 Summer Interns

Our 2018 summer internship program has come to an end. This year, 60 interns from universities across the country worked in a wide variety of departments, from sustainability and strategic planning, to human resources and communications. We’re thankful that they chose to spend this summer developing their careers at CEMEX USA.

CEMEX USA TDPs

The 2018 TDP class and 2019 TDP Class were recently in California for the class of 2018’s graduation and the class of 2019’s introduction when they had the chance to meet with both CEMEX CEO Fernando A. Gonzalez and CEMEX USA President Ignacio Madridejos! Mr. Gonzalez took the time to hold a Q&A session with our TDPs after a networking event/dinner.

OUR PEOPLE

OUR PEOPLE WHO ARE LIVING OUR VALUES

Our values make up the essence of our culture. They express who we are, how we behave, and what we believe in. These are the values that guide us: ensure safety, focus on customers, pursue excellence, work as one CEMEX, act with integrity.
FOCUS ON CUSTOMERS

Our Los Angeles ready-mix team is nearing a significant milestone in the Purple Line Extension, an expansion of the city’s subway network. To date, our team has supplied nearly 50,000 cubic yards of concrete for the job. By the time the first phase is completed in 2023, they will have supplied more than 300,000 cubic yards of concrete.

The Glassell School of Art, which serves as the teaching institute of the Museum of Fine Arts, Houston, was built with custom concrete mixes supplied by CEMEX and placed by McCarthy Building Companies, Inc. Over a span of 2.5 years, more than 21,000 cubic yards of concrete were used to construct the 93,000-square-foot building, designed by Steven Holl Architects.

The U.S. Ethics Committee was established to enforce the guidelines established in our Code of Ethics. The committee meets periodically throughout the year to review cases submitted via the ETHOSline and the findings of the investigations.

THE U.S. ETHICS COMMITTEE MEMBERS ARE THE FOLLOWING:

**HUGO BOLIO**  
CEMENT OPERATIONS

**ALLYSON DEIHL**  
BSO- INTERNAL CONTROL

**MIKE EGAN**  
VP, LEGAL & ENVIRONMENTAL

**KIRK LIGHT**  
FLORIDA REGION

**GUILLERMO MARTINEZ**  
HR AND COMMUNICATIONS

**ERIC WITTMANN**  
WEST REGION

Employees can anonymously report potential Code of Ethics violations via the ETHOSline 24/7.

**ONLINE**  
https://www.tnwgrc.com/cemex/default.htm

**TELEPHONE**  
1-888-847-5016

**EMAIL**  
CEMEX@tnwinc.com

Our customers:

- Los Angeles, CA
- Scottsdale, AZ
- Houston, TX

OUR CUSTOMERS

**CEMEX ETHOS**

One of our core values is Act With Integrity. Acting with Integrity means living up to our commitments, doing what we say we’ll do, and doing the right thing in compliance with the highest ethical standards we have as a company.

Our ethical standards are defined in our Code of Ethics. It covers a wide range of business practices and relationships, and establishes key guiding principles for CEMEX employees.

CEMEX encourages all of us to report any suspected violation of our Code of Ethics. CEMEX will thoroughly investigate all good faith reports of violations, and CEMEX will not tolerate any kind of retaliation for reports or complaints of misconduct that are made in good faith.

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The Miami aggregates team collected school supplies and delivered them to Commissioner Martinez’s office. CEMEX donated 2,000 pencils, paper, rulers, folders and erasers for bookbags being given away at Miami-Dade’s Health & Safety Expo.

The Houston BSO Team recently volunteered at the Houston Food Bank. They were able to sort and pack 12,000 pounds of food which will feed 10,000 people. Great job BSO on contributing to such a worthy cause.

Our Lyons Cement Plant in Colorado was recognized in the latest Wildlife Habitat Council white paper for working with Boulder County to restore short-grass prairie & manage for black-tailed prairie dogs. We take great pride in our Lyons team & their commitment to sustainability.

The Miami aggregates team collected school supplies and delivered them to Commissioner Martinez’s office. CEMEX donated 2,000 pencils, paper, rulers, folders and erasers for bookbags being given away at Miami-Dade’s Health & Safety Expo.

By the numbers.

- **4,600+ CUSTOMERS ENROLLED**
- **3,750+ CUSTOMERS ONBOARDED**
- **10% OF ORDERS BY ONBOARDED CUSTOMERS PLACED ON CEMEX GO**
- **45% OF PAYMENTS BY ONBOARDED CUSTOMERS MADE ON CEMEX GO**
- **25% OF DELIVERIES BY ONBOARDED CUSTOMERS TRACKED ON CEMEX GO**

As of August 2018, over 3750 customers have been onboarded (4600+ enrolled) — across USA cement and ready-mix markets.
Expense Report Winning Formula:
First 5 business days of each month = Right time to submit your expenses!

Monthly expense reports must be submitted between the first and fifth business day of the following month.

For assistance, call 844-367-3069
We are proud to offer new homes that have earned the ENERGY STAR label because it means your home has been designed and built to standards well above most other homes on the market today.

- Better quality
- Better comfort
- Better durability
- Reduced utility and maintenance costs

Peace of mind.
The result of a home that’s built better. With the ENERGY STAR label on your new home, you can be confident that it will deliver and has been built better from the ground up.
- Meets strict requirements set by the U.S. Environmental Protection Agency (EPA)
- Trail and true best building practices
- More inspections and testing by certified professionals

Enduring quality.
Better systems make all the difference. A new home is a big investment, so it’s important that it be designed with features built to last.
- A complete Thermal Envelope System with comprehensive air sealing, quality installed insulation, and high-performance windows
- A High Efficiency Heating, Ventilation, and Cooling System
- A comprehensive Water Management System to protect roofs, walls, and foundations from moisture damage
- Energy Efficient Lighting and Appliances

Wall-to-wall comfort.
A better way to live. From the moment you walk in the door of your ENERGY STAR certified home, you’ll see, feel, and hear the difference.
- Efficiently delivered comfort, controlled humidity, and reduced noise
- A constant supply of fresh, filtered air, reducing indoor pollutants, dust, pollen, and other allergens
- Consistent temperatures and diminished drafts throughout the entire home

Proven value.
A better investment for today and tomorrow. ENERGY STAR certified new homes offer better energy efficiency and performance compared to other homes.
- At least 10% more energy efficient than homes built to code and achieve a 20% improvement on average
- Better resale value if it comes time to sell

Better is Better.
More than a mark of efficiency, the ENERGY STAR label is also a symbol of trust, quality, and responsible stewardship of the environment that we all live in. Buying a new home is a big decision. So it helps to start with the promise of peace of mind, enduring quality, wall-to-wall comfort, and proven value. You’ll find that promise with ENERGY STAR.

ENERGY STAR® is the simple choice for energy efficiency. For 25 years, EPA’s ENERGY STAR program has been America’s resource for saving energy and protecting the environment. Learn more about ENERGY STAR certified new homes at energystar.gov/newhomes.
LIVING OPERATIONAL EXCELLENCE

THE OPERATIONAL EXCELLENCE TEAM recently gathered for its annual meeting to share best practices and continue to explore new ways to execute with excellence.

Annual awards are given to the CI leaders who demonstrate exemplary performance in applying the operational excellence guiding principles of mindset, leadership, skillset, and collaboration. One individual is recognized for exemplary performance of all four principles.

The winners of our highest operational excellence awards were:

- **Mindset**
  - Jose Rodriguez
  - Leadership
  - Jason Stillwaggon
  - Skillset
  - Gaby Espinoza
  - Collaboration
  - Craig Mccaughey

Operational Excellence

Patrick Hoffman

Congratulations to all the award winners!

We are proud to announce the newest group in CEMEX US who have raised their capabilities and delivered results. The list of certified Green Belt is quickly growing!

- Adam M. Suess, Manager Operations, Arizona Aggregate Plant
- Alison M. Ryan, Performance Improvement, Arizona Regional Office
- Alyson K. Ayres, Manager Accounting, Prescott R/M
- Andrew Hall, Director Operations, Roy Area Dispatch
- Brandon R. Dunn, Manager Aggregates Plant, Aggregate-474 Sand Mine
- Charles R. Seaton, Manager Supply Chain, Southern Cal Reg Office
- Christi Wegi, Director Operations, Southern Cal Reg Office
- Cindy M. Arbo, Manager Human Resources, Arizona Regional Office
- Clayton R. Trovillion, Manager Ready Mix Area, Bradenton, FL
- Daryl L. Charlon, Director Maintenance, Southern Cal Reg Office
- David L. Arbo, Director Sales, Arizona Regional Office
- David R. Carter, Manager Safety, Arizona Regional Office
- Fernando P. Hernandez, Controller, Southern Cal Reg Office
- Ginger L. Scarbrough, Manager Business Development, Duchan Admin
- James R. Brown, Director Aggregates Operations, Arizona Regional Office
- Jason J. Glass, Director Aggregates Operations, Phoenix, AZ
- Jeffrey J. Make, Manager Aggregates Plant, Aggregate - Sun City, AZ
- John P. Barnett, Manager Plant, Aggregate - Palm Desert, CA
- Matthew A. Braistei, Director Aggregates Operations, Aggregate - Redlands Org Quarry
- Ryan Turner, Manager Ready Mix Area, Readymix -aloma Escondido, CA
- Sharram Asgari, Manager Supply Chain, Readymix - Roy Area Dispatch
- Thomas E. Schults, Director Aggregates Plant, Aggregate - Redlands Org Quarry
- Timothy J. Saez, Director Quality Control, Southern Cal Reg Office
- Valora S. Engels, Manager Office, Southern Cal Reg Office
- Virgil Bower, Manager Quality Control, Tucson Area Office

**CONGRATULATIONS TO ALL THE AWARD WINNERS!**

For Daryl Charlson’s Green Belt project, the team identified an opportunity to reduce the average cost of mobile maintenance labor: When the project launched, mobile maintenance labor cost was $1.25 per cubic yard. Through the replication of a similar project initiated in 2017, Daryl’s project team’s goal was to reduce the average cost of mobile maintenance labor per cubic yard to $0.95 by the end of the year.

As of May, year-to-date Mobile Maintenance labor cost had been reduced to $0.93 per cubic yard, which is surpassing the initial project goal. This labor cost savings equates to saving approximately $400K. The team established monthly cost reviews, weekly labor cost analysis and reviewed KPIs on a weekly basis.

“This project was a team effort. Gary Clay, Fleet Manager, and the area foreman were instrumental in making this project a success. change sentence to CEMEX helped by approving the purchase of 141 new trucks in 2017 and 103 new trucks in 2018. Effective maintenance is accomplished by staffing your team with the right employees to keep the fleet running,” Daryl Charlson, Southern California Director of Maintenance.

Congratulations to Daryl Charlson, Southern California Director of Maintenance, his team, and Jose Rodriguez, Operational Excellence Leader.
STAY INFORMED.

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