



**Report given by the Chief Executive Officer of CEMEX, S.A.B. de C.V.
to the Ordinary General Shareholders Meeting
April 5, 2018**

Ladies and gentlemen shareholders:

Elaborating on our Chairman's remarks, I am pleased to inform you that in 2017 we achieved solid operating and financial results.

GENERAL RESULTS

In comparable terms, our main indicators had a favorable performance in relation to last year.

Our cement volumes remained stable; while our ready-mix concrete and aggregate volumes increased 1 percent.

In addition, our pricing strategy continued to demonstrate its effectiveness, as in local currency our cement, concrete and aggregates registered increases of 3,1 and 2 percent, respectively.

Thus, our net sales increased 3 percent, to a total of 3,713 million dollars, while our operating cash flow decreased 6 percent, to a total of 2,572 million dollars.

Continuing with our focus in reducing costs and expenses, I am pleased to inform you that, during 2017, we registered a record in efficiency by achieving an operating expenses to sales ratio of less than 10 percent.

Operating margin was 18.8 percent, 1.8 percentage points below last year's operating margin, mainly due to deacceleration in some of our key markets, as well as an increase in the cost of energy.

Thanks to our initiatives to optimize working capital, to our reduction of financial expenses and to our capital expenses discipline, we registered a free cash flow of 1,151 million dollars – generating for a second year in a row more than a billion dollars in this important item.



In 2017, for each dollar generated from operating cash flow, we managed to convert more than 45 percent into free cash flow.

During the year we received total resources for approximately 1.6 billion dollars due to our divestment program – which allowed us to reach our goal of 2.5 billion dollars established for the last two years.

The resources obtained from divestments, as well as our cash flow, and savings in costs and expenses, were destined practically in their totality to reduce our debt, thereby improving our leverage level in an important way.

As of the end of 2017, we reduced our debt by 1,725 million dollars, for a total of 11,349 dollars – thereby accumulating a reduction of more than 6 billion dollars since the beginning of 2014 – which represents a reduction of 35 percent in such time period. Due to these advances, as of the end of last year, our leverage ratio was 3.85 times, the first time since 2007 that it is below 4 times.

Meanwhile, our financial expenses continued decreasing in a significant way. Just in the last year, we reduced such financial expenses by 169 million dollars, due to the reduction of our debt and to access to financing at historically low conditions, as our issuance in euros with maturity in 7 years at an interest rate of 2.75 percent.

Due to our refinancing efforts and the proactive management of our debt, we currently have enough resources to meet all maturities within the next two years.

All of these advances indicate again our dedication to meeting our commitments with the whole financial Community, and with all of you – our shareholders; and evidence that we are on our way to regaining our investment grade.

Due to the foregoing, I am pleased to announce that in 2017 we achieved a net profit of 806 million dollars, the highest amount in the last decade.

RESULTS BY COUNTRY AND REGION

Now, if you will allow me, I will summarize the results, in comparable terms, of our operations in 2017 with those of the previous year.



Mexico

In Mexico, net sales increased 9 percent to a total of 3,104 million dollars, and operating cash flow increased 12 percent to a total of 1,159 million dollars.

Cement volumes declined by 4 percent, while concrete and aggregate volumes declined by 3 percent each.

Our cement prices increased by 16 percent, concrete prices 10 percent and aggregate prices 11 percent, mainly due to a significant increase in our production supplies, such as coke, gasoline and electricity.

During the year, demand was mainly driven by the commercial and industrial sectors, as well as the residential sector and self-construction, while infrastructure development was flat. For this year, we anticipate that reconstruction efforts after last September's earthquakes, as well as important projects such as the new airport in Mexico City contribute to energizing activity in the sector.

United States

For the United States, net sales increased by 4 percent to a total of 3,524 million dollars, and operating cash flow increased by 9 percent to a total of 632 million dollars – while prices of our cement increased by 5 percent, concrete prices by 1 percent, and aggregate prices by 3 percent.

Our cement volumes increased 2 percent, concrete volumes decreased 1 percent, and aggregate volumes remained flat.

The residential sector was the main driver of demand, as well as the commercial construction and industrial sectors. For 2018 we anticipate a gradual advance in infrastructure development supported by the recent increases in taxes to gasoline in some states and other initiatives.

Europe

For Europe, our net sales increased by 4 percent, to a total of 3,533 million dollars; while our operating cash flow decreased by 8 percent, to a total of 379 million dollars.



Cement, concrete and aggregates volumes increased by 8, 4, and 3 percent, respectively, while our cement prices decreased by 1 percent, concrete prices increased 1 percent, and aggregate prices remained flat.

For Germany, Poland, Spain and France, infrastructure projects and residential construction were the main drivers of demand, with favorable outlook for this year – while the United Kingdom saw a decline in demand due the economic impact of the European Union exit process.

Central and South America and the Caribbean

Regarding our operations in Central America, South America and the Caribbean, net sales decreased by 5 percent, to a total of 1,883 million dollars, while the operating cash flow decreased by 21 percent, to a total of 498 million dollars.

Cement, concrete and aggregate volumes decrease by 1, 6 and 5 percent, respectively, while cement, concrete and aggregate prices decreased by 5,1 and 3 respectively.

The main driver of demand in Colombia was mainly social housing and infrastructure projects. In Panama, demand for cement increased mainly due to the infrastructure sector. We anticipate that this year demand in the region will be energized by new infrastructure projects and better competition dynamics, as well as reconstruction efforts in the Caribbean due to the hurricanes.

Asia, Middle East and Africa

In Asia, Middle East and Africa, our net sales decreased by 1 percent, to 1,362 million dollars, and the operating cash flow decreased by 35 percent, to 225 million dollars.

Cement volumes decreased 2 percent; while concrete and aggregate volumes increased by 7 and 4 percent, respectively.

Cement prices decreased 3 percent; concrete prices remained flat; and aggregate prices increased 1 percent.

In Philippines, demand was driven by infrastructure projects and, in smaller measure, residential, commercial and industrial construction.

Trading



As for our trading operations, in 2017 we carried out operations in 105 countries, with a total approximate volume of 11.3 million metric tons, of which 9.5 million corresponded to cement and clinker.

ADVANCES 2017

Thus, in 2017 we made very significant advances in operating and financial terms, while we set new solid foundations, to ensure that CEMEX is at the forefront in technological innovation within our industry – and so that it is widely regarded as the construction products and integral services global company most focused on the client.

CEMEX Go

As anticipated in our last Meeting, during 2017 we would carry out several endeavors to improve our clients' experience through the development of new digital solutions. After having heard hundreds of clients throughout the world, we launched CEMEX Go, our flagship digital platform – and unique in our industry globally, which has transformed significantly the way in which we interact with our clients, making our commercial relationship faster, simpler, more transparent and more efficient.

Now our clients have the control in their hands. They can order online, track orders in real time and manage invoices and payments – that is to say, perform the whole commercial process at any time from any place, using their phones, tablets, computers and even smart watches.

Thanks to the cutting edge digital technology – which will keep constantly evolving – with CEMEX Go, our clients will be able to increase their productivity, make better decisions and have a better control of their business in this dynamic current market.

Meanwhile, we also obtain important benefits. It allows us to have a new omnipresent point of sale, make a more efficient use of our transport fleet, and above all, improve substantially the quality of our service.

Through a superior purchase experience than what we have offered in the past – and superior to those offered by our competitors, we will obtain more loyalty from our clients and I am sure that we will be their strategic partners on the long term. CEMEX Go is testimony of our commitment with the client and our constant focus on innovation and continuous improvement.



Our digital platform is already available in Mexico and the United States and, during the first quarter of this year, we have launched it Colombia and the United Kingdom. For the remainder of 2018 it will be available in the great majority of our markets.

CEMEX Go no longer represents the commercial future of our business – but the reality with an enormous growth potential, that allows us to provide the best customer experience. This is just the beginning of a new era for CEMEX and digital solutions will keep being a true characteristic of our company, to be able to generate therefore more value for our customers.

CEMEX Ventures

In 2017, we announced the launch of CEMEX Ventures, our open innovation and venture capital entity, which is the first of its kind in our industry. Through CEMEX Ventures we analyze the construction industry’s ecosystem in search of opportunities and business models with potential for disruption.

During the first year of operation, CEMEX Ventures has created alliances with entities ranging from entrepreneurs – to universities, which has resulted in investment on 3 start-up projects in Chile, Mexico and Spain.

Through CEMEX Ventures we are promoting evolution in our industry, by developing a deep knowledge on the whole ecosystem, and situates us in an ideal position to generate – and detect – truly disruptive opportunities that can set future tendencies within the construction industry.

Health and Safety

Last year we kept committed to achieving our permanent goal of Zero Accidents, thanks to which we were able to reduce our incapacitating accidents rate by 17 percent, to 0.5 by the end of 2017. This accidents rate is the lowest among competitors in our industry globally.

This is our top priority – and we are working every day to keep preventing accidents, because the most valuable part of CEMEX are its employees and all those that interact with us.

We have the best working team of all our industry – and there is nothing more important than ensuring that each of our employees and contractors return to their homes unharmed.

Sustainability



We also confirmed our commitment with sustainability, as it is in our company's best interest to find effective solutions to some of the main challenges that we face in the world, including climate change.

In particular, by aligning our business strategy with the United Nations' Sustainable Development Goals we not just only strengthen as an enterprise our "license to operate", but we also support a greater economic and value growth that is long-lasting for all of our stakeholders.

In 2017 we achieved substantial steps to keep constructing a better future in the communities in which we operate around the world, by implementing the integrated model of social and environmental management. Thanks to our collective effort and passion of each one of the more than thousand employees who participated – of practically all of our cement plants –, today we are better prepared to create sustainable value for all our stakeholders. In an increasingly complex world, we have learned that the myriad of global challenges we face are also great opportunities to have a positive impact and build trust in each of our communities.

We have incorporated sustainability in all aspects of our business, because we want to be recognized as the leading company in sustainable construction, keep a low carbon footprint, and be authentic partners in the development of communities in which we work and live, always in harmony with nature. In short, be socially responsible.

This way, in 2017 we achieved a fossil fuels substitution rate, for alternative fuels which are friendlier with the environment, of 26.2 percent – an increase by 2.6 percentage points in comparison with last year – which together with other initiatives has allowed us to reduce our CO2 emissions by approximately 21 percent in relation to the base year of 1990.

2018 OUTLOOK

This year we anticipate a relatively stable business environment – with volumes growing moderately for our products and integral services, and with multiple initiatives to continue generating value in our industry.

We will focus specially on maintaining a strict discipline in costs and expenses matters; maximizing as much as possible our cash flow; and reducing our debt – to get even closer to our goal of achieving our investment grade.



We will keep taking full advantage of the new business opportunities we are able to generate. Above all, through the dissemination and increasing use of our CEMEX Go platform – which has an extraordinary potential.

I am convinced that, as customers become familiarized with CEMEX Go, we will continue to see a radical change in the way we interact with them. This will strengthen the trust in our company – and with it, it will allow us to further differentiate us from the competition.

I feel enthusiastic for the watershed that CEMEX Go represents within our industry – and I am also proud of the way in which our whole organization is taking on the commitment that represents being the building solutions company most focused on the customer.

Because our digital transformation is not limited to the development of the platform – it encompasses a whole change of mentality and in our culture to take advantage of technological advances in benefit of our clients – and strengthen our position within the industry as the global company with most capacity to innovate focused on the client.

Ladies and Gentlemen shareholders:

In CEMEX we clearly understand that our purpose is to create long-lasting value – for our customers, for you and for all of our stakeholders.

Our highest quality products, our integral services, and our invariable commitment with sustainability – are an essential part of the progress happening daily in all the countries around the world in which CEMEX is present.

Personally, to all my management team, to all our collaborators and – I am sure – to all of the members of our Board of Directors, it's a source of true pride having the opportunity to be part of such a great company as ours – and we all know very well that this is due, in great part, to the trust which you give us.

I want to assure you that everyone at CEMEX is committed daily to reciprocating your trust by doing our best effort – because we all have the same passion for constructing an increasingly stronger company.

Thank you for your attention.



Monterrey, N.L., April 5, 2018

Lic. Fernando Ángel González Olivieri
Chief Executive Officer