



2014

SECOND QUARTER RESULTS



- **Stock Listing Information**
Colombian Stock Exchange S.A.
Ticker: CLH

- **Investor Relations**
Patricio Treviño Garza
+57 (1) 603-9823
E-mail: patricio.trevinog@cemex.com

	January – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Consolidated cement volume (thousand of metric tons)	3,931	3,620	9%	1,964	1,929	2%
Consolidated domestic gray cement volume (thousand of metric tons)	3,500	3,258	7%	1,766	1,752	1%
Consolidated ready-mix volume (thousand of cubic meters)	1,670	1,534	9%	851	827	3%
Consolidated aggregates volume (thousand of metric tons)	4,145	3,377	23%	2,197	1,830	20%
Net sales	864	814	6%	441	431	2%
Gross profit	420	430	(2%)	212	217	(2%)
Gross profit margin	48.6%	52.8%	(4.2pp)	48.0%	50.3%	(2.3pp)
Operating earnings before other expenses, net	236	260	(9%)	118	143	(18%)
Operating earnings before other expenses, net, margin	27.3%	32.0%	(4.7pp)	26.6%	33.2%	(6.6pp)
Controlling interest net income	121	141	(14%)	67	115	(42%)
Operating EBITDA	283	306	(8%)	142	166	(14%)
Operating EBITDA margin	32.8%	37.6%	(4.8pp)	32.2%	38.5%	(6.3pp)
Free cash flow after maintenance capital expenditures	142	141	0%	62	90	(32%)
Free cash flow	130	125	4%	55	85	(35%)
Net debt	1,178	1,411	(17%)	1,178	1,411	(17%)
Total debt	1,237	1,479	(16%)	1,237	1,479	(16%)
Earnings per share	0.22	0.26	(14%)	0.12	0.21	(42%)
Shares outstanding at end of period	556	556	0%	556	556	0%
Employees	4,662	3,719	25%	4,662	3,719	25%

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 second quarter of 2014 increased to US\$441 million, representing a 2% growth when compared to the second quarter of 2013. During the first six months of 2014 consolidated net sales increased by 6% to US\$864 million, compared to the same period in 2013. The increase in net sales is explained by higher sales in Colombia.

Cost of sales as a percentage of net sales during the first six months of 2014 increased by 4.2pp from 47.2% to 51.4% compared to the same period in 2013. This increase is explained by scheduled maintenance works.

Operating expenses as a percentage of net sales during the first six months of 2014 increased by 0.5pp from 20.8% to 21.3% compared to the same period in 2013.

Operating EBITDA during the second quarter reached US\$142 million, declining by 14% compared to the second quarter of 2013. During the first six months operating EBITDA reached US\$283 million,

representing a decline of 8% compared to the same period in 2013. This decline in operating EBITDA is mainly explained by scheduled maintenance works.

Operating EBITDA margin during the second quarter of 2014 declined by 6.3pp, compared to the second quarter of 2013. During the first six months of 2014 operating EBITDA margin declined by 4.8pp, compared to the same period in 2013. This decline is explained mainly by scheduled maintenance works.

Controlling interest net income during the second quarter of 2014 reached US\$66.5 million, declining by 42% compared to the second quarter of 2013. During the first six months of 2014 controlling interest net income reached US\$121.2 million, declining by 14% compared to the same period in 2013.

Total debt at the end of the second quarter of 2014 reached US\$1,237 million.

Colombia

	January – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	502	447	12%	260	238	9%
Operating EBITDA	181	190	(5%)	88	103	(14%)
Operating EBITDA margin	36.0%	42.4%	(6.4pp)	34.0%	43.1%	(9.1pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014
Volume	20%	9%	17%	13%	32%	27%
Price (USD)	(7%)	(3%)	(4%)	(0%)	(6%)	(0%)
Price (local currency)	(2%)	(2%)	1%	1%	(0%)	1%

In Colombia, during the second quarter our domestic gray cement, ready-mix and aggregates volumes increased by 9%, 13% and 27%, respectively, compared to the second quarter of 2013. For the first six months of 2014, our domestic gray cement, ready-mix and aggregates volumes increased by 20%, 17% and 32%, respectively, compared to the same period in 2013.

Construction activity in the second quarter continued driven by residential, benefiting from the government-sponsored housing initiatives. Infrastructure remained an important driver for demand of our products with the execution of several ongoing projects that were awarded in past years.

Panama

	January – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	149	154	(3%)	73	81	(11%)
Operating EBITDA	66	74	(11%)	34	40	(17%)
Operating EBITDA margin	44.4%	48.4%	(4.0pp)	46.4%	49.8%	(3.4pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014
Volume	(19%)	(20%)	(8%)	(22%)	(6%)	(16%)
Price (USD)	13%	10%	0%	(2%)	(2%)	(5%)
Price (local currency)	13%	10%	0%	(2%)	(2%)	(5%)

In Panama during the second quarter our domestic gray cement, ready-mix and aggregates volumes declined by 20%, 22%, and 16%, respectively, compared to the second quarter of 2013. For the first six months of 2014, our domestic gray cement, ready-mix and aggregates volumes declined by 19%, 8% and 6%, respectively, compared to the same period in 2013.

The decline in our cement, ready-mix and aggregates volumes was attributed to the effect of the construction workers strike during the second quarter, as well as to lower cement consumption from the Panama Canal expansion project. The residential sector, along with several commercial and ongoing infrastructure projects like *Corredor Norte*, contributed to demand for our products during the quarter.

Costa Rica

	January – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	76	77	(1%)	41	42	(4%)
Operating EBITDA	33	35	(3%)	19	19	(4%)
Operating EBITDA margin	43.9%	44.9%	(1.0pp)	45.9%	45.8%	0.1pp

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014
Volume	7%	1%	(19%)	(21%)	(4%)	2%
Price (USD)	(4%)	(6%)	(2%)	(6%)	(11%)	(18%)
Price (local currency)	4%	3%	6%	3%	(3%)	(10%)

In Costa Rica, our domestic gray cement and aggregates volumes in the second quarter of 2014 increased by 1% and by 2%, respectively, while our ready-mix volumes declined by 21%, compared to the second quarter of 2013. For the first six months of 2014, our cement volumes increased by 7%, while our ready-mix and aggregates volumes decreased by 19% and 4%, respectively, on a year-over-year basis.

During the second quarter infrastructure remained the main driver for cement demand with the ongoing construction of several highways. Our ready-mix volumes in the quarter were affected by the conclusion of several projects that were in execution last year.

Rest of CLH

	January – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net sales	143	145	(1%)	73	74	(1%)
Operating EBITDA	40	41	(2%)	21	21	(1%)
Operating EBITDA margin	28.0%	28.1%	(0.1pp)	28.8%	28.9%	(0.1pp)

In millions of US dollars, except percentages.

Year-over-year percentage variation	Domestic gray cement		Ready-mix		Aggregates	
	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014	January – June 2014	Second Quarter 2014
Volume	1%	(1%)	(3%)	(5%)	46%	88%
Price (USD)	(4%)	(2%)	3%	4%	(12%)	(16%)
Price (local currency)	0%	1%	5%	6%	(7%)	(12%)

In the Rest of CLH region, which includes our operations in Nicaragua, Guatemala, El Salvador and Brazil, during the second quarter of 2014 our domestic gray cement and ready-mix volumes decreased by 1% and 5% respectively, while our aggregates volumes increased by 88%, compared to the second quarter of 2013. For the first six months of 2014, our cement and aggregates volumes increased by 1% and 46%, respectively, while our ready-mix volumes declined by 3%, compared to the same period in 2013.

The positive performance in our cement volumes in Nicaragua was offset by weak demand conditions in the other markets. The infrastructure and the industrial-and-commercial sectors remained the main drivers for demand of our products.

Operating EBITDA and free cash flow

	January – June			Second Quarter		
	2014	2013	% Var	2014	2013	% Var
Operating earnings before other expenses, net	236	260	(9%)	118	143	(18%)
+ Depreciation and operating amortization	47	46		25	23	
Operating EBITDA	283	306	(8%)	142	166	(14%)
- Net financial expense	48	59		23	30	
- Capital expenditures for maintenance	26	8		17	5	
- Change in working capital	9	30		2	(10)	
- Taxes paid	59	65		38	47	
- Other cash items (net)	0	3		(1)	3	
Free cash flow after maintenance capital expenditures	142	141	0%	62	90	(32%)
- Strategic capital expenditures	12	16		7	5	
Free cash flow	130	125	4%	55	85	(35%)

In millions of US dollars.

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

Information on Debt

	Second Quarter			First Quarter		Second Quarter		
	2014	2013	% Var	2014		2014	2013	
Total debt ⁽¹⁾⁽²⁾	1,237	1,479	(16%)	1,292	Currency denomination			
Short-term	21%	12%		27%		US dollar	98%	98%
Long-term	79%	88%		73%		Colombian peso	2%	2%
Cash and cash equivalents	59	68	(13%)	58	Interest rate			
Net debt	1,178	1,411	(17%)	1,234		Fixed	79%	82%
						Variable	21%	18%

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)

INCOME STATEMENT	January – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net Sales	863,955	813,991	6%	441,202	430,649	2%
Cost of Sales	(444,152)	(384,320)	(16%)	(229,404)	(213,990)	(7%)
Gross Profit	419,803	429,671	(2%)	211,797	216,659	(2%)
Operating Expenses	(184,216)	(169,361)	(9%)	(94,277)	(73,857)	(28%)
Operating Earnings Before Other Expenses, Net	235,587	260,310	(9%)	117,520	142,802	(18%)
Other expenses, Net	519	(3,315)	N/A	743	(883)	N/A
Operating Earnings	236,106	256,995	(8%)	118,263	141,919	(17%)
Financial Expenses	(47,627)	(58,790)	19%	(23,224)	(29,390)	21%
Other Income (Expenses), Net	(4,305)	(4,762)	10%	(5,159)	(2,325)	(122%)
Net Income Before Income Taxes	184,174	193,443	(5%)	89,880	110,204	(18%)
Income Tax	(62,617)	(51,592)	(21%)	(23,143)	5,132	N/A
Consolidated Net Income	121,557	141,851	(14%)	66,737	115,336	(42%)
Non-controlling Interest Net Income	(392)	(468)	16%	(192)	(235)	18%
CONTROLLING INTEREST NET INCOME	121,165	141,383	(14%)	66,545	115,101	(42%)
Operating EBITDA	283,076	306,393	(8%)	142,077	165,657	(14%)
Earnings per share	0.22	0.26	(14%)	0.12	0.21	(42%)

BALANCE SHEET	As of June 30	As of June 30
	2014	2013
Total Assets	3,844,232	3,918,453
Cash and Temporary Investments	59,303	67,551
Trade Accounts Receivables	165,809	119,685
Other Receivables	90,306	90,445
Inventories	114,802	88,731
Other Current Assets	23,913	28,542
Current Assets	454,132	394,954
Fixed Assets	1,218,121	1,169,529
Other Assets	2,171,979	2,353,970
Total Liabilities	2,387,169	2,560,614
Current Liabilities	647,117	498,306
Long-Term Liabilities	1,727,100	2,048,203
Other Liabilities	12,952	14,105
Consolidated Stockholders' Equity	1,450,953	1,357,839
Non-controlling Interest	6,110	5,894
Stockholders' Equity Attributable to Controlling Interest	1,457,063	1,351,945

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 – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Net Sales	1,691,252	1,501,968	13%	841,737	809,159	4%
Cost of Sales	(869,459)	(709,143)	(23%)	(437,927)	(401,308)	(9%)
Gross Profit	821,794	792,825	4%	403,810	407,851	(1%)
Operating Expenses, net	(360,616)	(312,503)	(15%)	(179,886)	(139,900)	(29%)
Operating Earnings Before Other Expenses, Net	461,177	480,321	(4%)	223,924	267,950	(16%)
Other Expenses, Net	1,017	(6,117)	N/A	1,466	(1,722)	N/A
Operating Earnings	462,194	474,205	(3%)	225,390	266,230	(15%)
Financial Expenses	(93,234)	(108,479)	14%	(44,195)	(55,345)	20%
Other Income (Expenses) Financial, net	(8,427)	(8,787)	4%	(10,144)	(4,382)	(131%)
Net Income Before Income Taxes	360,533	356,939	1%	171,051	206,502	(17%)
Income Tax	(122,577)	(95,197)	(29%)	(43,255)	7,320	N/A
Consolidated Net Income	237,957	261,742	(9%)	127,796	213,822	(40%)
Non-controlling Interest Net Income	(768)	(864)	11%	(366)	(443)	17%
CONTROLLING INTEREST NET INCOME	237,189	260,878	(9%)	127,430	213,379	(40%)
Operating EBITDA	554,141	565,352	(2%)	270,750	311,947	(13%)
Earnings per share	427.93	470.76	(9%)	229.82	384.57	(40%)

BALANCE SHEET	As of June 30	As of June 30
	2014	2013
Total Assets	7,231,730	7,558,696
Cash and Temporary Investments	111,559	130,306
Trade Accounts Receivables	311,919	230,872
Other Receivables	169,882	174,468
Inventories	215,964	171,162
Other Current Assets	44,984	55,058
Current Assets	854,309	761,866
Fixed Assets	2,291,516	2,256,022
Other Assets	4,085,905	4,540,808
Total Liabilities	4,490,719	4,939,425
Current Liabilities	1,217,350	961,232
Long-Term Liabilities	3,249,004	3,950,984
Other Liabilities	24,365	27,209
Consolidated Stockholders' Equity	2,729,518	2,619,271
Non-controlling Interest	11,494	11,369
Stockholders' Equity Attributable to Controlling Interest	2,741,012	2,607,902

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 – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Colombia	501,937	447,343	12%	259,543	238,446	9%
Panama	148,685	153,559	(3%)	72,569	81,106	(11%)
Costa Rica	75,996	77,048	(1%)	40,530	42,158	(4%)
Rest of CLH	143,227	145,097	(1%)	73,397	73,968	(1%)
<i>Others and intercompany eliminations</i>	(5,890)	(9,056)	(35%)	(4,839)	(5,030)	(4%)
TOTAL	863,955	813,991	6%	441,201	430,648	2%

GROSS PROFIT

Colombia	252,396	250,816	1%	124,798	119,919	4%
Panama	71,442	81,020	(12%)	36,173	43,950	(18%)
Costa Rica	40,351	42,072	(4%)	22,227	23,274	(5%)
Rest of CLH	50,218	50,329	(0%)	26,245	26,289	(0%)
<i>Others and intercompany eliminations</i>	5,397	5,434	(1%)	2,354	3,227	(27%)
TOTAL	419,803	429,671	(2%)	211,797	216,659	(2%)

OPERATING EARNINGS BEFORE OTHER EXPENSES, NET

Colombia	163,205	174,138	(6%)	78,655	94,712	(17%)
Panama	57,436	65,443	(12%)	29,294	35,993	(19%)
Costa Rica	29,868	30,794	(3%)	16,862	17,399	(3%)
Rest of CLH	37,440	38,291	(2%)	19,626	20,124	(2%)
<i>Others and intercompany eliminations</i>	(52,363)	(48,356)	8%	(26,917)	(25,426)	6%
TOTAL	235,587	260,310	(9%)	117,521	142,802	(18%)

OPERATING EBITDA

Colombia	180,792	189,871	(5%)	88,175	102,669	(14%)
Panama	66,011	74,315	(11%)	33,667	40,403	(17%)
Costa Rica	33,366	34,571	(3%)	18,618	19,308	(4%)
Rest of CLH	40,055	40,760	(2%)	21,165	21,358	(1%)
<i>Others and intercompany eliminations</i>	(37,148)	(33,124)	12%	(19,548)	(18,081)	8%
TOTAL	283,076	306,393	(8%)	142,077	165,657	(14%)

OPERATING EBITDA MARGIN

Colombia	36.0%	42.4%		34.0%	43.1%
Panama	44.4%	48.4%		46.4%	49.8%
Costa Rica	43.9%	44.9%		45.9%	45.8%
Rest of CLH	28.0%	28.1%		28.8%	28.9%
TOTAL	32.8%	37.6%		32.2%	38.5%

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 – June			Second Quarter		
	2014	2013	% Var.	2014	2013	% Var.
Total cement volume ¹	3,931	3,620	9%	1,964	1,929	2%
Total domestic gray cement volume	3,500	3,258	7%	1,766	1,752	1%
Total ready-mix volume	1,670	1,534	9%	851	827	3%
Total aggregates volume	4,145	3,377	23%	2,197	1,830	20%

Per-country volume summary

DOMESTIC GRAY CEMENT VOLUME	January - June		Second Quarter		Second Quarter 2014 Vs.
	2014 Vs. 2013		2014 Vs. 2013		First Quarter 2014
Colombia	20%		9%		1%
Panama	(19%)		(20%)		6%
Costa Rica	7%		1%		1%
Rest of CLH	1%		(1%)		2%

READY-MIX VOLUME

Colombia	17%		13%		9%
Panama	(8%)		(22%)		(17%)
Costa Rica	(19%)		(21%)		11%
Rest of CLH	(3%)		(5%)		(0%)

AGGREGATES VOLUME

Colombia	32%		27%		11%
Panama	(6%)		(16%)		(9%)
Costa Rica	(4%)		2%		21%
Rest of CLH	46%		88%		117%

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 - June		Second Quarter		Second Quarter 2014 Vs.
	2014 Vs. 2013		2014 Vs. 2013		First Quarter 2014
Colombia	(7%)		(3%)		3%
Panama	13%		10%		(5%)
Costa Rica	(4%)		(6%)		(1%)
Rest of CLH (*)	(4%)		(2%)		2%

READY-MIX PRICE

Colombia	(4%)		(0%)		5%
Panama	0%		(2%)		(1%)
Costa Rica	(2%)		(6%)		(4%)
Rest of CLH (*)	3%		4%		3%

AGGREGATES PRICE

Colombia	(6%)		(0%)		8%
Panama	(2%)		(5%)		(6%)
Costa Rica	(11%)		(18%)		(3%)
Rest of CLH (*)	(12%)		(16%)		(18%)

Variation in Local Currency

DOMESTIC GRAY CEMENT PRICE	January - June		Second Quarter		Second Quarter 2014 Vs.
	2014 Vs. 2013		2014 Vs. 2013		First Quarter 2014
Colombia	(2%)		(2%)		(2%)
Panama	13%		10%		(5%)
Costa Rica	4%		3%		1%
Rest of CLH (*)	0%		1%		(1%)

READY-MIX PRICE

Colombia	1%		1%		(0%)
Panama	0%		(2%)		(1%)
Costa Rica	6%		3%		(2%)
Rest of CLH (*)	5%		6%		4%

AGGREGATES PRICE

Colombia	(0%)		1%		3%
Panama	(2%)		(5%)		(6%)
Costa Rica	(3%)		(10%)		(1%)
Rest of CLH (*)	(7%)		(12%)		(17%)

(*) Volume weighted-average price.

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

Tax Matters in Colombia

Regarding the proceeding notice that was notified to CEMEX Colombia on April 1, 2011, in which the Colombian Tax Authority rejected certain deductions taken by CEMEX Colombia in its 2009 year-end tax return for which a final determination was issued by the Colombian Tax Authority on December 15, 2011, on July 14, 2014, CEMEX Colombia was notified about an adverse resolution to the appeal filed by CEMEX Colombia on May 10, 2013, to the resolution confirming the official liquidation notified by the Colombian Tax Authorities to CEMEX Colombia on January 17, 2013. CEMEX Colombia intends to file an appeal before the Colombian *Consejo de Estado* by not later than July 24, 2014.

CLH announces senior level organizational changes

- Andrés Jiménez has been appointed Director of CEMEX Panamá
- Alejandro Ramírez has been appointed Director of CEMEX Costa Rica
- Yuri de los Santos has been appointed Director of CEMEX Nicaragua & El Salvador

In addition, Ramón Pizá, Director of CEMEX Panamá, and Roberto Pongutá, Director of CEMEX Costa Rica, left CLH and joined CEMEX, S.A.B. de C.V.'s operations.

These changes were effective July 15, 2014.

The rest of the operational and corporate staff functions at CLH remained unchanged.

CLH to build grinding plant in Nicaragua

CLH announced it has started the construction of a new cement grinding plant in Ciudad Sandino, Managua, that is expected to increase its cement production capacity in Nicaragua by approximately 104%.

The investment is approximately US\$55 million and will be completed in two phases, reaching an estimated annual cement production capacity of 860,000 tons by 2017.

During the first phase, US\$30 million will be invested for infrastructure procurement and the installation of a cement grinding mill with a production capacity of approximately 220,000 tons. This phase is expected to be completed by the end of the second quarter of 2015. The second phase includes the installation of a second cement grinding mill with an annual production capacity of 220,000 tons and an investment of US\$25 million, and is expected to be completed by the end of 2017.

"With this increase in production capacity, CLH strengthens its commitment to Nicaragua, creating the conditions to contribute to its development and ensuring the supply of one of the basic materials for housing and infrastructure construction in the country," said Andres Jimenez, CLH Director in Nicaragua. "We contribute to Nicaragua's development offering innovative building solutions that promote the welfare of its population."

More than 200 direct and indirect jobs are expected to be created during the construction phase, with 100 direct and indirect jobs once operations are started.

Additionally, CLH will implement reforestation in the area and community support plans, starting with the launch of its Self-Employment Productions Centers or *Centros Productivos de Auto Empleo* (CPAs) program, whereby concrete blocks are produced for home improvement in collaboration with communities and local governments.

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 June 30, 2014 and June 30, 2013 was \$1,881.19 and \$1,929.00 Colombian pesos per US dollar, respectively, and (ii) the consolidated results for the second quarter of 2014 and for the second quarter of 2013 were \$1,905.66 and \$1,883.09 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 – June		January – June		Second quarter	
	2014 Closing	2013 Closing	2014 Average	2013 Average	2014 Average	2013 Average
Colombian peso	1,881.19	1,929.00	1,957.57	1,845.19	1,905.66	1,883.09
Panama balboa	1.00	1.00	1.00	1.00	1.00	1.00
Costa Rica colon	548.66	504.53	548.58	505.28	554.90	504.40
Euro	0.7302	0.7685	0.7304	0.7625	0.7297	0.7661

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.