OUR VOICE USA

MARCH 2016

BUILDING A BETTER FUTURE FOR THE UNITED STATES OF AMERICA
IGNACIO MADRIDEJOS

USA RESULTS

In the United States, our domestic gray cement, ready-mix and aggregates volumes increased in the fourth quarter of 2015 by 5, 12 and 18 percent, respectively, as compared to the same period in 2014. Adjusting for the acquisition of ready-mix plants in California, ready-mix volumes grew by 9 percent on a year-over-year basis. In all of 2015, domestic gray cement, like-to-like ready-mix and aggregates volumes increased by 2, 10 and 6 percent, respectively, compared to the previous year.

Despite reduced oil-well demand, our volumes grew during the fourth quarter, thanks in part to favorable weather conditions. The residential and infrastructure sectors were the main drivers of volume growth. Housing starts increased 12 percent in 2015 because of low inventory levels, job creation and increased household formation. Importantly, there was a double-digit increase in single-family home construction. In the infrastructure sector, activity picked up during the second half of 2015, driven by state spending and TIFIA funding. Additionally, the U.S. Congress passed a five-year, $305 billion transportation bill in December called the FAST Act (Fixing America’s Surface Transportation). Excluding oil-well activity, industrial and commercial sector growth was supported by lodging and office-construction spending.

ignacio.madridejos@cemex.com
twitter.com/IMadridejos
The 2016 Annual Meeting took place in San Antonio, Texas, on January 28, 2016. Our leaders came together to discuss our priorities for the year. This year’s annual meeting was about building a better future for our people and their families, our customers, our communities and our shareholders. We want to thank each of the participants who made it possible, and we want to invite all of you to continue building a better future with CEMEX USA.

The opening remarks were given by CEMEX USA President Ignacio Madridejos. Following Ignacio’s opening remarks were the “Our People” presentations by Vice President of Health and Safety Alan MacVicar, Vice President of Compensation and Benefits Susie Mejia and Executive Vice President of Human Resources and Communications Guillermo Martinez Sans. The “Our Customers” presentations were delivered by Florida Regional President Gonzalo Galindo, Vice President of Sales-Louisville Rick Locke, Sales Manager Lindsay Sparks and Sales Manager Dave Wilson. Presentations for “Our Shareholders” were given by Executive Vice President - Strategic Planning and Pipe Juan Carlos Herrera and Maher Al-Haffar, Executive Vice President of Investor Relations, Corporate Communications and Public Affairs. The “Our Communities” discussion was led by VP/CM Aggregates- East Cliff Kirkmyer and Mark Davies, Continuous Improvement Business Partner for Quarries Resource Management. Lastly, we had our CEMEX Operational Excellence model presented by Ignacio Madridejos & Rob Cutter, Executive Vice President-Continuous Improvement.

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2016 AWARDS CEREMONY
CONGRATULATIONS TO ALL OF THIS YEAR’S AWARD RECIPIENTS!

We would like to highlight this year’s Safety and Customers award recipients:

BEST SAFETY SITE
CEMENT: FAIRBORN CEMENT PLANT
PIPE: LITTLETON PIPE PLANT
READY MIX: SACRAMENTO/RENO READY-MIX PLANT
AGGREGATES: KROME QUARRY
LOGISTICS: CHARLOTTE TERMINAL
OTHER: FLORIDA BLOCK

MOST IMPROVED SAFETY SITE
CEMENT: VICTORVILLE CEMENT PLANT
PIPE: EL PASO PIPE
READY MIX: NAVIGATION READY-MIX PLANT
AGGREGATES: LYTLE CREEK AGGREGATES
LOGISTICS: EL PASO TERMINAL
OTHER: ARIZONA MAINTENANCE SHOP

VALUE AWARD ENSURE SAFETY
DOUG JENSEN AND BOB LINDSEY

VALUE AWARD INTEGRITY
AARON GARCIA AND GINA NEUMANN

VALUE AWARD FOCUS ON CUSTOMERS
LINDA VAMVAS AND CLIFFORD SCRIVNER

VALUE AWARD ONE CEMEX
JIM TURICI AND TERRY LONG

VALUE AWARD PURSUE EXCELLENCE
ALEX LOPEZ AND MIAMI DISTRICT READY-MIX

Visit www.facebook.com/cemexusa to see all of the award recipients.
SAFETY

SAFETY AT CEMEX IS A CORE VALUE. WE NEED TO BELIEVE IN SAFETY, BE PASSIONATE ABOUT IT AND STOP, THINK, AND ACT SAFELY. THERE ARE MANY ELEMENTS TO SAFETY. THE FOUR MAIN ELEMENTS ARE:

01 > LEADERSHIP & ACCOUNTABILITY
02 > CONTRACTOR MANAGEMENT
03 > OCCUPATIONAL HEALTH
04 > PEOPLE, TRAINING & BEHAVIORS

DO YOU PRACTICE THE SAFETY ESSENTIALS?

Look after yourself and each other. Never let anyone act unsafely, and always stop unsafe practices.

Use Safety Improvement Card. Report all incidents, near-misses and hazards immediately.

Get a Grip. Hold handrails on stairways and use three points of contact getting in/out of vehicles.

Stop. Think. Then... Act Safely.

“CEMEX IS DEDICATED TO BUILDING A BETTER FUTURE FOR OUR PEOPLE. IN 2016, WE PLAN TO INCREASE EMPLOYEE ENGAGEMENT BY FOCUSING ON CREATING ADDITIONAL CAREER OPPORTUNITIES, ENHANCING FACE-TO-FACE LEADERSHIP COMMUNICATION ON ALL LEVELS, IMPROVING THE SKILLS OF OUR FRONT-LINE MANAGERS AND ENSURING COMPETITIVE COMPENSATION FOR ALL EMPLOYEES.”

GUILLERMO MARTINEZ SANS
EXECUTIVE VICE PRESIDENT OF HUMAN RESOURCES AND COMMUNICATIONS

On February 11, 2016, Marvin Fowler (pictured right with Plant Manager Alex Goyse) celebrated 60 years of service at our Clinchfield Cement Plant.

MARVIN FOWLER
CELEBRATING 60 YEARS OF SERVICE AT CEMEX

“I consider myself very lucky to be part of the CEMEX Louisville Family, working with the best team in Cement Operations and leading change, every day, in my role as Continuous Improvement Leader.”

SHANNON GRAVES
CONTINUOUS IMPROVEMENT LEADER

This photo was taken in a PPE free zone.

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SHANNON GRAVES
CONTINUOUS IMPROVEMENT LEADER
OUR PEOPLE

WHO ARE LIVING OUR VALUES

"THERE ARE FOUR PRIORITIES TO HEALTH AND SAFETY. GET A PHYSICAL, QUIT SMOKING, EAT RIGHT AND EXERCISE. OUR HEALTH AND WELLNESS PROGRAMS HAVE EVERY TOOL YOU MAY NEED. FROM TOBACCO CESSATION PROGRAMS, TO WEIGHT MANAGEMENT, TO PHYSICAL ACTIVITY GUIDES. REMEMBER TO BE HEALTHY, LEAD BY EXAMPLE, PARTICIPATE IN OUR PROGRAMS AND ENCOURAGE OTHERS TO DO SO."

DOUG BENNET DOUG JENSEN
Doug is so dedicated to safety that he took it upon himself to be proactive and develop a comprehensive, new driver-training program, which has become the template for a nationwide initiative.

CLIFF SCRIVNER
He has done a fantastic job managing two terminals and maintaining very high customer-service levels in an extremely challenging environment.

ALEX LOPEZ
Alex is a systematic and disciplined person whose management of the call center in Customer Experience runs above 6 sigma, virtually error-free.

JIM TURICI
With his extensive knowledge of cement and concrete technology, as well as our sales group, Jim was fundamental in designing and providing the technical training for all of our cement sales force.

AARON GARCIA
He has developed the trust of everyone in the company by always doing what is right.

GINA NEUMANN
She is a resourceful person who demonstrates integrity every day by helping internal and external customers find solutions to credit questions or issues.

BOBBY LINDSEY
He has excellent persuasive talents and has done an outstanding job achieving “buy in” for Drive Cam in his division.

LINDA VAMVAS
Linda treats our customers, both internal and external, with unbelievable care and professionalism, and has many raving fans as a result.

MIAMI READY-MIX TEAM
This disciplined team has provided spotless service throughout several mat pours over the past two years, including the largest in Miami history.

TERRY LONG
Terry provides vision and leadership that have given consistency to the logistics, appearance and ongoing improvements to plant automation over the past 13 years.

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 AND ACT WITH INTEGRITY.

SLEEP WELL
Having trouble sleeping? Is fatigue creeping up on you? Ensure your sleep patterns provide sufficient rest.

HEALTHY HEART
Your heart works hard for you. It is important that you exercise regularly and eat healthy meals. Smokers, isn’t it time to stop? Look after your heart.

VISION AND HEARING
Our hearing and sight are very important. Protect your hearing in noisy areas. Ensure you wear any necessary vision-correction eyewear and make sure you follow workplace requirements.

SUSIE MEJIA
VICE PRESIDENT OF COMPENSATION AND BENEFITS

"HEALTH & WELLNESS"

"8"
Making sure all our actions and activities are safely performed is a commitment we must undertake all day everyday to ensure our safety and the safety of those around us. We want to thank each of you for your participation in CEMEX USA Safety Week. You played a critical role in its success as a step on our relentless path to Zero4Life.

“SAFETY IS OUR MOST IMPORTANT CORE VALUE, AND IT WILL CONTINUE TO BE OUR NO. 1 PRIORITY AT CEMEX USA. I HOPE EACH AND EVERY ONE OF YOU TOOK THE OPPORTUNITY TO PARTICIPATE IN THIS IMPORTANT, SAFETY AWARENESS-BUILDING WEEK.”

IGNACIO MADRIDEJOS
PRESIDENT, CEMEX USA
“THIS YEAR, WE’LL OPERATE WITH AN INCREASED FOCUS ON CUSTOMER CENTRICITY. TO ACHIEVE THIS OBJECTIVE, WE’LL EXECUTE OUR BUSINESS WITH THESE KEY ELEMENTS IN MIND: SAFETY, COMMUNICATION, DELIVERING ON OUR PROMISES, CULTIVATING RELATIONSHIPS BASED ON PROFESSIONAL TRUST RATHER THAN FRIENDSHIP BEING EASY TO WORK WITH, AND ALWAYS ACTING QUICKLY AND PROACTIVELY IN PROBLEM RESOLUTION. WE MUST REMEMBER THAT WHEN OUR CLIENTS SUCCEED, WE SUCCEED.”

- GONZALO GALINDO, FLORIDA REGIONAL PRESIDENT

WHAT ARE OUR OBJECTIVES?
• THE COMMERCIAL AND BUSINESS OBJECTIVES TO SET THE DIRECTION FOR OUR CHOICES

WHERE TO PLAY?
• THE SETS OF CUSTOMERS AND CHANNELS TO FOCUS ON

HOW TO WIN?
• THE PRODUCTS, SERVICES AND SOLUTIONS TO PROVIDE FOR EACH CUSTOMER AND CHANNEL SET

WHAT TO DO?
• THE SALE AND DELIVERY OF THESE PRODUCTS, SERVICES AND SOLUTIONS TO THE MARKET

FOCUS ON CUSTOMERS

SHIP CHANNEL POUR
Our ready-mix trucks took to the sea to provide support for a massive undertaking in the Houston Ship Channel. The trucks were transported via barge to an electrical tower in the middle of the channel, where they created a barrier system to protect it from collisions with ships.

PALOMINAS
Our Sierra Vista Plant recently teamed with KE&G Construction on the award-winning Palominas Flood Protection & Groundwater Recharge Project in Cochise County, Ariz. The project helped alleviate sheet-flow flooding at a local elementary school.

GOLDEN TROWEL
CEMEX USA helped our customer, Concrete Services, win the coveted Golden Trowel Award by supplying concrete for a large-scale project in California, the Oaks Business Park. Comprised of 1.3 million square feet, the project is the largest Golden Trowel Award-winner to date.

THE GROVE AT GRAND BAY
Miami has a new architectural marvel—the twin, twisting towers of The Grove at Grand Bay luxury apartments. CEMEX USA is proud to have partnered with our friends at Facchina on the construction of these stunning, 20-story buildings on beautiful Biscayne Bay!
The goal of community outreach is to build a local community-and stakeholder-engagement plan by identifying our stakeholders, identifying key issues and creating an action plan. Our communities are made up of our neighbors, politicians and regulators, NGOs and employees. Creating a Community Stakeholder Advisory Committee, defining relevant specific actions and looking to corporate liaisons for support are key to community engagement. Don’t wait to start engagement, don’t turn it off and remember to keep it flowing.
CEMEX USA is pleased to announce that four of our cement-manufacturing plants earned the U.S. Environmental Protection Agency ENERGY STAR® certification in 2015. The recognition of CEMEX USA’s plants in Miami, Fla., Clinchfield, Ga., Fairborn, Ohio, and Victorville, Calif., demonstrates that these facilities perform among the top 25 percent of similar U.S. facilities for energy conservation. 2015 marks the ninth-consecutive year of certification for the Clinchfield plant, an achievement realized by only one other cement plant in the U.S. It is also the fifth-consecutive certification for the Miami plant and the fourth for the Victorville and Fairborn plants.

Three CEMEX USA ready-mix plants in Texas, located in La Porte, Mission and Rosenberg, met the ENERGY STAR challenge by committing to the pre-established goal of reducing energy intensity by 10 percent in five years or less.

CEMEX maintains 14 facilities with Wildlife Habitat Council-certified programs. Projects vary in scope, from large-scale prairie and wetland restoration to individual species-management and native planting projects. Each year, more than 3,000 students use our habitats as outdoor classrooms, building essential knowledge in key concepts and skills.

CEMEX DONATES TO HOPE HOSPICE
Hope Hospice in New Braunfels, Texas, received a generous donation of $25,000 from CEMEX USA. The donation will go toward the development of the new Hope Hospice community bereavement center, known as the Hampel-Wuest Grief & Hope Center, as well the construction of a reflection area and native-plant landscaping. The new center will provide a space for child and adult counseling, support groups and training.

SEAL PUP RESCUE
Recently, CEMEX employees Pete Zertuche, dredge operator and Tim Kane, lead maintenance, rescued a baby seal on the beach in front of the Lapis plant in Marina, Calif. The seal pup was having a hard time getting back into the ocean and looked hungry. After observing, Pete and Tim went to rescue the pup and called the Marine Mammal Rescue Center, who sent out a crew to pick him up. The pup was then transported to Sausalito, where they prepared him to be released back into the wild.

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OUR OPERATIONAL EXCELLENCE MODEL WILL BE EMBEDDED THROUGH A JOURNEY THAT STARTS BY “LEARNING” THE CONTENT AND UNDERSTANDING THE CONCEPTS. WE WILL THEN BEGIN TO “USE” THIS CONTENT IMMEDIATELY IN THE WORKPLACE BY APPLYING CONCEPTS TO OUR DAILY ACTIVITIES AND BEGIN TO SEE RESULTS. WITH PRACTICE AND ITERATIVE LEARNING, WE WILL EVENTUALLY APPROACH OUR JOBS DIFFERENTLY AND “LIVE” BY THIS MODEL. AND BEGIN TO TEACH OTHERS AND FIND THAT WE ARE NOT ONLY REACHING OUR GOALS BUT SURPASSING THEM. THE ROLL OUT OF OUR TRAINING BEGAN IN FEBRUARY 2016 IN LAS VEGAS WHERE WE TRAINED THE TRAINERS. NOW, WE WILL CONTINUE WITH OUR LEADER AND YELLOW BELT MODULES IN THE FIRST HALF OF THE YEAR AND START GREEN BELT IN THE SECOND HALF OF 2016.

FOUR GUIDING PRINCIPLES: KEY ELEMENTS

**MINDSET**
- Priority to Safety and Customers
- See Problems as Opportunities
- Drive Root Cause Analysis
- Apply Process Oriented Thinking
- Take Action to Drive Results

**SKILLSET**
- Use Data-Based Analysis
- Continually Improve Processes
- Use the Kaizen Approach
- Live by Standard Work

**LEADERSHIP**
- Establish Inspirational Goals
- Engage Others by Being Present
- Constantly Coach & Mentor
- Be Accountable
- Pursue Excellence
- Establish the value and mission
- Coaching & mentorship
- Leadership through action
- Be accountable to yourself and others

**COLLABORATION**
- Develop High Performing Teams
- Leverage Knowledge
- Work Together across Boundaries
- Embrace Different Viewpoints

“My initial concern was that the CI process might be too complicated and overwhelm our employees. After our training session, I feel the CI process will definitely support our lead men and supervisors. The key is the value we get out of this process, and I believe there is tremendous potential.”

- Clay Braden, General Manager, San Antonio, Texas

“My team was very receptive to the Leader and Yellow Belt training, especially because of the creative method in which it was delivered. The team was very interactive, and much open dialogue took place to drive home the message. Now the team openly approaches leadership to provide feedback freely and without solicitation.”

- Ken Morrison, General Manager, Alexandria, La.

“Something that has helped me personally is a quote I heard in training: ‘Listen to hear – do not listen to speak.’ If we all practice this, I am positive it will help us succeed in our CI journey.”

- John Vickstrom, CI Leader, Tampa/Polk District

“Your attitude towards Continuous Improvement is everything. We must understand that making processes improvements will make our jobs easier in the end.”

- Mike Dorrel, Plant Manager, Marietta Ready-Mix Plant

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“It was a great experience to come together to solve a problem faced by one of our brothers, and what made it even better was management was there to listen and support, not direct.”

- Glenn Heath, Ready-Mix Driver

“The entire team will gain value from this training, because it provides us with the tools for us to pull in one direction, versus against each other. We all want to better ourselves.”


“The status boards have made my team’s performance visible, and now they realize they ‘own it.’ The boards reveal to me opportunities within the operation and allow me to task my people effectively, hold them accountable, and set team goals for day-to-day operations. The Leader Training I received supports my efforts, and I can now see the value in CI clearly.”

- Juan Estrada, Drycast Production Supervisor, San Antonio, Texas

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