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NYSE

# Innovation through Collaboration

May 2011



# A leading global building materials company

- **Annual sales '09 US\$14.5 billion, EBITDA '09 US\$2.7 billion**
- **One of the leaders in each of our core businesses:** cement, aggregates, and ready-mix concrete
- **Presence in more than 50 countries** across the Americas, Europe, Africa, the Middle East and Asia
- **Trade relationships in more than 100 nations** and one of the world's top traders of cement and clinker
- **Close to 47,000 employees** worldwide

# A vertically integrated building materials company

- We supply **cement**, **ready-mix concrete**, and **aggregates**, as well as a range of other construction products and services



# A global leader in each of our core businesses

Global Cement Ranking (Current, M metric tons per annum)		Global Ready-Mix Ranking (2009, M cubic meters)		Global Aggregates Ranking (2009, M metric tons)	
<u>Company</u>	<u>Capacity<sup>(1)</sup></u>	<u>Company</u>	<u>Volumes</u>	<u>Company</u>	<u>Volumes</u>
Lafarge	190	CEMEX	54	Heidelbergcement	240
Holcim	181	Holcim	42	Lafarge	196
China Nat Bldg Mat	122	Lafarge	37	CEMEX	168
Anhui Conch	113	Heidelbergcement	35	CRH	162
CEMEX	96	Siam Cement	19	Holcim	143
Heidelbergcement	95	Italcementi	18	Vulcan	137
Italcementi	66	CRH	15	Martin Marietta	112
Taiheiyo	47	Buzzi-Unicem	14	Colas	106
Tangshan Jidong	46	Votorantim	7.6	Vinci	73
Sinoma	46	Cimpor	7.3	Tarmac	70
Taiwan Cement	42	Vicat	7.1	Italcementi	45
Votorantim	39	Boral	6.4	Boral	31
Buzzi-Unicem	38	Valderrivas	4.9	MDU	22
Eurocement	35	Titan	3.9	Votorantim	21
Grasim & Ultratech	34	Grasim & Ultratech	3.7	Vicat	19
Shanshui Group	31	Tarmac	3.5	Valderrivas	15
CRH	27	US Concrete	3.4	Titan	15
Camargo Correa	25	Vulcan	3.3	Cimpor	14
BBMG	24	Cementir	3.1	Texas Industries	12
Tianrui Group	24	Camargo Correa	2.5	Cementir	4
UBE - Mitsubishi	24			US Concrete	3

(1) Weighted for consolidation and ownership (operations 100% owned or <100% owned but fully consolidated are counted at full capacity; operations <50% are weighted by % owned).

# CEMEX becoming globally integrated

## International



Centralized operations,  
strong corporate  
management and  
control

## Multinational



Operational units  
replicated in each  
country according to  
market size

## Integrated



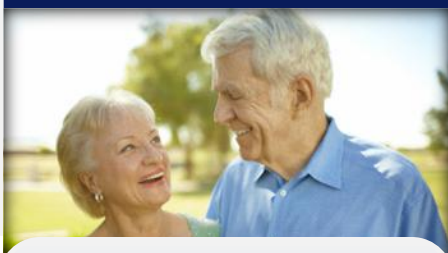
Processes and  
functions located in the  
best location and  
available for everyone

A new operative model must be adopted to drive successful transformation

# Facilitating generations coexistence to drive higher value

## “Pre Baby Boomers”

From 64 to 78 years old



Effort, loyalty and traditional - value oriented

Savings to build wealth

## “Baby Boomers”

From 45 to 63 years old

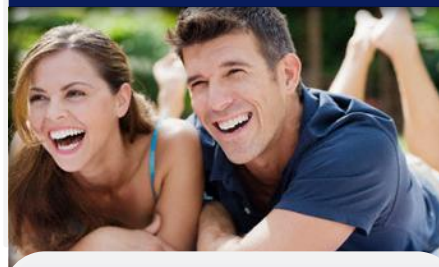


Focused on work, independence and competitiveness

Credit to build equity

## “Generation X”

From 27 to 44 years old



Individualist, flexible, adept to the use of technology

Work / Family Balance

## “Generation Y”

From 14 to 26 years old



Teamwork, focuses on accomplishments, intense use of technology

Meaningful relationships

The average age of CEMEX employees is 39 years old  
Median is between the ages of 27 & 34 (32% of personnel)

# Revolutionizing the collaboration culture in the company

## Practices

Empowering basic practices: Introduce, connect, recommend

Offering guides that facilitate the collaboration among people

Communicating success stories in the adoption of new practices

## Tecnologies

Integrating technologies that enhance collaboration into a single experience

Ensuring easy use and handling by every employee at CEMEX

Introducing components that support new collaborative practices

## Motivators

Bringing global visibility to every employee and all of his/her contributions

Facilitating feedback based on everyone's comments

Stimulating constructive competence among individuals and teams

# Our concept of Innovation

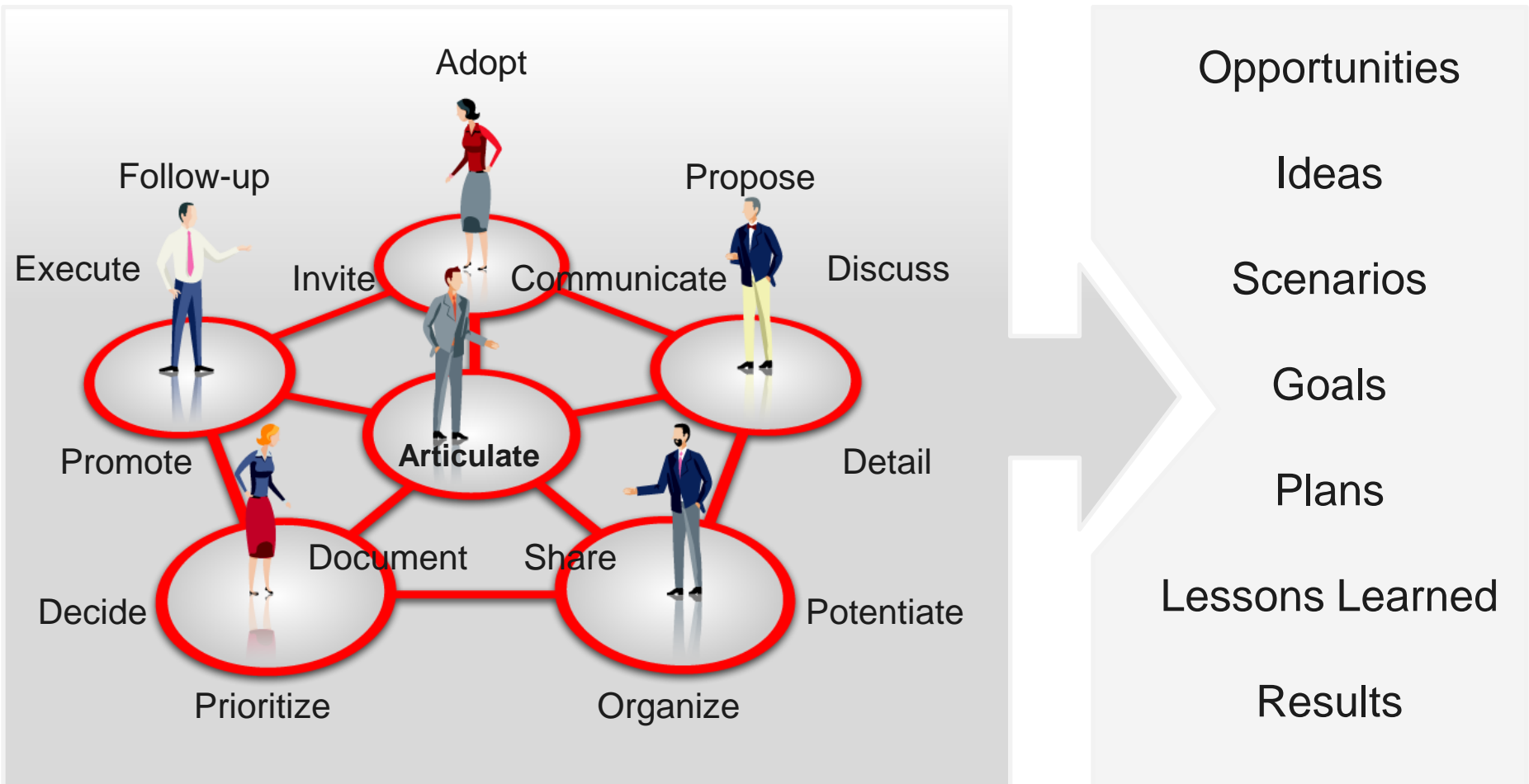
What for?

A model based on principles of collaborative networks as the means to develop our full potential, applying and capitalizing the knowledge and technical expertise, as well as the commercial and managerial experience available in the company

Now is our opportunity to capitalize on the next level of benefits to being a large and diverse company, with extensive knowledge, experience and talent that has proven to produce effective results in the different markets that we operate in

To consolidate our position as a more agile and productive company that retains power and talent, and has a central unit whose role is now geared towards facilitation, coordination and mobilization of the entire company

# Innovation will result by adopting new collaboration habits



# Shift is

an internal collaboration online tool

# designed to

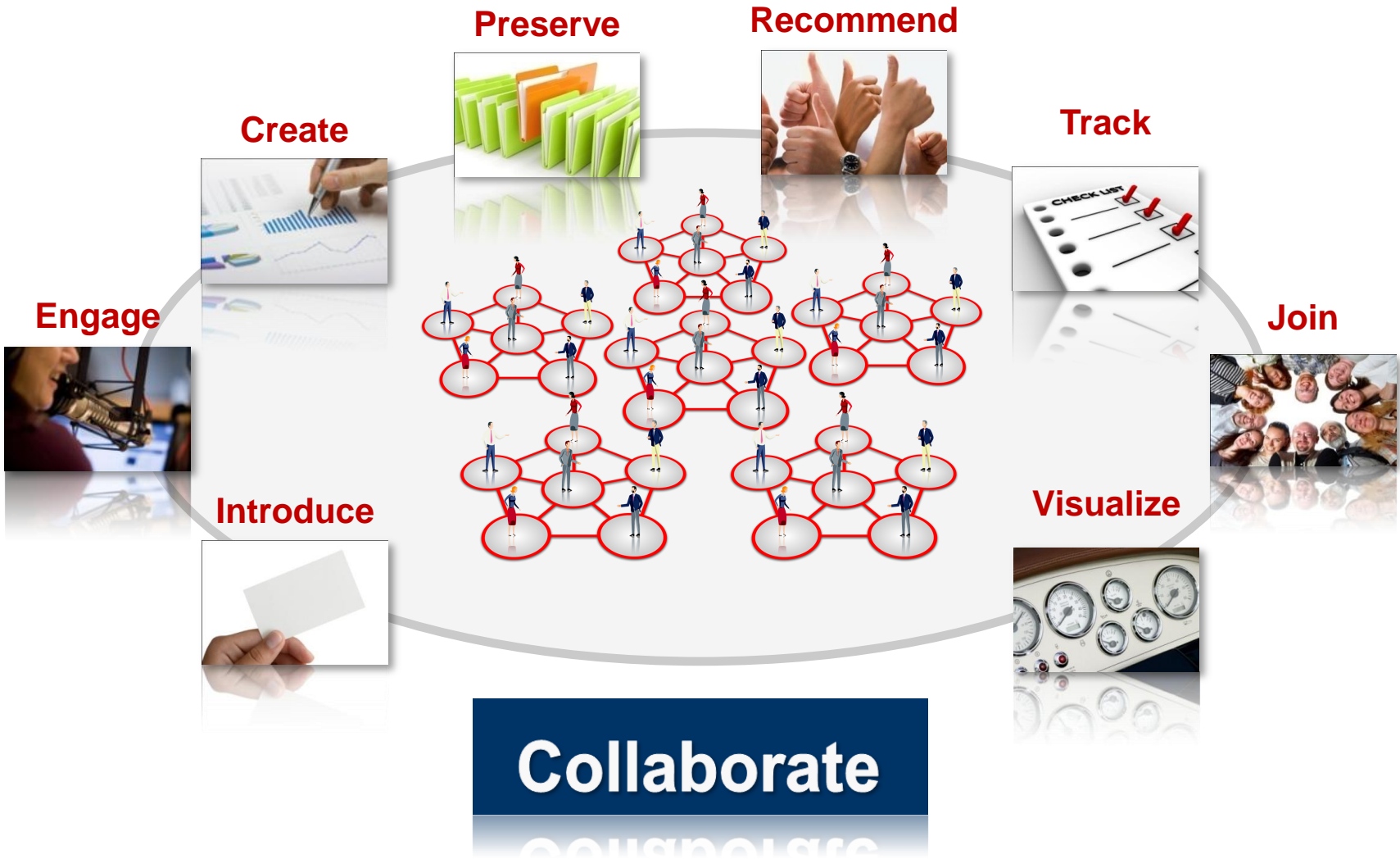
innovate and help making the company more efficient and agile

# empower employees

by sharing opinions, thoughts, information, experiences, knowledge and best practices



# Change = adoption of new practices



# Innovation concept to be mobilized through 9 initiatives

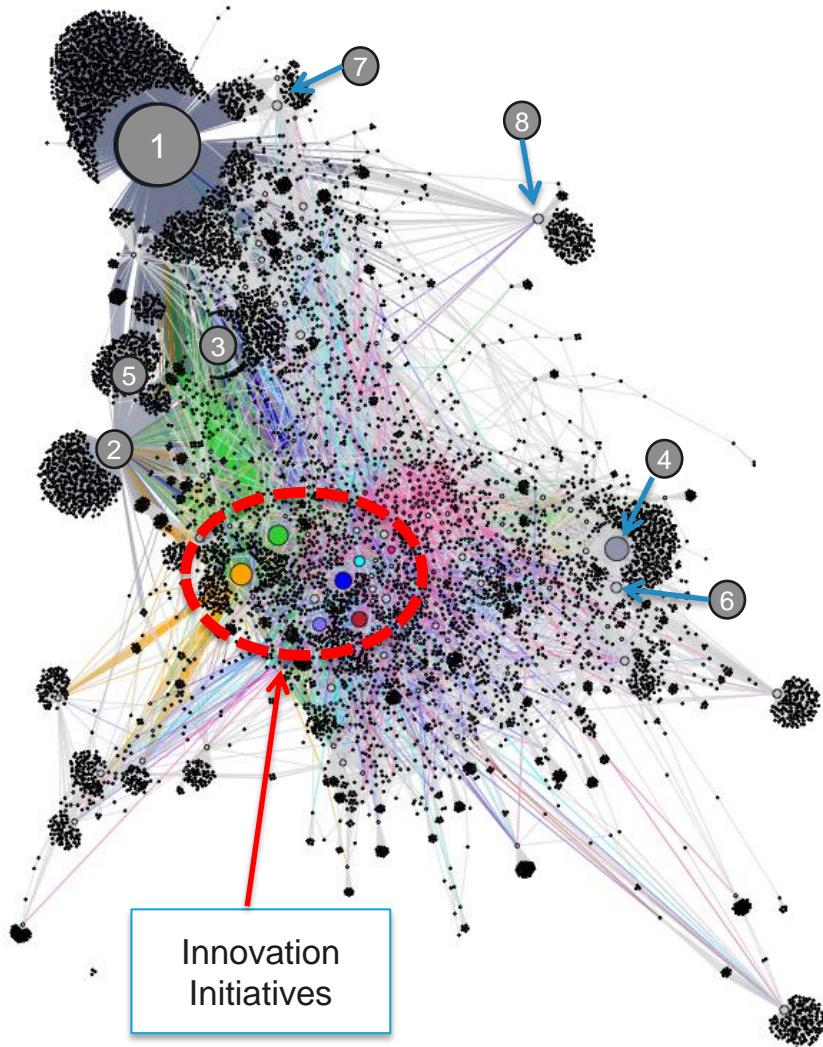


# Shift: leveraging the power of IBM's Connections

The screenshot displays the IBM Connections profile for Miguel Angel Lozano Martinez. The navigation bar at the top includes 'Global Initiatives' and 'Shift Apps'. The profile header shows 'Miguel Angel Lozano Martinez' with a search bar and 'Profiles by Name'. The main content area includes a profile picture, contact information (Innovation Team, 805234604, miguelangel.lozano@cemex.com), and a 'The Board' section with three entries. A 'Shift Awards' sidebar on the right shows '1 Thanks Received' and '1 Unique people'. A red 'feedback' box is overlaid on the left side of the profile.

# Community Memberships @ Shift

Network graph as of December 31<sup>th</sup>, 2010



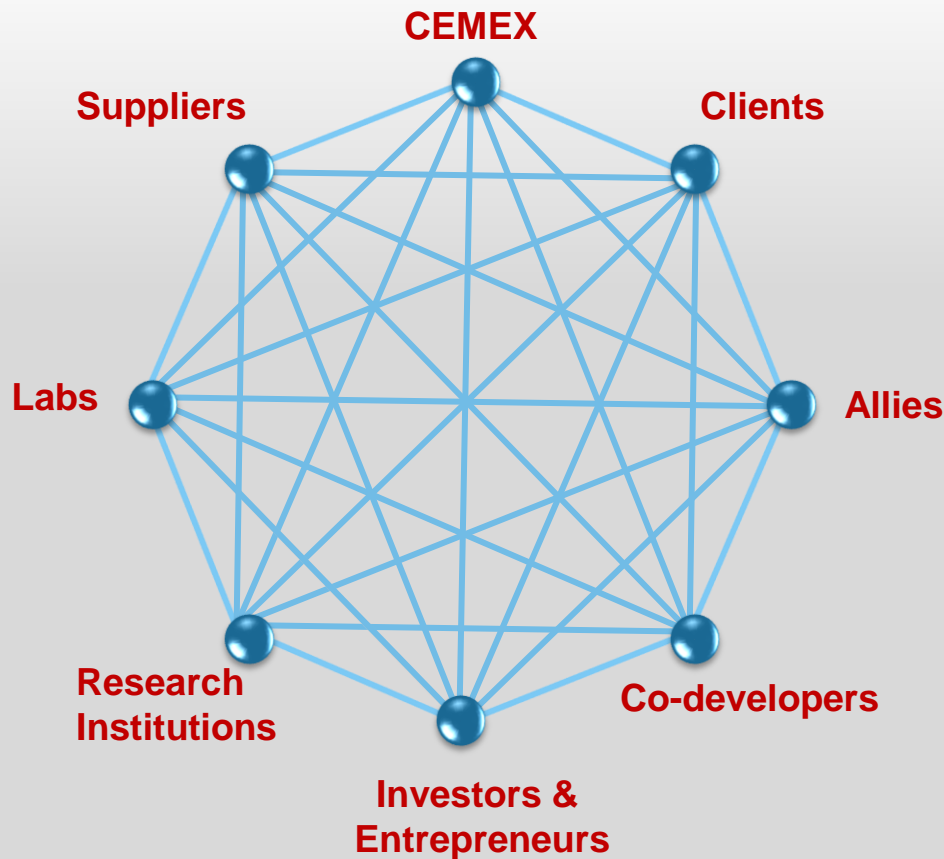
**+1,600 unique participants in Global Initiatives (+2,400 memberships)**

- Improve Clinker Factor Reduction
- Alternative fuels and biomass
- Promote Development & Sales of New RM Products
- Construction: 21st Century
- Infrastructure Projects
- Value Propositions Aligned to Market Needs

**+ 9,700 unique participants in non-Global Initiatives (+11,700 memberships)**

- 1 Optimización de Procesos México e Integración a SAP
- 2 Seguridad en las Operaciones de Cemento Mexico y SAC (
- 3 LEGACY
- 4 PLAN DE COMPENSACIÓN FLEXIBLE
- 5 Concretos & Agregados Centroamérica
- 6 PLAN DE FORMACIÓN INTERNA
- 7 MEXICO - Administración Comercial
- 8 Soporte SAP Consultores Jr.

# Result: An agile, efficient, and globally integrated enterprise



- Facilitates and articulates collaborative networks through a Central Unit
- Enables the participation of all the talent available in the organization
- All accumulated expertise becomes available to all work units
- Keeps a culture of knowledge - generating and sharing alive
- Gives each market the global intellectual capital of all CEMEX in an quick and effective manner

# Thank You

For further reference, contact:

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