Aleris International, Inc.
Form 4
December 28, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Brahman Capital Corp.

(Last) (First) (Middle)

655 THIRD AVENUE, 11TH FLOOR

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Aleris International, Inc. [ARS]

3. Date of Earliest Transaction (Month/Day/Year)
12/19/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
_____ Officer (give title below) __X__ Other (specify below)
Former 10% Owner

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, pare value $.10 per share	12/19/2006		U		3,585,600	D	$ 52.5	0	I	See footnotes (1) (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Brahman Capital Corp. 655 THIRD AVENUE 11TH FLOOR NEW YORK, NY 10017				Former 10% Owner

Signatures

/s/ Brahman Capital Corp.	12/29/2006
**Signature of Reporting Person	Date
/s/ Brahman Management, L.L.C.	12/29/2006
**Signature of Reporting Person	Date
/s/ Peter A. Hochfelder	12/29/2006
**Signature of Reporting Person	Date
/s/ Robert J. Sobel	12/29/2006
**Signature of Reporting Person	Date
/s/ Mitchell A. Kuflik	12/29/2006
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Brahman Capital Corp. serves as investment manager to a number of investment funds (including Brahman Partners II, L.P., Brahman Partners III, L.P., Brahman Institutional Partners, L.P., BY Partners, L.P., Brahman C.P.F. Partners, L.P., Brahman Partners II Offshore, Ltd., Brahman Partners IV, L.P. and Brahman Partners IV Offshore, Ltd.) and manages investments for certain entities in managed accounts with respect to which it has voting and dispositive authority over the Common Stock reported in this Form 4. Peter A.

Hochfelder, Mitchell A. Kuflik and Robert J. Sobel are executive officers and directors of Brahman Capital Corp. and have the ability to control the decisions of Brahman Capital Corp. with respect to the assets of such investment funds and managed accounts.

(2) Brahman Management, L.L.C. is the general partner of certain of the investment funds for which Brahman Capital Corp. serves as investment manager (including Brahman Partners II, L.P., Brahman Partners III, L.P., Brahman Institutional Partners, L.P., BY Partners, L.P., Brahman C.P.F. Partners, L.P. and Brahman Partners IV, L.P.). Peter A. Hochfelder, Mitchell A. Kuflik and Robert J. Sobel are the managing members of Brahman Management, L.L.C. and have the ability to control the decisions of Brahman Management, L.L.C. with respect to the assets of such investment funds.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 25% 22% 18% US dollar 58% 68% --- --- Long-term 75% 78% 82% Euro 22% 17% --- --- Cash and cash equivalents 1,297 316 310% 342 British pound 12% 0% --- --- Fair value of cross-currency swaps(2) 126 N/A N/A Yen 7% 15% --- --- Net debt(2) 10,435 5,352 95% 5,588 Other 1% 0% --- --- Interest expense 105 90 17% 98 Interest rate --- --- Interest coverage 6.8 5.7 6.8 Fixed 53% 64% --- --- Net debt/EBITDA 3.2 2.4 2.2 Variable 47% 36% --- --- === In millions of US dollars, except ratios, which are calculated for the last-twelve-month period. Other developments On April 15, 2005, CEMEX issued two tranches under its Medium-Term Promissory Notes Program ("Certificados Bursatiles"). The first tranche of notes consists of MXN 2,140 million with a maturity of four years at an interest rate equal to the 91-day Mexican treasury (CETES) plus 99 basis points. The second tranche of notes consists of seven-year MXN 1,500 million at a fixed interest rate of 11.54%. Both tranches were swapped to US dollars at fixed rates of 5.04% and 5.33%, respectively. During the quarter we successfully completed the general syndication for the funds required for the acquisition of RMC, with additional commitments of US$1.0 billion. Overall, during the underwriting phase and general syndication we received commitments of more than two times the funds needed to acquire RMC, with the participation of 61 banks. ____________________________ (1) EBITDA and free cash flow (calculated as set forth above) are presented herein because CEMEX believes that they are widely accepted as financial indicators of its ability to internally fund capital expenditures and to service or incur debt. EBITDA and free cash flow should not be considered as indicators of CEMEX's financial performance, as alternatives to cash flow, as measures of liquidity, or as being comparable to other similarly titled measures of other companies. EBITDA is reconciled above to operating income, which CEMEX considers to be the most comparable measure as determined under generally accepted accounting principles in Mexico (Mexican GAAP). Free cash flow is reconciled to EBITDA. CEMEX is not required to prepare a statement of cash flows under Mexican accounting principles and, as such does not have such Mexican-GAAP cash-flow measures to present as comparable to EBITDA or free cash flow. (2) During 2004, the Mexican Institute of Public Accountants issued Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", which is effective beginning January 1, 2005. Bulletin C-10 details and supplements issues related to the accounting of derivative financial instruments. Among other aspects, Bulletin C-10 precludes the presentation of two financial instruments as If they were a single instrument (synthetic presentation). For this reason, beginning this year, CEMEX recognizes the assets and liabilities resulting from the fair value of cross-currency swaps ("CCS") separately from the financial debt and such debt will be presented in the currencies originally negotiated. Starting in 2001, CEMEX has effectively changed the original profile of interest rates and currencies of financial debt associated to CCS, and accordingly, until December 31, 2004, financial debt subject to these instruments was presented in the currencies negotiated in the CCS, through the recognition within debt, of the assets or liabilities resulting from the fair value of such CCS. This reclassification will have no impact on stockholders' equity or net income. For presentation purposes, net debt will include the fair value of CCS associated with debt.

-- Please refer to the end of this report for definitions of terms, Page 2 US dollar translation methodology, and other important disclosures. CEMEX Equity-Related Information [logo omitted] -- One CEMEX ADR represents five CEMEX CPOs. The following amounts are expressed in CPO terms. Beginning-of-quarter CPO-equivalent units outstanding 1,697,492,965 -- Exercise of stock options not hedged 213,002 Less increase (decrease) in the number of CPOs held in subsidiaries (443,245) End-of-quarter CPO-equivalent units outstanding 1,698,149,212 -- Outstanding units equal total shares issued by CEMEX less shares held in subsidiaries. Employee long-term compensation plans As of March 31, 2005, directors, officers, and other employees under our employee stock-option plans had 162,105,510 outstanding options. Starting in 2005, CEMEX will begin offering executives a stock-ownership program. The plan's goal is to move CEMEX's long-term incentives from stock options to programs based on restricted stock. As of March 31, 2005, 92% of executives' total outstanding options can only be exercised into restricted stock, instead of cash. The maximum claim of these options would represent 2.9% of our total CPOs outstanding as of March 31, 2005. Derivative Instruments -- CEMEX periodically utilizes derivative financial instruments such as interest-rate and currency swaps, currency and equity forward contracts, and options in order to execute its corporate financing strategy and to hedge its stock-option plans. The following table shows the notional amount for each type of derivative instrument and the aggregate fair market value for all of CEMEX's derivative instruments as of the last day of each quarter presented. First quarter (2) Fourth quarter (2) ------------------- ------------------- Notional amounts 2005 2004 2004 --- Equity(1) 1,224 1,109 1,157 Foreign-exchange 3,709 2,654 6,016 Interest-rate 4,427 2,223 2,118 --- Estimated aggregate fair market value (112) (278) 97 --- In millions of US dollars. The estimated aggregate fair market value represents the approximate settlement result as of the valuation date, based upon quoted market prices and estimated settlement costs, which fluctuate over time. Fair market values and notional amounts do not represent amounts of cash currently exchanged between the parties; cash amounts will be determined upon termination of the contracts considering the notional amounts and quoted market prices as well as other derivative items as of the settlement date. Fair market values should not be viewed in isolation but rather in relation to the fair market values of the underlying hedge transactions and the overall reduction in CEMEX's exposure to the risks being hedged. Note: Mexican GAAP ("Bulletin C-2") requires companies to recognize all derivative financial instruments in the balance sheet as assets or liabilities, at their estimated fair market value, with changes in such fair market values recorded on the income statement. The exceptions to the general rule until December 31, 2004, as they pertained to CEMEX, occurred when transactions were entered into for cash-flow hedging purposes. In such cases, changes in the fair market value of the related derivative instruments were recognized temporarily in equity and were reclassified into earnings as the inverse effects of the underlying hedged items flowed through the income statement. Beginning in 2005, new Bulletin C-10, "Derivative Financial Instruments and Hedging Activities", establishes the framework for hedge accounting and overrides Bulletin C-2 in this respect; however, in respect to cash-flow hedges, the new rules are the same as those applied by CEMEX since 2001. CEMEX has recognized increases in assets and liabilities, which resulted in a net asset of US$41 million, arising from the fair market value recognition of its derivatives portfolio as of March 31, 2005. The notional amounts of derivatives substantially match the amounts of underlying assets, liabilities, or equity transactions on which the derivatives are being entered into. ________________________ (1) The aggregate weighted-average exercise price on March 31, 2005, for CEMEX's outstanding stock options was US$35.86 per ADR. On that same date, the aggregate weighted-average strike price of CEMEX's equity-forward agreements put in place to hedge these stock options was US$36.58 per ADR. (2) Notional amounts and fair market values at the end of first quarter 2005 include derivative positions of RMC. First and fourth quarters of 2004 presented above do not include RMC.

-- Please refer to the end of this report for definitions of terms, Page 3 US dollar translation methodology, and other important disclosures. CEMEX Other Activities [logo omitted] -- CEMEX completes acquisition of RMC On March 1, 2005, CEMEX announced that it had completed the acquisition of RMC. The boards of directors of

CEMEX and RMC, as well as RMC shareholders, European Union and US regulators, and the High Court of Justice in England and Wales approved the acquisition. The equity value of the transaction was US$4.1 billion (net of received proceeds from our GBP/USD derivatives put in place to hedge the equity value). With the integration of RMC, CEMEX has an estimated 97 million metric tons of cement, enhancing its position as the third-largest cement company in the world. With RMC, CEMEX is now the largest ready mix company in the world, with a production capacity of 77 million cubic meters of ready-mix concrete, and is also the fourth-largest aggregates company in the world. The addition of RMC improves the balance of CEMEX's portfolio by diversifying cash flows, better positioning CEMEX for profitable growth throughout business and economic cycles. RMC's leading position in Europe extends CEMEX's reach into new markets that complement CEMEX's solid position in the Americas, increasing trading opportunities and expanding CEMEX's ability to serve more customers. CEMEX expects to achieve annual synergies in excess of US$200 million of by 2007 by standardizing some management processes, capitalizing on trading network benefits, consolidating logistics and improving global procurement and energy efficiency. The acquisition is expected to be immediately accretive to free cash flow and cash earnings per share for CEMEX. CEMEX expects that the acquisition will achieve its target of 10% return on capital employed in 2007 and expects to achieve a ratio of net debt to EBITDA of 2.7 times by the end of 2005. This would be the same level of net debt to EBITDA that CEMEX had at the end of 2003. CEMEX completes sale of U.S. assets On March 31, 2005, CEMEX announced that it completed the sale of certain CEMEX assets in the Great Lakes region of the United States to Votorantim Participacoes S.A. Votorantim acquired the Charlevoix and Dixon-Marquette cement plants and certain distribution terminals located in the Great Lakes region. CEMEX began evaluating alternatives to divest these assets in 2004, after reviewing its strategic position in the U.S. The transaction was structured as a sale of assets. The value of the transaction was approximately US$389.5 million. Total production capacity of both cement plants is close to 2 million metric tons per year, which represented approximately nine percent of the 2004 operating cash-flow generation of CEMEX's US business prior to the RMC acquisition. -- Please refer to the end of this report for definitions of terms, Page 4 US dollar translation methodology, and other important disclosures. CEMEX Operating Results--Mexico [logo omitted] -- Net sales were US$682 million, representing a decrease of 2% versus first quarter 2004. Domestic cement volume decreased 7% versus first quarter 2004, while ready-mix volume increased 12%. Cement demand during the quarter was affected by adverse weather - particularly during the first two months of the year - and fewer business days as a result of the earlier occurrence of religious holidays, which last year took place during the second quarter. Adjusting for the fewer business days in the quarter, cement volumes would have decreased 2% versus first quarter 2004. The main driver of cement demand in Mexico during the first quarter was the residential sector. Low-income housing - and, to a lesser extent, middle-and high-income housing supported by gradually increasing commercial bank financing - remains strong. The infrastructure and the self-construction sectors remain stable. Average realized cement price decreased 3% in constant pesos, and increased 1% in dollar terms, versus first quarter 2004. Compared to fourth quarter 2004, cement prices increased 2% in constant peso terms and 4% in dollar terms. The average ready-mix price decreased 1% in constant peso terms and increased 3% in dollar terms compared with first quarter 2004. The EBITDA margin decreased to 41.1% from 45.3% in first quarter 2004. The decrease of 4.2 percentage points was due mainly to a change in the product mix resulting from a higher proportion of ready-mix and multiproduct sales, higher fuels costs, and lower volumes. United States -- (Results exclude the effect of the consolidation of RMC) Net sales were US$491 million, representing an increase of 22% compared with first quarter 2004. Domestic cement volume remained flat versus first quarter 2004 while ready-mix volume increased 6%. Construction activity remains strong, with month-over-month increases in construction spending since May 2003. Cement and ready-mix sales continue to be driven by increased spending in infrastructure - streets and highways in particular - and residential construction. However, unfavorable weather conditions during the quarter, especially in the western United States, have affected cement demand; precipitation in CEMEX markets during the quarter was up 25% compared to that in first quarter of 2004. The average realized cement price increased 18% versus first quarter 2004, while the average ready-mix price increased 25% over the same period. The EBITDA margin increased to 21.9% from 18.4% in first quarter 2004. The increase of 3.5 percentage points was due mainly to higher cement and ready-mix prices, which were partially offset by higher fuel, import, and transportation costs. Spain -- (Results exclude the effect of the consolidation of

RMC) Net sales were US$335 million, representing an increase of 15% versus first quarter 2004. Domestic cement volume increased 4% over that of first quarter 2004 while ready-mix volume increased 5%. The residential sector continues to be one of the main drivers of demand, with increased housing starts. Public-works spending is also growing and represents an important component of cement consumption; the sector's primary catalyst continues to be Spain's infrastructure plan. The average domestic cement price increased 5% in euro terms and 11% in dollar terms compared with first quarter 2004. The average ready-mix price increased 4% in euro terms and 10% in dollar terms versus first quarter 2004. The EBITDA margin increased to 33.6% from 31.2% in first quarter 2004. The increase of 2.4 percentage points was due mainly to better cement and ready-mix volumes and prices, offsetting higher fuel costs. -- Please refer to the end of this report for definitions of terms, Page 5 US dollar translation methodology, and other important disclosures. CEMEX Venezuela [logo omitted] -- Net sales were US$80 million, representing an increase of 7% versus first quarter 2004. Domestic cement volume increased 8% in first quarter 2005 versus the same period in 2004, while ready-mix volume decreased 3%. The Venezuelan economy is being driven, in part, by public spending due mainly to higher oil revenues. Consumer credit has risen 60% versus last year's levels and has in turn increased consumer spending. The main drivers of cement demand during the quarter were the self-construction and commercial sectors. Construction from the private sector is increasing as confidence in the economy recovers. Export volume decreased 11% compared with first quarter 2004. Exports to North America, and to Central America and the Caribbean accounted for 66% and 34%, respectively, of CEMEX Venezuela's first-quarter exports. Domestic cement prices decreased 4% in constant bolivar terms and increased 2% in dollar terms compared with first quarter 2004. The average ready-mix price increased 8% in constant bolivar terms and increased 15% in dollar terms compared with first quarter 2004. The EBITDA margin increased to 42.5% from 41.9% in first quarter 2004. The increase of 0.6 percentage points was due mainly to the change in the product mix resulting from higher domestic cement and ready-mix volumes and lower export volumes, offsetting higher fuel and electricity costs. Colombia -- Net sales were US$60 million, representing an increase of 5% over first quarter 2004. Domestic cement volume increased 28% in first quarter 2005 versus the same quarter last year, while ready-mix volume increased 3%. The main driver of cement demand during the quarter was the self-construction sector and to a lesser extent, the commercial sector. Public spending, which did not increase during last year, is now showing signs of recovery, with new projects underway in several regions of the country. Average realized cement price decreased 34% in Colombian pesos and 25% in dollar terms versus first quarter 2004 due to competitive pressures in the market while the average ready-mix price decreased 2% in Colombian pesos and rose 12% in dollar terms. The EBITDA margin decreased to 35.9% from 59.3% in first quarter 2004. The decrease of 23.4 percentage points was due to lower cement prices and higher fuel costs. Other Operations -- (Results exclude the effect of the consolidation of RMC) Net sales for our Central American and Caribbean operations increased 2% versus first quarter 2004, reaching US$159 million. Domestic cement volume increased 2% as all of our markets in the region, with the exception of the Dominican Republic, increased their cement volumes. Ready-mix volume increased 8% due to increased volumes in all of our markets, with the exception of Puerto Rico. In Egypt, net sales and EBITDA increased 40% and 67%, respectively, while domestic cement volume increased 9%, versus first quarter 2004. Domestic cement prices increased 17% in Egyptian pound terms and 25% in dollar terms versus first quarter 2004. The increase in cement sales volumes reflects increased confidence in the Egyptian economy; tourism revenues and private construction have increased. The housing and infrastructure sectors have been the main drivers of demand during the quarter. Our Asian operations increased their net sales by 15% compared with first quarter 2004. EBITDA was 22% higher during the quarter, due mainly to better prices in dollar terms. Domestic cement volume for the region remained flat for the quarter, as lower volumes in the Philippines were offset by higher volumes in Thailand and Bangladesh. Our weighted-average domestic cement prices in the region increased 13% during the quarter versus the comparable period in 2004. The EBITDA margin for the region increased 1.8 percentage points, to 30.0% from 28.2%, in first quarter 2004, due mainly to the recovery of cement prices and a reduction in SG&A expenses. -- Please refer to the end of this report for definitions of terms, Page 6 US dollar translation methodology, and other important disclosures. Consolidated Income Statement & Balance Sheet Includes one-month results of RMC ending March 31, 2005. Results for first quarter 2004 do not include RMC CEMEX S.A. de C.V. AND SUBSIDIARIES (Thousands of U.S. Dollars, except per ADR amounts)

January - March First quarter INCOME STATEMENT 2005 2004 % Var. 2005 2004 % Var.
-- Net Sales 2,585,242 1,808,960 43% 2,585,242 1,808,960 43% Cost of Sales (1,538,372) (1,032,963) 49% (1,538,372) (1,032,963) 49%
-- Gross Profit 1,046,870 775,997 35% 1,046,870 775,997 35% Selling, General and Administrative Expenses (606,641) (383,164) 58% (606,641) (383,164) 58%
-- Operating Income 440,229 392,833 12% 440,229 392,833 12% Financial Expenses (105,409) (89,907) 17% (105,409) (89,907) 17% Financial Income 7,050 4,863 45% 7,050 4,863 45% Exchange Gain (Loss), Net (38,931) 12,179 N/A (38,931) 12,179 N/A Monetary Position Gain (Loss) 50,932 128,391 (60%) 50,932 128,391 (60%) Gain (Loss) on Marketable Securities 182,244 (11,244) N/A 182,244 (11,244) N/A Total Comprehensive Financing (Cost) Income 95,886 44,281 117% 95,886 44,281 117% Other Expenses, Net (28,801) (75,556) (62%) (28,801) (75,556) (62%)
-- Net Income Before Income Taxes 507,314 361,558 40% 507,314 361,558 40% Income Tax (63,922) (43,129) 48% (63,922) (43,129) 48% Employees' Statutory Profit Sharing (2,711) (2,292) 18% (2,711) (2,292) 18% Total Income Tax & Profit Sharing (66,633) (45,421) 47% (66,633) (45,421) 47%
-- Net Income Before Participation of Uncons. Subs. and Ext. Items 440,681 316,137 39% 440,681 316,137 39% Participation in Unconsolidated Subsidiaries 6,273 2,028 209% 6,273 2,028 209% Consolidated Net Income 446,954 318,165 40% 446,954 318,165 40% Net Income Attributable to Min. Interest 3,024 6,886 (56%) 3,024 6,886 (56%) MAJORITY INTEREST NET INCOME 443,930 311,279 43% 443,930 311,279 43%
-- EBITDA 633,203 556,518 14% 633,203 556,518 14% Earnings per ADR 1.31 0.96 36% 1.31 0.96 36%
-- As of March 31 BALANCE SHEET 2005 2004 % Var.
-- Total Assets 26,470,681 16,457,796 61% Cash and Temporary Investments 1,296,537 315,511 311% Trade Accounts Receivables 1,678,820 466,017 260% Other Receivables 788,371 555,613 42% Inventories 1,190,353 633,027 88% Other Current Assets 145,275 95,079 53% Current Assets 5,099,356 2,065,247 147% Fixed Assets 13,623,759 9,149,523 49% Other Assets 7,747,566 5,243,027 48%
-- Total Liabilities 17,819,731 9,655,673 85% Current Liabilities 5,875,724 3,053,011 92% Long-Term Liabilities 8,909,154 4,443,278 101% Other 3,034,854 2,159,384 41% Liabilities -- Consolidated Stockholders' Equity 8,650,950 6,802,123 27% Stockholders' Equity Attributable to Minority Interest 551,570 418,639 32% Stockholders' Equity Attributable to Majority Interest 8,099,379 6,383,484 27%

-- Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 7 and other important disclosures. Consolidated Income Statement & Balance Sheet Includes one-month results of RMC ending March 31, 2005. Results for first quarter 2004 do not include RMC CEMEX S.A. de C.V. AND SUBSIDIARIES (Thousands of Mexican Pesos in real terms as of March 31, 2005 except per ADR amounts) January - March First quarter INCOME STATEMENT 2005 2004 % Var. 2005 2004 % Var.
-- Net Sales 28,851,299 21,489,533 34% 28,851,299 21,489,533 34% Cost of Sales (17,168,231) (12,271,085) 40% (17,168,231) (12,271,085) 40%
-- Gross Profit 11,683,067 9,218,448 27% 11,683,067 9,218,448 27% Selling, General and Administrative Expenses (6,770,109) (4,551,793) 49% (6,770,109) (4,551,793) 49%
-- Operating Income 4,912,958 4,666,655 5% 4,912,958 4,666,655 5% Financial Expenses (1,176,365) (1,068,050) 10%

(1,176,365) (1,068,050) 10% Financial Income 78,683 57,768 36% 78,683 57,768 36% Exchange Gain (Loss), Net (434,474) 144,679 N/A (434,474) 144,679 N/A Monetary Position Gain (Loss) 568,400 1,525,218 (63%) 568,400 1,525,218 (63%) Gain (Loss) on Marketable Securities 2,033,843 (133,578) N/A 2,033,843 (133,578) N/A Total Comprehensive Financing (Cost) Income 1,070,088 526,036 103% 1,070,088 526,036 103% Other Expenses, Net (321,422) (897,568) (64%) (321,422) (897,568) (64%) -- Net Income Before Income Taxes 5,661,624 4,295,124 32% 5,661,624 4,295,124 32% Income Tax (713,365) (512,351) 39% (713,365) (512,351) 39% Employees' Statutory Profit Sharing (30,259) (27,228) 11% (30,259) (27,228) 11% Total Income Tax & Profit Sharing (743,624) (539,579) 38% (743,624) (539,579) 38% -- Net Income Before Participation of Uncons. Subs. and Ext. Items 4,918,000 3,755,545 31% 4,918,000 3,755,545 31% Participation in Unconsolidated Subsidiaries 70,011 24,096 191% 70,011 24,096 191% Consolidated Net Income 4,988,011 3,779,641 32% 4,988,011 3,779,641 32% Net Income Attributable to Min. Interest 33,748 81,803 (59%) 33,748 81,803 (59%) MAJORITY INTEREST NET INCOME 4,954,263 3,697,838 34% 4,954,263 3,697,838 34% -- EBITDA 7,066,544 6,611,158 7% 7,066,544 6,611,158 7% Earnings per ADR 14.59 10.68 37% 14.59 10.68 37% -- As of March 31 --------------------------- BALANCE SHEET 2005 2004 % Var. -- Total Assets 295,412,799 195,510,327 51% Cash and Temporary Investments 14,469,357 3,748,112 286% Trade Accounts Receivables 18,735,632 5,536,046 238% Other Receivables 8,798,217 6,600,408 33% Inventories 13,284,341 7,520,039 77% Other Current Assets 1,621,272 1,129,485 44% Current Assets 56,908,818 24,534,091 132% Fixed Assets 152,041,149 108,691,721 40% Other Assets 86,462,832 62,284,516 39% --- Total Liabilities 198,868,201 114,704,533 73% Current Liabilities 65,573,077 36,268,227 81% Long-Term Liabilities 99,426,157 52,783,906 88% Other Liabilities 33,868,967 25,652,399 32% --- Consolidated Stockholders' Equity 96,544,598 80,805,793 19% Stockholders' Equity Attributable to Minority Interest 6,155,525 4,973,217 24% Stockholders' Equity Attributable to Majority Interest 90,389,073 75,832,576 19% -- -- Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 8 and other important disclosures. Operating Summary per Country In thousands of U.S. dollars January - March First quarter ------------------------- ------------------------ NET SALES 2005 2004 % Var. 2005 2004 % Var. --- Mexico 681,650 696,946 (2%) 681,650 696,946 (2%) U.S.A. 490,842 403,966 22% 490,842 403,966 22% Spain 334,569 291,915 15% 334,569 291,915 15% Venezuela 80,146 75,226 7% 80,146 75,226 7% Colombia 59,819 56,834 5% 59,819 56,834 5% Egypt 59,513 42,637 40% 59,513 42,637 40% Central America & the Caribbean region 159,340 155,712 2% 159,340 155,712 2% Asia region 56,791 49,554 15% 56,791 49,554 15% --- RMC operations (1) 628,750 N/A N/A 628,750 N/A N/A --- Others and intercompany eliminations 33,823 36,170 (6%) 33,823 36,170 (6%) --- TOTAL 2,585,242 1,808,960 43% 2,585,242 1,808,960 43% == GROSS PROFIT --- Mexico 369,217 400,249 (8%) 369,217 400,249 (8%) U.S.A. 162,037 123,783 31% 162,037 123,783 31% Spain 130,730 105,759 24% 130,730 105,759 24% Venezuela 33,443 31,162 7% 33,443 31,162 7% Colombia 23,624 34,313 (31%) 23,624 34,313 (31%) Egypt 31,997 20,434 57% 31,997 20,434 57% Central America & the Caribbean region 46,945 55,852 (16%) 46,945 55,852 (16%) Asia region 22,564 19,586 15% 22,564 19,586 15%

-- RMC operations (1) 210,397 N/A N/A 210,397 N/A N/A
-- Others and intercompany eliminations 15,916 (15,141) N/A 15,916 (15,141) N/A
-- TOTAL 1,046,870 775,997 35% 1,046,870 775,997 35%
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OPERATING INCOME
-- Mexico 241,709 277,499 (13%) 241,709 277,499 (13%) U.S.A. 66,041 35,413 86% 66,041 35,413 86% Spain 91,808 71,438 29% 91,808 71,438 29% Venezuela 20,185 20,793 (3%) 20,185 20,793 (3%) Colombia 13,188 26,187 (50%) 13,188 26,187 (50%) Egypt 24,343 11,725 108% 24,343 11,725 108% Central America & the Caribbean region 25,859 37,734 (31%) 25,859 37,734 (31%) Asia region 12,318 7,088 74% 12,318 7,088 74%
-- RMC operations (1) 23,161 N/A N/A 23,161 N/A N/A
-- Others and intercompany eliminations (78,381) (95,043) (18%) (78,381) (95,043) (18%)
-- TOTAL 440,229 392,833 12% 440,229 392,833 12%
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EBITDA --
Mexico 279,823 315,782 (11%) 279,823 315,782 (11%) U.S.A. 107,319 74,332 44% 107,319 74,332 44% Spain 112,354 91,214 23% 112,354 91,214 23% Venezuela 34,061 31,491 8% 34,061 31,491 8% Colombia 21,462 33,711 (36%) 21,462 33,711 (36%) Egypt 32,134 19,192 67% 32,134 19,192 67% Central America & the Caribbean region 35,333 47,232 (25%) 35,333 47,232 (25%) Asia region 17,036 13,993 22% 17,036 13,993 22%
-- RMC operations (1) 50,493 N/A N/A 50,493 N/A N/A
-- Others and intercompany eliminations (56,812) (70,427) (19%) (56,812) (70,427) (19%)
-- TOTAL 633,203 556,518 14% 633,203 556,518 14%
-- 1) Results include all RMC operations for the month of March 2005.
-- Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 9 and other important disclosures. Operating Summary per Country Does not include the effect of RMC As a percentage of net sales January - March First quarter ------------------------ ------------------------ OPERATING INCOME MARGIN 2005 2004 2005 2004 -- Mexico 35.5% 39.8% 35.5% 39.8% U.S.A. 13.5% 8.8% 13.5% 8.8% Spain 27.4% 24.5% 27.4% 24.5% Venezuela 25.2% 27.6% 25.2% 27.6% Colombia 22.0% 46.1% 22.0% 46.1% Egypt 40.9% 27.5% 40.9% 27.5% Central America & the Caribbean region 16.2% 24.2% 16.2% 24.2% Asia region 21.7% 14.3% 21.7% 14.3%

CONSOLIDATED MARGIN 21.3% 21.7% 21.3% 21.7%
-- EBITDA MARGIN --
Mexico 41.1% 45.3% 41.1% 45.3% U.S.A. 21.9% 18.4% 21.9% 18.4% Spain 33.6% 31.2% 33.6% 31.2% Venezuela 42.5% 41.9% 42.5% 41.9% Colombia 35.9% 59.3% 35.9% 59.3% Egypt 54.0% 45.0% 54.0% 45.0% Central America & the Caribbean region 22.2% 30.3% 22.2% 30.3% Asia region 30.0% 28.2% 30.0% 28.2%

CONSOLIDATED MARGIN 29.8% 30.8% 29.8% 30.8%

-- Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 10 and other important disclosures. Volume Summary Consolidated volume summary (1) Cement and aggregates: Thousands of metric tons Ready-mix: Thousands of cubic meters January - March First quarter -------------------------- ---------------------- 2005 2004 % Var. 2005 2004 % Var.

Consolidated cement volume 15,470 15,686 -1% 15,470 15,686 -1% Consolidated ready-mix volume 9,760 5,615 74% 9,760 5,615 74% Consolidated aggregates volume 19,891 8,667 130% 19,891 8,667 130%

Per-country volume summary (2) First quarter January - March -------------------- First quarter 2005 Vs. DOMESTIC CEMENT VOLUME 2005 Vs. 2004 2005 Vs. 2004 Fourth quarter 2004

-- Mexico (7%) (7%) (6%) U.S.A. 0% 0% (14%) Spain 4% 4% (0%) Venezuela 8% 8% (2%) Colombia 28% 28% 13% Egypt 9% 9% 24% Central America & the Caribbean region 2% 2% 7% Asia Region (0%) (0%) 11%

READY-MIX VOLUME

-- Mexico 12% 12% (8%) U.S.A. 6% 6% 5% Spain 5% 5% 2% Venezuela (3%) (3%) 1% Colombia 3% 3% (1%) Central America & the Caribbean region 8% 8% 18% Asia Region N/A N/A N/A

-- EXPORT CEMENT VOLUME

-- Mexico 57% 57% (1%) Spain (31%) (31%) (20%) Venezuela (11%) (11%) (23%)

-- 1) Consolidated volumes include the results of RMC for the one-month period ending March 31, 2005. Results for first quarter 2004 do not include RMC. 2) Results for each country/region do not include the results of RMC.

-- Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 11 and other important disclosures. Price Summary Does not include the effect of RMC January - March First quarter --------------- -------------- First quarter 2005 Vs. DOMESTIC CEMENT PRICE 2005 Vs. 2004 2005 Vs. 2004 Fourth quarter 2004

-- Mexico 1% 1% 4% U.S.A. 18% 18% 7% Spain 11% 11% 4% Venezuela 2% 2% 1% Colombia (25%) (25%) (21%) Egypt 25% 25% 5% Central America & the (0%) (0%) (1%) Caribbean region (2) Asia Region (2) 13% 13% 5%

-- READY-MIX PRICE

-- Mexico 3% 3% (0%) U.S.A. 25% 25% 6% Spain 10% 10% 1% Venezuela 15% 15% 0% Colombia 12% 12% 1% Central America & the Caribbean region (2) 4% 4% 2%

-- Local Currency January - March First quarter First quarter 2005 Vs. -------------- -------------- DOMESTIC CEMENT PRICE 2005 Vs. 2004 2005 Vs. 2004 Fourth quarter 2004

-- Mexico (1) (3%) (3%) 2% U.S.A. 18% 18% 7% Spain 5% 5% 5% Venezuela (1) (4%) (4%) 1% Colombia (34%) (34%) (25%) Egypt 17% 17% (1%) Central America & the N/A N/A N/A Caribbean region (2) Asia Region (2) N/A N/A N/A

-- READY-MIX PRICE

-- Mexico (1) (1%) (1%) (2%) U.S.A. 25% 25% 6% Spain 4% 4% 1% Venezuela (1) 8% 8% 1% Colombia (2%) (2%) (4%) Central America & the N/A N/A N/A Caribbean region (2)

-- 1) Local currency price variation for Mexico and Venezuela is presented in constant currency terms as of March 31, 2005. 2) Volume weighted-average price.

-- Please refer to the end

of this report for definition of terms, U.S.dollar translation methodology Page 12 and other important disclosures. Consolidated Income Statement
-- Excluding the effect of RMC operations for first quarter 2005 and 2004 CEMEX S.A. de C.V. AND SUBSIDIARIES (Thousands of U.S. Dollars, except per ADR amounts) January - March First quarter ------------------------------ ----------------------- 2005 2004 % Var. 2005 2004 % Var.
-- Net Sales 1,956,492 1,808,960 8% 1,956,492 1,808,960 8% Cost of Sales (1,120,019) (1,032,963) 8% (1,120,019) (1,032,963) 8% -- Gross Profit 836,473 775,997 8% 836,473 775,997 8% Selling, General and Administrative Expenses (419,405) (383,164) 9% (419,405) (383,164) 9%
-- Operating Income 417,068 392,833 6% 417,068 392,833 6% Financial Expenses (102,163) (89,907) 14% (102,163) (89,907) 14% Financial Income 6,508 4,863 34% 6,508 4,863 34% Exchange Gain (Loss), Net (38,931) 12,179 N/A (38,931) 12,179 N/A Monetary Position Gain (Loss) 50,932 128,391 (60%) 50,932 128,391 (60%) Gain (Loss) on Marketable Securities 182,244 (11,244) N/A 182,244 (11,244) N/A Total Comprehensive Financing (Cost) Income 98,590 44,281 123% 98,590 44,281 123% Other Expenses, Net (32,380) (75,556) (57%) (32,380) (75,556) (57%)
-- Net Income Before Income Taxes 483,278 361,558 34% 483,278 361,558 34% Income Tax (60,893) (43,129) 41% (60,893) (43,129) 41% Employees' Statutory Profit Sharing (2,711) (2,292) 18% (2,711) (2,292) 18% Total Income Tax & Profit Sharing (63,604) (45,421) 40% (63,604) (45,421) 40%
-- Net Income Before Participation of Uncons. Subs. and Ext. Items 419,673 316,137 33% 419,673 316,137 33% Participation in Unconsolidated Subsidiaries 3,533 2,028 74% 3,533 2,028 74% Consolidated Net Income 423,207 318,165 33% 423,207 318,165 33% Net Income Attributable to Min. Interest 2,489 6,886 (64%) 2,489 6,886 (64%) MAJORITY INTEREST NET INCOME 420,718 311,279 35% 420,718 311,279 35%
-- EBITDA 582,710 556,518 5% 582,710 556,518 5% Earnings per ADR 1.24 0.96 29% 1.12 0.96 29%

-- Please refer to the end of this report for definition of terms, U.S. dollar translation methodology Page 13 and other important disclosures. CEMEX Definition of Terms and Disclosures [logo omitted]
-- Methodology for consolidation and presentation of results CEMEX consolidates its results in Mexican pesos under Mexican generally accepted accounting principles (GAAP). For the reader's convenience, US dollar amounts for the consolidated entity are calculated by converting the constant Mexican peso amounts at the end of each quarter using the period-end MXN/US$ exchange rate for each quarter. The exchange rates used to convert results for first quarter 2005, fourth quarter 2004, and first quarter 2004 are 11.16, 11.14, and 11.12 Mexican pesos per US dollar, respectively. CEMEX's weighted-average inflation factor between March 31, 2004, and March 31, 2005, was 6.83%. Per-country figures are presented in US dollars for the reader's convenience. In the consolidation process, each country's figures (except those of CEMEX Mexico) are converted to US dollars and then to Mexican pesos under Mexican GAAP. Each country's figures presented in US dollars as of March 31, 2005, and March 31, 2004, can be converted into their original local currency amount by multiplying the US-dollar figure by the corresponding exchange rate provided below. To convert March 31, 2004, US-dollar figures for Mexico and Venezuela to constant Mexican pesos and bolivars, respectively, as of March 31, 2005, it is necessary to first convert the March 31, 2004, US-dollar figure to the corresponding local currency (using the exchange rates provided below), and then multiply the resulting amount by the inflation-rate factor provided in the table below. March 31 --------------------------- Exchange rate 2005 2004 Inflation-rate factor
-- Mexico 11.16 11.12 1.042 Spain 0.77 0.81 Venezuela 2,150 1,920 1.158 Colombia 2,376 2,678 Egypt 5.82 6.2
-- Amounts provided in units of local currency per US dollar. The Central America and Caribbean region includes CEMEX's operations in Costa Rica, the Dominican

Republic, Panama, Nicaragua, and Puerto Rico as well as our trading operations in the Caribbean region. The Asia region includes CEMEX's operations in the Philippines, Taiwan, Thailand, and Bangladesh. Definition of terms EBITDA equals operating income plus depreciation and operating amortization. Free cash flow equals EBITDA minus net interest expense, capital expenditures, change in working capital, taxes paid, dividends on preferred equity, and other cash items (net other expenses less non-operating asset disposals). Capital expenditures consist of maintenance and expansion spending on our cement, ready-mix, and other core businesses in existing markets. Working capital equals operating accounts receivable (including other current assets received as payment in kind) plus historical inventories minus operating payables. Net debt equals total debt minus the fair value of cross-currency swaps associated with debt minus cash and cash equivalents. Interest coverage is calculated by dividing EBITDA for the last twelve months by interest expense for the last twelve months (all amounts in constant currency terms). Net debt/EBITDA is calculated by dividing net debt at the end of the quarter by EBITDA (in constant currency terms) for the last twelve months. This ratio includes CEMEX's EBITDA for the last twelve months plus the estimated EBITDA of RMC for the last twelve months. Earnings per ADR The number of average ADRs outstanding used for the calculation of earnings per ADR was 339.6 million for first quarter 2005 and 324.2 for first quarter 2004. --- Page 14 CEMEX Definition of Terms and Disclosures [logo omittied] --- Effect of the purchase of RMC in our financial statements As previously mentioned, the acquisition of RMC was concluded on March 1, 2005. The consolidated financial statements of CEMEX and subsidiaries as of March 31, 2005, include the balance sheet of RMC group as of March 31, 2005, and the results of operations for the one-month period ended March 31, 2005. The processes to allocate the purchase price paid for RMC's shares of approximately US$4.1 billion, not including other direct purchase costs, to the fair values of the assets acquired and liabilities assumed, substantially began during March 2005 concurrent with the assumption of control by CEMEX; consequently, as of March 31, 2005, CEMEX is in a preliminary stage in terms of determining the fair values of the net assets of RMC, including acquired intangible assets. Therefore, as of March 31, 2005, the difference between the purchase price paid and the book value of RMC as of March 1, 2005, was fully allocated to goodwill for an amount of approximately U.S.$2.2 billion. In subsequent periods, as we move forward in our determination of the fair values of RMC's assets and liabilities, the amount of initial goodwill will be adjusted against the corresponding balance-sheet accounts. Under Mexican GAAP, entities have up to a one-year window period after the purchase to conclude the purchase-price allocation. --- Page 15